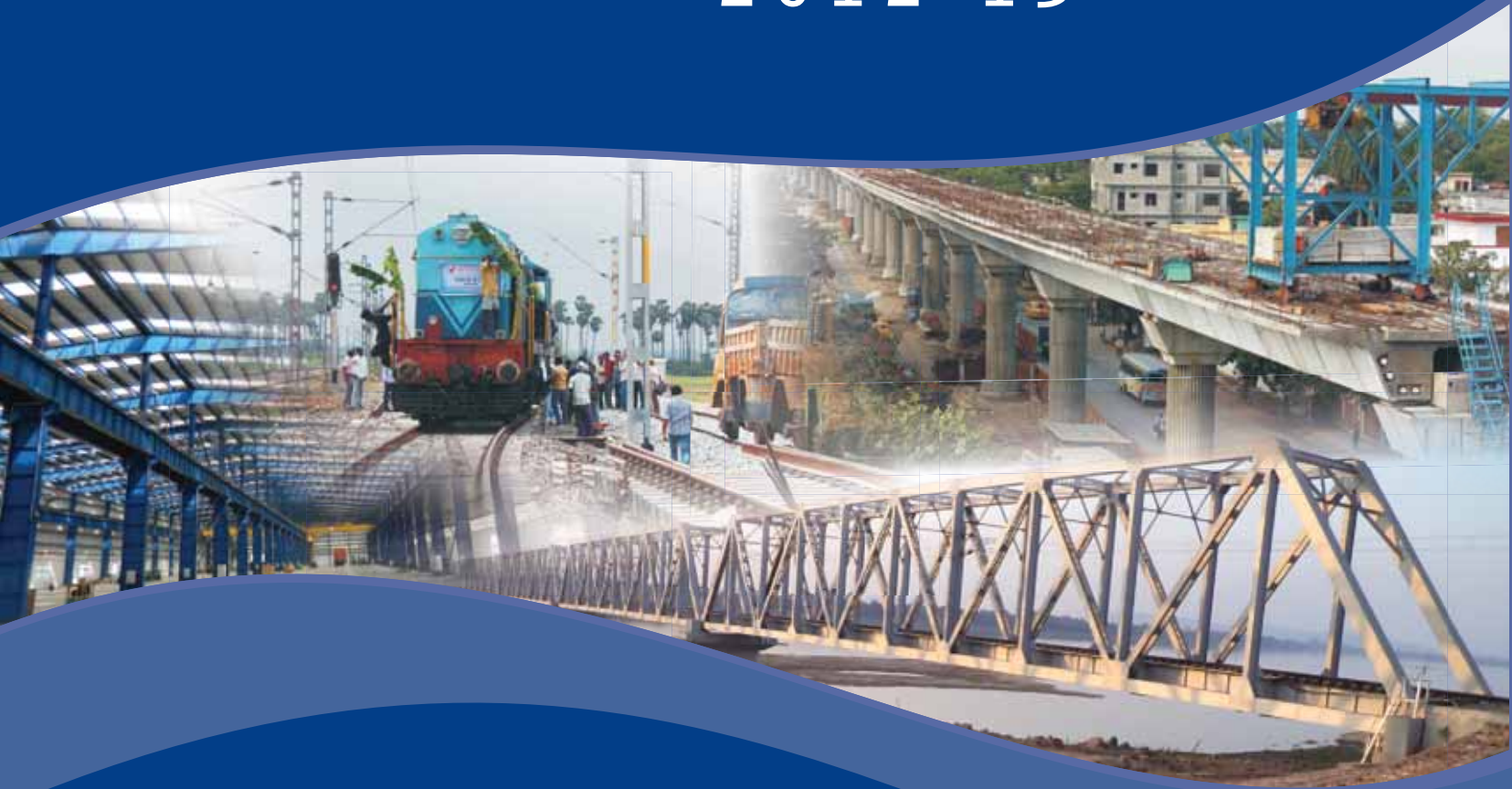


# 10 वार्षिक रिपोर्ट Annual Report 2012-13



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

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## Performance During Last Five Years

