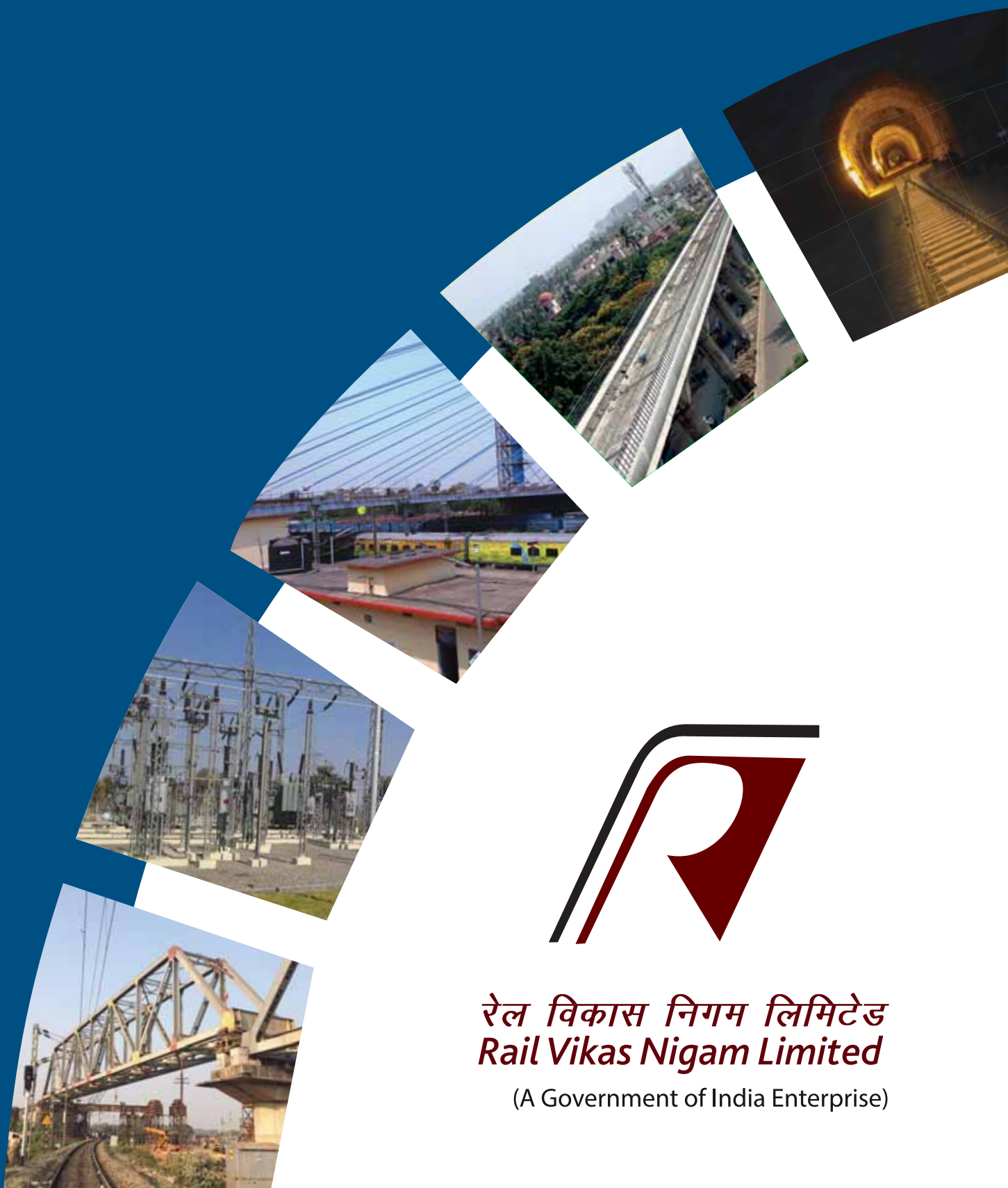


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ANNUAL REPORT
2016-2017



रेल विकास निगम लिमिटेड
Rail Vikas Nigam Limited

(A Government of India Enterprise)

MISSION

To create state of the art Rail transport infrastructure to meet the growing demand.

