

# वार्षिक रिपोर्ट Annual Report

2010-11



रेल विकास निगम लिमिटेड  
**Rail Vikas Nigam Limited**  
(A Government of India Enterprise)



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## Performance During Last Five Years

(Figures in crore)

Particulars	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Total Income	18.20	46.78	68.10	80.83	84.51
Paid up Share Capital	1,150.02	2,015.02	2,085.02	2,085.02	2,085.02
Reserves & Surplus	12.50	35.08	66.56	106.76	151.50
Capital Employed	3,115.52	4,495.10	6,061.58	7,417.84	6,410.00
Net worth	1,676.00	2,119.09	2,151.07	2,191.78	2,236.50
Net Fixed Assets	2.97	3.29	3.37	2.72	3.84
Profit before Tax	15.25	39.34	57.25	67.49	75.45
Provision for Tax	3.98	10.91	16.45	15.58	14.36
Profit after Tax	11.27	28.43	40.83	51.91	61.09
Dividend	-	5.00	8.00	10.00	12.50
Earning Per Share (EPS)	0.12	0.21	0.20	0.25	0.29

## निदेशक मंडल BOARD OF DIRECTORS



श्री ए.पी. मिश्रा

सदस्य इंजीनियरिंग, रेलवे बोर्ड  
अध्यक्ष (अंशकालिक सरकारी)

Mr. A.P. Mishra,

Member Engineering, Railway Board  
Chairman (Part-time official)



श्री एस.सी. अग्निहोत्री

प्रबंध निदेशक

Mr. S.C. Agnihotri

Managing Director



श्री हरीश चंद्र  
निदेशक (वित्त)

Mr. Harish Chandra  
Director (Finance)



श्रीमती गीता मिश्रा  
निदेशक (कार्मिक)

Smt. Gita Mishra  
Director (Personnel)



श्री मुकुल जैन  
निदेशक (परिचालन)

Mr. Mukul Jain  
Director (Operations)



श्री विजय आनंद  
निदेशक (परियोजना)

Mr. Vijay Anand  
Director (Projects)



श्री ए.के. गुप्ता

अपर सदस्य (ब्रिज), रेलवे बोर्ड  
(अंशकालिक सरकारी)/निदेशक

Mr. A.K. Gupta

Advisor (Bridges), Railway Board  
(Part-time official)/Director



श्री आर एन आगा

(अंशकालिक गैर सरकारी)/निदेशक

Mr. R.N. Aga

(Part-time non-official)/Director



डॉ. के.के. चौधरी

(अंशकालिक गैर सरकारी)/निदेशक

Dr. K.K. Chaudhuri

(Part-time non-official)/Director



प्रोफेसर (डॉ.) एस.एस. चटर्जी

(अंशकालिक गैर सरकारी)/निदेशक

Prof. (Dr.) S.S. Chatterji

(Part-time non-official)/Director

## REGISTERED & CORPORATE OFFICE

Ist Floor, August Kranti Bhawan, Bhikaji Cama Place, R.K. Puram, New Delhi-110066

### PROJECT IMPLEMENTING UNITS

Rail Vikas Nigam Limited  
D. No. 9-1-129/302, 3<sup>rd</sup> Floor,  
Oxford Plaza, Sarojini Devi Raod,  
Secunderabad

Rail Vikas Nigam Limited,  
36, Parijat Raj Kishore Naga,  
Bilaspur

Rail Vikas Nigam Limited  
6.9 Acre Complex, B Block  
Rail Vihar, Chandrashekharapur  
Bhubaneswar

Rail Vikas Nigam Limited  
Shop No. 3, Casablanca,  
Plot No. 45, Sector-11  
C.B.D. Belapur,  
Navi Mumbai

Rail Vikas Nigam Limited  
Meazzanine Floor, Thirumalai  
Railway Station, MTP Field Office,  
Mylapore Chennai

Rail Vikas Nigam Limited  
434, Shekhawat Mansigh Block,  
Neemisagar Colony,  
Queens Roads, Vaishali Nagar,  
Jaipur

