

INTERVIEW RK GUPTA

We will be experimenting with PPP mode for the first time

Dogged by controversies and delays in past years, the Dedicated Freight Corridor Corporation (DFCC) now seems poised to begin execution work of India's single biggest infrastructure project involving the construction of 3,300 route kilometres of tracks at a whopping ₹60,000 crores. Taking charge as corporation managing director in May 2011, RK Gupta talks about project execution plans in an exclusive interview with Srinand Jha. Excerpts:

After last year's controversies involving charges of financial irregularities, the corporation has become more circumspect and the project is moving at a slow pace. These are general assumptions. What do you say?

Before I took over this May, the corporation had been without a managing director for eight months. But the project is well poised now. Around 5,344 hectares of the 9,700 hectares required have been acquired. Different revenue sharing models involving the investors have been worked out and forwarded to the Railway board for consideration. For the

western corridor, the Japan International Cooperation Agency (JICA) has sanctioned a 679 billion yen (₹42,000 cr) loan and 405 million yen (₹25,000 cr) has been sanctioned for implementation of phase-I.

For the eastern corridor, the World Bank has sanctioned a USD 2.7 billion loan and USD 975 million of this has been sanctioned for the first phase to construct a 343 kilometre track from Khurja to Kanpur.

Bids for civil works have been floated. Fourteen firms have been short-listed. By mid-2012, project execution is expected to begin in full swing.

The PMO - which is supervising this project - is reportedly unhappy about the pace of implementation. Is that correct?

PMO officials are well aware of the reasons for the delay. Changes in alignment design have caused a delay of 18 months - which we are attempting to compensate for. New elements including higher axle load and electrification have been added to project design. Besides, there



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are environmental clearances and other prerequisites that have been stipulated by the JICA and the World Bank. All this has taken time and also added to the project cost. But we have not shifted the timelines. At best, the project time frame of December 2016 can get extended by three months.

What has been the response from the investors? Have the business models finalised?

This is the first occasion that the public private partnership (PPP) mode is being experimented in the Railways. So, we have no benchmarks to compare with, but investor's response has been good.

We held investors meet last year, when different business models were discussed. These have been forwarded to the Railway board for consideration. There are other stakeholders such as the finance ministry and planning commission. Things should get clearer soon.

Which specific stretches of construction are scheduled to be taken up first?

In the western corridor, the 640 km long Rewari to Palampur line is being taken up. Pre-qualification bids for the stretch will be opened on January 11. For the eastern corridor, the 343 km link between Khurja to Kanpur is being taken up first. The World Bank has sanctioned a loan of USD 975 million for the stretch and bids have been floated. The bids are scheduled to open on March 15.