
HARYANA MASS RAPID TRANSPORT CORPORATION
LIMITED

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**AGENDA FOR
18TH MEETING**

(CONFIDENTIAL)

DATE 02.05.2016
TIME 11:00 AM
VENUE CS Committee Room

AGENDA FOR THE 18TH MEETING OF THE BOARD OF DIRECTORS OF HMRTC

Day & Date	MONDAY, 02.05.2016
Time	11:00 AM
Venue	CS Committee Room

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Item No 18.1

To grant Leave of Absence to the Directors

Leave of absence may be granted to the Directors who have not been able to attend the meeting.

It may be brought to the notice of the Board that as per the Companies Act 2013, every Director is required to attend at least one Board meeting during the current Financial Year. In the absence of which the Director will automatically vacate the office, even though the leave of absence might have been granted by the Board. Leave of absence will be granted against specific requests.

Item No 18.2

Confirmation of the minutes of the 17th Board Meeting of HMRTC held on 16.02.2016

The approved minutes of the 17th meeting of the Board of Directors were circulated to all the Directors of the Corporation vide memo no HMRTC-ADP/2016/AO/101-110 dated 03.03.2016 (**Annexure- I**). No observations have been received from any Director.

The Board is requested to confirm the same.

Item No 18.3

Follow up action on the decisions taken by the Board in its 17th Board Meeting of HMRTC held on 16.02.2016

Action taken report on the decisions taken in the 17th Meeting of Board of Directors is placed at **Annexure-II**. Board may take note of the same.

Item no 18.5(a)

Change in operation of Bank account No. 1183002100025357 Punjab National Bank Manimajra Branch, Chandigarh.

Board in its 8th meeting had authorized Managing Director of the company to operate all the bank accounts of the company or to delegate from time to time power to any other person to do the same by passing suitable instructions.

The Board in its 17th meeting held on 16.02.2016, resolved and authorized Sh. J. S. Redhu, Chief Town Planner (Retired), appointed as Advisor (Planning) in HMRTC, to operate the Bank Account bearing no. 1183002100025357 of Punjab National Bank, Manimajra Branch, Chandigarh on behalf of the Company. Consequent upon his resignation, Sh. Nadim Akhtar, Senior Town Planner, HUDA, Panchkula has been directed to look after the work of HMRTC. The Managing Director has authorized Sh. Nadim Akhtar to operate the Bank Account bearing no. 1183002100025357 of Punjab National Bank, Manimajra Branch, Chandigarh of the Corporation.

In suppression of the earlier resolution regarding the operation of bank accounts, Board is informed that the Company proposes to change the authorized signatory of the said account. Board may consider and grant ex-post facto approval of following resolution:-

“RESOLVED THAT in suppression of all the previous resolutions passed by the Board of Directors in their meeting, in respect of the Bank Account bearing no. 1183002100025357 of Punjab National Bank, Manimajra Branch, Chandigarh, change the authorized signatory be and is hereby revised as under:

Name	Specimen Signatures
Sh. Nadim Akhtar	1
	2

RESOLVED FURTHER THAT the above mentioned signatory, individually, be and is hereby authorized to operate the said bank account on behalf of the Company.

RESOLVED FURTHER THAT the said Bank be and is hereby informed and is authorized to honour all Cheques, Bills of Exchange, Promissory Notes, Hundis and any other instruments for payments, drawn, accepted, made and signed on behalf of the Company.

RESOLVED FURTHER THAT the resolution will remain in force unless the instructions regarding the operation of the account are given to the bank under the authority of the Board.”

Board may please note and take it on record.

Item no 18.5 (b)

**Change in operation of Bank account No. 09881131001439,
Oriental Bank of Commerce, Sector 6, Panchkula.**

In suppression of the earlier resolution regarding the operation of bank account no 09881131001439, Oriental Bank of Commerce, OBC Bhawan, Ground Floor, Sector 6, Panchkula. Board is informed that the Company proposes to change the authorized signatory of the said account. Board may consider and pass the following resolution:-

“RESOLVED THAT in suppression of all the previous resolutions passed by the Board of Directors in their meeting, in respect of the Bank Account bearing no. 09881131001439, Oriental Bank of Commerce, Panchkula, change the authorized signatory be and is hereby revised as under:

Name of the Director	Specimen Signatures
Sh. Nadim Akhtar	1
	2

RESOLVED FURTHER THAT the above mentioned signatory, individually, be and is hereby authorized to operate the said bank account on behalf of the Company.

