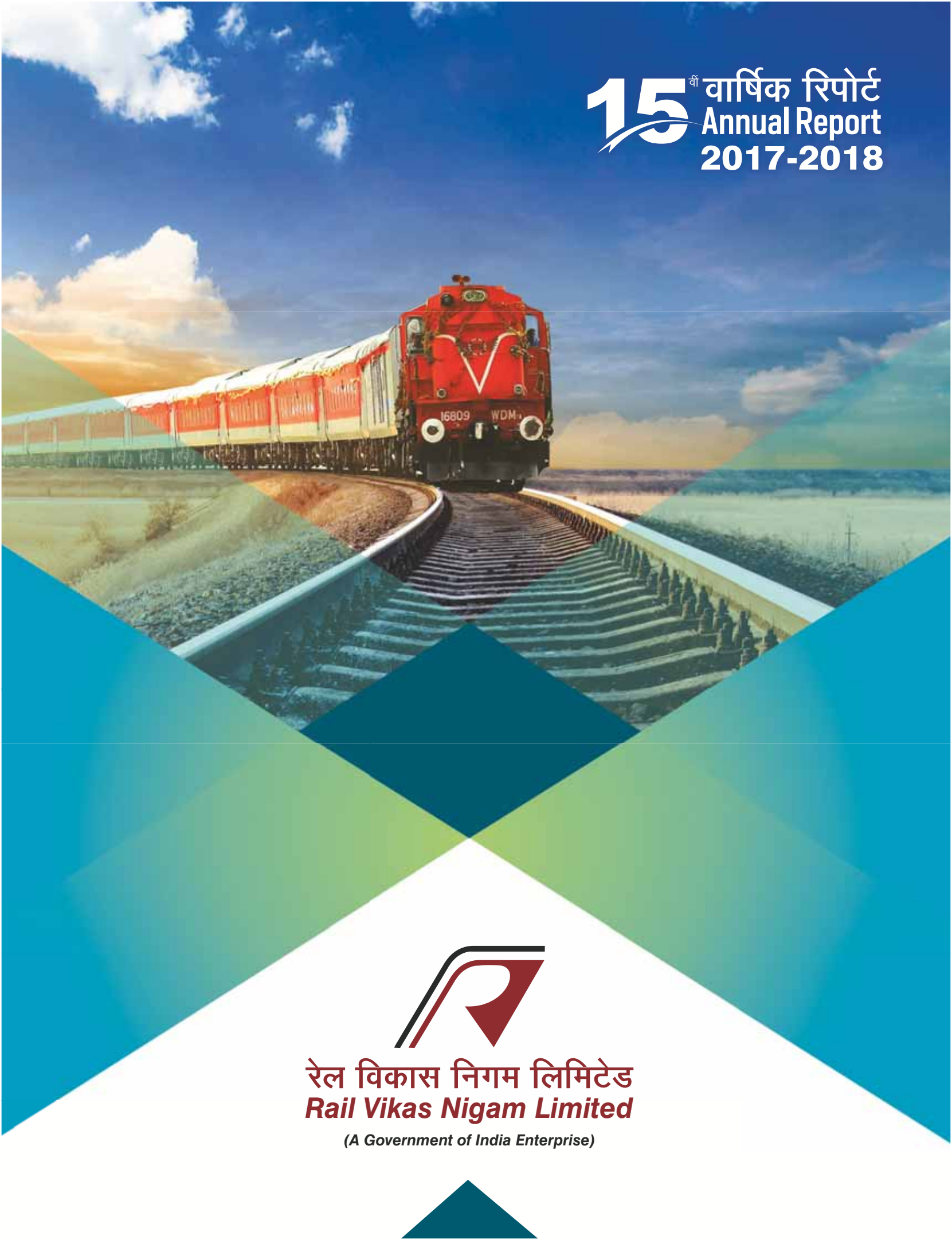


15^{वीं} वार्षिक रिपोर्ट Annual Report 2017-2018



रेल विकास निगम लिमिटेड
Rail Vikas Nigam Limited

(A Government of India Enterprise)

