

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

S.No.3

No.2018/JVCell/Genl /SPV/Policy/2

New Delhi, dated 23.04.2019

To,

The General Managers,
All Indian Railways

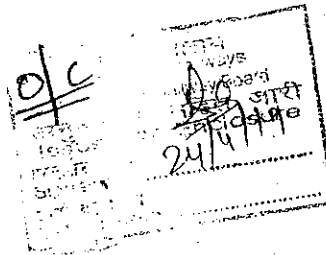
The Managing Directors,
All State JV Companies

Sub: Sanction & Approval Process for State JV Projects.

Ref : Railway Board's letter of even number dated 05.04.2018.

1. In continuation of Railway Board's letter under reference wherein the procedure for evaluation of Detailed Project Reports (DPR) submitted by State Joint Venture Companies to Zonal Railways was circulated, detailed guidelines for 'Project Sanction and Approval Process for State JVC Projects' are enclosed herein for necessary action.
2. All State JVCs and Zonal Railways are directed to follow the guidelines for processing of State JVC projects.
3. This issues with the approval of Board (ME, FC and CRB).

D.A: Procedure for JVC Project-
Sanction & Approval Process
Annexure-I
Annexure-II



(Ruth Changsan)
Director/MTP
Railway Board
011-47845480

No. 2018/JVCell/Genl /SPV/Policy/2

New Delhi, dated 22.04.2019

- i) PFA, all Zonal Railways
- ii) Dy. Comptroller & Auditor General of India (Railways),
Room No. 224, Rail Bhawan, New Delhi.

For Financial Commissioner/Railways

Copy to :

CAO/C, PCE, PCOM/ All Zonal Railways

PROCEDURE FOR JVC PROJECTS-
SANCTION & APPROVAL PROCESS

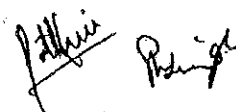
1. Identification of project(s) by BoD of JVC for undertaking traffic and feasibility studies.
2. Completion of surveys/studies/reports.
3. Tying up of broad financing structure by JVC including EOI, if required.
4. Presentation of survey/study report to obtain approval of BoD of JVC (Fundamental Issue; not by circulation).
5. Seeking In-Principle-Approval of Railway Board and taking up pre-investment activities, including payment for land acquisition in accordance with the orders of a competent authority under the law, but short of Award as per MoF's letter No. 24(35)/PF-II/2012 dt. 05.08.2016, as updated and amended from time to time.
6. Preparation and finalization of DPR including financing arrangement.
7. Presentation of Project Report to obtain approval of BoD of JVC (Fundamental Issue; not by circulation).
8. DPR Appraisal/Approval :
 - i. Submit DPR to Zonal Railway for their evaluation as per Railway Board's guidelines issued vide letter No. 2018/JVCell/Genl/SPV/Policy/2 dt. 05.04.2018.
 - ii. Submit DPR to State Government for their approval and issue of Govt. Order.
 - iii. Submit DPR to other stakeholders for their approval/consent.
9. Submission of project proposal to Railway Board for sanction of competent authority with six copies of DPR and the following documents :-
 - i. Resolution of BoD of JVC.
 - ii. Approval of State Government in the form of Govt. Order.
 - iii. Consent of other stakeholders.
 - iv. Project details as per Annexures I and II.
 - v. Status of pre-investment activities including process of land acquisition and incorporation of Project SPV.

[Signature] *[Signature]*

Date

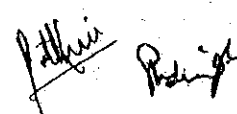
EXECUTIVE SUMMARY**Subject : (Name of Project)**

1. Background.
2. Salient features of the corridor/project.
3. Detailed justification.
4. Estimated Capital Cost, Completion Cost, %Escalation & Completion Period.
5. FIRR, EIRR.
6. Funding Arrangement.
7. Debt and Equity Share in Cost and Percentage.
8. Share of Equity holders in Cost and Percentage.
9. Component wise break up of project cost (Estimated & Completion Cost).
10. Department wise break up of project cost (Estimated & Completion Cost).
11. Year wise allocation of funds (Estimated & Completion Cost).
12. Benefits of the corridor/project.
13. Districts/States covered.
14. Employment Generation potential.
15. Statement on Major Milestones and Corresponding Target Dates.
16. Map of project section.



PROJECT PROPOSAL**Subject : (Name of Project)**

1. **Project Outline**
 - 1.1 **Title of the Project:**
 - 1.2 **Sponsoring agency (Ministry/Department/Autonomous Body or Undertaking):**
 - 1.3 **Proposed cost of the project:**
 - 1.4 **Proposed Timeline for the project:**
 - 1.5 **Whether Project will be implemented as part of a scheme or on stand-alone basis?**
 - 1.6 **Whether financial resources required for the project have been tied up ? if yes, details ?**
 - 1.7 **Whether Feasibility Report and/or Detailed Project Report has been prepared ?**
 - 1.8 **Whether the proposal is an Original Cost Estimate or a Revised Cost Estimate ?**
 - 1.9 **In case of Revised Cost Estimates, whether the meeting of Revised Cost Committee has been held and its recommendations suitably addressed ?**
 - 1.10 **Whether any land acquisition or pre-investment activity was undertaken or is contemplated for this project? Whether the cost of such intervention has been included in the Project Proposal?**
2. **Outcomes and Deliverables**
 - 2.1 **Stated aims and objectives of the project**
 - 2.2 **Indicate year-wise outputs/deliverables for the project in a tabular form**
 - 2.3 **Indicate final outcomes of the project in the form of measurable indicators which can be used for impact assessment/evaluation after the project is complete. Baseline data or survey against which such outcomes would be benchmarked should also be mentioned**
3. **Project Cost**
 - 3.1 **Cost estimates for the project along with scheduled duration (both year and activity-wise). Also the basis for these cost estimates along with the reference dates for normative costing (it should preferably not be more than a year old)**