RESOLVED FURTHER THAT the said Bank be and is hereby informed and is authorized to honour all Cheques, Bills of Exchange, Promissory Notes, Hundis and any other instruments for payments, drawn, accepted, made and signed on behalf of the Company.

RESOLVED FURTHER THAT Sh. Vikas Gupta, IAS, Managing Director be and is hereby authorized to sign & submit this resolution to bank.

RESOLVED FURTHER THAT the resolution will remain in force unless the instructions regarding the operation of the account are given to the bank under the authority of the Board.”

Item no 18.6

To Discuss the Status of Metro Projects being implemented in Haryana

The status of Metro projects implemented /being implemented in Haryana is given as under:-

1. YMCA Chowk to Ballabgarh Metro.

The Faridabad Metro from Badarpur to YMCA Chowk is being further extended upto Ballabgarh. The total length of this Metro corridor is 3.205 Kms and the total cost of the project is ₹ 651 crore. The work on this corridor has already started and the likely date of completion is December, 2017.

Requests were made to MoUD vide letter dated 10.08.2015 and 04.12.2015 to sanction the Central Financial Assistance for the project after taking into account the Central Taxes to be borne by GOI and GOH in ratio of 80:20 as subordinate debt. MoUD vide letter dated 13.04.2016 (**Annexure- III**) has requested to provide clarification /comments on the following observations for taking further necessary action in the matter:

- (i) While according in-principle approval of the project, one of the conditions is that if there is a case of operational losses in future, the same will be borne by GoH. GoH may please confirm that this condition is acceptable to them.
- (ii) All the comments of other Ministries/Department have been replied by DMRC which have been enclosed as (**Annexure IV**) with the draft PIB note. GoH is requested to endorse the same so that it could be incorporated in this Annexure.
- (iii) The observation of Ministry of Road Transport & Highways (MoRT&H) have not been complied fully by DMRC. These outstanding issues may be taken up further with MoRT&H for bringing out a resolution.

The condition (i) is open ended and blanket approval of this clause cannot be given by GoH. The extension of Delhi Metro from Badarpur to YMCA Chowk, Faridabad project and from Mundka to Bahadurgarh project were sanctioned by MoUD with the clause that "*DMRC will work out what sort of mechanism*

is feasible for operational profits/losses for a particular line in future. If there is a case of operational losses in future, the Board of Directors of DMRC would consider the issue with specific inputs from the Chief Secretary, GNCTD and Chief Secretary, Haryana."

DMRC may be requested to adopt the same provisions as approved for the extension of Delhi Metro from Badarpur to YMCA Chowk, Faridabad project and from Mundka to Bahadurgarh project

As regards condition (ii) & (iii) above, the replies given by DMRC are in order and GoH may endorse the same.

2. Mundka to Bahadurgarh Metro.

Award for 0.87 acre private land for Metro Extension in Bahadurgarh has been announced on 01.04.2016. An amount of ₹ 35.46 crore has been released on 11.04.2016.

3. Extension of Metro to Kundli, Sonapat.

MoUD has given in-Principle approval for carrying out the preparation of DPR vide letter dated 17.03.2016 (**Annexure- V**) with following additions in the ToR:

1. Alternative analysis and planning of feeder network, including pedestrian and cycle facilities in catchment area.
2. Monitoring-cum-advisory Committee is set up to review the progress of preparation of DPR.
3. Shajra Maps for land acquisition are prepared.
4. Revenue model for generating at least 50% of cost through property development and 12.5% of O&M through recurring source of revenue other than fare.
5. The Monitoring-cum-Advisory Committee' report and minutes for preparation of DPR should be forwarded to MoUD.

The above conditions have been conveyed to DMRC vide this office letter dated 20.04.2016 for incorporating in the ToR.

4. Metro Connectivity between Faridabad & Gurgaon.

The Board in its 17th meeting noted the options provided by DMRC and decided that technical feasibility for the following two spurs may be conducted:

- (i) One spur for Nehar Paar Sectors of Faridabad from Badarpur-YMCA Chowk Faridabad.
- (ii) Another spur may be planned along Mehruli-Badarpur line (proposed in phase IV), which may pass through the inhabited areas of northern Faridabad in Haryana starting from Surajkund and connect it to an appropriate Metro station located on Badarpur-YMCA Chowk Faridabad.