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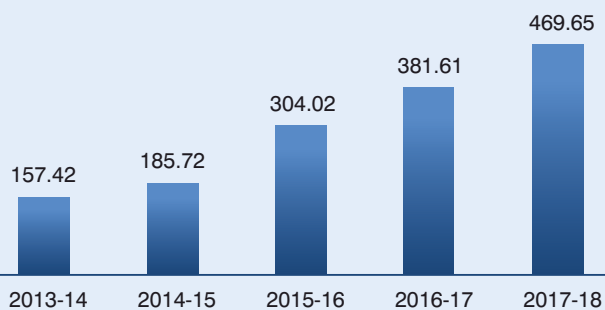
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PERFORMANCE HIGHLIGHTS DURING LAST FIVE YEARS

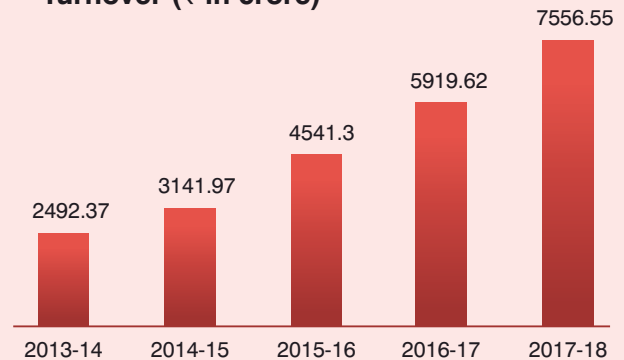
(₹ in Crores except EPS)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Turnover	2492.37	3141.97	4541.3	5919.62	7556.55
Paid up Capital	2085.02	2085.02	2085.02	2085.02	2085.02
Reserves and Surplus	451.05	593.84	926.55	1001.77	1266.46
Net Worth	2536.07	2678.86	3011.57	3083.37	3351.48
Net Fixed Assets	8.99	8.87	11.55	20.29	269.99
Profit before Tax	195.17	236.35	371.83	481.38	564.14
Provision for Tax	37.75	50.63	67.81	99.77	94.49
Profit after Tax	157.42	185.72	304.02	381.61	469.65
Dividend	31.50	37.20	115.10	154.50	167.57
Earning Per Share(EPS)	0.76	0.89	1.46	1.83	2.25

Profit after Tax (₹ in crore)



Turnover (₹ in crore)



निदेशक मंडल

Board of Directors



श्री एस.सी. अग्निहोत्री
अध्यक्ष एवं प्रबंध निदेशक
Mr. S.C. Agnihotri
Chairman & Managing Director
(upto 31.08.2018)



श्री प्रदीप गौड़
अध्यक्ष एवं प्रबंध निदेशक
Mr. Pradeep Gaur
Chairman & Managing Director
(w.e.f. 01.09.2018)



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



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



श्री अरुण कुमार
निदेशक (परिचालन)
Mr. Arun Kumar
Director (Operations)



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



श्री ए.पी. द्विवेदी
कार्यकारी निदेशक (पी.एस.यू.)
रेलवे बोर्ड (अंशकालिक सरकारी) निदेशक
Mr. A. P. Dwivedi
ED (PSU), Railway Board, (Part Time Official) Director



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



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



श्री आर.एच. ख्वाजा
(अंशकालिक गैर सरकारी) निदेशक
Mr. R.H. Khwaja
(Part-time Non-Official) Director



श्रीमती सबीता प्रधान
(अंशकालिक गैर सरकारी) निदेशक
Mrs. Sabita Pradhan
(Part-time Non-Official) Director



