

**REVIEW OF ANNUAL REPORT AND AUDITED ACCOUNTS OF KONKAN
RAILWAY CORPORATION LIMITED (KRCL) FOR THE YEAR 2015-16**

The Corporation 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 and operation of Railway along the Western Coast of India i.e. from Roha to Mangalore with a length of 741 Kms. The completion cost of the project was Rs. 3555 crores inclusive of Rs. 1035 crores on project financing cost. The Corporation became a fully operational Railway on 26th January 1998 and since then it has been successfully operating passenger and freight trains. The Corporation has expertise in construction of turnkey Railway Projects.

Financial Performance:

- a. Total revenue has increased to Rs.1625 crores (Rupees One thousand six hundred twenty five crores) during the year 2015-16 from Rs. 1323 crores (Rupees One thousand three hundred twenty three crores) of the previous year. The Corporation has earned the best ever net profit of Rs.129.50 Crores (Rupees one hundred twenty nine crores and fifty lakhs) during the year under review as compared to the profit of Rs. 39.39 Crores (Rupees Thirty nine crores and thirty nine lakhs) in the year 2014-15.
- b. The net worth of the Corporation as on 31st March 2016 stands at Rs. 1483 Crores (Rupees One thousand four hundred eighty three crores).
- c. The operating ratio, which is a parameter of operating efficiency has also improved to 80 % in the year 2015-16 as compared to 86.43 % in the year 2014-15.
- d. During the year 2015-16, the Corporation redeemed bonds worth Rs. 316.50 crores (Rupees three hundred sixteen crores and fifty lakhs). The Corporation reissued bonds worth Rs. 550 crores.

Summarized Financial Statement for the last three years is as under:

(Rs. in crores)

Particulars	2015-16	2014-15	2013-14
Total Income	1625	1323	1277
Operating Margin	314	233	218
Profit After Tax	130	39	13
Net Worth	1483	1354	1353

Train Operating Performance:

On an average fifty Passenger Trains per day and 17 freight trains including Roll on-Roll off services are run on the single line section and punctuality performance is excellent. The passenger earnings during the year was Rs. 556 crores and the freight earnings during the year was Rs. 459 crores. In all, 2 new trains were introduced during the year.

Project Performance:

- a. **USBRL Project, J&K** - Construction of Katra-Dharam Section of Uddhampur-Srinagar-Baramulla Rail Link – So far, we have completed 23.87 km. tunnel excavation, out of total 28.61km. 12 tunnels have been made through out of 14 tunnels and work is in progress in balance 2 tunnels. A turnover of Rs. 460 crores (Rupees Four hundred and sixty crores) in USBRL Project was achieved during the year.
- b. **Jaigad Digni Rail Connectivity** – Special Purpose Vehicle (SPV) Company in the name of “Jaigad Digni Rail Limited” was formed. Concession Agreement was signed on 28.06.2015 in the august presence of Hon’ble Minister for Railways and Hon’ble Chief Minister of Maharashtra. Presently land acquisition is under progress and tender for construction are being awarded.
- c. **Chiplun – Karad Rail Connectivity Project** - For the construction of new railway line (route length 103 km) from Chiplun to Karad, The project is to be executed under Joint Venture Model of Participative Model policy of 10th December, 2012 issued by Railway Board and the Company is in the process of finalizing the equity partner(s) for the proposed Joint Venture through Expression of Interest (EOI) process. EOI had been invited and the equity partner has been selected. A special purpose vehicle is to be formed and concession agreement has to be entered between KRCL (as representative of Ministry of Railways) and the newly formed SPV.
- d. **NTPC – Power house connectivity projects at Kudgi and Gadarwara** - KRCL has been awarded two Project Management Consultancy (PMC) projects by NTPC which include the construction of two railway sidings with a total project revenue of Rs. 637 Cr.

Awards:

Corporation has received ‘Rajabhasha Kirti Puraskar’ from Hon’ble President of India Shri Pranab Mukherjee for the year 2015-16.

Future Outlook:

- a. The Corporation has proposed to start patch doubling and Electrification of the entire route. The Corporation is negotiating with the Financial Institutions for financial assistance for Patch Doubling and electrification work.
- b. Manpower planning is required to meet the huge requirement in the year 2026-2028 as massive retirement of the employees are slated to take place around that period.
- c. The Corporate plan is under finalization in the current year outlining short term and long term objectives of the Corporation.
- d. The Corporation has undertaken several initiatives to provide better passenger amenities during the financial year 2016-17 viz: Lifts; Escalators; Free Wi-Fi; Ethnic Food Stalls; filter water at all stations, etc.