Rail Vikas Nigam Limited  
Office Block No. B-1, 3<sup>rd</sup> Floor,  
FMC Fortuna Building  
234/3A, AJC Bose Road, Kolkata

Rail Vikas Nigam Limited  
1<sup>st</sup> Floor, August Kranti Bhawan,  
Bhikaji Cama Place, R.K. Puram,  
New Delhi-110066

Rail Vikas Nigam Limited  
7, Kesharkunj, Shankar Nagar,  
Near Pragati Petrol Pump,  
Habib Ganj, Bhopal

Rail Vikas Nigam Limited  
Near IRICEN Railway Colony,  
South Main Raod, Koregaon Park,  
Pune-411001

Rail Vikas Nigam Limited  
59-AB, Sector-II Gitagali Nagar,  
Raipur

Rail Vikas Nigam Limited  
4<sup>th</sup> Floor, DRM Office Building  
South western Railway  
Bangalore

## Company Secretary

Mrs. Suman Kalra

### Statutory Auditors

Bhushan Bensal Jain Associates,  
Chartered Accountants,  
4648/21, Daryaganj, New Delhi-110002

### Bankers

State Bank of India  
Union Bank of India  
Corporation Bank  
Axis Bank  
ICICI Bank

Web Site : [www.rvnl.org](http://www.rvnl.org)



## CHAIRMAN ADDRESS

**Distinguished Shareholders,**

On behalf of the Board of Directors of Rail Vikas Nigam Limited, I warmly welcome all the shareholders on the occasion of the Eighth Annual General Meeting of the Company. The audited accounts of the Company for the financial year 2010-11, along with the Directors' Report and reports of Auditors and comments of Comptroller and Auditor General of India have already been circulated and with your permission, I take them as read.

The financial year 2010-11 was marked by a period when a number of projects being executed by RVNL and by Zonal Railways (on behalf of RVNL) were nearing completion and the order book of RVNL was depleted. Accordingly, the expenditure booking on these projects was significantly lower than the previous year. There was similar situation for Deposit Works and RVNL Projects allotted initially. The progress of the some of these projects was also affected due to the problems associated with land acquisition. Five major projects with an estimated cost of Rs. 5350 crore could not take off due to delay in the sanction of 2nd Asian Development Bank loan. The new projects, recently assigned to RVNL, including construction of Metro Lines of approximately 66 Kms in Kolkata were under the process of planning and award of contracts.

As a result of the above the turnover of RVNL dipped in 2010-11 to Rs. 1444.65 crore from Rs. 1749 crore in the previous year, although there was an increase in expenditure on MoR projects by RVNL from Rs. 1098.04 crore to Rs. 1136.99 crore.

However, I am happy to report, that despite the decline in turnover, the Company has been able to not only maintain but improve its overall financial performance in

2010-11 over the previous year due to increase in income from interest and dividend. The Gross Profit of the Company increased from Rs.80.83 crore in 2009-10 to Rs.84.51 crore in 2010-11, and the Profit After Tax from Rs. 67.49 crore to Rs. 75.44 crore over the period. The accumulated Reserves and Surplus of RVNL increased to Rs.151.5 crore at the end of 2010-11 and the Net worth of the Company increased to Rs. 2236.52 crore. The D&G charges of RVNL was restricted to 4.38% of project expenditure during 2010-11.

With the improved financial performance of the Company, the Directors have recommended a dividend of Rs.12.5 crore for 2010-11 as compared to Rs.10 crore in 2009-10 i.e. an increase of 25%, for the consideration by the Shareholders.

RVNL has till March 2011 completed 633 km of Doubling, 1579 km of Gauge Conversion, 194 km of New Line and 1335 km of pure Railway Electrification projects. These achievements are a proof of the company's capability in executing difficult projects and meeting the expectations of delivering high quality rail infrastructure on time.

