To

Principal Secretary,
Urban Development Department,
Government of Maharashtra,
Mumbai.

**Subject: ‘In-principle’ approval for taking up Nagpur Metro Rail Project.**

The undersigned is directed to refer to the Government of Maharashtra (GoM) letter no. NASUPRA/3314/C.R.17/UD-7 dated 30.01.2014 requesting approval of the Government of India for taking up Nagpur Metro Rail Project.

2. After consideration of the proposal of GoM, the Government of India conveys its ‘in-principle’ approval for taking up Nagpur Metro Rail Project covering a length of 38.215 km along two corridors viz. Line-1 (North-South Corridor) covering 19.658 km from Automotive Square to MIHAN and Line-2 (East-West Corridor) covering 18.557 km from Prajapati Nagar to Lokmanya Nagar as per the revised Detailed Project Report (DPR) submitted by GoM vide letter no. NASUPRA/3314/C.R.17/UD-7 dated 30.01.2014, subject to the following conditions:

(A) The ‘in-principle’ approval of the Government of India should not be taken as “prior approval” of the Government of India for the project in part or whole for Central financial assistance.

(B) The ‘in-principle’ approval of the Government of India is solely to enable the State Government for further proceeding with the project.

(C) There will be no liability on the part of the Government of India till the project is finally approved by the Government of India through the route of approval from PIB and Cabinet. The State Government shall bear/meet/arrange funds from other sources without recourse to Government of India financing if the proposed funding, either partly or fully, from the Government of India does not get approved.

(D) There will be no liability on the part of the Government of India if the ridership does not materialize and/or the project does not make adequate profits/surplus.

(F) The State Government should abide by the Government of India guidelines to cover issues like uniformity, standardization, safety certification, security related issues and service level benchmarks.

(G) The safety certification of the system shall be done by the Commissioner of Metro Railways Safety as provided in the Central Acts.

(H) The State Government should ensure that the FIRR of the project should be 8% or more to make the project financially viable.

(I) The design and technology of the system to be implemented should be in accordance with the DPR prepared by DMRC in November, 2013. In case any change is proposed in the DPR or any condition is proposed at any stage by the Government of India or any other competent authority, the State Government will implement the same.

(J) Integration of various modes of transport which would act as feeder/evacuation system to the proposed metro for improved ridership including adequate parking space for bicycles & cars and bus/taxi/auto stands at the stations, improvement in city bus service to introduce modern ITS-enabled buses, should be given high priority by the State Government.

(K) The State Government should provide multimodal integration, including suburban railways (by involving Ministry of Railways) to provide a well-connected network in the region.

(L) The State Government should ensure that the metro rail project provides for first and last mile connectivity, accessibility and appropriate security arrangements.

(M) The project should be taken up by the State Government as per the guidelines/terms and conditions laid in National Urban Transport Policy, 2006 and the instructions issued by this Ministry from time to time.

(N) The State Government would undertake to carry out various reforms in the field of Urban Transport as detailed below:

i. A Special Purpose Vehicle (SPV) should be formed for implementing the project. The SPV should have full-time Managing Director and minimum three full-time functional Directors viz. Director (Rolling Stock & Systems), Director (Works) and Director (Finance).

ii. The State Government should prepare a Comprehensive Mobility Plan (CMP) as per the guidelines of Ministry of Urban Development, Government of India and notify the same under the relevant Statute.

iii. The State Government should ensure price-based measures to promote and facilitate Metro Rail ridership, as part of integrated traffic.
rationalization plan and Comprehensive Mobility Plan for the city with a view to ensure that the projected ridership is realized.

iv. A suitable arrangement, independent of the SPV formed to implement the Metro Rail project, shall be provided for periodic fare revision for the Metro Rail as well as other competing modes.

v. A single department at the city level to deal with all urban transport issues should be nominated

vi. A dedicated urban transport fund should be set up at the state level as well as at the city/metropolitan area level.

vii. The State Government should set up a Unified Metropolitan Transport Authority (UMTA), duly backed by legislation, to facilitate coordinated planning and implementation of projects related to urban transport and their integrated management.

ei. The State Government should set up a traffic information management control centre for effective traffic monitoring and enforcement as well as for data generation and data collection for future planning.

ix. The State Government should provide common mobility card to provide integrated ticketing and seamless travel across all modes and all operators in the city.

x. The State Government should implement National Public Transport Helpline to provide information regarding various aspects of public transport such as routes, arrival/departure times, route planning, ticketing etc. in the city.

xi. The State Government should come up with an advertisement policy which taps advertisement revenue on public transport, intermediate public transport, public utilities and street furniture.

xii. The State Government should come up with a parking policy wherein parking fee represents the true value of the land occupied, which is used to make public transport more attractive; banning of parking on arterial/ring roads; provision of multi-level parking centres in city centres with park-and-ride facility etc.

(O) The State Government shall enter into a Memorandum of Understanding (MoU) with the Government of India to effect the various terms and conditions of the 'in-principle' approval mentioned above.

(P) The State Government and the Government of India would set up a joint oversight mechanism to ensure that various stipulations included in these conditions, or thereby implied, for according 'in-principle' approval are being complied with. The joint oversight mechanism should be incorporated in the MoU itself.
(Q) The State Government should prepare a Milestone Chart for achievement of each of the conditions and send to Ministry of Urban Development, Government of India within one month of issue of this letter.

(R) The State Government is also advised to rework the DPR on realistic basis with adequate deliberation on the issues, if any, raised by various stakeholders before going ahead with implementation to ensure sustainability of the project.

(S) Further comments/observations of this Ministry shall be conveyed to the State Government for compliance. The State Government should ensure such compliance.

3. You are requested to convey the State Government's acceptance of the above conditions to the Ministry of Urban Development, Government of India. You are also requested to take necessary action to comply with the above conditions.

Yours faithfully,

(Ramesh Chand Meena)
Under Secretary to the Govt. of India
Tel: 23063480

Copy to:

1. Chairman, Nagpur Improvement Trust, Nagpur
2. Commissioner, Nagpur Municipal Corporation, Nagpur

Copy also forwarded, for information, to:

1. PS to UDM
2. PS to MOS (UD)
3. PSO to Secretary (UD), MoUD
4. JS (UT), MoUD
5. JS & FA, MoUD
6. OSD (UT), MoUD
7. All Directors in Urban Transport division of MoUD, New Delhi

(Ramesh Chand Meena)
Under Secretary to the Govt. of India