- 3.2 In case land is to be acquired, the details of land cost, including cost of rehabilitation/resettlement needs to be provided
- 3.3 In case pre-investment activities are required, how much is proposed to be spent on these, with details activity-wise?
- 3.4 Whether price escalation during the project time cycle has been included in the cost estimates and at what rates?
- 3.5 Whether the project involves any foreign exchange element, the provision made or likely impact of exchange rate risks?
- 3.6 In case of the Revised Cost Estimates, a variation analysis along with the Report of the Revised Cost Committee needs to be attached.

4 Project Finance

- 4.1 Indicate the sources of project finance : budgetary support, internal and extra-budgetary sources, external aid etc.
- 4.2 Indicate the cost components, if any, that will be shared by the State Governments, local bodies, user beneficiaries or private parties ?
- 4.3 In case of funding from internal and extra-budgetary resources, availability of internal resources may be supported by projections and their deployment on other projects?
- 4.4 Please indicate funding tie-ups for loan components, if any, both domestic and foreign, along with terms and conditions of loan based on consent/comfort letters.
- 4.5 If government support/loan is intended, it may be indicated whether such funds have been tied up?
- 4.6 Please provide the leveraging details, including debt-equity and interest coverage ratios, along with justification for the same.
- 4.7 Mention the legacy arrangements after the project is complete, in particular, arrangements for the maintenance and upkeep of assets that will be created?

5 Project Viability

- 5.1 For projects which have identified stream of financial returns, the financial internal rate of return may be calculated. The hurdle rate will be considered at 10%.
- 5.2 In case of projects with identifiable economic returns, the economic rate of return may be calculated. In such cases, project viability will be determined by taking both financial and economic returns together
- 5.3 In case of proposals where both financial and economic returns are not readily quantifiable, the measureable benefits/outcomes simply may be indicated

Pathini *Pringle*

Approvals and Clearances

Requirement of mandatory approvals/clearances of various local, state and national bodies and their availability may be indicated in a tabular form (land acquisition, environment, forestry, wildlife etc.) In case land is required, it may be clearly mentioned whether the land is in the possession of the agency free from encumbrances of encroached or stuck in legal possession?

7. Human Resources

7.1 Indicate the administrative structure for implementing the Project. Usually creation of new structures, entities etc. should be avoided

7.2 Manpower requirement, if any. In case posts (permanent or temporary) are intended to be created, a separate proposal may be sent on file to Pers. Division of Department of Expenditure. Such proposals may be sent only after the main proposal is recommended by the appraisal body.

7.3 In case outsourcing of services or hiring of consultants is intended, brief details of the same may be provided

8. Monitoring and Evaluation

8.1 Indicate the Project Management/Implementing Agency (s). What agency charges are payable, if any ?

8.2 Mode of implementation of individual works: Departmental/Item rate/Turnkey/EPC/Public-Private Partnership, etc.

8.3 Please indicate timelines of activities in PERT/Bar Chart alongwith critical milestones.

8.4 Please indicate the monitoring framework, including MIS, and the arrangements for internal/statutory audit

8.5 Please indicate what arrangements have been made for impact assessment after the project is complete?

9. Comments of the Zonal Railways/State Government/Stakeholders may be summarized in tabular form along with how they have been internalized and used to improve this proposal

(To be attached as an annexure)

10. Approval Sought:

(Name)

MD

JVC

NOTE :- References to Para Nos. of DPR to be made wherever applicable.

[Handwritten signatures]

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

S.No

20

No. 2018/JVCell/Genl /SPV/Policy/2

New Delhi, dated 05.04.2018

To,

The General Manager,
All Indian Railways


Sub: Evaluation of DPR submitted by State JV Companies to Zonal Railways.

For evaluation of Detailed Project Reports(DPR) submitted by State JV Companies to Zonal Railways, the following procedure has been approved by Board:

1. The State JVs shall submit the DPR with requisite number of copies to the concerned Zonal Railway(s) for examination of the following :
 - i. Suitability of junction arrangements.
 - ii. Compliance of minimum technical parameters to enable running of Indian Railways Rolling Stock over the proposed line.
 - iii. Traffic assumptions made in the DPR.
 - iv. General examination of Estimate.
2. Zonal Railway at their discretion may ask State JV to make a presentation / seek clarification on the DPR submitted, in order to firm up their comments.
3. Zonal Railways shall submit consolidated comments of all the departments on the DPR to Railway Board within 30 days of receiving the DPR.

This has been issued with the approval of Board (ME,MT,FC,CRB)

O/C


(Rajesh Agarwal) 4/18
Executive Director/MTP
Railway Board
011-23386944


for Financial Commissioner/Railways

Copy to:

CAO/C, PCE, PCOM, PFA /All Zonal Railways

Managing Directors, State JVCs(As per List), for compliances.

