

## CHAIRMAN'S SPEECH

### DEAR SHAREHOLDERS

I am pleased to welcome all of you to the 17<sup>th</sup> Annual General Meeting of the Company. The Company has the privilege of being 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 270 kms Rail Project. Your Company being a non-Government Railway has the rights and obligations of a "Railway Administration" under the Indian Railways Act, 1989.

The Report of the Directors, Notice of the Annual General Meeting and Audited Financial Statements for the year ending 31<sup>st</sup> March, 2017 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

The Company has shown a Net Profit of Rs. 78.55 crore during the year ended 31<sup>st</sup> March, 2017. During the financial year 2016-17, the Company has carried 7.57 MT of cargo on the PRCL line and earned revenue of Rs. 217.45 crore from its freight operations as compared to 8.55 MT of cargo moved and revenue earned of Rs. 250.42 crore during 2015-16, indicating a decline of in 13% revenue & 11% in volume.

The Company has been able to generate good profit during 2016-17 in spite of poor market conditions and government policies adversely affecting bulk traffic specially for coal traffic.

I also take opportunity to compliment GPPL, who has made all efforts to bring traffic on Pipavav and has been developing infrastructure facilities at the Port to attract more traffic in Port.

### RECENT DEVELOPMENTS

Electrification of adjoining areas of PRCL section is under progress being feeder route to Western Dedicated Freight Corridor, therefore, in order to retain traffic on PRCL section in

future, the Company has decided to do rail electrification on PRCL section by engaging Central Organization for Railway Electrification, Allahabad (CORE/ALD). The works is expected to be started by CORE soon.

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.

The Company has smoothly transited to notified Indian Accounting Standards.

#### ACHIVEMENTS

The Company, through its vigorous efforts, has been able to get the operation cost (fuel cost) reduced to a great extent. This will certainly benefit the Company in form of increase in profits in future. Besides, the Company has been able to reduce the cost estimates of Rail electrification project roughly by Rs.100 crore.

During the year, the Company among other various activities under its CSR initiative has started construction of Community Hall in Raska Village (Gujarat). The Community hall is about to be completed shortly. This will serve multiple social purposes for the villagers.

Recently, the Company has been conferred with the CSR Excellence Award by Bureaucracy Today for construction of Bio-toilet in Raska Village (Gujarat).

#### 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  
15<sup>th</sup> September, 2017

Sd/-  
Chairman