

Chairman's



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It is a matter of immense pleasure for me to welcome you to the 16th Annual General Meeting of the Company, as we navigate the extraordinary times that we all are going through. Even though we have emerged from the pandemic, it continues to draw uncertainty going forward.

During the year under review, the Company has achieved CAPEX of INR 14,649 Crore (including land), which is the highest ever in the history of DFCCIL.

Amidst these challenging times, infrastructure sector remains pivotal to drive country's future economic growth. Several economic reforms and new projects have been launched by the government with an integrated approach to infrastructure development and focus on speed, quality and sustainability. A robust infrastructure framework is critical, taking into consideration the multiplier effect it has on economy.

In the backdrop of robust freight loading in 2021-22, the Indian Railways has set an ambitious freight target of 3,000 million tonne for 2027-28. More strategic initiatives and policy changes are being introduced in Indian Railways along with capacity enhancement works to attract modal shift.

The commissioning of Dedicated Freight Corridors has become the cornerstone of infrastructure development in our country. Be it Gati Shakti framework or National Infrastructure Pipeline (NIP), the role of DFCs is critical for the development of new manufacturing and service hubs, industrial parks and logistics terminals. DFCs will act as the transport backbone of all major infrastructural projects in the

Message

country. It also connects the interior parts of country with ports and industrial hubs, providing unprecedented connectivity and market access to local industries. This will result in equitable growth, whereby the positive impact of development will trickle down to backward areas. Higher speeds and longer trains on DFCs will increase the throughput of freight transport and reduce logistics cost due to lower turnaround time of rolling stock and crew requirement. Taking into consideration such benefits, the rewards of DFCs are enormous in the near medium-term.

The DFC model is creating superior value for its stakeholders. Government is striving to enhance the Rail share in country's freight transport from 27% to 45% as per National Rail Plan on economic and environmental considerations, in which DFCs will play a very important role owing to the reduced transit time and lower logistics cost. The uninterrupted long-runs and reduced transit time will result in need for lesser rolling stock and train crew, hence optimising the resources. The DFC will result in shifting of freight traffic over it and will thus spare capacity for the Indian Railways which will enable more passenger rail services. The DFC is also eliminating more than 850 level crossings across golden quadrilateral, enhancing overall safety.

The DFC will facilitate easy trade by reducing the transit time to less than 24 hours from ports of western India to Delhi NCR. It is also enabling in the development of logistics hub along the corridor, reducing transportation costs, making indigenous products more competitive in the international market.

Achievements of the year

During the financial year 2021-22, recurrent Covid waves impacted the ongoing projects. More than 2000 people associated with DFCCIL were infected and unfortunately, we lost 30 precious lives in this pandemic. Lockdowns and paranoia of the pandemic disrupted the routine way of working and affected each one of us at an individual level. But I am pleased to state that even in the face of such challenging environment, DFCCIL continued to march ahead with the project and completed several milestones despite Covid challenge.

In financial year 2021-22, DFCCIL commissioned 620 km in different stretches, in WDFC and EDFC. Madar-Palanpur (353 km) double line section of WDFC was commissioned in October 2021. New DDU to New Sonnagar (137 Km) section and Rooma-Sujatpur section (130 km) of EDFC was completed in March 2022.

DFCCIL conducted successful trial run of Diesel loco between New Palanpur to New Mehsana on 31st March 2022. On the same day, another Diesel loco trial was successfully conducted in the 35km stretch of Rewari-Dadri section of WDFC. Total scope of Dedicated Freight Corridors is 2,843 km route (additional 538 km Sonnagar-Dankuni section is planned to be executed through PPP mode). At the end of the financial year 2021-22, 45% of DFCs stretching across 1,277 km had become operational.

In newly commissioned sections, more than 25,000 trains have already run, transporting more than 21 billion GTKM of traffic up to March 2022. Average train speed of more than 55 kmph was achieved on DFCs, which is substantially higher than the average speed of freight trains on Indian Railways network. Operation of DFCs has brought in significant relief to Indian Railways by sparing capacity to run more coaching trains and availability of sufficient



Double Yard of Jaipur Unit - WDFC

maintenance blocks for better maintenance of assets, a significant development that has improved the safety performance of Indian Railways. Shifting of freight traffic to DFC has helped in smooth operation of passenger services in NCR & NWR especially during foggy weather.

