

**GOVERNMENT OF INDIA**  
**MINISTRY OF HOUSING AND URBAN AFFAIRS**  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 702**  
**ANSWERED ON 10/02/2025**

**ESTABLISHMENT OF COMMON TRANSPORT DEPARTMENT FOR SEAMLESS  
CONNECTIVITY IN METRO CITIES**

**702. SHRI DHAIRYASHIL MOHAN PATIL:**

**Will the Minister of HOUSING AND URBAN AFFAIRS be pleased to state:**

- (a) whether Government is planning to set up a common transport department for better co-ordination and seamless connectivity in the metro railway proposed cities;
- (b) if so, the outline of functioning, jurisdiction and responsibilities of the proposed Department; and
- (c) if not, the alternative steps taken by Government to enhance co-ordination between various metro projects and other transport systems?

**ANSWER**

**THE MINISTER OF STATE IN THE MINISTRY OF HOUSING AND URBAN  
AFFAIRS**

**(SHRI TOKHAN SAHU)**

(a) to (c) 'Urban planning' is a State subject. Therefore, the respective State Governments are responsible for planning, initiating and developing urban transport infrastructure including integration amongst various modes of public transport. As per Metro Rail Policy, 2017, the Central Government considers financial assistance for Metro Rail proposals in cities or urban agglomerates based on the feasibility of the proposal and availability of resources, as and when posed by the concerned State Government.

As per Metro Rail Policy, 2017, the following options for central financial assistance for metro projects have been envisaged:

- (i) **Public Private Partnership (PPP)-** Central financing for this model is governed by the Viability Gap Funding (VGF) Scheme of the Government.

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- (ii) **Grant by the Central Government-** Central Government consider providing a grant of 10% of project cost, excluding private investment, cost of land, rehabilitation & resettlement and tax, to the state government for the construction of a metro rail project.
- (iii) **Equity Sharing Model-** In this model, projects are taken up under equal ownership of Central and State Government concerned through equal sharing of equity. Most of the metro projects are implemented under this modal only wherein a jointly owned Special Purpose Vehicle (50: 50 SPV) is formed that is managed by a Board of Directors.

In addition to above, Government of India has circulated draft Unified Metropolitan Transport Authority Act, 2016 in order to have a comprehensive implementation of an integrated urban transport system in the notified urban areas, as envisioned in the National Urban Transport Policy, 2006.

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