DMRC has been requested vide letter dated 14.03.2016 for conducting feasibility study for both the options. DMRC was also requested to send the Revised TOR which has been received on 01.04.2016. As per revised TOR (**Annexure- VI**), fees for conducting feasibility study of both the options will be ₹ 80.11 lakhs plus Service Tax and time for conducting the study would be 6 months (approx.) from the date of release of Mobilization fee. The mobilization fee amounting to ₹ 27,51,779 has also been released to DMRC on 18.04.2016.

5. Gurgaon – Manesar – Bawal Project.

Revised DPR of the project has been received on 11.01.2016. On examination of DPR, it is found that the project will be viable only through Govt. support. A presentation is being made by DMICDC on the Final Revised DPR before the Board for consideration after the Board meeting on 02.05.2016.

6. Metro connectivity to Old Gurgaon:

In order to provide Metro connectivity to the residents of old Gurgaon, DMRC has been appointed as the Consultant for conducting the feasibility study vide letter dated 20.01.2016. As per schedule given in the terms & conditions of consultancy conveyed vide letter dated 13.11.2015 by the DMRC, draft report shall be submitted within five months after the payment of mobilization fee. The fee for conducting feasibility study is ₹ 10 lakh plus service tax. Vide letter dated 24.02.2016, DMRC has demanded mobilization fee amounting to ₹ 5,72,500/- which has been released on 18.04.2016.

Item No 18.7

Financial Status and Funds requirement of HMRTC.

1. DMRC vide letter dated 13.04.2016 (**Annexure VII**) has requested to release balance amount of ₹ 276.38 crore towards the Project of **Extension of Metro to Faridabad.**

The total cost of the project for extension of Metro from Badarpur to YMCA Chowk, Faridabad is ₹ 1557.40 crores including land cost of ₹ 85 crores. An amount of ₹ 1196.02 crores has been released to DMRC and ₹ 80 crores has been used by GoH/HUDA towards land cost. GoH and IDF have contributed their entire share of ₹ 280.32 crores and ₹ 778.70 crores. The balance amount of ₹ 276.38 crores is payable to DMRC and the funds for the same are to be contributed by HUDA & HSIIDC to the tune of ₹ 140.027 crores and ₹ 136.353 crores respectively.

2. DMRC vide letter dated 13.04.2016 (**Annexure VIII**) has requested to release outstanding amount of ₹ 297.72 crore towards the Project of **Extension of Metro to Bahadurgarh.**

The total cost of the project for extension of Metro from Mundka to Bahadurgarh is ₹ 787.96 crores including land cost of ₹ 82 crores. An amount of ₹ 435.745 crores has already been released to DMRC. Hence, the balance amount payable to DMRC is ₹ 352.215 crores.

3. Further, DMRC vide letter dated 12.04.2016 (**Annexure IX**) has intimated that funds to the tune of only ₹ 65 crore have been received from GoH till date for the Project of **Metro Extension to Ballabhgarh.** DMRC has made expenditure of ₹ 114.60 crore so far on the project. It has been requested to release ₹ 250 crore immediately to DMRC to continue with the project.

The total cost of the project is ₹ 651 crores out of which the share of Haryana Government is ₹ 553.23 crores. An amount of ₹ 65 crores has been paid to DMRC and hence, ₹ 488.23 crores is required for the project.

Thus, the total funds requirements for payment to DMRC towards above projects comes to ₹ 1116.825 crores (₹ 276.38+352.215+488.23 crores).

The matter is placed before the Board for consideration and decision regarding mobilization of funds.

Item No 18.8

Transfer of Projects in the name of HMRTC.

Board is informed that that the concession agreements for the development of Metro Link from Sikanderpur Station to NH-8, Gurgaon and from Sikanderpur Station to Sector-56, Gurgaon were executed on 9.12.2009 and 03.01.2013 by HUDA on behalf of GoH and RMGL and RMGSL respectively. As per the agreements, RMGL and RMGSL have to pay non-fare revenue to HUDA.

RMGL and RMGSL have already paid ₹ 5 crore & ₹ 10 crore to HUDA respectively towards connectivity charges. Another ₹ 1.73 cr. has been deposited to HUDA by RMGL on account of advertisement rights & property development in respect of Sikanderpur Station to NH-8 project. Thus, a total of ₹ 16.73 crore have been received by HUDA so far from RMGL/ RMGSL.

