

## REVIEW OF ANNUAL REPORT AND AUDITED ACCOUNTS OF KONKAN RAILWAY CORPORATION LIMITED (KRCL) FOR THE YEAR 2016-17

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 crore inclusive of Rs. 1035 crore on project financing cost. The Corporation became a fully operational Railway on 26<sup>th</sup> January 1998 and since then it has been successfully operating passenger and freight trains. The Corporation has expertise in construction of turnkey Railway Projects. The Corporation is undertaking various projects like Roha-Veer doubling of its section, Electrification of Konkan Railway route, Construction of 11 new stations and 8 additional loop lines, Jaigarh – Digni Rail Link, Siding for MRPL Mangalore, Multi – Modal Logistic park at Balli Station. Construction of Karta-Dharam section of Udampur-Srinagar-Baramulla Rail Link (USBRL) Project, Jammu and Kashmir under which construction of the iconic bridge across the River Chenab by name “Chenab Bridge”.

### Financial Performance:

- a. Total revenue increased to Rs. 2153 crore (Rupees Two thousand one hundred fifty three crore) during the year 2016-17 as compared to Rs. 1625 crore (Rupees One thousand six hundred twenty five crore) during the previous year. The Corporation has earned a net profit (Profit after Tax) of Rs. 62 Crore (Rupees sixty two crore) during the year under review as compared to the profit of Rs. 129.50 Crore (Rupees one hundred twenty nine crore and fifty lakh) in the year 2015-16.
- b. The net worth of the Corporation as on 31<sup>st</sup> March, 2017 stands at Rs. 1496 Crore (Rupees One thousand four hundred ninety six crore).
- c. The operating ratio stood at 87 % in the year 2016-17.
- d. During the year 2016-17, the Company redeemed bonds worth Rs. 310 Cr. (Rupees three hundred ten crore). Also, Company has issued fresh Bonds worth Rs. 300 Cr. (Rupees three hundred crore only) on Private Placement basis, for meeting the redemption liabilities of the Company.
- e. The Corporation has negotiated with the State Bank of India and Exim Bank to avail rupee term loan facility for an amount of Rs. 1200 crore out of estimated cost of Rs. 1510 crore, to undertake the projects of Doubling of Roha-Veer section and Electrification of the entire Konkan Railway route. Balance expenses of Rs. 310 crore would be met through equity contribution by the shareholders by subscribing to the shares proposed to be issued through Rights Issue.

## Summarized Financial Statement for the last four years is as under:

(Rs. in crore)

| Particulars      | 2016-17 | 2015-16 | 2014-15 | 2013-14 |
|------------------|---------|---------|---------|---------|
| Total Income     | 2153.00 | 1625.00 | 1323.00 | 1277.00 |
| Operating Margin | 265.00  | 314.00  | 233.00  | 218.00  |
| Profit After Tax | 62.00   | 130.00  | 39.00   | 13.00   |
| Net Worth        | 1496.00 | 1483.00 | 1354.00 | 1353.00 |

### Train Operating Performance:

On an average, 51 Passenger Trains per day were run during the year 2016-17. In all, one new train was introduced during the year. The passenger earnings during the year was Rs. 606 crore registering an increase of 9% over the corresponding earning of Rs. 556 crore during 2015-16.

On the freight front, on an average, 17 freight trains were run per day including Roll on - Roll off (RORO) services, during the year 2016-17. The freight earnings during the year was Rs. 440 crore, as compared to last year's freight earnings of Rs. 459 crore. A drop in earnings was mainly due to reduction in freight rates of certain items by the Ministry of Railways.

### Projects:

- a. **USBRL PROJECT, J&K** - So far, the Corporation has completed 25.84 km tunnel excavation, out of a total of 41km assigned to the company in Katra-Dharam Section of USBRL Project, J&K. Concrete lining in 03 tunnels has been completed totaling nearly 3.25 km during the year. A turnover of Rs. 808 crore in USBRL Project was achieved in the year which is the highest ever and 75.62% higher than Rs. 460 crore of 2015-16. The cumulative turnover achieved up to 2016-17 is Rs. 3675 crore.
- b. **Jaigad Digni Rail Connectivity Project** – The project is being executed by the JV (Joint Venture) Company “Jaigad Digni Rail Limited”. The work of land acquisition is in progress. The work of critical Tunnels and Bridges has started.
- c. **Track Doubling - Roha-Veer Section (47 km):** Track doubling of this section is expected to increase line capacity of the section. The project is expected to be completed in 36 months, with the estimated project cost of Rs. 340 Crore.
- d. **Route Electrification of Konkan Railway Route:** With complete electrification, the Corporation is expected to save approx. Rs. 120 crore per annum on fuel cost. For execution of the project, open Composite Tenders had been invited at a total estimated cost of Rs. 612.57 crore. Tenders are under finalisation.
- e. **Construction of 11 new stations and 8 additional Loop lines:**

KRCL is running more than 53 trains a day on a single line section. To increase the capacity of the section, Railway Board has approved construction of 11 new stations and 8 additional loop lines at a cost of Rs. 225 Crore. Capacity to run trains is expected to increase without the incurrence of a considerable expenditure, with the construction of these new Railway stations and additional crossing facilities.

**f. Siding for MRPL, Mangalore:**

Construction of Private Siding near Thokur Station for M/s Mangalore Refinery and Petrochemicals Limited, has been started. The cost of the works is Rs. 80 Cr. Tender work is in process. Expected traffic projection from the siding is 30 Rakes/ month of various commodities like pet coke, sulphur, bitumen, polypropylene etc.

**g. Multi Modal Logistics Park at Balli Station:**

KRCL and CONCOR have entered into an MoU, to set up a Multi Modal Logistics Park at Balli Railway Station, which will be a first of its kind on Konkan Railway. CONCOR will be initially investing Rs. 40 Cr. to set up this Logistics Park. The Company has made available to CONCOR, its vacant land at Balli for a nominal licence fee, to set up this facility. Initially the traffic of 10 Rakes/ month is expected after completion of this facility. It will fetch Container as well as conventional freight traffic.

**Awards:**

Hon'ble President of India had awarded **first prize of "Rajbhasha Kirti Puraskaar"** Shield to the Company on 14/09/2016.

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