

Govt readies fifth proposal, but monorail refuses to move

Pvt Companies Reluctant Because Of Political Uncertainty

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Chennai: In two weeks, the Tamil Nadu government will make another 'request for proposal' — the fifth time — for contractors to build the proposed monorail, but there seems to be no takers.

Two companies are considered for the project, but sources in the government said they are now reluctant to take up the work because of political uncertainty as Assembly elections near. TN has a history of stalling infrastructure projects initiated by the previous government. The Port-Maduravoyal project, for example, was started by the DMK government and discontinued by AIADMK. "Monorail is unlikely to take off soon, however much the government tries," said a source at the transport department. "The fear among private companies is palpable," he added.

For the project to start, the chosen company needs to raise ₹3,267 crores for the first phase. It has to design and build under the current scheme of these things. "Any company would

RUNNING LATE

2006 | Project proposed

2011 | Tender work begins as soon as AIADMK comes to power

Feb, 2014 | State government announces schedule of work and fares

April, 2014 | Lok Sabha elections interrupt the schedule

Nov, 2014 | Union ministry of urban development approves project

What went wrong

Private companies were reluctant to invest huge sum of money for the system

Companies are wary that a change in government may stall it as has happened with earlier projects



take more than a year to mobilize this money before construction begins and by then there could be a change of government. And the companies see this as a potential risk," said the source.

Another option is to drop the public-private partnership and build it with Japan International Cooperation Agency (JICA) fund, but the government is not keen on this option. JICA is willing to fund the project, provided the government takes up the construction. "JICA will be interested in funding the mono-

rail project if the government takes it up," said Sanjeev Moholkar, principal development specialist at JICA in an earlier interaction with TOI.

However, if JICA is funding or giving soft loans for the project, transport officials say the government has to forgo the PPP (public-private partnership) and take up the EPC (engineering, procurement and construction) model. Through the PPP model, the private company is expected not only to invest in the project but also design, build and operate the system.

"The government cannot invest and also operate such a large system. There are not enough resources for that. We can get JICA funds only if we follow the EPC mode," said the source. Under the PPP model, the contractor is expected to design, build, finance, operate and transfer the project. The project is expected to cost ₹16,650 crore. Of this, the government has agreed to pay ₹970.5 crore to the operator as a grant to make it easier for the successful bidder.

The tender process to choose the contractor has been stuck in second gear for more than three years now as the project is as expensive as metro rail but does not have the same passenger capacity as the metro. While metro rail has the capacity to carry 45,000 passengers per direction, monorail can manage just about 10,000.

The Chennai monorail is proposed to have a network of 43.48km, with two corridors. While one would go from Poonamallee to Kathipara with a link from Porur to Vadapalani (20.68km), the other would extend from Vandalur and Velachery (22.80km).