

GOVERNMENT OF INDIA (BHARAT SARKAR)
MINISTRY OF RAILWAYS (RAIL MANTRALAYA)
(RAILWAY BOARD)

No. 2016/W-1/Genl./SJV/Equity

New Delhi, dated 13.06.2017

The General Manager/Const., NF Ry./Guwahati
The Chief Administrative Officer/Construction
All Indian Railways

Sub:- Procedure order for release of Ministry of Railways equity to State JV Companies.

Ministry of Railways have nominated CAO/Cs of the Railways concerned as Standing Shareholders (representing MoR) in the State JV companies.

2. A new service "Infusion of Equity into various State JVs" (PB No.1117/2017-18/NR) under Plan Head 63 – Investment in non-Government Undertakings including JV/SPV has been included in the Pink Book 2017-18.
3. Equity to all State JVs will be released with a present ceiling cap of Rs.50 Cr per State JV. Equity to Project SPV will also be released through these State JV companies. Ceiling for Project SPV will be decided on case to case basis depending upon cost of project, debt : equity ratio and equity percentage held by State JV in such Project SPV companies.
4. Board (ME & FC) has approved the following procedure through which the demand of equity shall be processed, sanctioned and disbursed to ensure proper accountal and compliances of the ceiling limit prescribed for State JVC / Project SPV from time to time. Procedure to be followed is as under:-
 - 4.1 The demand of equity from State JV will be sent to CAO/C of the concerned Railway with a copy to ED(JV), Railway Board.
 - 4.2 The demand letter of equity should be made on company's letter head and signed by the CFO, Director / Managing Director concerned responsible for maintaining finances of the State JV Company.
 - 4.3 The demand letter should contain following information:
 - (a) Authorized Equity Capital and the details of equity capital account to facilitate bank transfer.
 - (b) Details of Paid up equity capital by State Govt. & by Railways as on the date of demand letter by State JVC.
 - (c) Details of utilization of paid up Capital, its break up and investment, if any.
 - (d) Projected need of equity capital during the year & purpose thereof.
 - (e) Extent of equity capital for which Share certificate has been issued.
 - (f) Share consideration money available & reasons of non-issue of share, if any.
 - (g) Board resolution seeking payment of equity capital, ceiling limit prescribed till then and other details, if any, as per Companies Act 2013.
 - (h) Resolution of shareholders meeting, authorizing or concurring the requirement for payment of equity capital.

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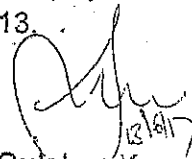
Processing at CAO/C's office.

4.4.1 The demand letter as received from State JVC will be processed by the CAG/C's office. CAO/C through FA&CAO/Const. will maintain a register for accountal of payment of equity made to the JV Company either for itself or for Project SPV under it.

4.4.2 The demand letter received shall be examined for their factual correctness, purpose for which demand has been made, compliances of items listed in para 4.3 above and will be sent to ED(JV)/Railway Board within 7 days of receipt of demand letter with the recommendation to release or to part release of the equity to the State JV Company duly ensuring that the Railway's share has not exceeded the share of State Govt.

4.4.3 The office of CAO/C will also ensure that the ceiling limit prescribed for the State JV as well as related Project SPV is not breached.

5. Timeline given above is to be kept in mind by all concerned as the entire process of release of equity from the date of demand letter to disposal/disbursal of equity needs to be completed within 30 days as per clause 62(1)(i) of companies Act 2013.

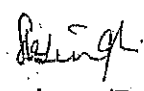

(Gulshan Kumar)
Deputy Director/JV
Railway Board-

No. 2016/W-1/Genl./SJV/Equity

New Delhi, dated 13.06.2017

Copy to:

1. FA&CAOs/All Indian Railways.
2. The Dy CAG of India (Rlys), Room No 224, Rail Bhawan, New Delhi.


for Financial Commissioner/Railways

Copy for kind information & necessary action to:-

1. Chief Secretaries: All State Governments as per list.
2. Managing Directors:
 - i) Chhattisgarh Railway Corporation Limited,
 - ii) Gujarat Rail Infrastructure Development Corporation Limited,
 - iii) Kerala Rail Development Corporation Limited
 - iv) Odisha Rail infrastructure Development Limited.

Copy for kind information to:

AM/W, AM/F, EDF/X-I, Dir/CCA & Dir/GA/Railway Board.