VISION

To emerge as the most efficient provider of Rail infrastructure, with a sound financial base and global construction practices, for timely completion of projects.



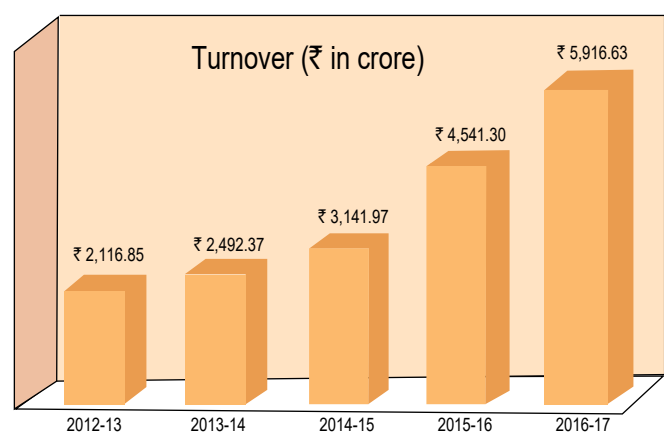
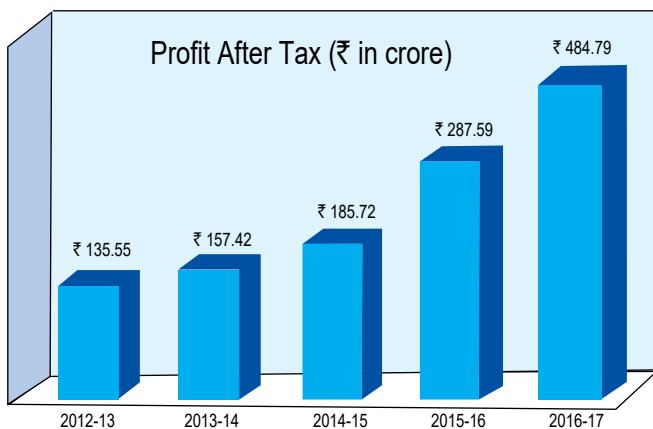
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Performance Highlights During Last Five Years

(₹ In Crores except EPS)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
	₹	₹	₹	₹	₹
Turnover	2,116.85	2,492.37	3,141.97	4,541.30	5,916.63
Total Income	255.92	287.24	347.21	509.84	695.53
Paid up Capital	2,085.02	2,085.02	2,085.02	2,085.02	2,085.02
Reserves and Surplus	329.32	451.05	593.84	742.81	1,001.77
Net Worth	2,414.34	2,536.07	2,678.86	2,827.83	3,086.79
Net Fixed Assets	7.75	8.99	8.87	11.60	20.20
Profit before Tax	167.46	195.17	236.35	363.65	484.79
Provision for Tax	31.91	37.75	50.63	76.06	99.77
Profit after Tax	135.55	157.42	185.72	287.59	385.02
Dividend	27.00	31.50	37.20	115.10	154.50
Earning Per Share(EPS)	0.65	0.76	0.89	1.38	1.85



निदेशक मंडल / Board of Director



श्री एस.सी. अग्निहोत्री
अध्यक्ष एवं प्रबंध निदेशक
Mr. S.C. Agnihotri
Chairman & Managing Director



श्रीमती गीता मिश्रा
निदेशक (कार्मिक)
Smt. Gita Mishra
Director (Personnel)



श्री मुकुल जैन
निदेशक (परिचालन)
Mr. Mukul Jain
Director (Operations)
(Up to 31.12.2016)



श्री विजय आनंद
निदेशक (परियोजना)
Mr. Vijay Anand
Director (Projects)



श्री अशोक कृ. गंजू
निदेशक (वित्त)
Mr. Ashok K. Ganju
Director (Finance)



श्री अंजुम परवेज
कार्यकारी निदेशक प्रोजेक्ट्स (निगरानी),
रेलवे बोर्ड, (अंशकालिक सरकारी) निदेशक
Mr. Anjum Pervez
Railway Board, (Part-time Official) Director
(Up to 21.12.2016)



श्री के.के. अग्रवाल
कार्यपालक निदेशक (नि.एवं परि.),
रेलवे बोर्ड, (अंशकालिक सरकारी) निदेशक
Mr. K.K. Aggarwal
ED (W&P),
Railway Board, Part-time Official) Director



