

## **CHAIRMAN'S SPEECH**

### **DEAR SHAREHOLDERS**

I have the pleasure of welcoming you all to the 15<sup>th</sup> Annual General Meeting of the Company, the first flagship Joint Venture Company of Ministry of Railways (MOR) under Public Private Partnership (PPP) in Railway Infrastructure. MOR entered into a Memorandum of Understanding (MOU) with Gujarat Pipavav Port Limited (GPPL) on 20<sup>th</sup> January 2000 for promoting a joint venture company to undertake the construction, operation & maintenance of the Surendranagar - Pipavav **270kms** Rail Project. Your Company, a non-Government Railway has the rights and obligations of a "Railway Administration" under the Indian Railways Act, 1989.

This has been an eventful year for the Company in terms of its growth and potential. The Report of the Directors, Notice of the Annual General Meeting and Audited Financial Statements for the year ending 31<sup>st</sup> March, 2015 along with the reports of Statutory Auditors, Secretarial Auditors and C&AG have already been circulated to the shareholders, and with your permission, I take them as read.

### **YEAR UNDER REVIEW**

It gives me immense pleasure to share with you the progress made by your Company in the financial year 2014-15. During the financial year 2014-15, the Company has carried 10.70 MT of cargo on the Pipavav line and earned apportioned revenue of Rs.272.64 crore from its freight operations as compared to 8.71 MT of cargo moved and revenue earnings of Rs. 217.84 crore during 2013-14. Thus, there is a growth of revenue by 25% during the year.

Company has handled 9.95 MT traffic from the Pipavav Port during the year ending 31<sup>st</sup> March 2015 as against 7.90 MT in the corresponding previous year. The volume of traffic in port has increased (as compared to corresponding period of previous year) by 32%. It is noteworthy to mention that the traffic from port is higher by 17% as compared to the targets.

Non-port traffic for the FY 2014-15 is 0.75 MT as against 0.81 MT in the FY 2013-14 which is 8% less as compared to the corresponding period of last year. The decline is due to reduction in cement loading.

### **2015-16 (up to August 2015)**

In the current financial year (2015-16) up to August, 2015, the Company has carried 3.8MT (approx) of cargo and earned revenue of Rs. 115.02 crore (approx) compared to 4.09 MT (approx) of cargo and revenue earnings of Rs. 93.73 crore (approx) during the corresponding period of last year. There has been a decline of 7% in the volume of traffic but the revenue has gone up by 23%. The decline in volumes was due to washing away of track on the line resulting in operations remaining suspended from 25.06.2015 to 10.07.2015. It also resulted in containers meant for Pipavav Port getting diverted to other ports.

Being a Company with Railway centric operations, the process of timely reconciliation of revenue and issues pertaining to operations and maintenance costs are still to be resolved at various levels including Division, Zone and at Railway Board. This is an on-

going process. Some major issues have been resolved and many still remain to be sorted out in accordance with the existing Agreements.

I also take this opportunity to compliment GPPL, who not only as a Company but also as a shareholder / partner in PRCL, has created infrastructure facilities at the Port commensurate with increase in volume in Port segment. GPPL has created additional handling lines and has increased terminal handling capacity to cater to increase in the volumes.

#### **RECENT DEVELOPMENTS**

- In the first phase of undertaking track capacity work on PRCL section, construction of one loop at Kundli and Lathidad was commissioned on 15.06.2015 and 25.08.2015 respectively.
- Under the head of **Corporate Social Responsibility**, your Company has identified a **Rural development Project at "Raska" village**, Limbdi Taluka, Distt SUNR, Gujarat for undertaking various developmental activities. It will include, inter-alia other activities, promoting preventive health care; sanitation; making available safe drinking water; Promoting gender equality; empowering women; setting up homes and hostels for women and orphans; setting up old age homes; day care centres; and such other facilities for senior citizens; measures for reducing inequalities faced by socially and economically backward groups; Promotion of education including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects and rural development projects.

#### **CREATION OF INFRASTRUCTURE – FUTURE PLANS**

- Construction of additional loop lines (Chuda & Ranpur), crossing stations (Vizalka Road) and Limbdi long haul. These works are proposed to be executed directly by the Company instead of Western Railway.

#### **DIVIDEND**

The Company had already paid an interim dividend for the financial year 2014-15 @ 20% i.e. Rs. 2/- per share out of the Profits of the Company which may be treated as the Final Dividend.

#### **APPRECIATION**

I wish to place on record my sincere appreciation for the unflinching commitment, support and the contribution of PRCL officers and staff, Gujarat Pipavav Port Limited, Ministry of Railways, Government Bodies and the shareholders.

With best wishes,

New Delhi  
23<sup>rd</sup> September, 2015

Chairman