

**GOVERNMENT OF INDIA  
RAILWAYS  
LOK SABHA**

UNSTARRED QUESTION NO:1303  
ANSWERED ON:30.11.2006  
SPECIAL PURPOSE VEHICLE FOR PARADIP- HARIDASPUR RAILWAY LINE  
Acharia Shri Basudeb

**Will the Minister of RAILWAYS be pleased to state:**

- (a) whether nine companies including Rail Vikas Nigam Limited (RVNL) have formed a consortium in the Rs. 590 crore Special Purpose Vehicle (SPV) to develop the Paradip- Haridaspur railway line;
- (b) if so, the facts in details;
- (c) whether they have signed shareholders' agreement;
- (d) if so, the details of equity picked up by these companies;
- (e) whether laying Paradip-Haridaspur railway line is cost effective;
- (f) if so, whether Railways have examined the viability of the project line of its own;
- (g) if so, the details thereof ; and
- (h) if not, the reasons therefor?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS ( SHRI R. VELU )

(a) to (h) : A Statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (h) OF LOK SABHA UNSTARRED QUESTION NO. 1303 TO BE ANSWERED ON 30.11.2006 REGARDING SPECIAL PURPOSE VEHICLE FOR PARADIP-HARIDASPUR RAILWAY LINE

(a) to (d) : Rail Vikas Nigam Limited (RVNL) and 8 other partners have signed a Shareholders Agreement on 11.10.2006 to contribute equity of Rs. 275 crores altogether and construct the new line between Haridaspur and Paradip at a hard project cost of Rs. 456 crores. The details of equity contribution is as under :-

Subscription Amount  
(Rs. in Crores)

i.	Rail Vikas Nigam Limited	133.20	
ii.	Government of Orissa		01.80
iii.	Paradip Port Trust		27.50
iv.	Steel Authority of India Ltd.		05.00
v.	Essel Mining & Industries Ltd.		30.00
vi.	Rungta Mines Limited		30.00
vii.	Jindal Steel and Power Limited		05.00
viii.	POSCO India Private Limited		27.50
ix.	MSP Limited		15.00
	Total	275.00	

(e) to (h): The project under Special Purpose Vehicle (SPV) structure is a cost –effective option. The project Internal Rate of Return (IRR) is 15.5% at hard project cost of Rs. 456 crore.