

5. Depreciation – Some of the DPRs consider depreciation as cash outgo while computing IRR. Depreciation is a non-cash item and should not be considered while arriving at discounted cash flow and FIRR.
6. Non-Fare revenue- There are various non-fare revenues which will also accrue due to new development in the form of advertisement, rental income, retails etc. The cash inflows due to Non Fare Revenue should be factored at the time of preparation of DPR.
7. Time series: FIRR calculation should consider the cash flow for the period of construction and 30 years of operations. The operation period of 30 years should commence from 1st April of the year immediately after the financial year in which construction is completed.
8. Reference rates: The calculation under FIRR calculation considers rates and references from standard like Annual Statistical Statement (ASS), End result for Freight, End result for coaching and All India Engine Hour Cost. Likewise, EIRR (Economic Internal Rate of Return) is also calculated for assessing the projects. In this model, projects are evaluated beyond financial terms by including economic and social impact of the projects.

The final survey report including all the above, is submitted in the form of a DPR – Detailed project report to the appropriate authority on the basis of the cost worked out.

Detailed Project Report (DPR)

Detailed Project Report is required to be prepared for all works costing above Rs.5 Crore. DPRs are sent to Railway Board by Zonal/PSUs for appraisal and obtaining sanction of the competent authority as per the prevailing delegation of powers.

DPRs are submitted by DRM to Gati Shakti Directorate of Railway Board with Finance concurrence of Divisional Gati Shakti unit through PCOM/NPG and approval of GM. DPRs of inter divisional/inter Zonal Railways are submitted to Gati shakti Directorate of Railway Board by CAO/C with the concurrence of FA&CAO/C through PCOM and approval of GM.

Under Mission 3000 MT plan, many such capacity enhancement works are required to be sanctioned in near future for which DPRs are being prepared and sent by zonal railways to Railway Board. On acceptance of the DPR by the appropriate authority, the works are duly sanctioned and included in the IRPSM – Indian Railway Projects Sanction and Management system.