The Board of HMRTC in its 9th meeting held on 26.06.2014 decided that the funds received from Rapid Metro may be taken towards the Equity of HMRTC as it will enhance the equity of HMRTC and will strengthen the financial position of the corporation. It will also enable HMRTC to raise loans at the appropriate stage for the implementation of MRTS projects in the State of Haryana.

Accordingly the matter was placed before the Council of Ministers in its meeting held on 01.06.2015 and Council of Ministers has approved the proposal and decided that the amount received from RMGL and RMGSL may be taken towards the equity of HMRTC and the paid up capital may be increased from ₹ 1 crore to ₹ 23.31 crore.

The Board of HMRTC in its meeting held on 04.06.2015 also approved the proposal to increase the paid up capital to ₹ 23.31 crore by including the proportionate shares of HUDA (₹ 3.12 cr.) & HSIIDC (₹ 2.46 Cr.). HUDA has not transferred the funds received from RMGL & RMGSL to HMRTC so far. Also HUDA & HSIIDC have not contributed their proportionate shares towards share capital.

Since HMRTC is handling all the Metro Project implemented/being implemented in State of Haryana, it is proposed that the agreements may be transferred in the name of HMRTC from HUDA so that all the amount due in future will be received by HMRTC itself. Also HUDA and HSIIDC may be impressed upon to contribute their proportionate share towards share capital.

The matter is placed before the Board for consideration.

Item No 18.9

MRTS Alignment and acquisition of land for development of Mass Rapid Transit System.

The Board is informed that HSIIDC vide letter no. HSIIDC/IPD/306-A-III/2900 dated 09.02.2016 (**Annexure- X**) has intimated that the Govt. in Industries Deptt. has notified land measuring 465A-1K-4M u/s 4 or 6 or both in villages falling under Gurgaon and Rewari districts as per details enclosed for development of Mass Rapid Transport System, a project under Delhi-Mumbai Industrial Corridor Project.

A meeting was held on 21.10.2015 under the chairmanship of CS, Haryana in which the ibid matter was discussed and it was decided that decision in this regard may be taken up separately in consultation with HMRTC. HSIIDC has requested to intimate as to whether HMRTC is interested in acquiring the said land for development of MRTS with its own funds. It is pointed out that:

- a) 465 A-1K-4Marla land has been notified by HSIIDC for the purpose. Since, the land has been notified by HSIIDC, further action regarding announcement of award is to be taken by HSIIDC.
- b) HMRTC has no institutional mechanism for acquisition of land for MRTS projects. Required funds are also not available with HMRTC for the acquisition of land.
- c) MBIR is being developed by HSIIDC and MRTS project is a supplementary project of MBIR. It is for HSIIDC to decide whether MRTS is required for the prestigious MBIR project or not? As such HMRTC cannot acquire the land for Gurgaon Manesar Bawal MRTS Project of on its own.

The matter is placed before the Board for consideration.

Item No 18.10

Grant of cure period to RMGSL for Development of Metro link from Sikanderpur Station to Sector-56 in Gurgaon

RMGSL vide letter dated 18.12.2015, has requested for grant of two cure periods of six months each as the encumbrances encountered due to external factors beyond the control of RMGSL.

The above matter was placed before the Board in its 16th meeting held on 28.12.2015 and it was intimated that there is a provision in the concession agreement signed between HUDA and RMGSL dated 03.01.2013 to provide two cure periods of six months each as per Article 14.3 and 18.4 which is reproduced hereunder:

"Two cure periods of 6 months each shall be allowed at the discretion of HUDA to complete the project after expiry of two and half years, if the delay is due to the reasons beyond concessionaire's control after which liquidated damages equivalent of 0.1% (zero point one percent) of Performance Security for delay of each day till commercial operation date (COD) will be imposed."

In 16th Board meeting it was decided that RMGSL may be asked to provide the details due to which the project has been delayed quantifying each and every activity in terms of time delays.

Board in its 17th meeting held on 16.02.2016 was informed that RMGSL vide letter dated 29.12.2015 has intimated the detailed reasons due to which the project has been delayed and quantified each and every activity in terms of time delays RMGSL

In 17th Board meeting it was decided that Chief Engineer, HUDA may be asked to verify the grounds of delay given by RMGSL and to submit the report after verification. He will verify the grounds of delay viz a viz target dates of each activity given in the PERT chart.