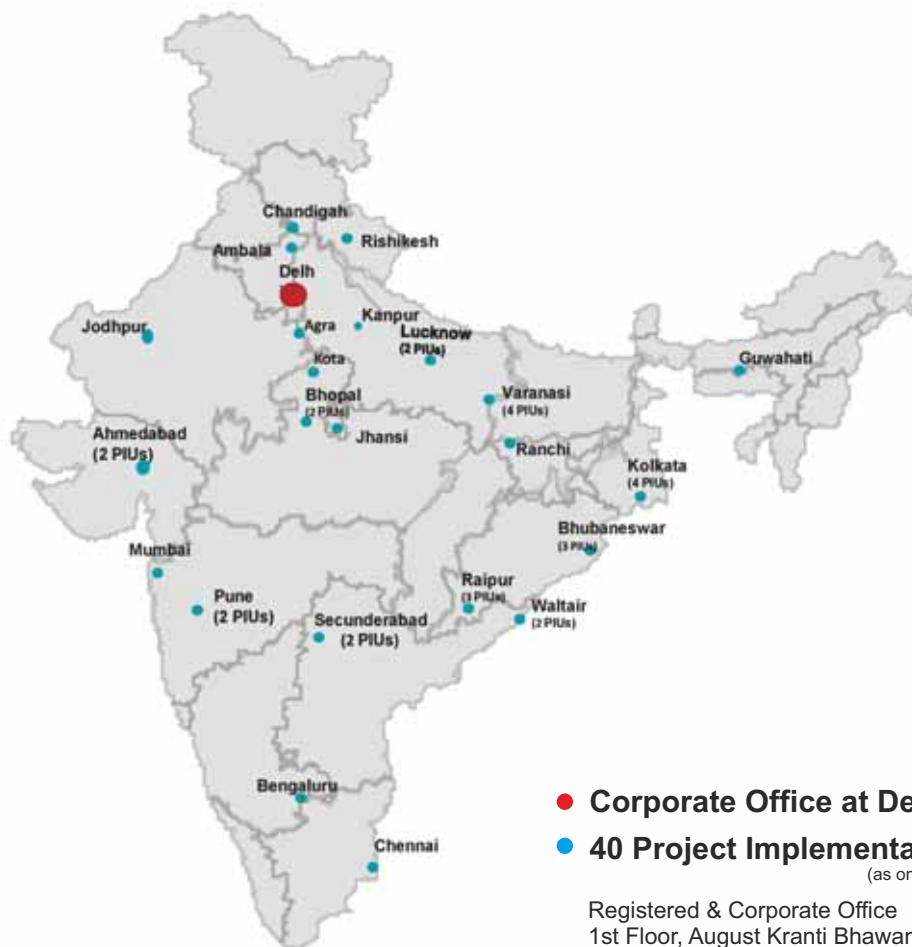
डा. एल.वी.एम. रेड्डी
(अंशकालिक गैर सरकारी) निदेशक
Dr. L.V.M. Reddy
(Part-time Non-Official) Director



डॉ. अनिल कुमार
(अंशकालिक गैर सरकारी) निदेशक
Dr. Anil Kumar
(Part-time Non-Official) Director



RAIL VIKAS NIGAM LIMITED



- **Corporate Office at Delhi**
- **40 Project Implementation Units**
(as on the date of report)

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

COMPANY SECRETARY &
COMPLIANCE OFFICER
Mrs. Kalpana Dubey

STATUTORY AUDITORS
Raj Har Gopal & Co.
412, Ansal Bhawan, 16,
Kasturba Gandhi Marg, New Delhi-110001

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

INTERNAL AUDITORS
Ravi Rajan & Co.
505-A, 5th Floor, Rectangle-I, D-4,
District Centre, Saket, New Delhi-110017

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 15th Annual General Meeting of the Company. The audited accounts of the Company for the financial year 2017-18, 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.

At the outset, I would like to take this opportunity to thank all our shareholders for the unstinted support and encouragement to the functioning of the Company. You all have always been there to ensure that RVNL is enabled to work effectively to fulfil its mandate for which it has been set up.

As we are all aware, your Company was established with the mandate of fast track implementation of rail infrastructure projects working for and on behalf of Ministry of Railways as an executing agency. It is, indeed with a great deal of satisfaction that I can report that RVNL has continuously endeavoured to meet the expectations of the Railway Administration which is reflected in the consistent improvement in the year on year physical and financial performance of the Company. The contribution of RVNL to the building of rail infrastructure in the country is amply demonstrated by the presence of the Company in 41 Project Implementation Units established at 25 locations across the length and breadth of the country. RVNL is executing projects in all the Zonal Railways and 19 States of the Country.

In the past few 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 is no impediment 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 built are brought to productive use as soon as possible.

Financial Performance

In 2017-18, RVNL increased its expenditure on project execution from ₹ 5919.62 crore to ₹ 7556 crore, which excludes the element of ₹ 621 crore as GST. This reflects an increase of 27.65%. While the turnover (excluding GST) from projects of the Ministry increased to ₹ 4894.33 crore from ₹ 3864.98 crore in the

previous year, the expenditure on works (excluding GST) undertaken for SPVs and other deposit works increased to ₹ 1356.35 crore during 2017-18 in comparison to ₹ 1025.29 crore in the previous year.

Profit Before Tax increased from ₹ 481.38 crore in 2016-17 to ₹ 564.15 crore in 2017-18, and Profit After Tax (PAT) of the Company is at ₹ 469.66 crore, showing an increase of 23.07% over the previous year.

