

OFFICE MEMORANDUM

Sub: Sanction of Bengaluru Suburban Transport Project (148.17 kms).

The undersigned is directed to convey that the Cabinet Committee of Economic Affairs, in its meeting held on 07.10.2020, has approved the work of Bengaluru Suburban Transport Project at an estimated cost of Rs.13926 crore (Rupees Thirteen Thousand Nine Hundred Twenty Six Crore Only) and completion cost of Rs.15767 crore (Rupees Fifteen Thousand Seven Hundred Sixty Seven Crores Only).

2. The project shall be funded by Ministry of Railways (MoR) and Government of Karnataka (GoK) who shall provide their share of equity through Rail Infrastructure Development Company (Karnataka) Ltd. (K-RIDE), a JV Company of MoR and GoK, as per the approved financing pattern on the completion cost as under:

Particulars	Amount (Rs. In Cr.)	% Share
Equity by GoI	2479	20%
Equity by Govt. of Karnataka	2479	20%
Loan from Bank / Bilateral /Multilateral Funding Agencies(MFA)	7438	60%
Total Cost	12396	100%
Sub-ordinate Debt for Central GST and Basic custom duty by Govt. of India	763	
Sub-ordinate Debt for land and R&R by Govt. of Karnataka	1470	-
Sub-ordinate Debt for State GST by Govt. of Karnataka	785	-
Sub-ordinate Debt for IDC for JICA ODA Loan @ 1.4% & Front end Fee @ 0.1% by Govt. of Karnataka	353	-
Total Cost	15767	-

3. The works included in this project as per the 4 corridors are as under:

Item	Corridor-1	Corridor-2	Corridor-3	Corridor-4	Total
Length (Km)	41.4	25.01	35.52	46.24	148.17
From	Bengaluru city to Yelahanka to Devanhalli + airport link	Baiyyappanahalli to Yeshwantpura to Chikbanavar	Kengeri to Bangalore city to Whitefield	Heelalige to Yelahanka to Rajanakunte	

4. Component-wise breakup of the completion cost of the project is as below:

Sl. No	Item	Amount (Rs. in Crore)
1.0	Land + R&R	1470
2.0	Alignment, Formation and Airport connectivity	4125
3.0	Station Buildings	1981
4.0*	Depot	310
5.0	P-Way	727
6.0	Traction & power supply incl. OHE, ASS etc.	1050
7.0	Signalling and Telecom.	1373
8.0	Rolling Stock	0
9.0	Misc., General security and Staff Qtr.	379
10.0	CGST and SGST	1343
11.0	General Charges & Contingencies	815
12.0	IDC	353
	Total	13926
13.0	Escalation @ 5 % p.a.	1841
	Grand Total	15767

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5. The completion period of the project is 6 years. However, Corridor I (Bengaluru city-Devenhalli with Airport link) has been planned for completion within 3 years after sanction.

Conditions:

The conditions of sanction of the project are as under:

- (a) Procurement, Operation (with on board train staff only) and Maintenance of Rolling Stock should be kept on PPP Mode.
- (b) MoR's contribution to equity is through budgetary support initially limited to Rs. 500 crores and the rest is proposed to be financed through the returns from the monetization of the Railway land as identified in the DPR as a part of Value Capture Financing (VCF) Framework. These vacant Railway land parcels is expected to generate upto Rs. 4815 crores which will accrue to MoR.
- (c) State Government has agreed to grant a Floor Space Index (FSI) of 5 on Railway land on the influence zone of the corridor.
- (d) State Govt. will set up an empowered committee to facilitate Ministry of Railways initiatives for the monetization of its land and its timely realization of the benefits to the project.
- (e) Remaining expected VCF from Non Railway land to the tune of Rs 2573 Cr., which is expected to come through Premium FAR, Betterment Levy, Land use charge and Cess on approval of new layout shall be taken towards non fare box revenue to repay the debt.
- (f) GoK and MoR will provide their land at nominal lease charges of Rs. 1 per acre.
- (g) K-RIDE shall have the autonomy in the fare fixation and fare will be kept comparable to Bangalore Metro.
- (h) Procurement packages will be formulated on EPC basis.

