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At Metro-II puja, Centre offers 50% funding for stuck corridor III

The Centre is ready to bear 50 per cent of the cost of the Colaba-Bandra Metro Corridor project under a joint venture model, according to Union Minister for Urban Development S Jaipal Reddy.

He was speaking on Tuesday at the foundation-stone laying ceremony of the 32-km Charkop-Bandra-Mankhurd Corridor.

President Pratibha Patil performed the bhoomi puja for the 27-station project, taken up by Reliance Infrastructure Ltd, which will provide a vital link between Navi Mumbai and the Western suburbs and connect Charkop in the north to Bandra and Mankhurd in the east.

She said, “Metro and Monorail are like capillaries and veins. The more they grow, more the body functions. With Metro and Monorail coming, the city will grow and progress.”

On taking forward the underground Colaba-Bandra corridor stuck in the slow lane because of its high estimated cost of Rs 12,000 crore, Reddy said the Public Private Partnership (PPP) model may not be suitable because of the huge cost.

He suggested an equity between the Centre and the state, on the lines of the Delhi Metro model, which, in fact, had been considered and shelved earlier by the Mumbai Metropolitan Region Development Authority (MMRDA), the nodal agency for the project.

Reddy said, “The estimated cost of Line III (Colaba-Bandra corridor) is over Rs 10,000 crore and therefore may not be suitable for the PPP model. The Centre is prepared to invest 50 per cent equity for a JV, in addition to soft loans from the Japan Bank for International Cooperation and subordinate debt.”

However, MMRDA is not in a rush to take Reddy’s offer.

“We want to start work on Corridor III at the earliest. We’re awaiting a report on commercial exploitation of underground stations. Commercial exploitation would lower the viability gap funding (VGF) substantially and then, we’ll can take a call on the model to be adopted. Once VGF comes down, we still have the PPP option open,” said Ratnakar Gaikwad, Metropolitan Commissioner. The report is expected in two months.

Earlier, MMRDA had planned to adopt the Delhi Metro model as the VGF of nearly Rs 9,000 crore had made the PPP model unviable. After constituting a Mumbai Metro Rail Corporation, the authority subsequently decided to shelve the plan.