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Mega freight corridor project waiting to take off

2,800-km project has almost all clearances in place

MAMUNI DAS

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The next government at the Centre will inherit a project that is virtually 'shovel-ready'.

The 2,800-km Dedicated Freight Corridor (DFC) — connecting Ludhiana in Punjab to Sonnagar, Bihar, in the East, and Dadri in Uttar Pradesh to JNPT, near Mumbai, in the West — requires nearly 9,700 hectares, of which, over 94 per cent has already been acquired.

The bulk of the regulatory approvals — from environmental, forest and tree-felling permissions to issues with the Archaeological Survey of India — has also

been obtained. "Land acquisition is almost complete, except for a 540-km extension stretch from Sonnagar to Dankuni near Kolkata. In the sections where contract awarding has started, acquisition is 100 per cent," said RK Gupta, MD, DFC Corporation of India.

Approvals in place

The same goes for other statutory clearances, such as environmental approvals, a bugbear for most large projects in recent times. "We have some pending Coastal Regulation Zone clearances near Mumbai and a stretch passing through Dahanu Taluka in Maharashtra. But even these are at the final stage," Gupta told *Business Line*.

A recent report by Swiss financial firm UBS identified the project as one of 'three arrows' — along with the Aadhaar unique identity

and the Goods and Services Tax reform — that will make India "look very different...three years from now".

According to UBS, one of DFC's biggest impacts, apart from boosting the country's freight capacity and slashing transit time for goods, would be to revive a stalled investment cycle.

"We would need around a million tonnes each of structural steel and rails, 11 million prestressed sleepers made of special-grade cement and high-tensile steel wires, 350 million cubic metres of earthwork/subgrade, 20 million cubic metres of stone ballast, and some 6,000 km of aluminium conductors and copper contact/catenary wires," noted Gupta. Much of this is expected to be domestically met.

Of the total estimated cost of

₹78,000 crore — excluding ₹8,000 crore for land acquisition — the Centre's equity contribution will be ₹26,000 crore, with the balance coming from the Japan International Cooperation Agency and World Bank.

Financing

"The Centre must provide uninterrupted funds. It is like building a house; unless we chip in our equity contribution, which is a third of the project cost, the lenders will not extend their money," Gupta pointed out.

He further sought funding for DFC directly from the Finance Ministry. "You can route it through the Railways, but don't treat it as part of gross budgetary support for the Railways as is the case now," he added.

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