



Chief Minister's Sugam Transport Service

Why in News?

In the cabinet meeting held under the chairmanship of the Chief Minister, approval was given for starting the Chief Minister Sugam Transport Service for the cities and rural areas of Madhya Pradesh.

Key Points

▪ Objective:

- The main objective of this scheme is to establish a convenient, safe and well-organized passenger transport system for the passengers in the cities and rural areas of Madhya Pradesh.
- Under this scheme, bus services will be expanded on rural and ordinary routes, allowing people to travel easily and providing them regular, safe and accessible transport facilities.
- **Financial Sanction and Structure:**
 - An amount of Rs 101 crore 20 lakh has been sanctioned for this project .
 - A holding company will be formed at the state level under the [Companies Act, 2013](#) , which will integrate the control of the seven divisional companies.
 - New regional companies will be formed for Rewa and Gwalior and a three-tier structure will be created to monitor these companies.
- **Use of assets and resources:**
 - The movable and immovable assets used by the city transport companies, such as bus terminals and bus stops, will be developed in a coordinated manner by the holding company.
 - The properties developed by Municipal Corporation and other authorities will be valued and their amount will be paid by the Transport Department.
- **Amendments to the rules:**
 - In-principle approval has been given for necessary amendment in Madhya Pradesh Motor Vehicles Rules, 1994 so that adjustments can be made in the rules related to transportation.
 - Public-private partnership (PPP) model will be adopted for bus operations , through which private bus operators will be systematically regulated.

The Companies Act, 2013

- The Companies Act, 2013 came into force in India on 30 August 2013.
- This Act serves as a guide for all matters right from formation of companies in India to their dissolution.
- **'National Company Law Tribunal' (NCTL)** has been **established** under the Companies Act .
- It is noteworthy that the Companies Act, 2013 itself introduced the concept of **'One Person Company '**.

Public-Private Partnership (PPP) Model

- PPP project means a long term agreement between the government or any of its statutory bodies and the private sector for any project.

- Under this agreement, infrastructure services are provided for a fee. In this, usually both the parties together form a Special Purpose Vehicle (SPV) , which works to implement the project.
- Today , the PPP model is being promoted for investment in many important sectors of infrastructure such as roads, railways, renewable energy, ports, airports, pipelines and urban infrastructure sector etc.
- **Benefit-**
 - By adopting the PPP model the projects are completed at the right cost and on time.
 - Due to timely completion of work through PPP, the income from the scheduled projects also starts on time, which also leads to increase in the income of the government.
 - The capacity of the economy can be enhanced by increasing the productivity of labour and capital resources in completing projects.
 - The quality of work done under the PPP model is better than government work and the work is done as per the planned schedule.

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