

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS**

**LOK SABHA
UNSTARRED QUESTION NO.2951
TO BE ANSWERED ON 15.12.2021**

RAIL VIKAS NIGAM LIMITED

†2951 SHRI UDAY PRATAP SINGH:

Will the Minister of RAILWAYS be pleased to State :

- (a) whether Rail Vikas Nigam Limited (RVNL) an undertaking of the Ministry of Railways has extended construction of new railway line for a private company Krishnapattnam Railway Company Limited (KRCL) and has spent more fund on this line from Railway/RVNL fund without receiving required payment from KRCL;**
- (b) if so, the outstanding amount with interest received by RVNL from this company;**
- (c) whether there is any instance of Railways amount lying with private company connecting into unsecured advance and if so, the details thereof;**
- (d) the Government rules and procedure on the above issue;**
- (e) whether the said rules have been adhered to by RVNL in this regard and if so, the details thereof; and**
- (f) if not, the action taken by the Government against defaulting?**

ANSWER

**MINISTER OF RAILWAYS, COMMUNICATIONS AND ELECTRONICS &
INFORMATION TECHNOLOGY**

(SHRI ASHWINI VAISHNAW)

(a) to (f) A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF UNSTARRED QUESTION NO.2951 BY SHRI UDAY PRATAP SINGH TO BE ANSWERED IN LOK SABHA ON 15.12.2021 REGARDING RAIL VIKAS NIGAM LIMITED

(a) to (d) Rail Vikas Nigam Limited (RVNL) has created SPV namely Krishnapattnam Railway Company Limited (KRCL).

Although KRCL has been registered as a private company, but majority shares are held by Central Government PSUs and State Government. The equity percentages of these are given below:

	Initially	Presently
RVNL	30%	49.76%
GoAP	13%	5.60%
NMDC	15%	6.40%
Krishnapattnam Port Company	30%	12.96%
Brahmnilnd	12%	5.28%
Sagarmala Dev. Co.	-	20.00%
Total Equity	270 cr.	625.00 cr.

Rail Vikas Nigam Limited (RVNL) has constructed the rail connectivity on behalf of Krishnapattnam Railway Company Limited (KRCL). This was done after entering into construction agreement between RVNL and KRCL.

The funding of this rail connectivity Project has been made as per following:-

- I) Bank Loans- ₹ 1075 cr**
- II) Equity- ₹ 625 cr.**
- III) Internal Accrual- ₹ 89 cr.**
- IV) RVNL funds- ₹ 853.84 cr.**

Contd.....2/-

Outstanding unpaid amount of RVNL is ₹ 853.84 cr. Additionally the interest on this amount as on date is ₹ 469.44 cr.

Regarding non-payment of RVNL's Bills by KRCL, relevant para 11.5 of the construction agreement stipulates:-

If expenditure incurred by RVNL out of its own funds on the project executed on behalf of KRCL on account of the failure of KRCL to make timely payment to RVNL against bills submitted to it, then RVNL shall charge interest at the Average Prime Lending Rate of RBI on the amount so spent. The interest to be charged shall be fixed from the last date of the month in which expenditure has been incurred and charged up to the date of actual payment is received from KRCL.

No railway fund has been spent on this project. As per the present procedure, Railway Ministry reimburses fund spent on railway project only..

The execution of SPV project has been carried out as per the construction agreement entered into by RVNL with SPV and the provisions of this agreement have been followed.

(e) & (f) As there is no default, questions do not arise. .
