

CHAIRMAN'S MESSAGE

It gives me immense pleasure to welcome all of you to the Sixth Annual General Meeting of the Company. The report of the Board of Directors and audited Annual Accounts of the Company for the year ended 31st March 2012 together with the Auditor's Report have already been circulated to you, and with your permission, I take them as read.

The importance of the Dedicated Freight Corridor Corporation to the national economy does not need to be over-emphasised. Considering the incremental growth in freight traffic in the last 10 years, which was 470 Million Tonnes as against only 400 Million Tonnes in the 50 years preceding the last decade, the need to decongest the existing passenger routes in view of the sizeable growth in ridership and requirement of infrastructure to deal with heavy haul loads were the guiding factors in the conception of this project alongside the Golden Quadrilaterals and its Diagonals.

The Eastern and Western Corridors have been taken up first, as they serve the core sector of industries and the nodes which are export oriented. With its capacity to cater to the coal requirement of the Powerhouses on the Eastern Corridor and provide double-stack container movement to the hinterland of India from Ports of Western India, this project has the potential of becoming the game changer in the arena of freight transport.

The preliminary activities that go into implementation of such a mammoth project are sizeable and require astute planning, care and alacrity. I am pleased to inform you that land acquisition activity on the DFC Corridors has been taken forward, with remarkable perseverance. The total land required for DFC is 10703 hectares which is spread over 3338 Kms, covering 9 states, 66 districts over 1900 villages and would impact 3 lakh persons. Since land acquisition is a subject matter of the concerned states, this was one of the biggest challenges being faced by the Company. Besides the complicated procedure and numerous clearances involved, almost 100% of land has been acquired in stretches where tenders are in process. In this process, several ticklish issues came up, particularly those relating to alignment of the Corridors that had to be sorted out. Several environmental concerns had to be addressed in view of the alignment passing through National Parks and Sanctuaries. Some social issues also came up which were tackled with a cautious and people friendly approach and after reconciling the sensitive concerns of project affecting persons.

I had informed you in my address last year that the funding arrangements for Phase-I have been tied up. I am very happy to inform you that the contracting work for Phase-I has reached an important milestone and the tendering process for 1000 route Kms. is in advanced stage. While 66 Kms of DFC between Sonnagar-Mughalsarai on the Eastern Corridor is likely to be commissioned by December 2013, the contract for the balance 40 Kms. of changed alignment between Sonnagar-Mughalsarai has also been finalized. An important endeavour under process was to take forward the 535 Kms. long Sonnagar-Dankuni section on Public Private Partnership (PPP) model. It has consequently been decided to take up the project in two stretches, first between Sonnagar-Gomoh and the second between Gomoh-Dankuni. The potential stakeholders have already come around and suggested a model for revenue sharing based on apportioned freight.

The growth of any organization is dependent on its human resources. The critical need for technical and managerial staff was given due attention and I am pleased to inform that the staff strength of DFCCIL, which stood at 142 in March 2011, has now gone up to 279 as on 31.03.2012. I am hopeful that with optimal human resources on hand, the Company would be able to overcome several constraints that were being faced on account of paucity of manpower.

There are various challenges that still remain to be addressed. Development of high capacity heavy-haul wagons is one such challenge as while initiatives for inducting High Horsepower locomotives have made substantial progress, on the wagon front concerted action in association with the Ministry of Railways has to be taken to realise the full potential of the Dedicated Freight Corridors. Development of Multimodal Logistic Parks on the DFCC would be another important area as Multimodal traffic handling capacity on the other allied services would be necessary.

Development of feeder routes to run 25T Axle load and their electrification and upgradation of tracks for double stack container movement would be necessary for seamless operation of traffic from ports to the hinterland and movement of coal from the Mines to the Powerhouses. Ministry of Railways is already seized of this problem and steps to provide enabling infrastructure have been initiated.

Optimal speed of freight trains on the DFC is a pre-requisite for a corridor that is dedicated to freight operations. There are 1056 level crossings on the Eastern and Western Corridors. I am pleased to apprise this august gathering that considering the high level of road traffic, particularly in the areas where the existing rail tracks are parallel to the DFC alignment, a decision has been taken to eliminate level crossings through innovative engineering solutions.

For any project, that too of this magnitude, the canvas of Corporate Social Responsibility is extremely large. At DFCCIL, Corporate Social Responsibility has been accorded a proactive role and several initiatives have been taken to improve the quality of life of the communities and stakeholders on a sustainable basis, particularly in the project areas. DFCCIL has also been extremely sensitive and cautious of environment sensitive issues and has taken initiatives for adoption of green building concept through exploitation of non-conventional energy by leveraging the existing policies of the Government. The construction of this Corridor will in itself be a crucial step in reducing the carbon footprint in the Country.

I would also like to inform that as per the guidelines issued by Department of Public Enterprises on Corporate Governance for Central Public Sector Enterprises in May 2010, "A Report on Corporate Governance" and "Management Discussion and Analysis Report", forms the part of the Annual Report for the year ended 31st March 2012. The Company is committed towards ensuring that business ethics and values are adhered to.

Acknowledgements

I thankfully acknowledge the cooperation and support extended by the Ministry of Railways, Zonal Railways, and other Ministries under the Government of India, the State Governments and its Departments.

Further, I would like to express my sincere thanks to the stakeholders of the Company for their support to the Company. I look forward to their continued support in future. I sincerely express my gratitude to my colleagues on the DFCCIL Board and the Infra Directorate In Railway Board for their valuable advice and their unstinted cooperation.

I must place on record my sincere thanks to our Bankers and Business Associates for their cooperation and support to DFCCIL.

I acknowledge the dedicated, concerted, and sincere efforts put in by all officers and employees of the Company. I am sure that with our dedicated efforts, it would be possible to achieve the mission of the Company by pursuing the Company's motto of "Sincerity, Speed and Success" through a focussed approach.

DATE: 26.09.2012

PLACE: NEW DELHI

Sd/-
VINAY MITTAL
CHAIRMAN