(₹ in crores except EPS)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Total Income	68.10	80.83	84.51	180.41	255.93
Paid up Share Capital	2,085.02	2,085.02	2,085.02	2085.02	2085.02
Reserves & Surplus	66.56	106.76	151.50	226.77	332.58
Capital Employed	6,061.58	7,417.84	6,410.00	8358.60	10559.83
Net worth	2,151.07	2,191.78	2,236.50	2311.79	2417.61
Net Fixed Assets	3.37	2.72	3.84	4.83	6.59
Profit before Tax	57.25	67.49	75.45	119.33	167.46
Provision for Tax	16.45	15.58	14.36	20.94	31.91
Profit after Tax	40.83	51.91	61.09	98.38	135.55
Dividend	8.00	10.00	12.50	20.00	27.00
Earning Per Share (EPS) (in ₹)	0.20	0.25	0.29	0.47	0.65

### **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”*

## निदेशक मंडल / Board of Directors



श्री ए.पी. मिश्रा  
अध्यक्ष (अंशकालिक सरकारी)  
(31-01-2013 तक)  
**Mr. A.P. Mishra,**  
Chairman (Part-time official)  
(upto 31-01-2013)



श्री एस.सी. अग्निहोत्री  
अध्यक्ष एवं प्रबंध निदेशक  
(05-03-2013 से)  
**Mr. S.C. Agnihotri**  
Chairman & Managing Director  
(From 05-03-2013)



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



श्री प्रदीप कुमार  
सलाहकार (परियोजना),  
रेल मंत्रालय  
(अंशकालिक सरकारी)/निदेशक  
**Mr. Pradeep Kumar**  
Advisor (Projects),  
Ministry of Railways  
(Part-time official)/Director



डॉ. के.के. चौधरी  
(अंशकालिक गैर सरकारी)  
निदेशक  
**Dr. K.K. Chaudhuri**  
(Part-time non-official)  
Director



प्रो.(डॉ.) एस.एस.चटर्जी  
(अंशकालिक गैर सरकारी)  
निदेशक  
**Prof. (Dr.) S.S. Chatterji**  
(Part-time non-official)  
Director



श्री आर.एस. शर्मा  
(अंशकालिक गैर सरकारी)  
निदेशक  
**Mr. R.S. Sharma**  
(Part-time non-official)  
Director



## REGISTERED & CORPORATE OFFICE

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

## PROJECT IMPLEMENTATION UNITS

**Rail Vikas Nigam Limited**  
Mezzanine Floor,  
Thirumalai Railway Station,  
MTP Office, Mylapore, **Chennai**

**Rail Vikas Nigam Limited**  
A-19. Seepat Main Road  
Raj Kishor Nagar,  
**Bilaspur**

**Rail Vikas Nigam Limited**  
24, Desh Pran Shash Mal Road,  
**Kolkata**  
(5 units)

**Rail Vikas Nigam Limited**  
7, Kesharkunj, Shankar Nagar  
Near Pragati Petrol Pump,  
Habibganj, **Bhopal**

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

**Rail Vikas Nigam Limited**  
7th Floor Administration Building,  
Central Railway D.N. Road,  
CST, **Mumbai**

**Rail Vikas Nigam Limited**  
6.9 Acre Complex, B Block,  
Rail Vihar, Chandrashekharpur  
**Bhubaneshwar (3 units)**

**Rail Vikas Nigam Limited**  
Project Office, N.H.8 Gulzar Colony,  
New Berry Road,  
**Lucknow-226001**

**Rail Vikas Nigam Limited**  
A-21, Police Colony Anisabad  
P.S. Gardanbagh,  
**Patna - 800002**

**Rail Vikas Nigam Limited**  
D-38/A, Railway Bungalow,  
Residency Road,  
**Jodhpur (Rajasthan)**

**Rail Vikas Nigam Limited**  
15-1st Floor Bectra House,  
1st Main Road, 6th Cross Gandhi Nagar,  
**Bangalore - 560009**

**Rail Vikas Nigam Limited**  
D-Block, Rishilok,  
Garwal Mandal Vikas Nigam,  
Munikireti, **Rishikesh, Uttarakhand**

**Rail Vikas Nigam Limited**  
5th Floor, D.N.-164/A,  
165&9-1-166, Sarojini Devi Road,  
**Secunderabad-500003**

**Rail Vikas Nigam Limited**  
Office No. 5&6, 2nd Floor,  
Ashoka Millennium,  
New Rajender Nagar,  
**Raipur (C.G.) - 492001**

**Rail Vikas Nigam Limited**  
Building No. T-34 MSM Colony,  
Gnanapuram Side Railway Station  
Entry Road, Waltair,  
**Vishakhapatnam - 530004**