The executing agency K-RIDE should take necessary steps to expedite execution, signing of concession agreement, land acquisition and financial closure etc.

21/10/2020
(D.K. Mishra)
Director/MTP
Railway Board
011-47845480

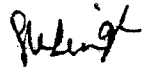
To

Managing Director,
Rail Infrastructure Development Company (Karnataka) Ltd. (K-RIDE),
MSIL House, 7th Floor,
36, Cunningham Road,
Bengaluru-560052.

No. 2019/JV Cell/KRIDE/BSTP/EBR/07

New Delhi, dated .10.2020

- (i) PFA, South Western Railway, Hubli
- (ii) Principal Director of Audit, South Western Railway, Hubli.
- (iii) Dy. Comptroller & Auditor General of India/Railways, Room No.224, Rail Bhawan, New Delhi.



For Member (Finance)

Copy to:

1. Chief Secretary, Government of Karnataka, Room No: 110, Gate II, M S Building, Ambedkar Veedhi, Bengaluru, Karnataka 560001
2. General Manager, South Western Railway, Hubli.

21/10/2020
(D.K. Mishra)
Director/MTP
Railway Board



PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Sub: In-Principle Approval for the report of "Feasibility Study for Bengaluru Elevated/at Grade Rail Corridor for Sub Urban Services" prepared by M/s. RITES for South Western Railways – Reg.

- Read:**
- 1 GO No: UDD 33 PRJ 2017, dated: 6.3.2017
 - 2 GO No: UDD 30 PRJ 2018, dated 2.3.2018
 - 3 Ministry of Railways letter D.O.No.2018/Proj/BNC/1/2, dated 6.12.2018
 - 4 SWR Construction organization's letter No:193/CN/BNC/Sub-Urban dated 7.12.2018
 - 5 UDD 06 PRJ 2019 dt: 16-01-2019.
 - 6 letter No. DULT/12/BSRP-ERC/2017-18 dated: 21.01.2019
 - 7 Letter from Chairman, Railway Board No. 2019/JV/KRIDE/BSTP New Delhi, dated: 08.02.2019.
 - 8 Finance Department endorsement No:ACS/FD/1555 dated:23-02-2019.

PREAMBLE

In the Government Order Read at (1) above, GoK accorded approval for phase- wise implementation of Bengaluru Suburban Rail System for a joint venture with Ministry of Railways at a cost of Rs.345 crores. As a part of projects under Phase-1A, a Memorandum of Understanding (MoU) was signed by the State Government with Ministry of Railways on 16.01.2017 to take up conversion of 15 pairs of conventional trains to MEMU services and augmentation of MEMU maintenance facilities at Banaswadi on a 80:20 cost sharing pattern between Government of Karnataka and Ministry of Railways respectively. So far 16 units of MEMU rakes are procured and converted to 6 pair of trains. The State Government has so far released Rs.100 crores to SWR towards GoK share.

The formation of SPV, as a subsidiary of Rail Infrastructure Development Corporation- Karnataka (K-RIDE) which is a State Joint Venture Company of MoR and GoK, is approved by the Board of K-RIDE and the process of setting up SPV is underway.

In the meanwhile, as part of the second tranche of projects, South Western Railways had identified priority projects that are to be implemented through Special Purpose Vehicle (SPV). Accordingly, GoK has

approved the identified projects worth Rs.1745 Crores to be implemented by SPV and issued Government Order vide read at (2).

Subsequently, Railways vide their letters cited read at (3) & (4), has proposed preparation of draft feasibility study report for Bengaluru Sub-Urban Rail Corridors and entrusted it to RITES Ltd by South Western Railways. RITES have carried out the feasibility of running dedicated suburban rail services in Bengaluru. The completion cost for dedicated Bangalore Sub Urban Rail Corridor is estimated at Rs.23,093 Crores (at Rs.19,499 Crores as of November, 2018 price). The proposed alignment has 81 stations and details of the four corridors with a total route length of 160.50 Kms, are as follows:

- a) Corridor -1: Kengeri –Whitefield, length is 35.47 kms.
- b) Corridor-2: KSR Bengaluru– Rajanakunte, *length is 24.88 Kms*
- c) Corridor-3:Nelamangala–Baiyyappanahalli, *length is 38.94 Kms*
- d) Corridor -4: Heelalige – Devanahalli, *length is 61.36 Kms*