The said report has been received from Chief Engineer-I, HUDA vide letter dated 27.04.2016 (**Annexure XI**). Gist of report of CE-I, HUDA is as under:

- (i) CE-I, HUDA has confirmed that Genpact underpass was finalised on 23.11.2013 between DLF Ltd. and Rapid Metro whereas HUDA has

approved the proposal of underpass recently and still design is to be processed by M/s DLF.

- (ii) The work of laying new BPCL line was started in May, 2014 from Sector-42 to 56, Gurgaon whereas new BPCL pipe line was made functional in Dec. 2015. The shifting of BPCL line has not completed, thereby DLF Ltd. is not being able to provide clear ROW to M/s BPCL.
- (iii) The work of removing old BPCL pipeline was held up at Sec-T station due to dumping of material at site by Rapid Metro in Jan. 2016 & the work restarted after removing old line in Feb. 2016 by Rapid Metro. Now ROW of Sec-56 is clear & Rapid Metro is executing work.

The matter is placed before the Board for consideration and decision regarding grant of Cure period as requested by RMGSL.

Item No 18.11

Issues of RMGL and RMGSL.

RMGL has developed a Metro link from Sikanderpur Station to NH-8, Gurgaon (5.1kms). This link is already operational since November, 2013. RMGSL is developing another Metro link from Sikanderpur Station to Sector-56, Gurgaon (6.5kms).

RMGL has represented that Rapid Metro is experiencing considerably lower levels of ridership viz-a-viz projections and thus incurring huge cash losses since its commencement which accumulates to more than ₹ 206 crores. In order to ensure sustainable operations without compromising quality and safety of operations, RMGL has requested for adoption of following innovative measures to support the provisions of concession agreement:

1. Property development rights:

- a. Within the ambit of the recently announced Transit Oriented Development (TOD), notification dated 9th Feb'16, Rapid Metro be accorded Property Development Rights in the 10 acre land (located along the Golf Course road), already allotted to RMGSL for development of workshop & stabling lines. RMGL has pointed out that the Rapid Metro Project is being governed by Metro Railways (Operations and Maintenance) Act, 2002, amended in 2009, Section 6 of the Act entitles the Metro Railway administration to develop any metro railway land for commercial use. Section 6 of the Delhi Metro Railway (Operation and Maintenance) Act, 2002 reads as under:

"Section 6. Powers of metro railway administration.--(1) The metro railway administration shall have the power to do anything which may be necessary or expedient for the purpose of carrying out its functions under the Act.

(2) Without prejudice to the generality of the foregoing provisions, such power shall include the power to--

(a) acquire, hold and dispose of all kinds of properties owned by it, movable and immovable;

(b) improve, develop or alter any property or asset held by it;

(ba) develop any metro railway land for commercial use;

(bb) provide for carriage of passengers by integrated transport services or any other mode of transport;

(d) execute any lease or grant any licence in respect of the property held by it;"

- b. A similar request for property development rights to build commercial/ retail spaces in mixed use format in the land allotted towards construction of a workshop & stabling lines for RMGL has been made. Since the land related matter is currently subjudice, awaiting resolution at the High Court, RMGL shall initiate the proposal for the same once legal matters are resolved
- c. Removal for capping of leasing of retail space at 250 sq. m. per station & permission to build additional areas at the stations in line with provisions of Section 6 of Metro Railways (Operations and Maintenance) Act, 2002, amended in 2009,

2. TOD operationalisation – creation of Infrastructure development Fund (IDF)

The TOD framework envisages creation of an “Urban Infrastructure Fund” for supporting the development of mass transit corridors. Since Rapid Metro alignments have been developed in the PPP format, an appropriate mechanism needs to be evolved for corridor specific benefits to flow through to Rapid Metro.

3. Viability Gap Funding from GoI

Support of Govt. of Haryana is solicited in providing assistance for securing viability gap funding from Govt. of India.

4. Advertisement policy of Urban Local Bodies, GoH to be supportive for PPP projects like Metro

It has been apprised that RMGL has already represented to the Govt. of Haryana regarding the draft advertisement policy being proposed by the Urban Local Bodies Department Haryana. RMGL has sought exemption from additional levies being imposed on PPP projects, permitted under Section 29 of Metro Railways (Operations and Maintenance) Act, 2002, amended in 2009.

