INFORMATION MEMORANDUM

Hyderabad Metro Rail (MRTS) Project

1.0 *The City*

1.1 Hyderabad, the capital city of the state of Andhra Pradesh, is one of the fastest growing metros in India. The core area of the city covers about 625 sq. km (under the jurisdiction of the Greater Hyderabad Municipal Corporation). Apart from being the centre for pharma and some other traditional industries, the city has now emerged as a major IT, ITES and other service sector industries hub. With a number of universities, R&D institutions and other centres of higher education, modern corporate hospitals and a world-class new international airport, the city is a thriving urban agglomeration.

1.2 The city's strategic geographical location, image as a multilingual cosmopolitan city and the pro-active policies of the state government are making it an attractive destination and a flourishing centre of trade and commerce. The population of the city, which is currently around 8 million, is projected to grow to 13.6 million by 2021.

2.0 *Traffic & Transportation scenario*

2.1 In the absence of a comfortable and efficient public transportation system, the traffic and transportation scenario of the city is a matter for concern. The existing public transport in the city is mainly the buses run by the Andhra Pradesh State Road Transport Corporation (APSRTC), a public sector undertaking of the state government. Out of about 7.8 million motorized trips in the city, the share of public transport is only about 40%.

2.2 The rapid growth of the city, the rising income levels and the lack of a good public transportation system are resulting in phenomenal increase in private vehicles, causing frequent traffic jams and high pollution levels in the city. Presently there are over 2.6 million vehicles and about 0.2 million vehicles are getting added every year.

3.0 *The Project*

3.1 Based on a number of Traffic and Transportation studies conducted by various agencies, Government of Andhra Pradesh (GoAP) approved development of Hyderabad Metro Rail (MRTS) project in three high density traffic corridors of the city spanning over 71 km in phase-I. Detailed Project Reports (DPRs), Traffic Survey Reports, and other related reports were prepared by Delhi Metro Rail Corporation (DMRC) for the project.

3.2 The DPRs and the other documents mentioned in Clause 1.2.2 of the RFQ would be made available to those applicants who pay the cost of RFQ document. The remaining relevant study reports and material would be made

available to them in the Data Room of the Authority's office located in the Metro Rail Bhavan, Saifabad, Hyderabad-500004 (list enclosed at Annexure-I).

3.3 A system map of the three corridors is at Annexure II. The three corridors spanning a length of approximately 71.16 km to be taken up in phase-I are as under:

- Corridor I: Miyapur - LB Nagar : 29.87kms; 27 stations.
- Corridor II: JBS - Falaknuma : 14.78 kms; 16 stations.
- Corridor III: Nagole - Shilparamam : 26.51 kms; 23 stations.

A brief overview of the three corridors and proposed stations is at Annexure–III.

3.3.1 The proposed Metro rail system will be a completely elevated system, generally run in the central median of the road. The proposed viaduct structure for the elevated system is a "U" shaped deck carrying two tracks on a single pier located on the median of the road.

3.3.2 The track gauge will be Standard Gauge (1435 mm) and the electrical traction will be of 750vDC. The signalling system will have to cater to the needs of a designed speed of 80 KMPH, with state-of-the-art features consisting of Automatic Train Control (ATC), Automatic Train Protection (ATP) and upgradation facility to Automatic Train Operation (ATO).

3.3.3 The system will have to be designed to cater to 50,000 PHPDT for Corridors I and III and 35,000 PHPDT for Corridor II. It will have to be built, operated, maintained and transferred at the end of the Concession Period as per the provisions of the Concession Agreement. The performance specifications and safety standards are enunciated in the Manual of Specifications & Standards (MSS), a well deliberated and published document of GoAP, based on "output oriented" performance philosophy. The MSS provides scope for enough design flexibility and innovation, and it forms part of the Concession Agreement.

3.4 The indicative cost of the project is Rs.12,132 crore (INR 121.32 billion). GoAP will entrust the project to a private developer on a long term Concession (about 35 years, extendable by another 25 years) in Public Private Partnership (PPP) mode on Design, Build, Finance, Operate and Transfer (DBFOT) basis.

3.5 GoAP has obtained "in principle approval" for a grant of Rs.2,363 crore (INR 23.63 billion; about 20% of the project cost) under the Viability Gap Funding (VGF) scheme of Government of India (GoI). As per the VGF scheme, GoI and GoAP can together extend a total financial support of a maximum of 40% of the project cost, such support being limited to the amount quoted by the successful bidder in a transparent competitive bid process.

3.6 The bid process consists of two stages viz., Pre-qualification (RFQ) stage, at the end of which a maximum of 7 eligible applicants will be short listed; and Financial bid (RFP) stage for selection of the Concessionaire.

4.0 *Real Estate Development*

4.1 To enhance the financial viability and bankability of the project, the Concessionaire will be allowed to undertake real estate development through commercial exploitation of air space over the lands provided for creation of project facilities such as depots and parking and circulation areas at select stations. The real estate development may be undertaken by the Concessionaire above the ground floor at the three depots at Miyapur (99 acres), Nagole (96 acres) and Falaknuma (17 acres) and above the parking and circulation areas at 34 select stations (57 acres at Category II and Category III Stations) in accordance with the provisions of the Concession Agreement, Applicable Laws and Good Industry Practice.

4.2 While the scope and details of the real estate development will be furnished to the bidders during the bid process, the cumulative built up area to be utilized for real estate development is likely to be about 18.5 million sq.ft. (about 12.5 million sq.ft. over the 3 depots and 6 million sq.ft. at the 34 select stations). The ownership of the land shall always remain with GoAP. The built up area can only be used for rentals during the Concession Period and it will have to be handed over to GoAP at the end of the Concession Period in accordance with the provisions of the Concession Agreement.

5.0 *Institutional Arrangement*

5.1 With a view to providing a single point nodal agency to coordinate with various government, semi-government and private agencies and facilitating implementation of the project by the Concessionaire, GoAP has established a Special Purpose Vehicle (SPV) in the form of Hyderabad Metro Rail Ltd. (HMR) as it's fully owned undertaking. Consisting of a small but highly motivated group of experienced engineers and senior government officers, HMR has initiated several measures for acquisition of the required lands, identification of obstacles, R&R, obtaining right of way for the three corridors, etc. The Heads of utilities in the city such as Hyderabad Metro Water Supply & Sewerage Board (HMWSSB) and the Central Power Distribution Company of Andhra Pradesh Ltd (APCPDCL), and other connected senior officers of the government are on the Board of Directors of HMR.

5.2 To provide legal cover for the project, GoAP enacted “The Andhra Pradesh Municipal Tramways (Construction, Operation and Maintenance) Act, 2008”. The Act adequately deals with various aspects of construction, operation and maintenance of the proposed Metro Rail system and a copy of the Act would be made available to the applicants who paid the cost of the RFQ document.

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