During the year RVNL completed 441 km of project length comprising of 211 km of Doubling, 62 km of Gauge Conversion, 9 km of New Line and 159 km of Railway Electrification. The Bharuch-Samni-Dahej Gauge Conversion project, which has been executed by RVNL on PPP basis, was physically completed and a trial for running of loco was successfully conducted in March 2011. With the completion of this project RVNL has successfully executed all the Gauge Conversion projects initially allotted to it, involving a length of 1579 km, in a short span of 5 years. The Vallarpadam-Idapally New Line project which was completed in 2009-10 involving construction of 4.6 Km long bridge over the backwaters



in the State of Kerala for providing rail connectivity to the new international container transshipment facility at Vallarpadam was dedicated to the nation by Hon'ble Prime Minister of India on 14th February 2011. Hon'ble Prime Minister expressed his appreciation that the rail connectivity work had been completed by RVNL much ahead of other works being executed by NHAI and Cochin Port Trust. This is the longest railway bridge in India and was completed in a record period of 28 months. The bridge has been awarded the "Pre-stressed Concrete Structure of the year 2010" by the Indian Concrete Institute. It has also been awarded the ESSAR Steel Excellence Infrastructure project award in railway infrastructure category in April 2011.

On North Central Railway RVNL commissioned 46 km of the Aligarh-Ghaziabad 3rd line project between Khurja and Dadri for operation of goods trains. 20 km were commissioned in Palwal-Bhuteswar 3rd line project between Palwal and Solaka for goods traffic. The panel interlocking system in the section has been replaced by Electronic Interlocking. Bhatapara-Hathband and Hathband-Tilda sections involving a length of 29 km in the Bhatapara-Urkura 3rd line project were completed in 2010-11. The section lies on the busy coal carrying route of the Indian Railways and involves detailed planning for execution of the work. On the East Coast Railway 11 km from Rajatgarh to Ghantikal were commissioned in the Rajatgarh-Barang project during the year. On South Central Railway, RVNL completed 83 kms of patch doubling in the Gooty-Renigunta project and 22 kms of doubling in the Raichur-Guntakal project. Among the Railway Electrification projects, 76 km in Renigunta-Guntakal and 83 km in Tomka-Banaspani project were completed and energized in 2010-11. In addition, 177 km was added to the RE network through other than specifically Railway Electrification projects such as

Aligarh-Ghaziabad 3rd line, Palwal-Bhuteswar 3rd line, etc.

RVNL's efforts towards capacity building in execution of signaling and telecommunication works have proved successful and during the year important doubling, 3rd line projects have been commissioned involving large scale Solid State interlocking and NIs of major yards on busy routes.

Four major projects for the extension of Kolkata Metro were transferred to RVNL in March 2010 involving construction of 66 km of Metro Line. The foundation stone for the Joka-BBD Bag project was laid by Her Excellency, President of India in September 2010. RVNL has worked at a fast pace to ensure implementation of these projects. During the year, RVNL has been able to award contracts for the Noapara-Baranagar (2.6 km), Baranagar-Dakishneswar (2.2 km) and Joka-Mominpur (9.5 km) section of the Joka-BBD Bag project. Work on these sections has already commenced. Tenders have also been invited for the Dum Dum Airport-New Garia project and planning for balance works is in progress in consultation with local government agencies.

RVNL has been created with the specific mandate for implementation of railway infrastructure projects assigned to it from the stage of project development, carrying out of bankability studies to execution of projects including raising resources for the same (if necessary) through a mix of equity, and debt from banks, financial institutions, multi-lateral and bilateral agencies. If required, project specific SPVs for individual works can also be created if the model is considered appropriate. It was with this scenario that RVNL has formed 5 SPVs with a total project cost of Rs. 3837 crore. The equity contribution by RVNL equity in these projects is about Rs. 528 crore i.e. 13.8% of the total cost of the projects. The balance funds of about Rs. 2586 crore would be provided



by the equity share of strategic partners and through non recourse debt.

The projects being implemented in SPV mode are under various stages of implementation and two of the projects, viz. Kutch Railway Company Limited and Krishnapatnam Ltd are already contributing to the revenues of Indian Railways.

