No.K-14011/6/2024-O/O US(MRTS-III)-MoHUA
(E- 9176119)
Government of India
Ministry of Housing and Urban Affairs
Urban Transport Division
***

Sankalp Bhawan, New Delhi
Dated the 17th March, 2026

To

The Chief Secretary,
Government of Gujarat
Secretariat, Gujarat-600009

Sub: **Approval of Ahmedabad Metro Rail Project Phase-2B (GIFT City (excluding) to Shahpur)-reg.**

Sir,

I am directed to convey the approval of the Government of India (GoI) for the implementation of Ahmedabad Metro Rail Project Phase-2B (GIFT City (excluding) to Shahpur) covering a length of 3.332kms (including 380 m section kept for future extension provision towards IIT Gandhinagar), for a total completion cost of Rs. 1067.35 crore, with contribution of GoI in the form of Equity and Subordinate Debt given in **para 03** and subject to the conditions as given in **para 08** below. The cost break-up of the project has been given in the **Annexure-I**. This project will be implemented by Gujarat Metro Rail Corporation Ltd (GMRCL),a 50:50 Joint Venture company of Government of India (GoI) and Government of Gujarat (GoG) within 4 years from the date of approval of GoI.

2. **Corridor :** The details of the corridor are as under:

Name of the Corridor	Total Length (km) completely Elevated	Stations
GIFT City(excluding) to Shahpur	3.332(including 380 m section kept for future extension provision towards IIT Gandhinagar	3 (all elevated)

3. **Project Financing**: The cost of the project as stated in para 1 above will be financed as per the financing plan given below:

Particulars	Amount (Rs/Crore)	%
Equity By GoI	145.52	15.34%
Equity By GoG	145.52	15.34%
SD for Central Taxes by GoI	44.20	4.66%
SD for Central Taxes by GoG	44.20	4.66%
PTA against Bilateral/ Multilateral Loan	569.15	60.00%
Sub-Total	**948.59**	**100.00%**
Land cost to be borne by GoG	27.92	
State Taxes to be borne by GoG	74.14	
Project Completion Cost	**1050.65**	
Interest During Construction(IDC) on Bilateral/ Multilateral Loan	16.70	
Completion Cost including IDC	**1067.35**	

4. **Legal Framework:** Legal cover for Gujarat Metro Rail Corporation Limited (GMRCL) shall be under the Metro Railways (Construction of Works) Act, 1978; the Metro Railways (Operation & Maintenance) Act, 2002; Metro Railways (Amendment) Act, 2009 and the Railways Act, 1989, as amended from time to time.

5. Institutional Arrangement: Gujarat Metro Rail Corporation Limited (GMRCL), a 50:50 jointly owned Company of GoI and GoG shall implement, operate and maintain the Metro project.

6. High Powered Committee: During implementation of the project, a High Powered committee under the chairmanship of the Chief Secretary to the Government of Gujarat, with other Secretaries concerned as members, will be constituted to take expeditious decisions on matters relating to land acquisition, shifting of utilities and other structures in project alignment, rehabilitation of Project Affected Persons, Multimodal Integration and such other matters where the State Government has to facilitate quick action including various conditions of sanction of this project.

7. Commitments in line with the vision of 'Atmanirbhar Bharat Abhiyan': In line with the vision of Atmanirbhar Bharat Abhiyan and Make in India initiatives, the procurement of the major components for the said project, will aim at enhancing the proportion of supplies from indigenous sources. MoHUA has issued guidelines for minimum local content to be adopted by Metro Rail Companies in the procurement of various components. The extant guidelines will be applicable in procurement from loan proceeds of external funding agencies and terms and conditions of loan/project agreement would be followed.