श्री एस.सी. जैन
कार्यपालक निदेशक (कार्य)
रेलवे बोर्ड, (अंशकालिक सरकारी) निदेशक
Mr. S.C. Jain
ED (Works)
Railway Board, (Part-time Official) Director

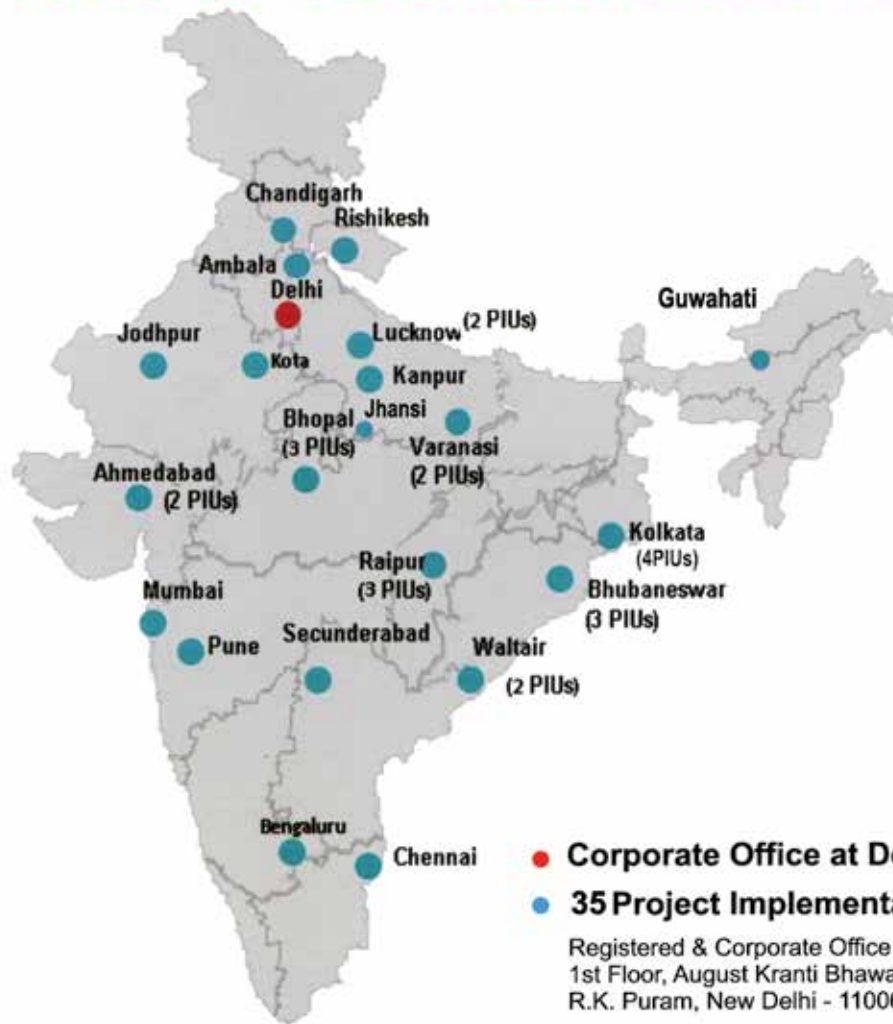


श्री शिव गुप्ता
(अंशकालिक गैर सरकारी) निदेशक
Mr. Shiv Kumar Gupta
(Part-time non-Official) Director



श्री विनायक भालाचन्द्र करंजीकर
(अंशकालिक गैर सरकारी) निदेशक
Mr. Vinayak Bhalachandra Karanjikar
(Part-time non-Official) Director

RAIL VIKAS NIGAM LIMITED



- **Corporate Office at Delhi**
- **35 Project Implementation Units**

Registered & Corporate Office
1st Floor, August Kranti Bhawan, Bhikaji Cama Place,
R.K. Puram, New Delhi - 110066

Company Secretary
Mrs. Kalpana Dubey
Statutory Auditors
Kumar Chopra & Associates
B-12, (G.F.), Kalindi Colony,
Near Maharani Bagh, New Delhi - 110065

Secretarial Auditor
P.C. Jain & Co.,
Company Secretaries
H.O.: 2382, 1st Floor, Sector-16,
Faridabad-121002

Internal Auditors
K.K. Goel & Associates
204, A.J. Chamber, Naiwala, 4th Street,
Karol Bagh, New Delhi - 110005

BANKERS



CHAIRMAN'S ADDRESS



Distinguished Shareholders,

On behalf of the Board of Directors of Rail Vikas Nigam Limited, I extend a very warm welcome to all of you on the occasion of the 14th Annual General Meeting of the Company. The audited accounts of the Company for the financial year 2016-17, 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.

