

## CHAIRMAN'S MESSAGE



“Importance of Dedicated Freight Corridors for an aspiring and growing country like India cannot be overstated and DFCCIL is committed for the timely execution of the project.”

**Suneet Sharma**  
Chairman

It gives me immense pleasure to welcome you to the 15th Annual General Meeting of the company and give you an insight into the performance of DFCCIL in the year 2020-21. The Directors' Report along with Audited Financial Statements of the Company for the financial year 2020-21 and Auditors Report have already been circulated.

Importance of Dedicated Freight Corridors for an aspiring and growing country like India cannot be overstated and DFCCIL is committed for the timely execution of the project. Creation of rail infrastructure on such a large scale is unprecedented in independent India. On Completion, DFCs will drive establishment of industrial corridors and logistic parks along the alignment which will bring new impetus to the growth of the nation. The financial year 2020-21 presented an unprecedented challenge in form of COVID-19 which brought whole world to a standstill. Lockdowns and paranoia of pandemic disrupted the routine way of working and affected each one of us at an individual level. But, I am pleased to report that even in the face of this challenging environment, DFCCIL continued to march ahead with the project and completed several milestones during this period.

### **Achievements of the year:**

In financial year 2020-21, DFCCIL commissioned 657 km in WDFC and EDFC. Hon'ble PM Shri Narendra Modi dedicated 351 Km Khurja-Bhaupur double line section of EDFC and state of the art Operation Control Centre in Prayagraj to the nation on 29.12.2020. On the occasion, Hon'ble PM flagged off two long haul trains from New Khurja and New Bhaupur stations and appreciated the hard work put in by the DFCCIL team



in commissioning of the section. Further, on 07.01.2021, Hon'ble PM inaugurated 306 Km Rewari - Madar electrified double line section of WDFC and flagged off double stack long haul container trains from New Ateli and New Kishangarh stations.

DFCCIL conducted successful trial run of freight train in Madar - New Palanpur section (353 km) of WDFC on 31.03.2021. On the same day, successful trial run of Electric Locomotive was also conducted in Ganjkhwaja - Chirailpathu section (100 km) of EDFC. Total Scope of Dedicated Freight Corridors is 2843 km route (excluding 538 Km section which is to be executed through PPP mode). Now, 40 % of DFC stretching across 1110 km is complete.

In newly inaugurated sections, more than 2500 trains plied, transporting more than 2 Billion GTKM of traffic upto March 2021. Average train speed of 65 kmph was achieved on these sections which is substantially higher than average speed of freight trains on Indian Railways network. Operation of DFC has brought in significant relief during fog season especially in NCR.

During the year under review, the Company has achieved CAPEX of Rs.13,366 Crore (including land), which is the highest ever in the history of DFCCIL. Compared to last year CAPEX in financial year 2020-21 is 6% more. This increase is despite losing more than 3 months of crucial working season due to COVID-19 related lockdown, which badly affected the project.

#### **Physical progress of the project:**

DFCCIL requested various State Governments for relaxation of certain lockdown norms and resumed the construction activities duly following all COVID related protocols. Work was proactively resumed with more than 20,000 workers at more than 500 sites in 57 districts.

Track linking using state-of-the-art New Track Construction (NTC) machine is being done on DFC network. Track linking of 741 km has been done in the year taking the cumulative linking to 3321 km. OHE wiring by Mechanized wiring train has been started for the first time in India in DFC and wiring of 1152 km track km has been done in the year 2020-21. This is highest ever OHE wiring completed in single year. Cumulative 2660 track km OHE wiring has been completed till 31.03.2021. The project achieved overall financial progress of 70% upto 31st March 2021.

This mega project involved land acquisition of 11813 Hectares. DFCCIL has completed the land acquisition process for the project, barring few issues in small patches of land in different states. Constant monitoring and concerted efforts in liaison with State/District Authorities led to possession of more than 123 critical patches stretching along 46 km of DFC alignment.

New dashboard has been created for better monitoring of project. All project related data is now available on real time basis. This dashboard is shared with State Govts and Zonal railways to register and monitor critical items related to project.

Contractors were badly affected by COVID 19 pandemic and lockdown/restrictions. This severely affected labour availability and imposed huge stress on cash flow of contractors, thereby affecting project progress. DFCCIL management proactively took many initiatives to provide financial assistance to contractors. These included breaking down of cost centers using FIDIC Clause 14.6, provision of additional mobilization advance, simplification of billing process, release of Performance Guarantee in proportion with progress of work, etc. This has helped in pumping more money into the hands of contractors leading to faster





execution of works.

538 km long Sonnagar - Andal - Dankuni section of EDFC is planned to be constructed through PPP mode under DBFOT (Design, Build, Finance, Operate & Maintain and Transfer) model. Documents for DBFOT and Draft Model Concession Agreement for Sonnagar-Andal section is under preparation.

Government has approved preparation of Detailed Project Reports for three new Dedicated Freight Corridors connecting mineral rich region and ports of Eastern India. East Coast Corridor connecting Kharagpur to Vijaywada, East West Corridor linking Bhusawal to Dankuni section and North-South Corridor connecting Itasri to Vijaywada may augment DFC network by additional for thousand km. Studies of the preliminary alignment for all the three corridors under progress and identification of major traffic potential nodes is being done.

### **Business Development:**

For development of freight terminals on private land with private investment, 14 locations have been awarded to 3 successful participants. This will bring in investment worth Rs 2,000 Cr along with additional 30 MT of yearly traffic. Four new Goods sheds were notified this year along the DFC alignment.

The progress of upgradation of the feeder routes including upgradation of Tracks, Bridges, Overhead wiring etc. is being done by Indian Railways for seamless connectivity with DFC. Kandla, Mundra and Pipavav ports of Western India will shortly be connected with National Capital Region through feeder routes. Action plan for running of Double Stack containers on the feeder routes has been prepared and implemented which will enable smooth running of Double Stack containers To and Fro the ports of Kandla, Mundra and Pipavav.

### **Corporate Governance**

A report on "Corporate Governance" and "Management Discussion & Analysis Report" forms the part of the Annual Report. The Company is committed towards ensuring that business ethics and values are adhered to.

CRISIL has reaffirmed the CCR AAA/Stable rating to DFCCIL vide report dated 28.04.2021. ICRA, a unit of Moody's has also reaffirmed [ICRA] AAA (Stable) rating for DFCCIL vide report dated 07.01.2021. India Ratings & Research, A Fitch Group Company has affirmed Long term issuer rating at IND AAA to DFCCIL vide report dated 30.07.21. CARE, has affirmed CARE AAA (Is) Stable rating for DFCCIL vide report dated 06.10.2020.

### **Acknowledgements**

I must place on record my sincere appreciation to Ministry of Railways, Zonal Railways, and other Ministries of the Government of India and State Governments, World Bank, JICA, other Bankers and business associates for their support to DFCCIL. I also thank all the other stakeholders of the company for their continued support.

Place : New Delhi  
Date : 16.11.2021

Sd/-  
**Suneet Sharma**  
Chairman