

**RESOLVED FURTHER THAT** Sh. S.K. Mohanty, Co-ordinating Director be and is hereby authorized to do all such necessary acts deeds and things as may be deemed necessary to give effect to the aforesaid resolution and to sub-delegate all or any powers hereby conferred as he many deem fit.”

**By order of the Board  
For Pipavav Railway Corporation Limited**

**Place** : New Delhi  
**Date** : August 16, 2018

Sd/-  
Company Secretary  
Membership No.: A20516

**Notes:**

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business as per Item No. 5 to 11 is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote on poll on his behalf and the Proxy need not be a member of the Company. The instrument appointing proxy, in order to be effective, must be deposited at the Registered Office of the Company at least 48 hours before the commencement of the meeting. A blank proxy form is enclosed.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 5**

Sh. Santosh Breed, (DIN: 08011070) was appointed as a Nominee Director by Gujarat Pipavav Port Limited on the Board of Directors of the Company in accordance with provisions of Section 161 (3) of the Companies Act, 2013 read with clause 6.1.3 and 6.1.4 of the Shareholders Agreement and Articles of Association of the Company w.e.f. 4<sup>th</sup> January, 2018.

The Board of Directors recommend passing of resolution as set out under item No. 5.

None of the Directors, Key Managerial Personnel and their relatives except Sh. Santosh Breed is concerned / interested in the said resolution.

**Item No. 6**

Sh. S.C. Mittal was appointed as a Nominee Director by IL&FS Transportation Networks Limited on the Board of Directors of the Company in accordance with provisions of Section 161 (3) of the Companies Act, 2013 read with clause 6.1.3 and 6.1.4 of the Shareholders Agreement and Articles of Association of the Company w.e.f. 29<sup>th</sup> January, 2018.

The Board of Directors recommend passing of resolution as set out under item No. 6.

None of the Directors, Key Managerial Personnel and their relatives except Sh. S.C. Mittal is concerned / interested in the said resolution.

**Item No. 7**

Sh. Abhijit Narendra, ED/T/PPP, Railway Board (DIN: 07851224) was appointed as a Nominee Director by Ministry of Railways on the Board of Directors of the Company in accordance with provisions of Section 161 (3) of the Companies Act, 2013 read with clause 6.1.3 and 6.1.4 of the Shareholders Agreement and Articles of Association of the Company w.e.f. 12<sup>th</sup> February, 2018.

The Board of Directors recommend passing of resolution as set out under item No. 7.

None of the Directors, Key Managerial Personnel and their relatives except Sh. Abhijit Narendra is concerned / interested in the said resolution.

**Item No. 8**

Sh. A.K. Srivastava, ED FX-II, Railway Board (DIN: 08187918) was appointed as a Nominee Director by Ministry of Railways on the Board of Directors of the Company in accordance with provisions of Section 161 (3) of the Companies Act, 2013 read with clause 6.1.3 and 6.1.4 of the Shareholders Agreement and Articles of Association of the Company w.e.f. 27<sup>th</sup> July, 2018.

The Board of Directors recommend passing of resolution as set out under item No. 8.

None of the Directors, Key Managerial Personnel and their relatives except Sh. A.K. Srivastava is concerned / interested in the said resolution.

#### **Item No. 9**

Board of Directors in their meeting held on 30<sup>th</sup> July, 2018 approved to pay a Profit Linked Bonus/incentive @ 40% of the annual basic pay to all the employees of the Company, including Managing Director. Basic pay of the month of March, 2018 will be taken for calculation purpose. Pro- rata payment will be made in case of new employees joining the Company during the Financial Year and a minimum period of 6 months service are to be put in by the employee concerned. Contractual employees including consultants will be paid one month service/ contract fee as applicable in the month of March.

The Board of Directors accordingly recommends the passing of the proposed ordinary resolution as set out under item No. 9 of the notice by the members of the Company.

Save and except the above, none of the other Directors, Key Managerial Personnel and their relatives are concerned / interested in passing of the said ordinary resolution.

#### **Item No. 10**

Company has received a letter dated 10<sup>th</sup> August 2018 from Ministry of Railways setting out the eligibility criteria and terms of employment to be followed in the selection of new Managing Director in the SPV Companies of Ministry of Railways. These guidelines were reviewed by the Board of Directors in the meeting held on 16<sup>th</sup> August, 2018 and the same were recommended for consideration and approval by the Shareholders of the Company.

After approval of shareholders, these rules would become part of HR Manual of the Company and implemented immediately for the selection of new Managing Director.

None of the Directors is concerned / interested in the said resolution.

The Board of Directors accordingly recommends the passing of the proposed ordinary resolution as set out under item No. 10 of the notice by the members of the Company.

Save and except the above, none of the other Directors, Key Managerial Personnel and their relatives are concerned / interested in passing of the said ordinary resolution.