I would like to extend a very warm welcome to Shri Ashwani Lohani, Chairman, Railway Board, Shri Ghanshyam Singh, Member (Traction) who is presently looking after the charge of Administrative Secretary of the Ministry for the Company, Shri Ravindra Gupta, Member (Rolling Stock), Shri Mohammed Jamshed, Member Traffic and Shri B.N. Mohapatra, Financial Commissioner (Railways) and all the Shareholders of RVNL and invitees. At the outset, I would like to take this opportunity to thank all of you for the unstinted support and encouragement to the functioning of the Company.

In the past two years, there has been a paradigm shift in the execution of infrastructure projects on Indian Railways. On the financial side, the Ministry has made innovative efforts to ensure the availability of adequate funds so that there are no impediments in project execution, with an emphasis on removal of operational bottlenecks and capacity augmentation works. On the physical side, while the completion of projects is being monitored, there is now a focus on the commissioning of projects to ensure that the assets created are brought to productive use as soon as possible.

I am happy to report to Shareholders that RVNL, working for and on behalf of the Ministry of Railways as an executing agency, has been able to gear itself up to the changing environment and has been able to meet the expectations of the Ministry by substantial improvement in the financial and physical performance of the Company.

Financial Performance

During 2016-17, RVNL continued on its trajectory of growth, and with the assured availability of funds, your Company surpassed all previous achievements to record the highest ever Turnover of ₹5,919.62 crore as compared to ₹4,541.30 crore in 2015-16, i.e. an increase of 30.35%. While the turnover from projects of the Ministry increased to ₹4,894.33 crore from ₹3,864.98 crore in the previous year, the expenditure on works undertaken for SPVs and other deposit works increased to ₹1025.29 crore during 2016-17 in comparison to ₹661 crore in the previous year.

Profit Before Tax increased from ₹371.83 crore in 2015-16 to ₹484.79 crore in 2016-17, and Profit After Tax (PAT) of the Company is at ₹385.03 crore, showing an increase of 26.65% over the previous year.

In view of the improved financial performance, and in line with the directions of Department of Public Enterprises and Ministry of Railways for payment of Dividend, the Directors of your Company have recommended payment of the highest ever dividend of ₹154.50 crore in 2016-17, to the Ministry of Railways compared to ₹115.10 crore in the previous year. As a result, the effective management fee of RVNL would be reduced from an average of 8.5% to 6%, which is much lower than the D&G charges being allowed to the Zonal Railways. With the payment of final dividend, the cumulative amount paid as Dividend to the Ministry will stand at ₹421 crore.

Physical performance

During the year, with the focus of the Ministry on the commissioning of projects, I am happy to inform the Shareholders that your Company achieved the target of getting 500 km of track ready for commissioning. Out of this, 310 km of doubling was commissioned and another 190 km was inspected by Commissioners for Railway Safety (CRS) which could not be opened due to operational constraints of the Railways.

RVNL also met its targets of completion of sections by surpassing all previous achievements and completing a total of 713.73 km of project length (355.73 km of Doubling and 358 km of Railway Electrification), compared to 698 km (353 km of Doubling, 17 km of New Line and 328 km of Railway Electrification) in the previous year.

The completed sections of important doubling projects include Villupuram - Dindigul, Hospet-Tinaighat, Salka Road-Anuppur, Raipur-Titlagarh, Rewari-Manheru, Bina-Kota, Daund-Gulbarga, Sambalpur-Titlagarh, Thanjavur-Ponmalai, Bhimsen-Jhansi, Sarotra Road-Karjoda Patch Doubling, Rani-Keshavganj and Bhopal-Bina 3rd line.

