



**Opportunity for Equity Participation**  
in  
**Haryana Orbital Rail Corporation Limited**  
for  
**Haryana Orbital Rail Corridor Project**  
**(Palwal to Sonipat)**

**Pre-bid conference**  
**4<sup>th</sup> June, 2021**

# Agenda

The background of the slide is a photograph of a train yard. In the foreground, two parallel train tracks run from the bottom center towards the horizon. To the right of the tracks, a long train of railcars is visible, with blue and red cars. The sky is a pale, overcast blue.

Project Brief

Open Session



# Haryana Orbital Rail Corridor

Project Brief

# Long felt need of project

- High congestion in existing Railway network
  - Lajpat Nagar-Patel Nagar Delhi Avoiding Line - 133%
  - Adarsh Nagar – Sonipat – Panipat - 121%
  - Nizamuddin – Tughlakabad - 163%
  - Tughlakabad – Palwal - 141%
- Substantial Non-NCR bound freight traffic in the existing railway network
- Government mandate for relocating goods sheds from Delhi to peripheral areas for reducing pollution and Congestion
- Eastern & Western Peripheral expressways developed but implementation of Orbital Rail Corridor around Delhi (envisaged in NCRPB Regional Plan 2021) still pending
- Missing last mile connectivity of DFC Network from Ports to NCR region



**Haryana Orbital Rail Corridor Project**

# Haryana Rail Infrastructure Development Corporation Limited (HRIDC)

For seamless implementation of Railways projects, **Union Govt. felt the need for involving States in Project Planning, financing & implementation of Projects** on State's priority



## Policy of Joint Venture Companies b/w Railways & State Governments

### Objective

- Development, implementation & financing of Mutually Identified Viable Railway Projects
- Critical connectivity / capacity enhancement projects to be taken up on Priority

### JVC Activities

- Undertaking railway projects after establishing viability and /or VGF
- State JV Company to incorporate Project SPVs to implement identified rail projects

**Haryana Rail Infrastructure Development Corporation Limited (HRIDC)**, a JVC b/w MOR(49%) and Govt. of Haryana(51%) was incorporated on 22 Aug, 2017.

# Haryana Orbital Rail Corporation Limited (HORCL)

HORCL, an SPV for implementation of Haryana Orbital Rail Corridor Project incorporated on 25 Dec, 2019

## Existing Shareholders



- JV Company of Ministry of Railways and Govt. of Haryana
- Nodal agency to plan and implement the development of railway infrastructure in Haryana
- Specialist in implementation of rail infrastructure projects



- Govt. of Haryana PSU under Department of Industries and Commerce
- Responsible for driving all round economic development in the state by providing world class infrastructure and support services
- Specialist in industrial promotion and investment facilitation

