

No K-14011/4/2009-MRTS  
Government of India  
Ministry of Urban Development  
( M.R.T.S. Cell )

Nirman Bhawan, New Delhi.  
Dated, the 26<sup>th</sup> September, 2011.

**ORDER**

In continuation of this Ministry's sanction orders No. K-14011/59/88-UD.II dated 12.11.1996, No. K-14011/20/2005-MRTS dated 30.3.2006, 4.12.2006 and No. K-14011/40/2006-MRTS dated 7.3.2008 relating to implementation of Delhi MRTS Phase I and Delhi MRTS Phase II, sanction of the President is hereby accorded to the implementation of Phase III of Delhi Mass Rapid Transit System (MRTS) Project by Delhi Metro Rail Corporation Ltd. (DMRC) for a length of 103.05 km. at an estimated completion cost of Rs. 35,242 crore including Central Taxes. The details of the sanction are as under:-

i) Alignment :

The following lines of Phase III of the project have been approved for the present:-

Sl. No.	Route name	Underground (km)	Elevated/ At Grade (km)	Total (km)	No. of stations
1	Mukundpur to Yamuna Vihar	14.386	41.311	55.697	35
2	Janakpuri West to Kalindikunj	17.288	16.206	33.494	22
3	Central Secretariat to Kashmere Gate	9.370	0.000	9.37	7
4	Jahangirpuri to Badli Corridor	0.000	4.489	4.489	3
<b>Total</b>		<b>41.044</b>	<b>62.006</b>	<b>103.050</b>	<b>67</b>

ii) Capital Cost :

The completion cost of the project is estimated at Rs.35,242 crore including Central taxes but with waiver/reimbursement of State taxes by Government of National Capital Territory of Delhi (GNCTD) over a period of five years in stages from 2011-12 to March 2016 (excluding interest during construction).

iii) Land :

The land belonging to various Ministries/Departments as well as autonomous/statutory bodies/agencies of the Government of India (GoI)/GNCTD, which is required for the project, will be taken over by GoI/GNCTD at inter-departmental transfer rates notified by the MoUD, while the Railway land required will be made



- (a) Equity of Rs. 7,497.00 crore will be shared equally by Gol and GNCTD i.e. Rs.3,748.50 crore each;
- (b) Interest free Subordinate debt of Rs. 5,100.00 crore will be shared equally by Gol and GNCTD i.e. Rs.2,550.00 crore each;
- (c) The long-term debt of Rs.14,097 crore will be raised on suitable terms from the Japan International Cooperation Agency (JICA). The JICA loan would be targeted for Phase III to the maximum possible amount in the range of 40 to 55% of the completion cost. The loan would be made available directly as Pass Through Assistance (PTA) to DMRC by Government of India on the same terms and conditions as was done for Delhi MRTS Phase I and Phase II, i.e. as rupee loan where foreign exchange fluctuation risk would be shared equally between the Gol and GNCTD.
- (d) In case of loan from India Infrastructure Finance Company Ltd. (IIFCL) or such other financial institutions, the loan would be provided with Government of India guarantee as is done for JICA loan. While considering projects for Government guarantee, the Ministry of Finance (MoF) would accord priority to this project. In order to keep the debt servicing sustainable so as to keep the debt service coverage ratio above 1.0 at all points of time, interest subsidy shall also be provided to DMRC so that the effective loan rate from these financial institutions also works out in the range of about 1.5-2% with repayment period of about 25 years i.e. almost similar to that of JICA loan to DMRC. The interest subsidy shall be serviced through a Dedicated Urban Transport Fund at Central/State Government level from the sale/rental proceeds of land and increased property value capture as well as value of higher FAR all along the MRTS corridors in Delhi.
- (e) In the case of Phase-I & Phase-II, it had been stipulated that no dividend would be paid by DMRC on Government equity till the senior debt is fully repaid by the end of the 20<sup>th</sup> year. In respect of Phase-III also such a concession would be applicable.
- (f) In respect of Phase-I & Phase-II of the Delhi MRTS projects, the operating losses were to be borne by the Gol & GNCTD. However, operating losses of Phase-III, if any, shall be borne by GNCTD only.
- (g) After taking into account, the contribution from DMRC through property development, contribution from Delhi Development Authority (DDA) as grant and loan from IIFCL and/or such other financial institutions, the year-wise requirement of funds for Phase-III from Gol, GNCTD & JICA alone would be as under: -



Government of India through levy of dedicated taxes/levies etc., capturing the increased land and property value from sale proceeds/rental (as well as increased FAR) all along the metro corridors in Delhi as envisaged in National Urban Transport Policy, 2006 to create pool of resources for replacement of assets, interest subsidy and providing operational subsidies, if any, not only for this project but other Urban Transport projects as well. 75% of the amount realized from the increased land and property value capture from sale/rental proceeds would be credited to Dedicated Urban Transport Fund at Central Government level.

- (f) Ministry of Urban Development (MoUD), Government of India will take necessary steps in regard to standardization and indigenization across all metro systems.
- (g) MoUD, Government of India will get safety certification for all metro systems done through Commissioner of Metro Railway Safety.
- (h) The DMRC shall generally adopt the guidelines of Department of Public Enterprises, the Department of Economic Affairs and the Central Vigilance Commission as necessary to strengthen the Corporate Governance and shall be subject to Parliamentary scrutiny.
- (i) The DMRC would also set up and maintain a National Level Facility as per directions of MoUD, Govt for capacity building at institutional level for research, National Database, training etc in the field of urban transport which would be managed by the Institute of Urban Transport (India), as envisaged in the National Urban Transport Policy 2006. A tripartite MoU shall be entered for this purpose between DMRC, Institute of Urban Transport (India) and MoUD, Govt.
- (j) DMRC and GNCTD along with New Delhi Municipal Council (NDMC) and Municipal Corporation of Delhi (MCD) and Delhi Cantonment Board would ensure development of facilities for pedestrians and cyclists in the catchment area of all the metro stations in Delhi. A modern ITS enabled cycle sharing facility (like Velib in Paris) would be set up and maintained by DMRC in the catchment area of all the metro stations in the metro network to promote green and clean transport.
- (k) In order to promote indigenization, the growth of industry and employment in India, the DMRC would insist on manufacturing facilities in India for majority of its procurement.
- (l) The DMRC shall generally be bound by such directions on question of policy, as the Central Government may give in writing from time to time after giving due opportunity to the DMRC to express its views before giving any direction.



Copy to :-

1. PS to UDM/PS to MoS(UD)
  2. Secretary (UD), MoUD, Nirman Bhawan, New Delhi.
  3. Chief Controller of Accounts, MoUD, Nirman Bhawan, New Delhi.
  4. Director (Media & Communications - Urban Development) (Ms. Anupama Chandra), Press Information Bureau, 702 'A' Wing, Shastri Bhavan, New Delhi.
  5. Finance Division, MoUD, Nirman Bhawan, New Delhi.
  6. Budget Section, MoUD, Nirman Bhawan, New Delhi.
- ✓ Guard file of Delhi MRTS Project.



( S.K. Lohia)

Officer on Special Duty (UT) &  
Ex- officio Joint Secretary