**Rail Vikas Nigam Limited**  
1st Floor, August Kranti Bhawan,  
Bhikaji Cama Place,  
**New Delhi - 110066 (3 units)**

**Rail Vikas Nigam Limited**  
**Ahmedabad**

### Company Secretary

Mrs. Suman Kalra

### Statutory Auditor

R.K. Relan & Company,  
B-45 (1st Floor),  
Greater Kailash Part-I  
New Delhi-110048

### Internal Auditor

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

### Bankers

State Bank of India  
Axis Bank

Union Bank of India

Corporation Bank  
ICICI Bank

Website : [www.rvnl.org](http://www.rvnl.org)



## 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 Tenth Annual General Meeting of the Company.

It is my proud privilege and honour to be addressing the Shareholders for the first time as Chairman and Managing Director of the Company. At the outset, I will like to place on record the Company's, and my personal gratitude, to Shri A.P. Mishra, former Member Engineering, Railway Board for his leadership and guidance given as the Chairman of the Company till his superannuation in January, 2013. We extend a warm welcome to Shri Arunendra Kumar, Chairman Railway Board, under whose control all Railway CPSEs function and a special welcome to Shri S.K. Jain, Member Engineering who has been designated as the Administrative Secretary of the Ministry for the Company.

The audited accounts of the Company for the financial year 2012-13, 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 am happy to inform you that 2012-13 has been a year in which your Company has exceeded all previous physical and financial performance parameters, which I will now describe briefly.

### **Physical performance**

During 2012-13, RVNL completed 267 km of doubling, 3rd and 4th line works which is almost 40% of the total of 700 km achieved by Indian Railways. Similarly, RVNL completed 303 km of pure Railway Electrification works and another 238 km of electrification as part of doubling and other projects. This is again approximately 40% of the total RE works executed by Indian Railways in the year.

The important projects/sections completed in the year include Palwal - Bhuteswar 3rd Line, Bilaspur - Urkura 3rd Line, Panskura - Kharagpur 3rd Line, Rajgoda - Tamluk (Jn. Cabin) Doubling, Jakhpura - Haridaspur 3rd Line, and Railway Electrification works in Renigunta – Guntakal and Daund - Manmad including Puntamba - Shirdi sections. Most of these works have been executed in challenging working conditions on high-density routes, along the running line where issues of safety and operational constraints have been paramount.

I would also like to highlight to the Shareholders that RVNL has developed the technical capability to undertake all types of signaling works involved in complicated yards and integrating the new 3rd and 4th lines to the existing network.

During the year, RVNL also completed construction of a Diesel Multiple Unit (DMU) Manufacturing Factory at Haldia in a record time of 15 months. Another work for setting up of an electric loco assembly and ancillary unit of CLW at Dankuni is progressing as per schedule.

Although the Metro projects in Kolkata are in progress, some pending clearances from Central Government and issues with the State Government have adversely affected the timelines.





Cumulatively, RVNL has till now completed a total of 1123 km of Doubling, 1590 km of Gauge Conversion, 194 km of New Lines and 1730 km of Railway Electrification, as also two factories- at Haldia and at Dankuni.

It is highlighted that these achievements were realized with an on-roll staff strength of only 371 regular personnel. To aid and assist the highly motivated team, systems and procedures have been streamlined through various measures, such as introducing 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. RVNL can thus finalize contracts in an average period of 3-4 months. These initiatives have greatly reduced the period between assignment of the work to RVNL and actual commencement of work.

As you are aware, RVNL is constantly reviewing the eligibility and contract conditions in its tender document to ensure effective contract management. Some of the conditions that have been introduced were challenged in various High Courts. It is with great satisfaction that I can apprise the Shareholders that RVNL's stand has been vindicated by judicial pronouncements in its favour and upheld up to the level of Hon'ble Supreme Court.

### **Financial Performance**

In 2012-13, RVNL achieved a turnover of ₹ 2,117 crore as against ₹ 1,598 crore in the previous year, registering a growth of 32.5 %. The Gross Profit of the company increased from ₹ 119.3 crore in 2011-12 to ₹ 167.5 crore in 2012-13. Similarly, Profit after Tax increased from ₹ 98.4 crore to ₹ 135.6 crore.