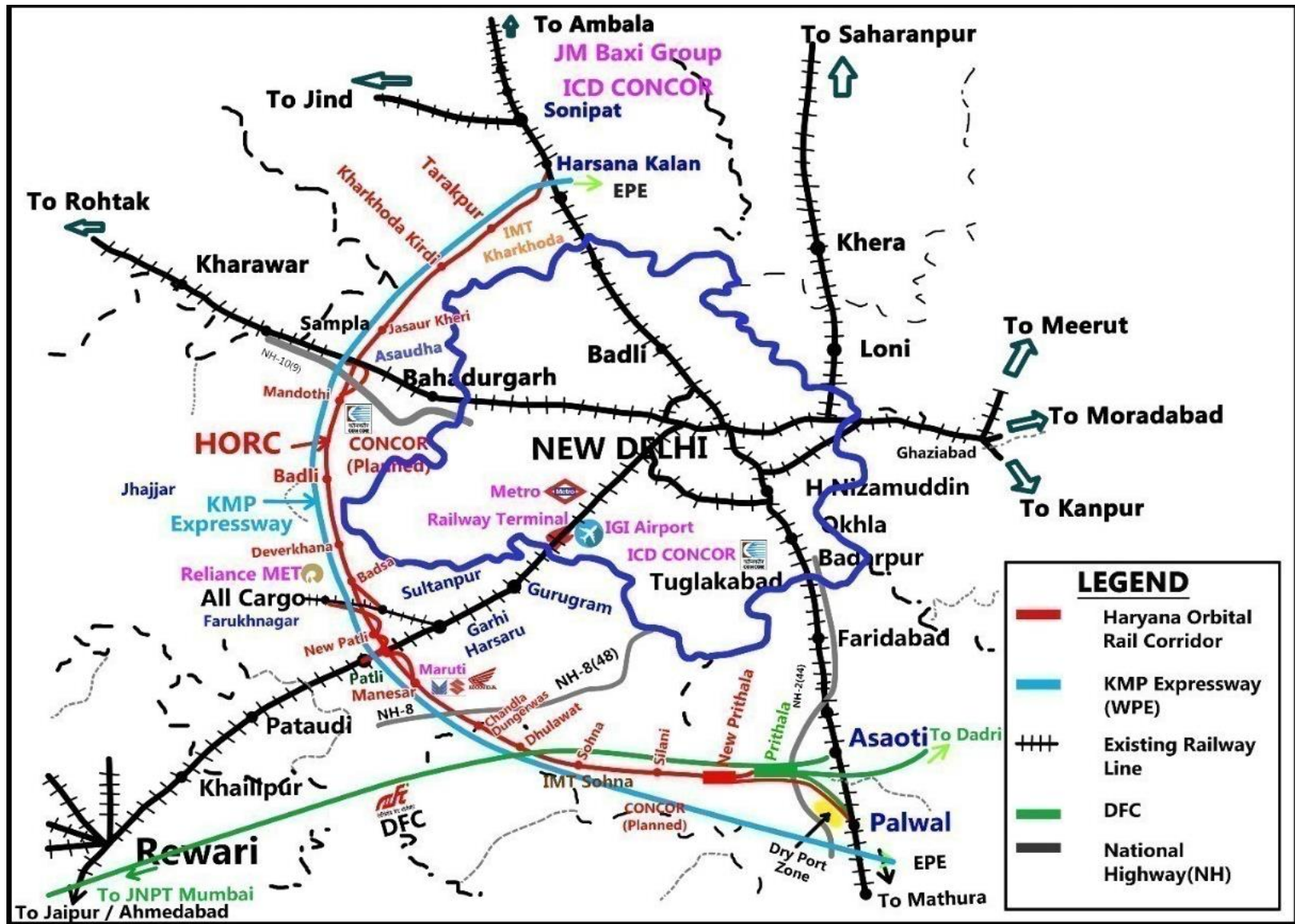


- Govt. of Haryana Authority with a vision for the continued, sustained and balanced growth of the Gurugram Metropolitan
- Specialist in integrated and coordinated planning, infrastructure development and provision of urban amenities



- Maruti Suzuki India Ltd. (MSIL), All cargo Logistics (ACL) & J.M. Baxi Grp
- Reputed companies in Automobile and Logistics space
- Investors with strategic interest in development of project

# Haryana Orbital Rail Corridor (HORC)





## Salient Features

New Broad Gauge Electrified Double Line

From Palwal to Sonipat Bypassing Delhi along the Kundli-Manesar-Palwal (KMP) Expressway

Length: 121.742 Km (143.932 Km including connectivity)

No of Stations: 14 New (5 Existing)

Speed Potential: 160 KMPH

Dedicated Freight Corridor Standards

- ✓ Double Stack Container: High Rise OHE
- ✓ 25 Ton Axle Load

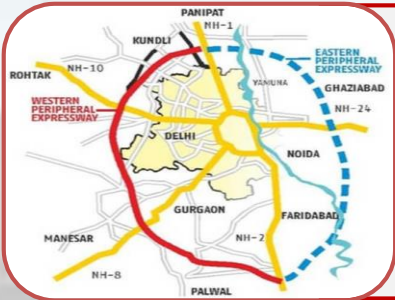


# Project Benefits



## Facilitating high mobility to Future Growth Centres

- ▶ Connectivity to IMT/Sohna, Manesar, Kharkhoda, MET/Reliance, major Automobile manufacturers, logistics companies, proposed new Panchgram cities, etc.



## Peripheral link around Delhi

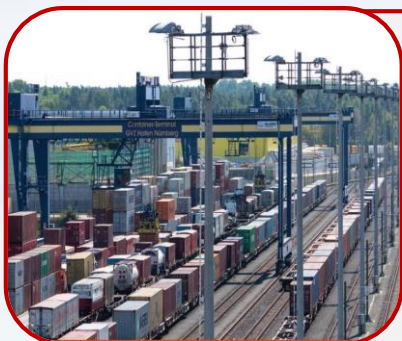
- ▶ HORC's alignment is mostly along KMP Expressway connecting radial routes of Indian Railways
- ▶ More efficient and faster route for freight traffic in Delhi NCR region



## Feeder route connectivity to Dedicated Freight Corridor (DFC)

- ▶ Being High-Rise OHE section, HORC will provide seamless "High Speed High Capacity" connectivity for the operation of Double-Stack Containers from the Economic centers in NCR to Ports of India through DFC network.

# Project Benefits



## Enhancing logistics ecosystem in NCR region of Haryana

- ▶ Promote development of new Multi Modal Hubs in NCR region of Haryana due to shifting of hubs from Delhi to locations along HORC alignment.
- ▶ Connecting Logistics Hubs and developing Multi Modal Hub support



## Relocation of Goods Sheds from Delhi

- ▶ HORC will act as a feeder route to DFC Network enabling seamless transportation from ports of India to periphery of Delhi, thereby, promoting setting up of Logistics Hubs in the area
- ▶ Government mandate to shift Goods Sheds from Delhi to peripheral locations to reduce congestion and pollution

# Project Attractions



Majority of funding is from Central and State government agencies



Project is being funded by soft loans from AIIB under Sovereign Guarantee



Present traffic levels used for developing revenue projections in consultation with Railways. Other proposed developments are yet to be factored in revenue projections.



