



Ministry of Railways Signs Joint Venture Agreement with the Govt. of Jharkhand

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A Joint Venture Agreement was signed today i.e. 20th January, 2017 between Ministry of Railways and Government of Jharkhand for developing railway infrastructure in the State.

- This Joint Venture agreement for development of Railway Infrastructure will
 - Provide active representation to States in the Planning and Implementation of Railway Infrastructure Projects
 - Speed up the Development of Railway Projects on state's priority
 - Generate more financial resources through participation of State & other stakeholders in the project specific subsidiaries
- Government of Jharkhand has initially identified 3 projects viz., Namkum - Kandra, Giridih - Parasnath-Madhuban, Tori - Chatra Rail Line covering a length of 222 km at a cost of Rs. 2150 Crore for taking up through the proposed JV Company after establishing their viability, bankability and financial closure.
- Governments of Kerala, Andhra Pradesh, Karnataka, Maharashtra, Odisha, Haryana, Chhattisgarh and Gujarat have already signed JV agreement with Ministry of Railways.
- Government of Jharkhand with 51% equity is the 9th State which had agreed to form a Joint Venture Company with the Ministry of Railways.
- The present railway network density in Jharkhand is 17.64 Km per 100 square Km which is the best in India and way above the national average of 2.01 Km per 100 square Km.
- Signing of these JVs will go a long way in developing infrastructure in the State of Jharkhand.
- The average outlay to Jharkhand in Railway Budget was Rs.1544.3 crore during 2014-15 to 2016-17 which is an increase of 238% over the average outlay of 457.2 crore during 2009-10 to 2013-14.

BACKGROUND:

- Indian Railways has been playing a major role in national integration by connecting the remotest places and bringing people closer to each other. Railways receive a large number of demands for network expansion as a Railway line acts as an engine of growth for the area it serves.
- Railways have a large shelf of ongoing New Line, Gauge Conversion and Doubling projects needing about Rs 3.86 lakh crores to complete. We have been trying to meet the aspirations of public within limited availability of funds.
- To expedite the projects, Railways have been trying to mobilize resources through other than Gross Budgetary Support. Towards this mission, 10 State Governments have till now agreed to share the cost of 41 ongoing projects ranging from 25% to 67% of the project cost. Some States are providing land free of cost in addition to sharing of construction cost.
- In view of the growing demands for Railway Lines in various States and huge requirement of funds to execute them, Hon'ble Minister for Railways has taken an initiative for setting up of Joint Ventures with States for focused project development, resource mobilization, land acquisition, project implementation and monitoring of critical rail projects.

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