

REVIEW OF ANNUAL ACCOUNTS OF KONKAN RAILWAY CORPORATION LTD FOR THE YEAR 2012-13.

1. BACK GROUND:

KRCL was established in 1990 with equity participation by Ministry of Railways (51%), Maharashtra (22%), Karnataka (15%), Kerala (6%) and Goa (6%) for the purpose of construction of railway line along the Western Coast of India i.e. from Roha to Mangalore with a length of 741 Kms. During the construction phase, the Corporation gained vast experience in the work of construction of tunnels, bridges and railway lines and using this talent pool as also taken up large construction projects.

2. FINANCIAL PERFORMANCE:

- a) Total revenue of the Corporation has increased to ₹ 1136 Crore (Rupees one thousand one hundred thirty six crore only) from previous year's total revenues of ₹ 1001 Crore (Rupees one thousand one Crore only). The Company has earned an operating surplus of ₹128 crore during the year. The operating ratio stood at 95% in the current year as compared to 82.12% in the year 2011-12 due to increase in expenditure in staff, fuel and hire charges etc. The net worth of the Corporation stood at ₹1340 crore (Rupees one thousand three hundred forty crore) at the end of the year 2012-13.

- b) The Corporation has made provision of ₹139.92 crore (Rupees one hundred thirty nine crore and ninety two lakhs only) towards pension liability of earlier years in respect of employees benefits. The Corporation decided to impair the unamortized value of fixed assets of ₹32.16 (Rupees thirty two crore and sixteen lakhs only) as impairment loss on the basis of economic performance of these fixed assets relating to Skybus (₹23.34 crore) and Anti Collision Device (₹8.82 crore). Thus, the exceptional items stood at ₹172.08 crore (Rupees one hundred seventy two crore and eight lakhs only). Due to these reasons, Corporation has incurred net loss of ₹ 235.41 crore (Rupees two hundred thirty five crore and forty one lakhs only).

- c) The Corporation has paid ₹73.30 crore towards redemption of Bonds and ₹131.60 crore towards interest on bonds during the year 2012-13 from its operating surplus. The Corporation has debt liabilities of ₹1667 crore as on 31st March 2013. In the current financial year, the Corporation may not be able to meet the redemption and interest liabilities of over ₹500 crore on Bonds from the internal resources. Therefore it is proposed to issue or reissue the bonds to the extent of ₹400 crore during the year 2013-14.

3. OPERATING PERFORMANCE:

a) Train Operations

During the year on an average 33 pairs of mail/express, 5 pairs of passenger trains and 18 freight trains including Roll on-Roll Off (RO-RO) were run everyday over Konkan Railway. The innovative Roll On-Roll Off service has completed 14 years of successful running and the Corporation earned highest ever revenue of ₹50.07 crore from this stream of traffic. The originating loading, which is a most important parameter for making railway system profitable, stood at 3.28 million tonnes as compared to 2.4 million tonnes during the year 2011-12. Three loop lines at Kolad, Sindhudurg and Balli were also added to improve the line capacity.

b) Projects

i) Udhampur-Srinagar-Baramulla Rail Link (USBRL) Project-

During the year 2012-13, 4.13 kms of tunneling works were completed, which has been the highest ever progress in a single year. The works are in progress in 14 tunnels for 28 kms of tunnel length. So far total 7 tunnels have been made through of which 4 tunnels were in the current year 2012-13. On cumulative basis, tunneling of 18.82 kms has been completed. The construction of special bridge over river Chenab is in progress. During the year 2012-13, the best ever turnover of ₹329 crore in USBRL Project was achieved. The cumulative turnover achieved was ₹1756 crore out of total estimate of ₹3382 crore.

ii) Anti Collision Device (ACD)

a) KRCL is maintaining the ACD system on North East Frontier Railway since its commissioning in June 2007. Improved ACD Software Version 1.1.2 has been validated successfully by Electronics Test and Development Centre (ETDC), Chennai. The improved ACD software has also been tested on Tinsukia division and 'go ahead' is awaited from RDSO for whole of North East Frontier Railway.

b) The technology of anti-collision is now being further developed through TCAS (Train Collision Avoidance System) by RDSO to incorporate the features of SPAD (Signal Passing at Danger) prevention and speed control with multi-vendor interoperability features. In view of this the Corporation did not take any initiative for further development of ACD Version -2.

4. GEO-SAFETY WORKS:

The Corporation has spent ₹26.02 crore on Geo-safety works during the year 2012-13 to stabilize the cuttings and to make the track safe for better speed even in monsoon.

5. FUTURE OUTLOOK:

In order to improve the originating traffic, the Corporation proposes to increase the Roll On-Roll Off services (RO-RO) and undertake port connectivity projects.