

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS**

LOK SABHA

**STARRED QUESTION NO. 243
TO BE ANSWERED ON 11.03.2020**

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

***243. SHRIMATI SUPRIYA SULE:
DR. SUBHASH RAMRAO BHAMRE:**

Will the Minister of RAILWAYS be pleased to state:

- (a) the present status of the eastern and western freight corridors being developed by the Dedicated Freight Corridor Corporation of India Limited (DFCCIL) along with the original and revised costs thereof and the names of funding agencies;**
- (b) whether DFCCIL has entered into an agreement with Indian Railways which will allow DFCCIL to run freight trains and also increase speed of such trains and if so, details thereof;**
- (c) whether e-commerce companies have shown interest in carrying their consignment through trains once the dedicated freight corridor project is complete and if so, the response and steps taken by DFCCIL in this regard;**
- (d) whether the cost of carrying freight on DFCCIL will be less as against that on Indian Railways network and if so, details thereof; and**
- (e) whether the Government has any plans to open up freight corridor project to e-commerce and automobile sector and if so, the targeted freight movement for these sectors?**

ANSWER

MINISTER OF RAILWAYS AND COMMERCE & INDUSTRY

(SHRI PIYUSH GOYAL)

(a) to (e) A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF STARRED QUESTION NO. 243 BY SHRIMATI SUPRIYA SULE AND DR. SUBHASH RAMRAO BHAMRE TO BE ANSWERED IN LOK SABHA ON 11.03.2020 REGARDING DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

(a) Presently, Ministry of Railways is implementing two Dedicated Freight Corridors (DFC) namely, Eastern Dedicated Freight Corridor from Ludhiana to Dankuni (1856 Km.) and Western Dedicated Freight Corridor from Dadri to Jawaharlal Nehru Port Trust (1504 km.). Currently, the overall physical and financial progress is 70% and 68% respectively.

Government of India had approved the initial estimated cost of ₹ 28,181 crore (excluding the cost of Sonnagar-Dankuni section of Eastern DFC which is envisaged to be implemented through PPP) of Eastern and Western Dedicated Freight Corridor in February, 2008. Subsequently, the cost estimate has been revised to ₹ 81,459 crore in June, 2015 which has been approved by the Government. The revision was necessitated primarily due to increase in land cost, escalation of costs during construction, increase in scope and specification and soft costs such as Interest during Construction and taxes. The progress of implementation of DFC project before 2014 was very slow due to land acquisition related delays resulting in cost escalation during construction. The pace of work has improved tremendously after 2014. As against the total award of contracts of ₹ 12,749 crore between 2009-2014, contracts worth ₹ 39,638 crore awarded in 2014-2019. Similarly, track linking also increased from 'Nil' to 2423 kms during above period.

World Bank is partly funding the Eastern DFC (EDFC) through a loan of ₹ 13,625 crore out of the project cost of ₹ 30,358 crore. Western DFC (WDFC) is being partly funded through a loan of ₹ 38,722 crore from Japan International Cooperation Agency (JICA) out of the project cost of

₹ 51,101 crore. Balance cost of EDFC and WDFC is being funded through Gross Budgetary Support from Government of India as equity contribution. The land cost is being borne 100% by Government of India.

(b) A Concession Agreement has been signed between Ministry of Railways (MOR) and Dedicated Freight Corridor Corporation of India Limited (DFCCIL) on 28th February 2014 stipulating the modalities to run Indian Railways freight trains on DFC network. DFC has been designed to run freight trains with an axle load of 25 tonnes upto maximum speed of 100 kmph.

(c) So far, no specific proposal has been received from e-commerce companies for carrying their consignments by trains on Dedicated Freight Corridors. However, these companies can move their consignments through the Indian Railways or through container train operators. DFCCIL is in the process of finalising its Business Development Plan which inter-alia includes Development of Multi Modal Logistic Parks and Market driven freight incentive measures to attract additional freight on DFC network.

(d) DFCCIL is expected to have better operational and man-power efficiency as compared to existing set up of Indian Railways, due to modern technology, faster speed and latest communication system, leading to reduced cost of carrying freight. Moreover, enhanced capacity with higher speed on DFCCIL is expected to offer assured transit time to customers and consequently substantial reduction in total logistic cost.

(e) Dedicated Freight Corridors are open to all sectors including e-commerce and automobile sectors. The Business Development Plan of DFCCIL is being firmed up on the basis of market demand and caters to all sectors including above sectors.