In view of the improved financial performance, the Directors of your Company have recommended the highest ever Dividend of ₹ 27 crore to the Ministry of Railways. The payment of this dividend and the tax thereon, effectively reduces the management fee, inclusive of supervision (D&G) charges, from an average of 8.6% to 6.7 %.

The Company is grateful to the Railway Board for their continued support in providing funds for RVNL projects despite severe financial constraints. Perhaps, this may be an appropriate time for RVNL to play a more significant role in raising extra budgetary resources for project execution.

### **ADB Projects**

The 2nd ADB loan for rail capacity enhancement works has been sanctioned for a total loan amount of US \$ 500 million. RVNL has been designated as the Implementing Agency for the 5 identified projects namely, railway electrification of Pune- Guntakal, and doubling of Daund-Gulbarga, Raipur-Titlagarh, Sambhalpur-Titlagarh and Hospet-Tinaighat sections. The loan agreement for the first tranche of US \$ 150 million was signed in July 2012 and contracts for 12 packages for these works have been awarded during the year.

### **Special Purpose Vehicles**

In its initial years, as part of a non-budgetary investment initiative, RVNL took the lead to create five joint venture Special Purpose Vehicles (SPVs) to attract an investment of ₹ 4324 crore with a contribution of only ₹ 546 crore by RVNL, which is approximately only 13% of the total investment.

Kutch Railway Company Ltd., Krishnapatnam Railway Company Ltd. and Bharuch Dahej Railway Company Ltd have commenced operations and the volumes of traffic on these lines have been increasing. While the work of doubling of the section between Venkatachallam to Krishnapatnam has been completed, the work on the balance section between Venkatachall and Obulavarpille is in progress. Doubling of 270 km of the Kutch Railway line between Palanpur and Samakhali has been sanctioned which is to be funded completely

by the SPV at an estimated cost of ₹ 1400 crore. In Haridaspur-Paradeep and Angul-Sukinda New Line projects, the issues of land acquisition are being addressed and physical work has now been taken up.

RVNL has carried out the bankability studies for providing rail connectivity to two new ports on the western coast at Dighi and Rewas and is in the process of formation of SPVs for these projects.

Ministry of Railways has mandated RVNL to develop the Model Concession Agreements for various schemes enumerated in the new policy on Participative Models for rail connectivity and capacity augmentation projects. The draft Model Agreements have been submitted to Ministry of Railways for further scrutiny.

### **High Speed Rail Corporation**

Ministry of Railways, with the approval of President, directed RVNL to incorporate a company for development and implementation of High Speed Rail Projects in the country. Accordingly, RVNL has incorporated High Speed Rail Corporation of India Ltd. (HSRC) as its fully owned subsidiary in July 2012. The mandate of HSRC includes conducting feasibility studies and preparing the DPR for any corridor decided by the Government, preparation of technical parameters for high speed lines, preparation of Model Concession Agreements, developing various financing models and PPP options, holding discussions with stake holders, including funding agencies, and obtaining various Government approvals. RVNL has recently been mandated to undertake a pre-feasibility study for a proposed Delhi-Chandigarh-Amritsar High Speed Corridor.

### **Harnessing new technologies**

It is your Company's endeavor to harness the latest technologies available as an aid in finding value-for-money solutions and to bring about efficiencies in project management. In that spirit, alignment of 125 km new BG rail line between Rishikesh-Karanprayag in the difficult terrain of the Himalayas has been designed using specifically created high accuracy 3D Digital Elevation Models with latest design software. Stereo satellite imageries were procured from USA through ISRO which have been corrected for errors and geo-referenced with Ground Control Points. The model of the terrain prepared by this technology is far more accurate and precise than the terrain available through Google Earth, which is not suitable for engineering applications.

A Remote Eye Monitoring System is also under implementation where the progress of projects can be monitored through simple mobile phone technology. Supervisors, while on inspection, can take photographs of the work site at different locations which are immediately uploaded on the designated website. The progress of work can then be monitored from any location. The system also records and monitors the presence of the supervisor at the worksite as the mobile can only be operated by the designated person.

The task of implementation of an Integrated IT Solution for the company has also been initiated to further improve productivity and transparency.