#### **ITEM NO.11**

The Board of Directors in their meeting held on 30<sup>th</sup> July, 2018 accorded its consent to declare interim dividend for the FY2018-19 @5% (Rs.0.5 per share) amounting to Rs. 9.80 crore plus dividend tax out of profits of the Company. As per Articles of Association of the Company, approval of shareholders in general meeting is required for paying dividend to all members. Accordingly, approval of shareholder is being taken. Record date to ascertain the eligibility of members to receive interim dividend be fixed as September 12, 2018. All the money towards

dividend will be deposited in a separate bank account opened in the name of Company with State Bank of India at its Branch at Rail Bhawan.

The Board of Directors recommend passing of resolution as set out under Item no.11.

None of the Directors, Key Managerial Personnel and their relatives is concerned / interested in the said resolution.

**By order of the Board  
For Pipavav Railway Corporation Limited**

**Place** : New Delhi  
**Date** : August 16, 2018

Sd/-  
Company Secretary  
Membership No.: A20516

**DIRECTORS' REPORT**

To

The Members,

Your Directors take pleasure in presenting the 18<sup>th</sup> Annual Report on the working of your Company, along with Audited Annual Accounts for the financial year ended 31<sup>st</sup> March, 2018.

**FINANCIAL SUMMARY OR HIGHLIGHTS/ PERFORMANCE OF THE COMPANY:**

	Amount in ₹ Lakhs	
	2017-18	2016-17
Income from Operations (including Service Concession and Other Operating Income)	20,135.36	21,373.42
Other Income	1,648.25	1,284.72
<b>Total Income</b>	<b>21,783.61</b>	<b>22,658.14</b>
Less: Employee benefits, Operating, CSR and Other expenses	(12,975.31)	(12975.01)
Less: Impairment loss on Intangible assets		
<b>Profit /(Loss) before Interest and Depreciation/amortization</b>	<b>8,808.30</b>	<b>9,683.13</b>
Less: Interest and Financial Cost	(106.47)	(58.86)
Less: Depreciation and amortization	(924.28)	(913.24)
<b>Net Profit/ (Loss) before Tax and Exceptional items</b>	<b>7,777.54</b>	<b>8,711.03</b>
Add/(Less): Exceptional items	0.00	-
<b>Profit/ (Loss) before Tax</b>	<b>7,777.54</b>	<b>8,711.03</b>
Add/(Less): Taxes (net of credit)	(259.96)	(855.58)
<b>Net profit after tax</b>	<b>7,517.58</b>	<b>7,855.45</b>
Other Comprehensive Income (net of taxes)	(6.06)	(0.18)
<b>Total Comprehensive Income carried to Balance Sheet</b>	<b>7,511.52</b>	<b>7,855.27</b>

The Central Government has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 on 28<sup>th</sup> March 2018 and made them applicable from the 1st day of April, 2018. Pursuant to said Amendments Rules, the application of the newly introduced Indian Accounting Standard -115 (Ind AS 115) on "Revenue from Contracts with Customers" will be considered in the preparation of the financial statements of the Company for financial year starting from 1st April 2018.

**DIVIDEND**

The Directors do not propose to recommend payment of dividend for the FY 2017-18 keeping in view the requirement of expenditure on electrification of Surendranagar- Pipavav Section and other capital enhancement works.

## OPERATIONS OF THE COMPANY DURING THE YEAR/ STATE OF COMPANY'S AFFAIRS

During the financial year 2017-18, the Company has carried 7.31 MT of cargo on the PRCL line and earned revenue of Rs. 201.01 crore from its freight operations as compared to 7.57 MT of cargo moved and revenue earned of Rs. 217.45 crore during 2016-17 indicating a decline of 7.56 % in revenue and 3.55 % in volume. This should be seen in the back drop of the following factors:

1. The performance has been affected on account of poor market conditions during the year.
2. Government policy has also adversely affected the traffic due to sharp decline in imported coal for thermal power coupled with increased availability of domestic thermal coal. As a result, there has been no coal traffic on the PRCL line during the financial year 2017-18.

### RECENT DEVELOPMENTS

Electrification of adjoining areas of PRCL section is under progress being feeder route to Western Dedicated Freight Corridor. After completion of electrification works, it will provide seamless connectivity of PRCL Section with Western Dedicated Freight Corridor. For this, your Company has engaged Central Organization for Railway Electrification, Allahabad (CORE/ALD) to carry out rail electrification works on PRCL section. Execution of the work has commenced and CORE has kept a target for completion of the work by December, 2019.

Besides, the Company has also decided to carry out various line capacity works on PRCL section in a phased manner. In this connection, the Company has identified the works to be carried out in the first phase after consulting WR.

### SHARE CAPITAL:

During the year under review, there is no change in the Capital Structure of the Company. The issued, subscribed and paid-up Equity Share capital of the Company on 31<sup>st</sup> March, 2018 is ₹1,96,00,00,200/-.

### RESERVES

No amount is proposed to be carried to Reserve.

### FIXED DEPOSITS:

During the year under review, your Company has not accepted any deposits from public.

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