

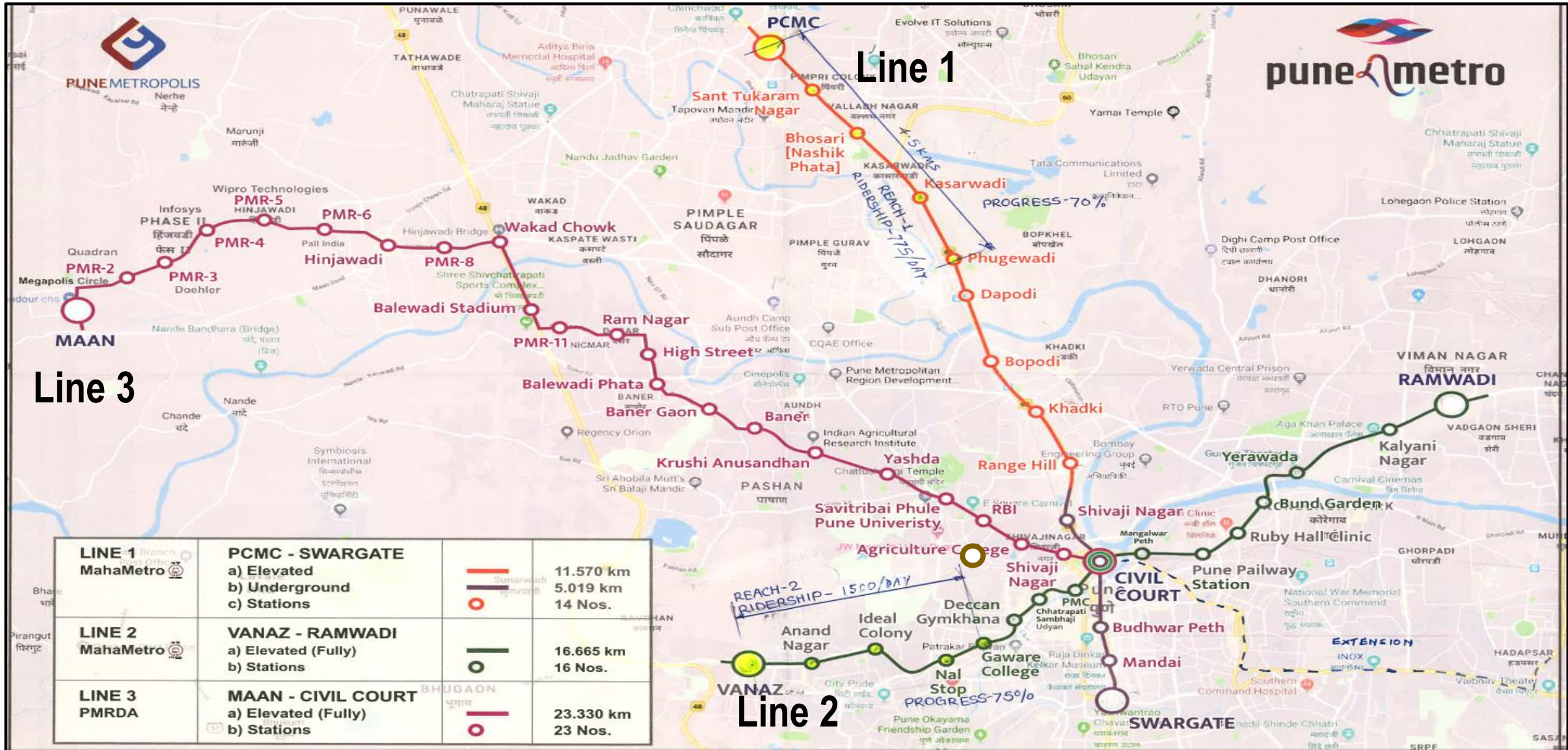
Pune Metro Line III

PPP Initiative: Govt. of India / Govt. of Maharashtra, Tata & Siemens Group

Pune Metro Lines



PUNEMETROPOLIS



ISSUES	NEW METRO POLICY 2017	PUNE METRO - III	GLOBAL CONTEXT
Capital intensity – High Upfront outflows, Revenue Stream over a long period	<ul style="list-style-type: none"> - 100 % RoW on AD - Grant from Govt. – during construction & operation - Viable starting fare structure with clarity on escalation - Unrestrictive rights for non-farebox - Real estate development rights with long tenure and fewer restrictions on monetisation 	<ul style="list-style-type: none"> - 97.2% RoW on AD, now 99.96% - E/Es delay - Utility diversion challenging 	<p>Bangkok Skytrain Public: RoW, Utilities; Pvt.: DBFOT</p> <ul style="list-style-type: none"> - Ridership 150K / 600K, 380K <p>Missing integration with other modes; Limited network (23.5 km), Fares more than competing subsidised buses & rail; last mile connectivity - escalators</p>
Economic disincentives for Public Transit – fuel subsidies, Inferior good	<ul style="list-style-type: none"> - No competing / duplication in public transit - Comprehensive mobility plan - Guidelines for last mile connectivity 	<ul style="list-style-type: none"> - UMTAs functioning informally 	<p>Line 4 Sao Paulo - 9 km with 9 stations, connecting poor suburb and downtown; Public: Civil; Pvt.: RST, Sys.</p> <ul style="list-style-type: none"> - Fare of \$1 with escalation formula - Ridership guarantee - Annual subsidy guaranteed by state - Re-routing of competing bus lines <p>Reduced commute time, Ridership target met in Year 3 of operation</p>
			Formal city-level empowered bodies like TfL, LACTMA

High Cost of Capital – Financial Sector sees lack of certainty

1. Availability of 100% RoW before Appointed Date
2. Ideally, major utility diversion to be done prior to project commencement
3. Planning of Metro corridor in a city to be done, so minimum 50 kms of metro available at one go
4. Optimisation of design to reduce capital investment and operational expenses
5. Timely availability of 40% VGF as per requirements of the project
6. Availability of low cost infrastructure debt for Metro projects

*In a free enterprise, the Community is not just another stakeholder
in the business, but is in fact the very purpose of its existence*

- Jamsetji Tata