

Freight Corridor Corp to award ₹14,000-cr contracts in FY17

SUDHEER PAL SINGH

New Delhi, 5 May

Dedicated Freight Corridor Corporation (DFCC), the Indian Railways' arm implementing the ambitious freight corridor project, will award contracts worth ₹14,000 crore in the current financial year (2016-17) in a bid to quickly wrap up work and meet the 2019 deadline for commissioning the ₹82,000-crore project.

"By July 2016, we are going to place orders worth ₹10,000 crore. The balance — around ₹4,000 crore worth of contracts — will be placed in the rest of the current financial year itself. After this, work will be progressing in every section of DFCC," said a senior executive.

He added the company has so far placed 76 per cent of the contracts for civil works and 63 per cent of electrical contracts, apart from 48 per cent of the total signalling contracts.

For the construction of the Eastern Dedicated Freight Corridor, contracts worth ₹4,000 crore were awarded in 2013 followed by another ₹5,000 crore contracts in 2014. Last year, the DFCC placed around five contracts for signalling and telecommunication, electrification and civil construction.



ON THE RAILS

₹14,000 cr

DFCC planning to place contracts for civil, signalling and telecom, and electrical works in FY17

₹10,000 cr

Contracts to be placed by July; rest ₹4,000-crore orders by

March 2017

₹24,000 cr

Contracts placed in FY16, against ₹13,000-crore contracts in the previous six years

₹12,500 cr

Spend by SPV under rail ministry in FY17,

including ₹3,500 crore on land acquisition

₹82,000 cr

Project cost. Having already conducted trial run for the first pilot stretch in Bihar, DFCC confident of meeting the 2019 deadline

Similarly, nine contracts were placed for Western Dedicated Freight Corridor.

The executive said the government-owned firm placed contracts worth ₹24,000 crore in 2015-16 for various works on the freight corridor. "This is

compared to ₹13,000 crore worth of contracts placed in previous six years (2009-14)," he said. DFCC's capex in FY16 stood at ₹8,600 crore, compared to ₹2,800 crore in FY15, a three-fold increase. In 2016-17, the company plans an expenditure

of ₹12,500 crore, including ₹3,500 crore earmarked for land acquisition and the balance ₹9,000 crore for contractual payments. The DFCC is constructing the 3,350-km-long freight corridor project, including the 1,800 km of its eastern arm between Ludhiana and Dankuni in West Bengal. The Western DFC will come up between Dadri in Uttar Pradesh to Jawaharlal Nehru Port in Mumbai.

The project, when commissioned, would take up more than 70 per cent of Indian Railways freight traffic on to its faster, longer and heavier trains.

The Eastern DFC accounts for around 40 per cent of the total project cost. The Phase I of the project between Khurja and Mughalsarai is being funded through 66 per cent debt from World Bank and the rest as equity from the rail ministry.

The Phase II corridor between Mughalsarai and Sonnagar is being funded entirely through government equity, while the third phase between Sonnagar and Dankuni is to be developed on public-private partnership, or PPP mode.

For full reports, visit www.business-standard.com