8. The conditions of sanction of the project are as under:

i. 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.

ii. Central Laws, i.e., the Metro Railways (Construction of Works) Act, 1978, the Metro Railways (Operation & Maintenance) Act, 2002 as amended through Metro Railways (Amendment) Act, 2009 and the Railways Act, 1989 would be applicable. Central Government's decisions with regard to safety, standardization and indigenization of rolling stock across all metro systems would be applicable.

iii. The project shall be implemented by a 50: 50 joint owned Special Purpose Vehicle (SPV) of Govt. of India (GoI) and Govt. of Gujarat.

iv. GoI and Govt. of Gujarat, shall nominate five Directors each to the Board of Directors (BoD), of SPV i.e GMRC totaling 10 nominee Directors. The ex-officio Chairman of BoD shall be amongst the five nominee Directors from GoI and the full-time Managing Director (MD) with adequate technical experience, among the five nominee Directors from Govt. of Gujarat, will be appointed with the prior permission of GoI. The Managing Director shall not be given any other/additional assignment by Govt. of Gujarat without the prior written permission of MoHUA.

v. The Special Purpose Vehicle (SPV), which shall implement this project, shall generally adopt the guidelines of Department of Public Enterprises, the Department of Economic Affairs and the Central Vigilance Commission as necessary to strengthen the Corporate Governance and shall be subject to the Parliamentary scrutiny.

vi. The SPV shall be bound by such directions on question of policy, as the Central Government may give in writing from time to time after giving due opportunity to the SPV to express its views before giving any direction.

vii. The complete cost of land acquisition, resettlement and rehabilitation (including escalation) shall be met by the State Government. The State Government should ensure that land acquisition does not become reason for delay in implementation of the project.

viii. **Procurement of Additional Rolling Stock:** Government of India will not share any cost towards procurement of additional rolling stock in the second and subsequent years of operation, as this would not be a part of the project cost.

ix. **Cost Escalation:** GoI's proposed funding, in the form of equity and subordinate debt will be ring-fenced to 20% of the total project cost i.e Rs. 189.72 Cr. Any other cost escalation due to price escalation or exchange rate variation leading to increase in the cost of the project within or beyond the approved project time limit, inclusion of essential items not referred to in the DPR and also any other cost escalation due to change in scope or delay beyond the approved time cycle shall be borne/met/arranged by the State Government. The Government of India would not finance cash losses and capital expenditure during the operational phase and its requirements would be financed by the SPV and/or the State Government from its own resources.

x. **Taxes**

(a) The State Government will either exempt the SPV from its State/local taxes and duties/levies or reimburse the same.

(b) The State/local taxes would not form part of the project cost to be shared by the Government of India.

(c) There will be no waiver of Central taxes/duties by the Government of India.

xi. **Repayment of Loan:** In case of SPV not being able to repay the loan (as and when it becomes due), the responsibility for the same shall be borne by the State Government, and not by the Government of India.

xii. 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.

xiii. **Dedicated Urban Transport Fund:** The State Government should set up a dedicated urban transport fund at the state level as well as at the city/metropolitan area level to create pool of resources for replacement of assets and providing operational subsidies, if any, not only for this project but other Urban Transport projects as well.

xiv. **Multimodal Integration**

(a) 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.

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

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

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

xv. **Price-Based Measures to promote and facilitate Metro Rail Ridership:** 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.

xvi. **Land Use Densification:** Land Use densification around the stations also needs to be done to increase the rider-ship and decrease the overall travel demand.

xvii. **Periodic Fare Revision:** 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.

xviii. **Unified Metropolitan Transport Authority:** 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.

xix. **Traffic Information Management Control Centre:** 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.

xx. **National Public Transport Helpline:** 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.

xxi. **Parking Policy:** 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 center in city centers with park-and-ride facility etc.

xxii. **Advertisement Policy:** 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.

xxiii. **Memorandum of Understanding:** The State Government, the SPV and the Government of India shall enter into a tripartite Memorandum of Understanding regarding detailed terms and conditions for implementation of the project in accordance with sanction of the Union Cabinet.

xxiv. Metro stations should be designed and constructed with toilets in the paid area. The toilets should be part of the project cost and meet the needs/ requirements of the Persons with Disabilities.

xxv. The State Government should endeavor to economize on the cost of the project through value engineering, minimum land acquisition, adoption technological innovation during project life cycle.

xxvi. **Fund release :** GoI's share will not be released till the tripartite MoU is signed.

9. This issues with the concurrence of the Integrated Finance Division of this Ministry vide their Note #207 dated 12.03.2026 and with the approval of Secretary (HUA) vide Note# 213 dated 16.03.2026 in File No. K-14011/6/2024- (MRTS-III)-MoHUA(E-9176119).

