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Reliance Infra bags Rs 11k-cr Mumbai Metro-II project

fe Bureau

New Delhi, August 4: Reliance Infrastructure, which emerged as a single bidder in the second phase of Mumbai metro, has bagged the Rs 11,000 crore contract from the Mumbai Metropolitan Region Development Authority (MMRDA) to develop the 32-km stretch over a concession period of 35 years, which can be extended by 10 years. The project will be operational by 2015.

With the company already implementing metro projects worth Rs 5,241 crore in Delhi and Mumbai, this agreement takes the total exposure of the company to metro development at Rs 16,241 crore.

Reliance Infrastructure is likely to achieve financial closure for the project within nine months of signing of the contract. With the letter of agreement being awarded to the company on Tuesday, the concession agreement will be signed in 45 days

Other partners in the consortium that will implement the project on a build operate and transfer (BoT) basis include SNC Lavolin Inc of Canada, Reliance communication and MMRDA. SNC Lavolin Inc is Canada's largest engineering company which is designing an Algerian city to house 80,000 people.

Reliance Infrastructure is likely to achieve financial closure for the Mumbai Metro Phase II within nine months of signing of the contract. With the LoA being awarded to the company today, the concession agreement will be signed in 45 days.

Speaking on funding for the project a top company official said, "Out of the capital

outlay of Rs 11,000 crore for the project, we will get Rs 2,298 crore as viability gap funding from the MMRDA."

However, the company has not yet decided the mode in which it will raise the balance amount but expects to do so soon. "Deciding upon the debt:equity ratio requires preparing a financial plan. The financial plan will be ready in a couple of months. We will tie up the funds required for the project within nine months," the official added.

Mumbai Metro-II Line, which will link Navi Mumbai and the Western suburbs, connecting Charkop in the North to Bandra and then to Mankhurd in the East, will come as a respite for 12,00,000 commuters daily.