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Dear Shri Vilasrao Deshmukh Ji,

Sub: Let us create wealth of Rs 6000 cr for Mumbaikars- and not drain off Rs 12000 cr in urban transport

Sir, we met earlier and I do recall your positive attitude to my presentation 4 years ago.

The State is genuinely interested in improving the transport infrastructure in the city- and adopted the conventional metro rails used in more than 200 cities in the world.

However, none of the existing metros are financially viable, proving a financial drain on the state's exchequer.

Even for capital expenditure since Government lacks funds, we are looking for BOT operators. The fundamental parameter for any BOT operator to take up a project is financial viability. The metro rail is not a financially viable proposition so, all will seek substantial Government assistance, by way of getting prime Govt. land and guarantee for filling the revenue earning gaps, and seek such concessions to generate enough surpluses to cover financing costs and risk of running the business as well as profits. The capital costs being so high, with returns at less than 2 to 3%, the financial structuring will be a non-starter unless, Govt. takes a huge soft loan from abroad and makes it available to the project- as is the case of Delhi.

The reality is that Delhi metro is a financial disaster and harsh inevitable consequence is that the state's financials will collapse, leaving little money to take care of citizens health/education needs.

Mumbai need not repeat this mistake. Anyway such huge loans are no more forth coming from other foreign countries. The private parties, who entered the fray giving expression of interest, will be having endless negotiations to evolve a workable financial structuring to make through indirect subsidies, convert a fundamentally financially disastrous project like metro rail into a workable one to recover their money, leaving the interest of state to fend for them-selves. Lessons must be learnt from Bangalore experience of why UB group failed to do elevated metro even after a decade. So Mumbai also will end up with no result

if they want to do metro on BOT basis. The world of today does not tolerate such uneconomic activity.

With present hectic activity of MMRDA, it is a bold writing on the wall that unless the state hands over prime land displacing people, to compensate, the BOT operator will not even start activity on metro rail- it is improbable that in next 3 to 5 years financial closure can be achieved. Painful negotiations for revenue guarantee will take its own time too. In my opinion the elevated metro being planned in Mumbai will prove to be a non-starter.

But Skybus can bring in easily the funding and project delivered in 24 months, and add capacity of more than 6m passenger travels a day at Rs 6000 cr!

Sky Bus Metro comprises of proven railway technology elements. Most of them will be fully developed, off-the-shelf-available components, which can be used both in underground existing metros as well as in Sky Bus Metro. No serious concerns of technology risks are envisaged.

By its construction and structure, it is not like the conventional railway system where coaches travel above the wheels, but typically the wheels are travelling above the coaches. Hence, if we agree the system shall not fall under the Indian Railways Act 1989, a special Sky Bus Metro Act is required to assure public safety in travel on the Sky Bus. But if it is taken under Railway Act, the same principles used to certify rail based system can be used to certify the system. State may take a view in consultation with center.

The Sky Bus Metro Act draft also has been prepared by a renowned Supreme Court Advocate and Member Law Commission (copy can be obtained from Konkan Railway).

For the futuristic technologies like Maglev as well as driverless Copenhagen Metro Systems, TUV InterTraffic GmbH, a German Company which is European accredited and world wide accepted, have now given their consent to certify the system for public safety. They will also be involved continuously with the manufacturers, suppliers so that under the Sky Bus Metro Act the system can operate safely.

What is required is conviction in the strength of innovative Indian engineers and technologies and align with established reputed scientists and engineers of our country to take the leadership position in the world.

World's First SkyBus Metro rail test track at Goa:

The results of the trials done on the test track at Goa by the Konkan Railway, with measurements done by the Research designs and Standards Organisation of Ministry of Railways, indicate that the Skybus Metro Rail performs better than international metro technology. **The cost of Rs 53 cr incurred for the 1.6km test track including rolling stock etc (means only Rs 36 cr per km) makes it clear that it is practical to construct at Rs 50 cr per km in commercial project, which will have better facilities.**

Benefit: Metro city can be made pollution free, and decongest the roads. Other metros cost 3 to 5 times more and are not financially viable. Sky Bus Metro is economic, eco-friendly & financially viable at Rs 500 per month for a traveling family who are used to cover 1000 pass.km /month.