In view of the improved financial performance, and in line with the directions of Department of Public Enterprises and the Ministry for payment of Dividend, the Directors of your Company have recommended payment of the highest ever final dividend of ₹ 167.57 crore for 2017-18, to the Ministry of Railways compared to ₹ 154.50 crore in the previous year. As a result, the effective management fee of RVNL would be reduced from an average of 8.5% to 6.11%, With the payment of final dividend, the total amount paid as Dividend to the Ministry will stand at ₹ 588 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 475 km of track ready for commissioning. Out of this, 17 km of New Line & 400.03 km of Doubling were commissioned and another 58.28 km Doubling was inspected by Commissioners for Railway Safety (CRS) which could not be opened due to operational constraints of the Railways.

In comparison to completing a total of 713.73 km of project length in 2016-17, RVNL completed 885.5 km in 2017-18 thereby surpassing all previous achievements. This included 315.2 km of Doubling and 425 km of Railway Electrification, 17 km of New Line, 86.3 km of Gauge Conversion and 42 km of Metropolitan Transport Project.

The completed sections of important doubling projects include Daund-Gulbarga, Hospet-Tinaighat, Bina-Kota, Raipur-Titlagarh, Sambalpur-Titlagarh etc. During the year, Habibganj-Bina block section was completed, thus completing the full project (Habibganj-Bina 3rd line).

The Company has also contributed substantially to the commissioning of Railway Electrification projects during the year. In 2017-18, RVNL commissioned 604.97 km of pure Railway Electrification works on important routes, including 171.96 km of Pune-Wadi-Guntakal RE, 131.3 km of Chhapra-Balia-Gazipur-Varanasi-Allahabad section, 79.86 km of Jakhal-Hisar RE, 74 km of Maheru-Hissar RE, 63.34 km of Amla-Chaindwara-Kulumna RE, 44.62 km of Raipur-Titlagarh RE, 27.2 km of Rewari-Maheru RE and 12.69 km of MMTS Phase-II. In addition, 156.49 km of RE was completed with doubling projects.

Over the years, Your Company has gained substantial experience and built capacity for commissioning of signalling works associated with Doubling, third line, Intermediate Block Signalling and yard remodelling. In 2017-18, RVNL executed 100 non-interlocking of stations for commissioning of works which is the highest till date. This included 60 stations on 4th line, 3rd line and Doubling projects, 25 stations on Railway Electrification, 30 Mid-section Level Crossing Gates interlocking and 15 IBS/auto signal. 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 520 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 and the General Managers and Officers of the Zonal Railways without which the commissioning of railway projects done by your Company in 2017-18 would not have been possible.

Progress is also being made on the new hill rail projects assigned to RVNL, that is, the Rishikesh-Karnaprayag section in Uttarakhand and Bhanupali-Bilaspur-Beri section in Himachal Pradesh. Subsequent to finalisation of the alignment and sanction of the Detailed Estimate for the former, the process of land acquisition is at an advanced stage and forest clearance has been obtained. While project execution has commenced in the first block section, it is planned that the award of contracts for construction of tunnels will be completed during this year. The alignment of the Bhanupali-Bilaspur-Beri section has been finalised, using the latest DEM technology, based on which the Detailed Estimate is being prepared for sanction.

In the past few years, RVNL has shown its capability for planning and delivery of State of the Art Railway Workshops and augmentation of capacity of Production Units. Upto 2016-17, RVNL had successfully completed 5 projects and in 2017-18, work was completed on the 250 high horse power Locoshed at Barauni. At present, 02 number of Workshop projects are under an advanced stage of progress.

The construction of the Indian Railway Institute of Financial Management at Secunderabad, the first institutional building being constructed by RVNL is progressing satisfactorily and it is expected to be completed this year.

The projects related to extension of Kolkata Metro have been delayed due to various issues such as non-acquisition of land, awaiting various clearances and removal of hindrances by the local authorities.

I am happy to report that with the proactive involvement of the Ministry of Railways and State Government, the projects have now been given the required push, and the commissioning of lines will commence from 2019-20 onwards.