The Company has also contributed substantially to the commissioning of Railway Electrification projects during the year. In 2016-17, RVNL commissioned 498 rkm of pure Railway Electrification works on important routes, including 214 rkm between Yelahanka-Dharamavaram of Yelahanka-Dharamavaram-Gooty RE project, 199 rkm of Pune-Wadi-Guntakal RE project (Pune-Daund: 78 rkm, Daund-Bhigwan: 30 rkm & Wadi-Chiksugur: 91 rkm) and 30 rkm between Amla-Parasia of Amla-Chhindawara-Kalumna RE project. In addition, 236 km of RE was commissioned along with doubling.

Thus, total RE commissioned by RVNL in 2016-17 stood at 734 rkm.

The commissioning of RE projects could have further improved, but for the delay in laying of transmission lines for connecting the grid to the railway distribution sub-station by State Electricity Agencies.

A total of 358 rkm of pure RE projects were completed in 2016-17 including Raipur-Titlagarh RE (82 rkm), Manheru-Hissar RE (74 rkm), Rewari-Manheru RE (59 rkm), Chhapra-Ballia-Ghazipur-Varanasi-Allahabad RE (55 rkm), Amala-Chhindwara-Kalumna RE (48 rkm) and Pune-Guntakal RE (40 rkm). In addition, 199.71 rkm RE works were completed along with doubling.

Thus, total RE completed by RVNL in 2016-17 stood at 558 rkm.

Your Company has also achieved commendable success in commissioning of signalling works associated with Doubling, third line, Intermediate Block Signalling and yard remodelling. During 2016-17, RVNL commissioned 55 stations on 4th line, 3rd line and Doubling projects, 28 stations on Railway Electrification and 58 Mid-section Level Crossing Gates interlocking/IBS. The Company has also been able to successfully commission telecom works involving laying of optic fibre cables and 6 Quad cables of a total of 451 km.

On behalf of the Board of Directors of the Company, I would like to place on record our deep appreciation for the proactive support extended by Railway Board without which commissioning of railway projects done by your Company in 2016-17 would not have been possible.

Progress was also made in the new hill rail projects assigned to RVNL, that is, the Rishikesh-Karnprayag section in Uttarakhand and Bhanupalli-Bilaspur-Beri section in Himachal Pradesh. The Detailed Estimate for the former was sanctioned during the year and as the alignment has already been finalised, the process of land acquisition and environmental clearance is being expedited. The award of work for the Detailed Design and Engineering of important stretches is also under process. The finalisation of alignment of the Bhanupalli-Bilaspur-Beri section, using the latest DEM technology, is in an advanced stage.

In December, 2014, Hon'ble Prime Minister of India commenced the work of the project for augmentation of capacity of Diesel Locomotive works at Varanasi. The project was completed in less than 2 years and dedicated to the nation by Hon'ble PM himself on 24.10.2016. In addition, the "Workshop for manufacture of Flat Bogies for LHB Design Coaches, Yadgir" was completed in less than 18 months.

It was also a great honour for RVNL when Hon'ble Prime Minister laid the foundation stone and inaugurated the commencement of work of construction of the rail cum road bridge over river Ganga at Ghazipur as part of the Mau-Tarighat new line project. This work was awarded within a record time of 5 months of the sanctioning of the project by CCEA. During this period, all the tasks of design and obtaining clearances were completed which in normal course takes a considerable time. The tenders were awarded in a record time of 22 days.

The construction of the Indian Railway Institute of Financial Management at Secunderabad, the first institutional building being constructed by RVNL is progressing satisfactorily.

The projects related to extension of Kolkata Metro have been delayed due to non- acquisition of land, awaiting various clearances and removal of hindrances by the local authorities. The State Government is continuously being requested to provide necessary support in this regard.

ADB projects

ADB has agreed to provide a multi-tranche financing facility of US \$ 500 million for funding of 5 projects. While the Loan Agreement for the 1st Tranche for an amount of US \$ 150 was signed in July 2012, the Loan Agreement for the 2nd Tranche of US \$ 130 million was signed in February 2014. During the year 2016-17, an amount of ₹259.18 crore, equivalent to \$ 39.2 million has been claimed for reimbursement from the ADB. Execution of the ADB funded projects is in progress.