5. Integration with comprehensive mobility plan for Gurgaon

The National Urban Transport Policy issued by MoUD, GoI contemplates “enabling the establishment of quality focussed multi-modal public transport systems that are well integrated, providing seamless travel across modes”, as also envisaged in the MoU dated Dec ‘11 between MoUD & Govt. of Haryana. It has been requested to consider the following:

- a. Framing an integrated multi-modal plan for the metro, City Bus Service & other motorised as well as non-motorised modes in Gurgaon expeditiously, with integrated ticketing, for encouraging use of public transport.
- b. Govt. should consider announcing “Green” corridors along Metro alignments & other mass transit routes identified under integrated transportation network.
- c. Parking at each metro station need to be provided to enable “park & ride”. In this regard, feasibility of car parks has already been examined in the vicinity of stations & potential locations identified by the local authorities towards which a proposal is currently under consideration by the Govt. of Haryana. A suitable proposal for developing the car parks in mixed use format will be initiated once the allocation of car parks is finalised.

6. Deferment of prescribed charges payable to HUDA

In view of the continuing losses being incurred by Rapid Metro & the mounting accumulated losses, RMGL has requested that land lease charges as well as "non fare" revenue share payable to HUDA be deferred till cash breakeven is achieved by the project.

7. Connectivity charges

Connectivity charges are not being levied on any Metro project in India, since the viability of metro projects is already stretched, which is no different from the international experience in this sector. RMGL has requested that HUDA reviews this matter with a request that it be withdrawn.

It is further intimated by RMGL that improved viability arising out of the above measures would also pave the way for developing a suitable proposal with appropriate viability measures for extending the connectivity into Old Gurgaon.

8. Facilitation to RMGSL

RMGSL vide letter dated 07.04.2016 has requested to facilitate them with a funding of approx. ₹ 1500 crore against project cost of ₹ 2143 crore from NCR Planning Board which will be discharged by RMGSL. It has been intimated that RMGSL is developing metro link from Sikanderpur station to Sector -56, Gurgaon on PPP mode. PPP projects of this nature need to deal with the imperatives of lending by commercial banks which have their limitations in extending loan only at commercial rates of interest, repayment over shorter tenures with limited moratorium period. Currently RMGSL has secured its financial closure for funding of the project at 11.15 %. Infrastructure projects of this nature are much better suited to lending by multilateral agencies which offer lower interest rates, longer tenures for repayment, extended moratorium periods or a combination of the above. National Capital Region Planning Board provides funding at concessional rates to such projects in the NCR region. Some of the salient features of the

NCRPB scheme comprise funding to State Govt. / parastatal bodies, wherein Metro projects are eligible to seek funding within the scheme.

The process flow envisages lending to be done by NCRPB to the State Govt. / parastatal agency for specific project being implemented within the NCR region. Rapid Metro through RMGSL would take care of the interest and principal repayments applicable for this lending proposal of NCRPB without causing any additional liability on HUDA. The security for the loan can be the project assets itself.

Since RMGSL is already having a 98 year concession with HUDA, it has been requested to make the application for funding of approx. ₹ 1500 crore against the cost of ₹ 2143 crore of the RMGSL project from NCRPB under the purview of this scheme. RMGSL has sought 'in principle' approval of Govt. of Haryana for going ahead with following proposal:

- a) HUDA to seek lending from NCRPB towards RMGSL project – detailed application to be prepared and processed by RMGSL for submission by HUDA to NCRPB.
- b) Once the proposal is accepted by both the Govt. of Haryana and NCRPB, a tripartite agreement will be executed amongst NCRPB, HUDA & RMGSL which enumerates the respective role and responsibilities of each of the agencies, the broad principle being that NCRPB will lend to HUDA wherein RMGSL project would be the beneficiary of the loan funds – all interest and principal repayments towards this loan will be discharged by RMGSL.