Yours faithfully,

(Sarojini Sharma)
Under Secretary to the Govt. of India
Ph. 23783430

Copy to:

1. Principal Secretary to Hon'ble Prime Minister, Prime Minister's Office, Seva Teerth, New Delhi.
2. PS to Minister of Finance, Room No. 15070, 5th Floor, Kartavya Bhawan, New Delhi.
3. Principal Secretary, Urban Development and Urban Housing Department, Block No. 14/9, Secretariat, Gandhinagar, Gujarat.
4. CEO, NITI Aayog, NITI Bhawan, Sansad Marg, New Delhi-110001.
5. Secretary, Department of Expenditure, Room No. 16100, 6th Floor, C-Wing, Kartavya Bhawan-1, New Delhi.
6. Secretary, Department of Economic Affairs/Ministry of Finance, Room No. 15100, C-Wing,Kartavya Bhawan-1, New Delhi.
7. Chairman, Railway Board, Ministry of Railways, Rail Bhawan, New Delhi.

8. Secretary, Ministry of Environment, Forests& Climate Change, Room No. 407, 4th Floor, Prithvi Wing Indira Paryavaran Bhawan, Pritihvi Block, Jor Bagh, CGO Complex, New Delhi.
9. Secretary, Ministry of Statistics and Programme Implementation, Room No. 204, 2nd Floor, Khurshid Lal Bhawan, Jan Path, New Delhi Delhi.
10. Secretary, Ministry of Home Affairs, Room No. 35101, 5th Floor, Kartavya Bhawan-3, New Delhi.
11. Secretary, Department of Revenue, Room No. 14102, C-Wing, 4th Floor, Kartavya Bhawan-1, New Delhi.
12. Secretary, Ministry of Road Transport & Highways, Room No. 509,5th Floor, Parivahan Bhawan, Parliament Street, New Delhi.
13. The Managing Director, The Managing Director, Gujarat Metro Rail Corporation Limited (GMRC), Company Limited, Block No. 1, First Floor, Karmayogi Bhawan, Sector-10A, Gandhinagar – 382010.

Copy for information to:

1. Joint Secretary, Cabinet Secretariat with reference to their communication. No.6/CM/2026(i) dated 02.03.2026 .
2. PS to Minister for Housing and Urban Affairs.
3. PS to Minister of State for Housing and Urban Affairs.
4. Secretary, Ministry of Housing and Urban Affairs, New Delhi.
5. OSD(UT), MoHUA.
6. JS & FA, MoHUA.
7. Chief Controller of Accounts, MoHUA, Sankalp Bhawan, New Delhi.
8. Budget Section, MoHUA.
9. Pay & Accounts Office, Secretariat, MoHUA.
10. All Directors & Deputy Secretaries in UT division of MoHUA.

(Sarojini Sharma)
Under Secretary to the Govt. of India

Annexure- I

Component Wise Cost Break-up of the project

S. No.	Item	Amount (Rs. in Cr.) @January 2024 level
1	Land, R&R	26.62
2	Alignment and Formation	157.34
3	Station Buildings	141.66
4	Augmentation of Depot, Admin Building and OCC	10
5	P-Way	29.05
6	750 v DC Third Rail	47.55
7	Signalling and Telecom.	67.66
8	Shifting of Miscellaneous Utilities	12.76
9	Rolling Stock (2.9 m wide Coaches)	183.78
10	Capital expenditure on security equipments	1.41
11	Staff quarter for O&M	0
12	Multimodal Integration and Last mile connectivity	11.49
13	Total of all items except Land and R&R	662.7
14	General Charges incl. Design charges @ 5 %	40.81
15	Total of all items incl. General Charges	703.51
16	Continegencies @ 3 %	24.49
Total cost including contingencies and excluding Land, R&R cost		**728.00**
Total cost including contingencies and including Land, R&R cost		**754.62**
Central GST & Basic Customs duty		**74.68**
State GST		**62.63**
Total Tax and Duties		**137.31**
Gross Total including taxes and duties (Without escalation)		**891.93 Cr.**
Gross Total including taxes and duties (With escalation)		**1050.64 Cr.**
Completion Cost including taxes and duties and IDC		**1067.35**