

3 *Recommendations*

- I. *IR needs to frame a Model Concession Agreement for execution of its projects within the stipulated time frame adopting uniform approach to all PPP projects in IR. The provisions of the agreement need to be complete and clearly defined with requisite safeguards to address any unforeseen event during the concession period. Provisions of the Agreement should also conform to the extant instructions issued from time to time by the MoR and other statutory authorities of Government of India;*
- II. *IR needs to resort to calling of Expression of Interest for selection of all equity partners other than the principal stakeholder. IR should ensure securing minimum traffic guarantee from the principal stakeholder;*
- III. *Adequacy and accuracy of data/information including assumptions needs to be exhaustively analysed for calculating IRR in order to judge the economic viability of the project;*
- IV. *IR needs to streamline the approval process, formation of SPVs and signing of requisite agreements in a time bound manner to avoid delay in completion of projects;*
- V. *Definite time line needs to be framed for achieving 'Financial Close' by the SPVs to discourage subsequent modification of the scope of the project and enhancement of project cost. Adequate care needs to be taken for realistic assessment of the project cost to reduce debt financing; and*
- VI. *IR needs to strengthen its monitoring mechanism for effective monitoring of all PPP projects both at the Zonal Railway as well as Railway Board level.*