Comments

Article 9 of the concession agreement entered between HUDA & RMGL on 09.12.2009 deals with Obligations of HUDA. The relevant provisions of clause no. 9.2 of the agreement are reproduced hereunder:

“The Govt. of Haryana/HUDA will not:

- 1. Provide any financial support in the form of equity or grant during construction of the project or any subsidy during operation and maintenance of the project.*
- 2. Stand guarantee for raising finance during construction and operation.*
- 3. Provide exemption from payment of taxes and duties.*
- 4. Provide any rebate on electric charges/ water charges etc., consumed during construction and operation."*

In view of above provisions of agreement, HUDA/GoH is not bound to consider the request of RMGL. However, keeping in view the hardship being faced by RMGL, request at Sr.No.1 & 5 above can be considered favourably. As 10.0 acres land has already been given on perpetual lease to RMGL for workshop & stabling lines, Property Development Rights under ToD Policy on prescribed charges can be considered. Similarly, creation of Multi Model Transport Centre can be developed to integrate Metro corridors with other models of transport. Similarly, request for deferment of prescribed charges can also be considered in consultation with HUDA.

Further, as per provision of clause 3.2(iv) of the concession agreement, Govt. of Haryana/HUDA have no objection if the concessionaire explores the possibility of availing the viability gap funding from Govt. of India. However, there is no provision to apply for loan by HUDA or GoH on behalf of RMGL.

The matter is placed before the Board for consideration.

Item no 18.12

Institutional Strategy for the construction of Metro Rail projects by HMRTC.

Board in its 12th meeting held on 30.03.2015 decided that a study may be got conducted to examine the feasibility of Metro Projects being constructed by HMRTC itself, after raising finances from lenders/market. Accordingly, Terms of reference for the study were finalized. The Board in its 15th meeting held on 29.09.2015 decided that DIMTS(lowest bidder) may be appointed as Consultants for conducting the study to examine the institutional strategy for the construction of Metro Rail Projects by HMRTC. The letter of award was given to DIMTS on 21.10.2015.

The Initial Draft Report has been received from DIMTS. The consultant has suggested following **options for implementation** of Mass Transit Project in the State.

- a. Development and operations by Government (through project SPVs)
- b. Development of system through Government Agencies and operation by the private sector PPP basis.
- c. Construction and operation by private sector on design, build, finance operate and transfer (DBFOT) basis.

The consultant has also suggested following **financing options** for implementation of Metro Projects:

- a. Public financing scheme
 - i. State Government Plan Budget.
 - ii. Viability gap funding from the State and Central Government.
 - iii. Urban Local Bodies own sources.
 - iv. Equity contribution by State and Central Government.
 - v. MP LAD and MLA fund
- b. Multilateral investment
 - 1) Loan
 - i. Asian Development Bank (ADB)
 - ii. Japan International Cooperation Agency (JICA)

- iii. World Bank.
 - iv. Agency for French Development (AFD)
 - v. Asian Infrastructure Investment Bank (AIIB)
 - vi. KfW (Reconstruction Credit institute)
- 2) Grant for Technical Assistance for preparation of project reports
- i. Asian Development Bank (ADB)
 - ii. Japan International Cooperation Agency (JICA)
 - iii. World Bank.
 - iv. Agency for French Development (AFD)
 - v. Asian Infrastructure Investment Bank (AIIB)
- 3) Grant for project implementation
- i. Global Environmental Facility (GEF)
 - ii. Green Climate fund (GCF)
 - iii. Clean development mechanism (CDM)
- c. Private sector investments
- i. Private Sector Equity
 - ii. Loan from domestic and international financial institution
 - iii. Private equity
 - iv. Innovative financing mechanism

The consultant has suggested the following **financing strategies and Proposed Organisation Structure** for implementation of Metro Projects:

- a. Ring-fencing of resources
- b. Infrastructure development charges
- c. Set up a dedicated state level-Urban Transport Fund (UTF)

Overall management of HMRTC shall rests with the Board of Director, its highest decision making body. The day-to-day management of the company will be entrusted with the Managing Director who would be supported by functional department heads and other officers and staff of HMRTC.

In order to address the immediate needs/requirements it has been suggested to have an interim organisation set up which could be scaled up according to the future responsibilities and roles that the organization.

A presentation is being made by DIMTS on the Initial Draft Report before the Board for consideration after the Board meeting on 02.05.2016. A copy of the draft report is placed at **Annexure-XII**.

Item No 18.13

Creation of post of Advisor Planning in HMRTC.