With TUV of Germany, committing support for certification, for safety of Sky Bus Metro, the concern expressed by other Indian Experts are no more valid.

What Government has to do:

If the above proposition is accepted, your Government has to take only two steps.

1. Cause a legislation for Sky Bus Metro for which the Draft Act as prepared by a former member of law commission or initially adopt the existing Tramway Act18xxx.
2. To give right of way and sign a 20-25 year concession agreement with Konkan Railway Corporation Ltd., a Government of India company.

Full funding on BOT basis: With the above two steps you will observe that the subject matter will be totally under the control of the State. For example, the Malaysian technology partners(M/S Doxport technologies leading a consortium) are willing to provide full funding for the Hyderabad Skybus Metro Rail network. Similarly we can find Indian financiers too.

A 20 to 25 year concession will be needed. The SPV will pay for all power/utilities availed from the State. For the first ten years, a tax holiday will be required, until the investor recovers his investment. From the 11th year, taxes will be payable, and in the 30th year the Skybus

Metro will be handed over free to the state, except for the commercial towers constructed at stations.

Hence A State Govt need take no risk of capital nor revenue.

Mr Rajaram is the inventor of the technology and has got patents in USA and other countries too. World's first Sky Bus test track is already constructed by him as MD/ Konkan Railway, which is working in Goa. Since the inventor has assigned the patent-rights to the President of India through Konkan Railway Corporation, his actions are motivated by public interest to promote Indian intellect and industry to serve the common man.

Within two years you will get to change the city's life style.

Solution	Cost per route km	Capacity PeakPHD	Eliminates trucks	Time of complete	Land	Service interval	Financially viable
DMRC type	Rs100 to 120cr	20,000 to 40000	NO	7 yrs	Required large	2 min	NO
Skybus Metro Rail	Rs 50 to 60 cr	20000 to 40000	Yes	2 yrs	Least-minimal	1min	Yes

DMRC type, are financial black-holes- no returns.

Rubber tyred mono-rail systems are not for mass urban transport.

Skybus Metro needs NO GOVT investment.

Metros are capital intensive and are hardly used 47 to 50 % of the time in a day. But the Skybus Metro system can carry containers, even loaded trucks as in RO-RO service of the Konkan Railway, in addition to automated house keeping functions for the Municipal Corporation, along the roads.

Thus utilization is more than 70% of the time and the capital required less than half, makes economical sense, in case of Skybus Metro System..

The Indian solution of the Sky Bus Metro, the new alternative to other road based solutions to decongest the roads, or very expensive old generation not so safe elevated/ underground technologies, which are financial disasters.

A family has to buy at Rs 500 per month to travel 1000 pass.km- works out to 50ps per km for airconditioned travel and with service available at less than one minute

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waiting time in peak period. Minimum entry charges will be applicable.

It is prudent and in public interest to adopt our World class technology, which is economical, safer and affordable metro solution,

- not only for people but also
- for cargo and trucks
- housekeeping functions of the city

with no Government investments.

India will make history in the world as the originators of Skybus Metro to improve world city-life.

Mumbai need not be another 201st city in the world with a financially groaning metro rail line like others.

The state has choice - continue current hectic activity of keep on producing consultancy reports and tenders /negotiations and getting stuck on the issue of funding, then seek heavy debt support to create a financial drain losing Rs 12000 cr wealth which otherwise could have been used for addressing problems of larger rural populations crying for attention-

Or

Create wealth of Rs 6000 cr without risk to Government, also provide 60 lac passenger journey capacity(almost equal to what suburban rail is carrying today) within 36 months- results seen within 24 months a gift smart & hard working Mumbaikars are over due.

If the state is prepared to take the choice of creating wealth through Skybus, I am prepared to take up once again personal responsibility to deliver the promise, even though I have retired from IRSE.

With best wishes and a prayer that wisdom prevails,

with regards,

B. Rajaram

(B. Rajaram)
DT. 18.10.05

Shri Vilasrao Deshmukh Ji,
Hon'ble Chief Minister,
Government of Maharashtra,
Mantralaya, Mumbai 400001