RVNL, in fact, is in a unique position to fulfill its mandated role in assisting the MoR in its efforts to raise non-budgetary resources for implementation of railway projects. Ideally, RVNL's large capital base of Rs. 3,000 crore can be leveraged for raising funds from the market which would be synergized with its role of an executing agency for the delivery of rail infrastructure projects in fast track mode. However, at the same time the MoR will be required to ensure that RVNL is provided with a sound revenue stream to generate a healthy bottom line to leverage the raising of additional financial resources.

RVNL has continued to strive to maintain an extremely thin and efficient organization. The high level of achievement of the Company has been realized with an on roll staff strength of only 273 regular personnel of which 78 are RVNL employees. The achievements of RVNL exemplify the dedication and efficiency of its officers and staff.

One of the main reasons for the high level of output, despite its lean organizational structure is the constant endeavour to improve on systems and procedures. The initiatives of the Company to prepare Detailed Estimates and enter into composite contracts based on Standard Bill of Quantities for civil, electrical and S&T works (the rates of which are updated annually), introducing a system of multi-contract packaging in tender to save time in evaluation and award of contracts, development of a Standard Bidding Document based on FIDIC which is acceptable to multilateral funding agencies and refining

of the eligibility qualification criteria for prospective bidders which attract the best infrastructure companies in the country are to be commended.

As per Department of Public Enterprises (DPE) guidelines, RVNL like all other PSUs has to sign a Memorandum of Understanding (MOU) with Ministry of Railways every year, which contains specific financial and physical targets to be achieved during the year. I am happy to report that for the year 2010-11, RVNL, as per internal assessment, has evaluated its performance vis-à-vis MOU targets as 'Excellent'. This is the first time that the Company has achieved this grading. The Company has forwarded the rating to Department of Public Enterprises for approval. I am confident that RVNL will further improve its performance with respect to the targets set in the MOU for 2011-12 and achieve an "Excellent" rating with a still better score. I am also happy to inform that as per the guidelines issued by Department of Public Enterprises on Corporate Governance for Central Public Sector Enterprises in June 2007, RVNL has incorporated the Report on Corporate Governance and Management Discussion & Analysis Report in the Annual Reports from the financial year 2007-08 onwards and is also a part of the Annual Report for 2010-11.

In 2010-11 Rs. 1650 crore worth of contracts were entered into compared to only Rs. 600 crore in the previous year. The loan negotiations for the second ADB loan ADB have also been recently been concluded and the loan is likely to be signed by the end of the year. I am also happy to report that recognizing the good performance of the Company, Railway Board has continued to repose faith in RVNL and in 2010-11 has transferred a few more projects to RVNL, including doubling, new line, railway electrification, workshop and ROB projects. Construction of cable stayed bridge (ROB) at Bardhaman is an entirely new area of work which has been entrusted to RVNL. It is

in this background that I can state with confidence that that from this springboard, and the continued support of the Ministry of Railways, the turnover of your Company will only increase from year to year and the Company is poised to become the major provider of rail infrastructure in the country.

Last but not the least, I must take this opportunity to express my sincere thanks and gratitude towards all my colleagues. I would like to also take this opportunity to place on record the Company's appreciation of the extremely valuable contribution of Shri Harish Chandra, the then Director Finance who superannuated on 31st August to the functioning of the Company. Shri Chandra has been with the Company, as Director Finance since March 2005 and his deep financial insight and understanding of technical issues has contributed significantly to the growing financial strength of the Company. I also take this opportunity to welcome new incumbent Shri A.K. Ganju as Director Finance who was earlier ED/Finance and has significantly contributed towards the growth of the company.

I express my sincere thanks to our esteemed Shareholders, Ministry of Railways, Ministry of Finance, the State Governments, Zonal Railways, ADB, Financial

Institutions, Banks, Stakeholders in various railway projects and National and International contractors for their unstinted cooperation to RVNL. I extend my deep appreciation for the devotion and dedication of all the RVNL employees for their commitment and dedication to the Company.

I am confident that the Company will continue to get support and cooperation from all the stakeholders to scale new heights and set high standards in the area of railway project development and delivery.

Sd/-

A P Mishra  
(Chairman)

New Delhi

Dated: 16/09/2011

*Note: This does not purport to form part of the proceedings of the Annual General Meeting.*