Special Purpose Vehicles

In the background of the mandate of RVNL for mobilisation of extra budgetary resources from the market for port connectivity and hinterland rail projects, RVNL took the lead to create six joint venture Special Purpose Vehicle (SPV) projects worth ₹6139 crore with a contribution of only ₹625 crore, which is approximately only 10% of the total investment.

Kutch Railway Company Ltd., Krishnapatnam Railway Company Ltd. and Bharuch Dahej Railway Company Ltd. have commenced their operations. These SPVs are contributing substantially to the total revenue of the Railways. However, certain issues affecting the financial position and operations of the SPVs are under consideration of the Ministry of Railways for resolution.

In Krishnapatnam Railway, the work on the section between Venkatachalam and Obulavaripalle is in progress. This section has two tunnels with a total length of about 7.7 km, out of which the boring of one 1.0 km tunnel has been completed and progress in the second tunnel is 6.0 km out of 6.7 km length. However, the issue of funding of the balance portion of the project is to be addressed. Doubling of 270 km of the Kutch Railway line between Palanpur and Samakhiali which is being funded completely by the SPV at an estimated cost of ₹1,400 crore, has been taken up by RVNL on behalf of the SPV and work is proceeding satisfactorily. The physical works on Haridaspur-Paradip and Angul-Sukinda New Line projects are in progress.

RVNL has also decided to participate as a stakeholder in an SPV, Indian Port Rail Corporation Limited, under Ministry of Shipping. The stakeholders are 12 Major Ports and RVNL. RVNL's equity participation is limited to ₹10 crore i.e. 10% of the initial subscribed share capital. The SPV has been formed to undertake maintenance, upgradation and modernisation of the Port Railways and also provide capacity augmentation wherever required.

High Speed Rail Projects

RVNL had formed High Speed Rail Corporation of India Ltd. (HSRC), a fully owned subsidiary, in July 2012 for development and implementation of High Speed Rail projects in India. HSRC is undertaking pre-feasibility studies for High Speed Corridors connecting the major metropolitan cities including Delhi-Chandigarh-Amritsar, Delhi-Mumbai, Mumbai-Chennai, Delhi-Kolkata, Mumbai-Kolkata and Delhi-Chennai.

The studies are being carried out by various international consultants. Two studies viz the first phase between Mumbai and Nagpur (of Mumbai-Kolkata Corridor) and Delhi-Nagpur (of Delhi-Chennai Corridor) are being done under technical collaboration agreements with the Governments of Spain and China respectively.

Human Resource Development

It is indeed a significant achievement that all the above milestones have been realized with an on-roll staff strength of only 502 regular personnel, which include 128 regular employees and 374 deputationists. To maintain a lean and thin organizational structure, the Company makes continuous efforts to streamline the systems and procedures through various measures, such as introducing a Standard Bill of Quantities for different types of works, awarding composite contracts incorporating all aspects of Civil, Electrical and S&T works, floating multi-package tenders to reduce multiple evaluations etc. These initiatives have greatly reduced the period between assignment of the work to RVNL and actual commencement of work. The task of implementation of an Integrated IT solution for the Company, which is in progress, will further improve productivity and transparency.

Corporate Social Responsibility

RVNL is conscious of its Corporate Social Responsibility. During 2016-17, the Company spent ₹6.12 crore (approximately 2.31% of the average net profit of last three financial years) on CSR initiatives, compared to ₹5.94 crore in the previous year. The Company's main focus is in the areas of education, health and sanitation, with implementation of CSR projects by Ramakrishna Mission, TERI, Sulabh International etc. Some of the significant projects undertaken under CSR are 'Education for under privileged differently abled children in the backward areas of West Bengal, providing operation theatre complex with 50 bed post-operative care unit in the 112 years old hospital at Kankhal, Haridwar, providing community toilet blocks under "Namami Gange & Swachh Bharat mission" at Chennai Railway Station. RVNL has also contributed to construction of a nursing hostel for 120 girls in the Ramakrishna Mission Hospital at Vrindavan, Mathura. The project was inaugurated by Shri Ram Naik, Hon'ble Governor of U.P. on 24th September, 2016.