During the year under review, the Company has achieved CAPEX of INR 14,649 Crore (including land), which is the highest ever in the history of DFCCIL, and 9% more than the previous year, is despite losing crucial working season due to COVID-19 related lockdowns and ban on construction activity. The project achieved overall financial progress of 80% up to 31st March 2022.

Fast-tracking innovation

Track linking using state-of-the-art New Track Construction (NTC) machines is being carried out on the DFC network. OHE wiring by mechanised wiring train has also started for the first time in India in DFCs and 3110 track km OHE wiring has been completed, as on 31st March 2022.

This mega project involved land acquisition of 11,827 Hectares, which the company has successfully completed, barring few issues in small patches of land in different states.

Standing tall in face of adversity

Contractors were badly affected by COVID-19 pandemic and related lockdowns and restrictions. This severely affected labour availability and resulted in stressed cash flow of contractors, thereby affecting project progress. The management proactively took many initiatives to ease the cash flow to contractors, which included breaking down of cost centres, additional mobilisation advance, simplification of billing process, release of 'Performance Guarantee' in proportion with progress of work etc., leading to faster execution of projects.

Operational highlights

Dedicated Freight Information System (DFIS) was made operational at DFCCIL. It is an in-house IT project for real time monitoring of train running and operations. It is fully integrable with multi TMS (Alstom, Hitachi,

Kyson, Siemens), FOIS and other future projects. This will enable monitoring of train passing activity and inspection of Stations remotely.

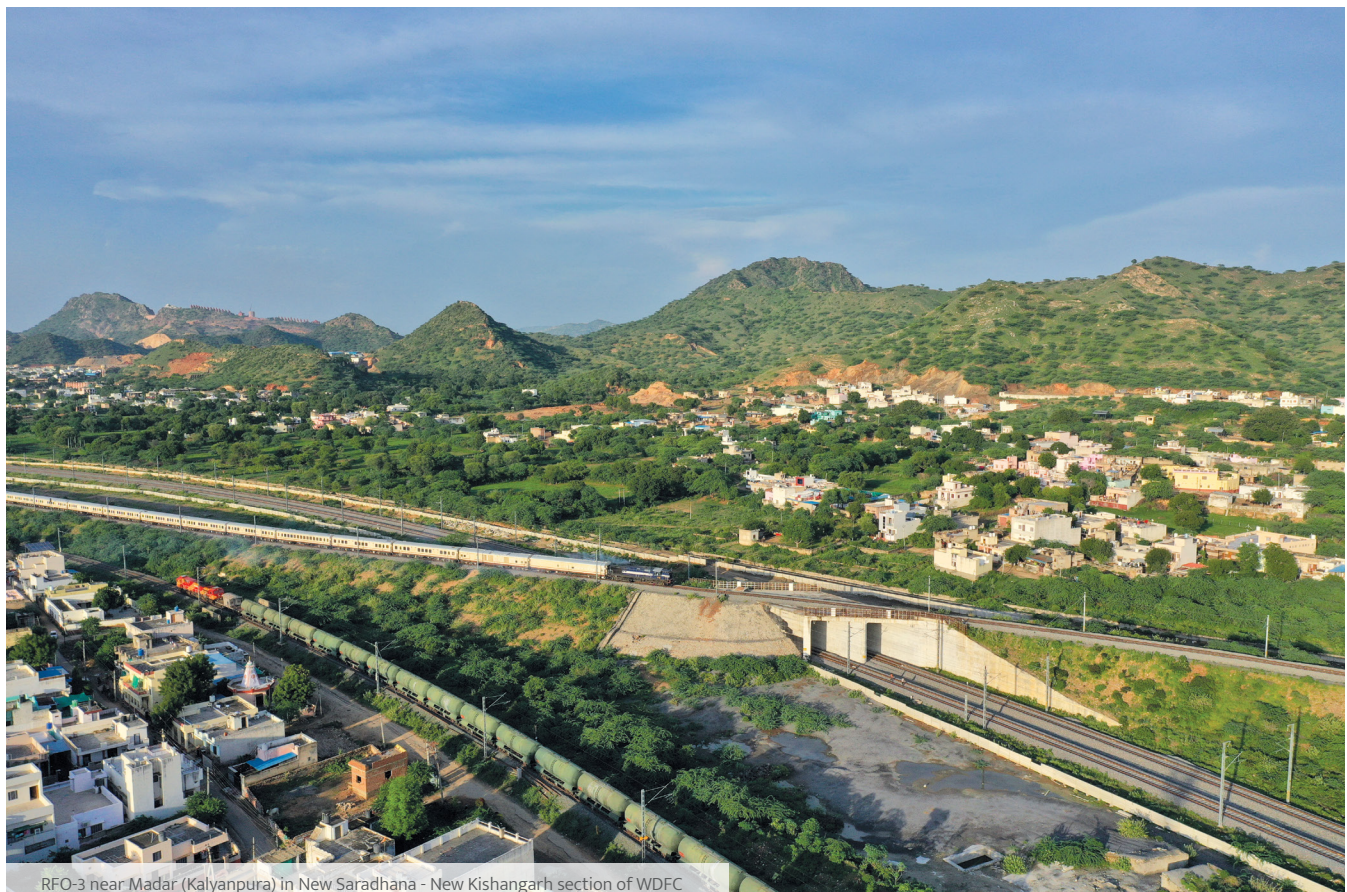
DFCCIL also took an initiative for erecting noise barriers in consultation with the World Bank, in sensitive areas like schools and hospitals, located within 100m of the DFC Track centre during FY 2021-22.

