

Financial Overview

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|-----------|----------|-------------------|-----|----------------|
| Route | 10 km | Cap cost at Rs cr | 650 | Scene 2 |
| Cost Rs | 65 cr/km | Equity | 250 | |
| phpdtrips | 20000 | Debt | 400 | |
| | | | | |

At minimum entry charge of Rs: 5 off peak
 10 in peak

Typical day:

Down direction 3 hrs of peak in a day of 20 hrs and rest of time 30%
 occupation assumed: 20,000 x 3 + 20,000 x 0.3 x 17= 162000 trips
 charged at Min charge of Rs 5 per trip earns annually 29.565 cr
 peak occupation direction for peak period min charge 10.95 cr
 raised by Rs 5, gives extra Total 40.515 cr
 In the other direction too same load except peak may be at different time.
 total will be.....Rs 81.03 cr B

With single direction peak flow the above is the position.

If both directions peaks occur simultaneously:

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| peak period trips | 240000 yields at peak charge | 87.6 cr |
| non-peak trips | 168000 yields at half-price | 30.66 |
| | total | 118.26 cr C |

Add for floating population of 50000 trips a day at Rs 20 (Min entry charge)

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| add | 36.5 cr A |
| Max total | 154.76 Cr (A+C) |
| Min | 117.53 Cr (A+B) |

For daily users, alternate model of selling 1000 km per month at Rs 500

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|-------------------------------|-------------------|
| to 1.5 lac families yields Rs | 90 cr D |
| Floating population Rs | 36.5 cr A |
| Total | 126.5 cr E |

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| Expenses in operation: | Rs . Crores/annum |
| 1.Staff salaries 300 persons | 2 |

Scene 2

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|---------------------------------|-------------|------------|-------------|
| 2. Management fee-safety issues | 1 | | |
| 3. Energy | 20 | | |
| 4. Spare parts | 2 | | |
| Total | 25 cr | EE | 25 |
| Interest @ 12% | 48 | | 60 |
| Total exper | 73 | F | 85 |
| Net operating surplus | 53.5 | E-F | 41.5 |
| Depreciation Provision | 5% | 32.5 | G |
| Profit | 21 | H | 9 |

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|-------------------------|------|
| Year | 1 |
| Cash surplus | 66.5 |
| Tax at 20% of Profit H | 4.2 |
| Net Cash Surplus Rs Cr. | 62.3 |

Debt managed at a cost of 12% per annum.
Entire equity amount recovered in 4 to 5 years.
Net cash surplus /Equity 25%

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| | | 26% |
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The fare box collections alone are taken into account. Imagine the traffic realisation is not upto the mark, and consider drop in revenues by 20%

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| Income | 101.2 |
| Expenditure | 25 |

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| Optg surplus | 76.2 | 76.2 |
| Interest | 48 | 60 |
| Earnings before depreciati on & taxes | 28.2 | 16.2 |
| Depreciation | 32.5 | 32.5 |
| Profit before taxes | -4.3 | -16.3 |
| Taxes on profit | 0 | 0 |
| Net Profit | -4.3 | -16.3 |
| Cash surplus | 28.2 | 16.2 |
| <u>As % of equity</u> | <u>11%</u> on equity of 250 cr | <u>11%</u> If 150 cr |

So between 5 to 7 years one can manage to recover the equity amount.

Debt can be maintained by re-financing at 12% is the assumption here.

Since international finance is available at 6 to 7% this should be possible.

Revenue risk is real- ridership is proven only after we experiment the first route and local condns play quite serious role. So additional comfort is required for the BOOT operator, to derive income from the real estate opportunity space created during the construction of Skybus. Expected loss of revenues have to be partly compensated- by leasing out the 40% of 90000 sqm of space. To earn say Rs 20 cr per annum, the lease rental per sqm for 40,000 sqm ,say, is Rs 3000. So if a person takes 12 sq.m that is about 100 sq.ft, he has to pay monthly Rs 3000. in CBD. It is not necessary that one gets always this revenue in the first year itself. But this comfort for the BOOT operator who is required to raise finances.