ADB projects

ADB has agreed to provide a multi-tranche financing facility of US \$ 500 million for funding of 5 projects. With the signing of the loan agreement for the 3rd tranche of US \$ 120 million in March 2018, the total financing facility to be availed has increased to US \$ 390 million. During the year 2017-18, an amount of ₹ 230.18 crore, equivalent to \$ 35.90 million has been claimed for reimbursement from the ADB. Execution of the ADB funded projects is in progress.

Special Purpose Vehicles

RVNL has taken the lead for establishing six joint venture Special Purpose Vehicles (SPVs) in partnership with various stakeholders including Ports, Mines, State Governments etc. for implementation of rail connectivity project. RVNL has contributed an equity of only ₹ 649 crore, against which project worth ₹ 6703 crore are being implemented with contribution of equity by the project partners and raising of funds through Financial Institutions.

The project works of the Kutch Railway Company Ltd., Bharuch Dahej Railway Company Ltd. and Krishnapatnam Railway Company Ltd. (partly) have been completed and are under operations. These SPVs are contributing substantially to the total revenues 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, which were completed this year in record time of 25 months. 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 ₹ 1400 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.

Human Resource Development

The primary focus of RVNL Management has been to have not only a team of highly motivated, skilled and experienced manpower but also retain them by facilitating a right environment, competitive perks and ample opportunities for a better career progression through training and support. It is worth mentioning that all the above milestones have been realized with an on-roll staff strength of only 541 regular personnel, which include 150 regular employees and 391 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.

Corporate Social Responsibility

RVNL is conscious of its Corporate Social Responsibility. During 2017-18, the Company spent ₹ 7.67 crore (approximately 2.12% of the average net profit of last three financial years) on CSR initiatives, compared to ₹ 6.12 crore in the previous year. The main focus of the Company 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 providing 180 Bedded Hospital Facilities for treatment of female & child patients at Ramakrishna Mission Sevashrama (RKMS) Vrindaban, 'Education for under privileged differently abled children in the backward areas of West Bengal, Hostel Facilities for 120 Girl Nursing Students, providing community toilet blocks at different places in the country under Swatchh Bharat Abhiyan.

Your Company's CSR initiatives have been appreciated by the Parliamentary Committee on CSR, the target population and lauded by the Tata Institute of Social Science, the CSR hub, in its social audit.

MOU Performance

It is with a great deal of satisfaction that I can report to the Shareholders, based on the overall performance, your Company has been rated as 'Excellent' by Department of Public Enterprises for the financial year 2016-17 for the 7th consecutive year. The grading achieved by your Company was the highest among the Railway CPSEs. RVNL got 100 out of 100 marks, along with 7 others out of 181 CPSEs assessed by DPE.

For 2017-18 also, all the performance targets, set under various parameters in the Memorandum of Understanding with Ministry of Railways, and Department of Public Enterprises, Ministry of Heavy Industries, have been achieved. Based on the overall performance, it is expected that your Company will achieve an 'Excellent' rating for the financial year 2017-18 also.

Corporate Governance

RVNL maintains a robust system of checks and balances to ensure that the authority of decision making is exercised with due care and responsibility to meet the aspirations of Shareholders and society. Your

Company complies meticulously with all legal requirements and Government guidelines regarding Corporate Governance. A Report on Corporate Governance and Management Discussion and Analysis forms part of the Annual Report.

Mr Satish Agnihotri , who had been MD and CMD of the Company for 81/2 years, demitted office on superannuation on 31st August 2018. RVNL made tremendous progress during his tenure at the helm of affairs. On behalf of all of us, I place on record our sincere appreciation and gratitude for his contribution.

In the end, I would like to mention that all the achievements of RVNL, would not have been possible without the support provided by the Zonal Railways. I am also grateful for the encouragement and confidence reposed in RVNL by the Chairman and Members of the Railway Board and other officers, so that RVNL has been able to contribute substantially to the development of rail infrastructure in the country.

I express my sincere thanks to our esteemed Shareholders, Ministry of Railways, Ministry of Finance, Department of Public Enterprises, Ministry of Heavy Industries, the State Governments, Zonal Railways, ADB, IRFC, Financial Institutions, C&AG's office, our bankers and stakeholders in various railway projects and national and international contractors for their unstinted cooperation to RVNL. I would also like to place on record my deep appreciation for the devotion and dedication of all my fellow RVNL employees who have been pillars of strength for the Company and have delivered their best despite various difficulties and obstacles.

(Pradeep Gaur)

Chairman & Managing Director

New Delhi

Date: 18th September, 2018