Future DFCs

The government has approved the preparation of Detailed Project Reports for three new Dedicated Freight Corridors connecting mineral rich regions and ports of Eastern India including East-Coast Corridor from Kharagpur to Vijaywada, East-West Corridor from Palghar to Dankuni and North-South Corridor connecting Itarsi to Vijaywada.

Business Development

DFCCIL needs to play a pivotal role in modal shift. In this regard, Railway Board has accorded approval for the Gati Shakti



RFO-3 near Madar (Kalyanpura) in New Saradhana - New Kishangarh section of WDFC



RFO-3 in Ajmer City in New Saradhana - New Kishangarh section of WDFC

Cargo Terminal (GCT) policy of IR on DFCCIL also.

A total of 27 stations have been notified till 31st March 2022 for goods handling and loading. At 9 of these, 418 rakes were loaded, earning INR 23 Cr during the FY 2021-22. Innovative Trucks on Trains (ToT) service was started between New Rewari (Haryana) to New Palanpur (Gujarat) section on 12th August 2021. More than 167 ToT services have been successfully completed as on 31st March 2022 and a sum of approximately INR 10.51 Cr was realised during the FY 2021-22. Environment friendly ToT services have significantly reduced transit time to 12-15 hrs from more than 30 hrs in this stretch and reduced carbon emissions and congestion on roads.

Upgradation of feeder routes, including upgradation of Tracks, Bridges, Overhead wiring etc. are being undertaken by Indian

Railways for seamless connectivity with DFC. Action plan for running of Double Stack containers on the feeder routes have been prepared to enable smooth running of Double Stack containers to and fro, from the ports of Kandla, Mundra and Pipavav.

Corporate Governance

The Company is committed to uphold the highest standards of business ethics and values. The Company is adhering to the provisions contained in the Companies Act, 2013 and DPE Corporate Governance Guidelines 2010.

A certificate on Compliance of conditions of Corporate Governance under the DPE Guidelines on Corporate Governance 2010 forms part of the Directors' Report. Also, the Company has received highest credit ratings from various Credit Rating Agencies.

Acknowledgements

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

Vinay Kumar Tripathi

Chairman