The Corporation has been largely run by ex-officio office holders since inception on 24.03.2012/11.05.12. In order to start the Corporation in a more effective manner, an agenda was placed in the 7th Board meeting held on 11.12.2013. It was proposed to create one post each of Director Projects & Planning, Director Finance, DGM Project & Planning, Company Secretary, Sr. Manager Finance & Accounts, Manager Projects & Planning, Account Officer, Accountant, Assistant Manager, Jr. Engineer, Accounts Assistant and HR Assistant. The following decision was taken by the Board:

"The Board discussed the matter and did not approve the creation of the post.

However, it was decided to make the corporation functional one Advisor (Finance) and skeletal staff may be appointed on contract basis initially for a period of one year. The Advisor (Finance) should be well-versed with the working of HMRTC to guide it in the initial period and the other staff be outsourced as per following details:-

- | | |
|------------------------------|----------|
| <i>1. Manger (Technical)</i> | <i>1</i> |
| <i>2. Finance Officer</i> | <i>1</i> |
| <i>3. Account Officer</i> | <i>1</i> |
| <i>4. Accountant</i> | <i>1</i> |

It was decided that service of Company Secretary be outsourced to comply with the provisions of the Companies Act, 1956.

The Vice Chairman and MD were authorized to decide the terms and conditions and make the above appointments...."

To implement the directions of the board, Sh. S.C Kansal (Ex- CCF HUDA) was appointed as Advisor (Finance) vide letter dated 19.12.13. The Finance Officer, Accounts Officer and Accountant have been taken from an outsourcing

agency/Chartered Accountant firm after giving advertisements in newspapers. Similarly, the post of Company Secretary has been filled up on retainer-ship basis. The post of Manager (technical) was advertised but no eligible candidate applied and the post could not be filled.

Sh. S. C. Kansal was appointed Advisor (Finance) on contract basis on the following terms and conditions:

- i. "You will be paid the salary as last pay drawn (at the time of retirement as Chief Controller of Finance in HUDA) minus pension.*
- ii. You will be eligible for allowances, perks and facilities as are applicable to your pay scale and equivalent to Chief Controller of Finance in HUDA."*

Sh. S. C. Kansal worked on the post of Advisor (Finance) till 31.12.2015. On his request no further extension had been given to the officer. However, for the smooth functioning of the Corporation, the work pertaining to financial matters of the Corporation was assigned to CCF HUDA and that of Planning to Sh. Nadim Akhtar, STP HUDA vide orders dated 14.01.2016.

The then CA HUDA-cum-MD, HMRTC vide note dated 28.01.16 observed that in the absence of full time officer it is difficult to manage the affairs of the Corporation smoothly and efficiently. He also observed that since experts from finance & accounts are already posted in HMRTC, there is need to appoint a person with Planning background. It was suggested that Sh. J.S.Redhu, who was working as Chief Coordinator Planner (NCR) Haryana and retiring on 31.01.16 may be considered for appointed as Advisor (Planning) on a contractual basis on the same terms and conditions Sh. S.C. Kansal was appointed. The proposal was considered and approved by the Chairman HMRTC. Accordingly, Sh. J.S.Redhu was appointed as Advisor (Planning) vide orders dated 05.02.2016.

Sh. J.S.Redhu joined HMRTC on 10.02.2016 and the HMRTC Board in its 17th meeting held on 16.02.2016 resolved his appointment. Sh. J.S. Redhu due

to his personal reasons resigned from the post of Advisor (Planning) on 17.03.2016 and his resignation has been accepted. In the meantime, vide orders dated 11.03.2016, Sh. Nadim Akhtar, STP, HUDA has been asked to look after the work of HMRTC in addition to his own duties in HUDA.

It is pointed out that the post of Advisor (Planning) has not been created in HMRTC so far though Sh. J.S. Redhu was appointed as Advisor (Planning). The work of the Corporation is increasing day by day, three Metro lines are under construction, the work on tri-city metro is likely to start shortly, final feasibility report of Gurgaon-Manesar-Bawal project has already been received and consultancy for feasibility study of Gurgaon-Faridabad link & Old Gurgaon link have already been awarded by HMRTC. There is urgent need for creation of the post of Advisor (Planning) and posting of fulltime officer on it in the Corporation to coordinate with various offices and to look after the work of corporation. It is, therefore, proposed that the post of Advisor (Planning), equivalent to the post of Chief Town Planner in HUDA, in the pay scale of ₹ 37400-67000+10000 GP, may be created in HMRTC.

The matter is placed before the Board for consideration.

Item No. 18.14

Any other item with the permission of the Chairman.