

## CHAIRMAN'S MESSAGE

It gives me immense pleasure to welcome all of you to the Seventh Annual General Meeting of the Company, DFCCIL.

The Directors' Report and audited annual accounts of the Company for the year ended 31st March 2013 together with the Auditor's Report have already been circulated to you.

I, feel privileged to be associated with implementation of the Dedicated Freight Corridor Project and am sure this iconic project, will contribute greatly to the much needed transport capacity building for our Country.

The DFC project will bring about a quantum leap in rail transport capacity. With latest technology and operational efficiency, the project will help in bringing down logistic costs and thereby, contribute to the national economy both directly and indirectly. Even during the construction phase, this project will boost the Construction Sector and Industry and Infrastructure Sector are pinning their hopes on successful and timely execution of the project. This puts more responsibility on our shoulders. Most importantly, DFCCIL has a great opportunity to build world-class infrastructure that will have the capability of bringing about a paradigm shift in the transportation sector in India.

Like any other major Infrastructure project, DFCCIL is facing many execution challenges. Land Acquisition in the project is a challenge, which the organization has risen upto. During the year, award for 1915 hectare has been declared u/s 20F of RAA-2008. A total award for 8657 hectares of land (WDFC : 5022 ha out of 5860 ha and EDFC :3635 ha out of 4807 ha) with compensation amounting to ₹4863 Crores. (WDFC:2697 Crores, EDFC; 2166 Crores) has been issued. Notifications under section 20A and 20E of RAA 2008 have been completed for the entire EDFC except Sonnagar-Dankuni section, the land acquisition of which started late but here also 20A for 367 hectare has been issued out of 1002 hectares. Similarly, the notification u/s 20A of RAA-2008 has been completed for the entire WDFC.

I must add that DFCCIL has been able to demonstrate its strength by successfully acquiring land upto 8657 Ha in a project extending from West Bengal to UP, Bihar, Jharkhand, Punjab, Haryana, Rajasthan, Gujarat & Maharashtra (total 9 states) despite many constraints.

The Company has pursued the strategy of ensuring compliance with National Rehabilitation and Resettlement Policy adopted by the Government of India. For redressal of grievances related with Rehabilitation and Resettlement, an Ombudsman has been appointed during the year under review. In order to ensure the timely and smooth land acquisition, State

Level Coordination Committees headed by the Chief Secretaries of the States, have been formed.

The Company is marching steadily ahead towards the achievement of its goals and has made following notable progress during the year under review ;

- The progress of work of Design and Construction of formation, Bridges and Ballast supply between Mughalsarai-Sonnagar of Eastern DFC for the year ending on March, 2013 has been good. As against the cumulative target of 90%, a progress of 93% has been achieved. All the impediments in 66 Kms of the length, where work is in progress, have been removed.
- The work of Design and Construction of Concrete Bridges between Vaitarna and Utaran of Western DFC during the last year has progressed ahead. Construction of 21 bridges has been completed and link on 18 bridges are in advanced stages of completion. Many contractual and design issues were resolved during the year.
- The Track contractor for 66 Kms section of Durgauti-Sonnagar in Eastern DFC has mobilized his resources. This work for mechanized track laying will be first of its kind in Indian Railways.
- On 24.01.2013 the Company has signed three major contracts for Works (Civil, Structure & Track Contract for Bhaupur – Khurja Lot 101, 102 and 103) for approx. ₹ 3267.54 crores. A General Consultancy contract for Bhaupur – Mughalsarai section and Khurja – Dadri and Khurja – Ludhiana section of Eastern DFC (for APL – 2 & 3) at a cost of ₹ 18.18 crores has also been signed.
- Contract for Civil Building Track works from Rewari-Iqbalgarh (Combined packages CTP 1 & 2) WDFC Phase -1 was signed on 06.08.2013 and effectuated on 19.08.2013.
- The company has signed Loan Agreement ID-P209 for construction in the Phase I for Ninety Billion two hundred sixty two million Japanese Yen with JICA.
- The Loan Agreement for WDFC Phase-2 (Main Loan) was signed in Tokyo by Indian Ambassador to Japan, Ms. Wadhwa, and Mr. Tanaka, President, JICA, on 28-03-2013. MoD for the same was signed between MoR, DFCCIL and JICA on 09.11.2012 for 295 billion Yen.
- ICRA, a unit of Moody's has reaffirmed LAAA-SO (pronounced as L triple Structure Obligation) rating for DFCCIL for the current financial year.

- Human Resource is the building block of any Organization. During the year (2012-2013), Open market recruitment of 200 employees was initiated and the joining & training of these direct recruits are in progress. For immediate absorption, an advertisement for induction against 140 posts from amongst serving Govt./PSU employees was floated and the selected personnel are in the process of joining DFCCIL. Process for induction of 17 Officers in Finance on immediate absorption has been started.
- Various training programmes were organized for capacity building and enhancing the skills of officials like Leadership skills and Strategic Management Programme at ISB. Training in FIDIC Conditions, Training in Land Acquisition and Resettlement & Rehabilitation Programme, Construction Law-Contracts & Dispute Management etc. These training programmes have been appreciated by the funding agencies of DFCCIL especially World Bank during their various meetings and they have placed on record the efforts made by DFCCIL in formulation & development of various HR policies and organizing training programs.
- DFCCIL under its Corporate Social Responsibility (CSR) programme had selected 4 field units for implementation of CSR activities i.e. imparting of various vocational/technical trainings to enhance the employment skills among PAPs during the year 2012-13. Gender Equality was given due consideration to provide equal opportunity to women. To give special focus on the skill training development of women, DFCCIL launched facilities exclusively for women that aim at promoting participation of women. Various courses were designed and introduced under different schemes for target group of young women. During the year, 891 persons were imparted training.
- Company has been able to get almost all the Wild Life and other environmental clearances for the project both in Eastern and in Western DFC. Wildlife clearance for Sanjay Gandhi National Park, which was last major clearance due, has also been received recently in this month only. All the Rehabilitation Resettlement Plan (RRP), Social Impact Assessments (SIA) and other activities of social management relating to land acquisition as prescribed by JICA for WDFC have been completed except identification of Non Title Holders (NTH), which is ongoing. SIA and EA reports of Dadri-Khurja section were prepared. Serious social issues which cropped up in 10 villages in Gandhinagar and 4 villages in Faridabad district have also been tackled with a cautious and people –friendly approach.

- As a step ahead towards good Corporate Governance for carrying out the activities in a transparent manner, number of Office manuals & procedures were evolved i.e. Finance Manual, Vigilance Manual, Finance Accounting Manual, Finance Reporting Manual and Works Manual. By organizing “Change Management Workshop” and “Brain storming Sessions”, efforts have been made towards participative management and to instill sense of ownership in all involved with the project.

I would also like to inform you that as per the guidelines issued by Department of Public Enterprises (DPE) on Corporate Governance for Central Public Sector Enterprises (CPSE) 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 2013. The Company is committed towards ensuring that business ethics and values are adhered to.

### Acknowledgements

I thankfully acknowledge the cooperation and support extended by various Directorates of the Ministry of Railways, Zonal Railways, other Ministries under the Government of India, the State Government 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 also. I sincerely express my gratitude to my colleagues on the “Board” for their valuable advice and their unstinted support and cooperation.

I must place on record my sincere thanks to our lending agencies, Bankers and Business Associates for their cooperation and support to DFFCIL.

I acknowledge the dedicated, concerted, and sincere efforts put in by all Officers and staff 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 focused approach.

**Date : 27.09.2013**

**Place : New Delhi**

**Sd-**

**Arunendra Kumar**

**Chairman**