After detailed examination of the feasibility report, Government of Karnataka in the G.O read at (5) has accorded 'in-principle' approval for communicating to the Ministry of Railways with regard to feasibility study report for having a dedicated Bengaluru Suburban Rail Corridors totaling to Rs. 23093 Crores as completion cost (Rs.19499 Crores as of Nov-2018 price) to be taken up under Suburban Rail project for Bengaluru and all these works to be executed through SPV as per draft Sub-Urban Rail Policy 2018, subject to 19 stipulated conditions.

Government of Karnataka in the letter read at (7) communicated a copy of G.O read at (5) and minutes of 77th Board of Directors of K-RIDE held on 17.12.2018 wherein 'in-principle' approval has been accorded for the projects with a request to take further necessary action and accord early approval for the elevated Bengaluru Suburban Rail Project.

In response to this, the Chairman, Railway Board in his letter read at (6) addressed to Chief Secretary, GoK has conveyed that MoR has agreed to some of the conditions mentioned in G.O dated: 16.01.2019. However, certain other conditions as discussed in the letter are not agreeable to MoR. The Chairman, Railway Board has therefore suggested to review the G.O dated: 16.01.2019 and withdraw the conditions which are not agreeable to MoR.

Subsequently, discussions were held between Hon'ble Railway Minister and Hon'ble Chief Minister, Government of Karnataka on 22-02-2019 in the presence of Chief Secretary Gok, ACS FD, ACS IDD, and it was agreed that, the 19 conditions subject to which 'in-principle' approval was given by the State Government of Karnataka will be rectified as mutually agreed.

Consequent to this, in a meeting convened on 23.02.2019 under the chairmanship of Chief Secretary, GoK and participated by ACS UDD, ACS FD, Commissioner DULT, CE/CN BNC, SWR and others from stakeholder departments, the response given by Railways was discussed in detail and following decisions were taken.

- a) To convey 'in-principle' approval for 161 Kms network proposed by Railways and priority of the corridors to be taken up are to be mutually decided by GoK and MoR. MoR may be requested to run the suburban services for the extended portion as suggested by GoK on the existing rail network to provide connectivity to satellite towns.
- b) The cost of Railway land and State Government land to be used for the project may be taken as on nominal lease basis at Rs. 1 per acre, as agreed in the meeting between Chief Minister, GoK and Railway Minister, GoI.
- c) As in the case of Maharashtra, State Government may agree to give FSI of 5 for the Railway Land as governed by Local Regulations. Funds generated from this may be used by Railways for projects in Karnataka. Unused FSI upto 5 may be allowed to be sold as TDR for funding Railway share of the project. Proceeds of TDR for unused FSI>5 may be shared equally between MoR and GoK for funding the project.
- d) The dropped second tranche of projects worth of Rs. 1745 Crores by GoK vide GO No. UDD 30 PRJ 2018 Bengaluru Dated 02.03.2018 can be restored as agreed in the meeting between Chief Minister, GoK and Railway Minister, GoI
- e) Location of all depots and casting yard may be mutually decided by SPV.
- f) Private Lands to be acquired for the project, as far as possible should be minimized.
- g) Since MoR and GoK have by and large agreed on other conditions, those may be dropped and SPV may take suitable decision on these issues on appropriate time
- h) It was decided to place the above recommendations before the State Cabinet for its decision.

After detailed examination, 'in-principle' approval of the Government is accorded to the proposal submitted by Directorate of Urban Land Transport. Hence the following order:

Government Order No: UDD 06 PRJ 2019,
Bengaluru, Dated:26-02-2019

Under the circumstances explained in the preamble portion of this order and in supersession of Government Order read at (5) supra, the Government is now pleased to accord approval for communicating to the Ministry of Railways with regard to Dedicated Suburban Rail Corridor for



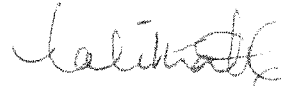
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Bengaluru project with 161 kms totaling to Rs. 23093 Crores as completion cost (Rs. 19499 Crores as of November 2018 price) to be executed through SPV as per draft Sub-Urban Rail Policy 2018 as under:

1. To take up development of 161 km network proposed by Railways in the First Phase taking up the implementation of corridors in order of priority as mutually agreed between Ministry of Railways and Government of Karnataka. Further, SPV to plan to run the Suburban services to Tumkur and other towns near Bengaluru in the extended corridors on the existing Rail Network.
2. The cost of Railway land and State Government Land used for the project shall be taken as on Nominal Lease basis at Rs. 1 per acre
3. Railways to be allowed an FSI of 5 in the influence zone of the Railway Land as governed by local regulations. Funds generated from this to be used by Railways for projects in Karnataka .Unused FSI upto 5 to be allowed to be sold as TDR for funding Railway share of the project. Proceeds of TDR for unused FSI more than 5 to be shared equally between MoR and GoK for funding the project.
4. The dropped second tranche of projects worth of Rs. 1745 Crores by GoK vide GO No. UDD 30 PRJ 2018 Bengaluru Dated 02.03.2018 shall be restored.
5. Location of all depots and casting yard to be mutually decided by SPV.
6. Private Lands to be acquired for the project, as far as possible to be minimized. The cost of acquisition of private land will be borne by Government of Karnataka.

This order is issued with the approval of the **Cabinet vide subject No.C:178/2019, dated: 25-02-2019** and with the concurrence of the Finance Department vide Endorsement No.**ACS/FD/1555, dated: 23-02-2019.**

By order and in the name of the
Governor of Karnataka



(LALITHA BAI. K)

Under Secretary to Government,
Urban Development Department.

The Compiler, Karnataka Gazette for publication in the next issue of Gazette.

Copy to:

1. The Principal Accountant General (A & E)/ the Principal Accountant General (C&CA), Karnataka Bengaluru.

2. The Chief Secretary to Government, Vidhana Soudha, Bengaluru
3. The Member Engineering, Railway Board & Ex-officio Secretary to MoR, Rail Bhavan, New Delhi- 1100001
4. The Additional Chief Secretary & Development Commissioner, Vidhana Soudha, Bengaluru

5. To all Additional Chief Secretaries / Principal Secretaries/ Secretaries, to Government
6. The Additional Chief Secretary to Government, Urban Development Department, Vikasa Soudha, Bengaluru
7. The General Manager, South Western Railway, Hubli.
8. The Chief Administrative Officer/Construction/South Western Railway/Bengaluru
9. The Divisional Railway Manager, Bengaluru Division, South Western Railway, Bengaluru
10. The Director (Works & Planning), Railway Board, Rail Bhavan, New Delhi.
11. The CEO & Director, Rail Infrastructure Development Company (Karnataka) Ltd., K-RIDE, MSIL House, Bengaluru.
12. The P.S to Hon'ble Minister for Railways, GoI, Rail Bhavan, New Delhi.
13. The Commissioner, Directorate of Urban Land Transport, Bengaluru
14. The Commissioner, BMRDA, Bengaluru
15. The Commissioner, BBMP, Bengaluru
16. The Managing Director, BMRCL, Bengaluru
17. The Managing Director, KSRTC, Bengaluru
18. The Managing Director, BMTC, Bengaluru
19. The Managing Director, KPTCL, Bengaluru
20. The Managing Director, BESCOM, Bengaluru
21. The Chairman BWSSB, Bengaluru
22. The Additional Commissioner of Police (Traffic), Bengaluru
23. The Deputy Secretary/ Exp-9, Finance Department, Bengaluru
24. The Deputy Secretary - 3, UDD, Bengaluru
25. P.S (Cabinet Section) to The Chief Secretary to Government subject No. C:178/2019, dated: 25-02-2019 as per the decision of the cabinet, for information.
26. The Director of Treasuries, VV towers, Bengaluru
27. The Deputy Director, State Huzur Treasury, Bengaluru
28. The P.S to Hon'ble Minister for Bengaluru Development, GoK, Bengaluru
29. The P.S to Hon'ble Minister for Urban Development Department, GoK, Bengaluru
30. Guard file/Additional copies.