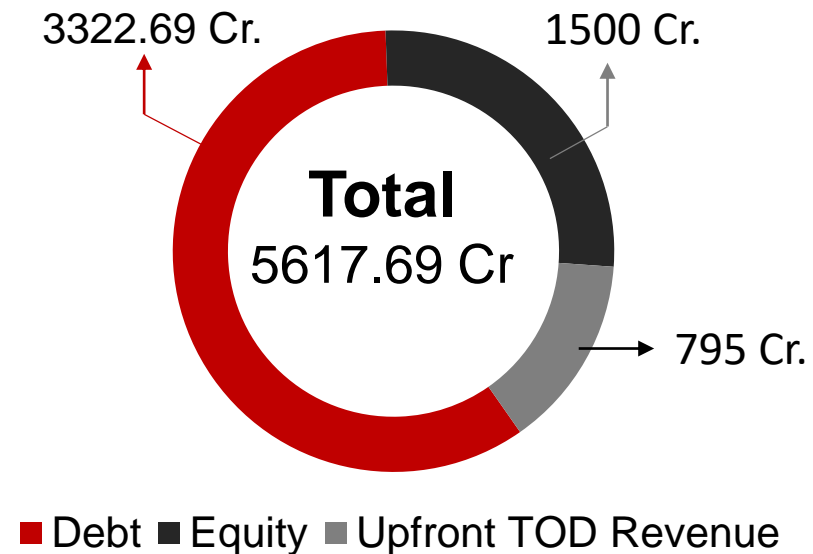
In case equity holders of the company set up Private Freight Terminal, logistic park, or private siding etc., during the project execution stage, free of cost connectivity within the station yard limits will be provided

# Project Financing

## Summary of Cost Estimates

Description	Cost (INR Cr)
Civil Engineering	3357.77
Signalling and Telecom.	161.46
Over Head Electrification and General Electrical	348.79
<b>Total Construction Cost (INR Cr)</b>	<b>3868.02</b>
Land Cost including Rehabilitation & resettlement	1358.67
Interest During Construction	391.00
<b>Total Cost (INR Cr)</b>	<b>5617.69</b>

## Funding Structure



- Debt at concessional rates sourced from AIIB under Sovereign Guarantee
- Private investors, such as Maruti Suzuki India Ltd., All Cargo Logistics and J.M. Baxi Group are already onboard

# Traffic and Revenue Projections

Traffic Projections							
Year/ INR Cr	2027	2030	2035	2040	2045	2050	2055
Tonnage in Million Tonnes (MMTPA)	59	67	81	89	100	115	134
Trains per Day	52	59	72	81	93	108	128

Revenue Projections							
Year/ INR Cr	2027	2030	2035	2040	2045	2050	2055
Operating Revenue	495.99	574.17	732.80	935.26	1193.65	1523.44	1944.33
Non-Fare Box Revenue	49.60	57.42	73.28	93.53	119.37	152.34	194.43
<b>Total Revenues</b>	<b>545.59</b>	<b>631.58</b>	<b>806.08</b>	<b>1028.78</b>	<b>1313.02</b>	<b>1675.78</b>	<b>2138.77</b>

***Indian Railways (IR) will operate the trains and collect freight from the users. Apportioned earnings of the traffic revenue will be calculated and shared by IR to HORCL as per mutual agreement.***

# Financial Results

Measure	Results
Project IRR	10.22%
<b>Equity IRR</b>	<b>14.35%</b>
Min. DSCR	1.31
Average DSCR	3.19
Min. ISCR	1.91

Above results are on conservative estimates of traffic projections, consideration of proposed developments in/around the project corridor in an optimistic scenario will further improve the financial results.

# Project Implementation Plan & progress status

- The commissioning of the Project is targeted in FY 2026.
- Project to be implemented in two sections simultaneously-
  - Priority Section from Patli to Manesar by Q2 2023
  - Balance section to be commissioned by Q4 2025 in three stages

## Approvals

- ✓ In principle approval by MoR on 05.03.2019.
- ✓ Cabinet of Government of Haryana approved the project on 16.07.2019.
- ✓ Cabinet Committee on Economic Affairs (CCEA), Govt of India approved the project on 15.09.2020.

## Office and Procurement

- ✓ Project Office of HRIDC setup in Gurugram and operating at full capacity
- ✓ General Consultant has been mobilized on 01.04.2021
- ✓ Requisite procurement related activities have been initiated by GC

## AIIB Loan

- ✓ AIIB Screening Committee approved project on 04.03.2020.
- ✓ Investment Committee (IC) of AIIB has accorded concept approval to the project on 05.06.2020



Open session



A long freight train consisting of numerous intermodal containers is parked on a set of railway tracks. The containers are primarily blue and orange, stretching far into the distance. The tracks are made of gravel and metal rails, leading the eye towards the horizon. The sky is a pale, overcast blue. The overall scene is industrial and orderly.

**Thank You!**

**Request for additional information, if any, may be submitted to-**

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