### **Corporate Social Responsibility**

RVNL is conscious of its Corporate Social Responsibility, and during 2012-13, a total amount of ₹ 3.02 crore has been spent on CSR activities, which is 3.07% of PAT for the year 2011-12 against an MoU target of ₹1.8 crore. The emphasis has been on the two thrust areas of Education and Health in backward areas. The specific projects include:

- Providing hostel facilities for tribal boys in the LWE district of Narayanpur, which falls in the Bastar region of Chhattisgarh;





- Education & Development of under privileged differently abled children, in the backward district of South 24 Paraganas, West Bengal;
- Health and education support to the marginalized backward groups in Naora, West Bengal.

Our CSR activities have been well appreciated by the target population and have been lauded by the Tata Institute of Social Science, the CSR hub in its social audit.

The performance targets set under various other parameters in the Memorandum of Understanding with Ministry of Railways, and Department of Public Enterprises, Ministry of Heavy Industries have also been achieved including those for Sustainability and Research and Development etc. Based on overall performance, it is expected that your Company will achieve an 'Excellent' rating for the financial year 2012-13, as was obtained in the previous year.

I am also happy to inform that even before Department of Public Enterprises made it mandatory in May, 2010 for Central Public Sector Enterprises to incorporate the Report on Corporate Governance and Management Discussion & Analysis in the Annual Report, RVNL has been doing so since 2007-08 and it is also a part of the Annual Report for 2012-13.

The final integration of doubling, 3rd and 4th line projects being executed by RVNL with the existing running railway system requires meticulous planning and close coordination with the Zonal Railways to ensure availability of blocks, manpower and movement of material. It is only with the active cooperation of the Zonal Railways and complete support from the Chairman and Members of the Railway Board that RVNL has been able to pursue its mission to ramp up rail infrastructure in the country.

I express my sincere thanks to our esteemed Shareholders, Ministry of Railways, Ministry of Finance, the State Governments, Zonal Railways, ADB, IRFC, Financial Institutions, our bankers, C&AG's office 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.

I am confident that the Company will continue to get support and cooperation from all the stakeholders to set new landmarks in the history of railway project development and delivery in the country.

Sd/-

S.C. Agnihotri

Chairman & Managing Director

New Delhi

Date : 18th September, 2013

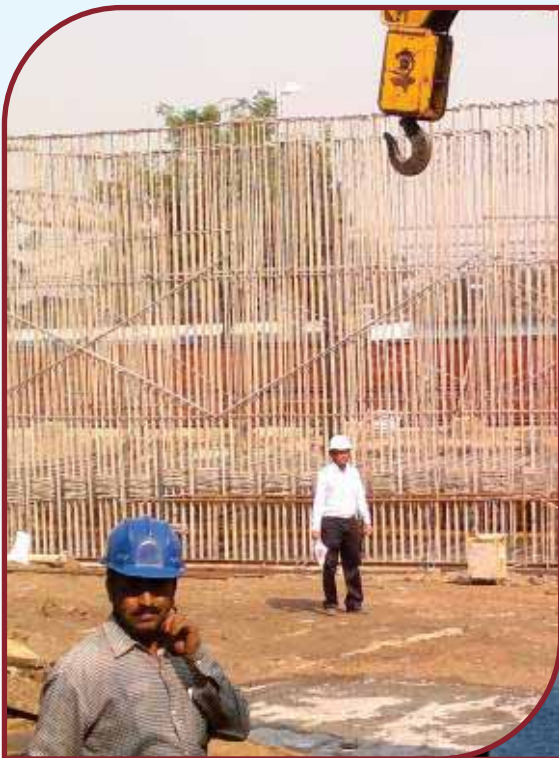
*(Note : This does not purport to form proceedings of the Annual General Meeting).*



Joka BBD Bagh Metro Project, Kolkata



Naupara Dakshineswar Metro Project



ROB at Bardhaman



Launching of 92m Steel Girder over River Mahanadi Near Naraj in Rajatgarh Barang Doubling Project





Launching of 600 Tonnes PSC Girder on Luna Bridge in Haridaspur Paradip Project



Foundation Stone Laying for Utretia-RaeBareli Doubling Project by Smt. Sonia Gandhi, Hon'ble Chairperson of UPA



Laying of Foundation Stone for Gulbarga - Hotgi Railway Doubling Project by Hon'ble Union Minister of Railways, Shri Mallikarjun Kharge





Bhildhi Samdhari Gauge Conversion Project



Loco Trial at Tiruvallur-Arakkonam 4th Line Project



Bridge No. 134 on River Mahanadi in Haridaspur Paradip New Line Project

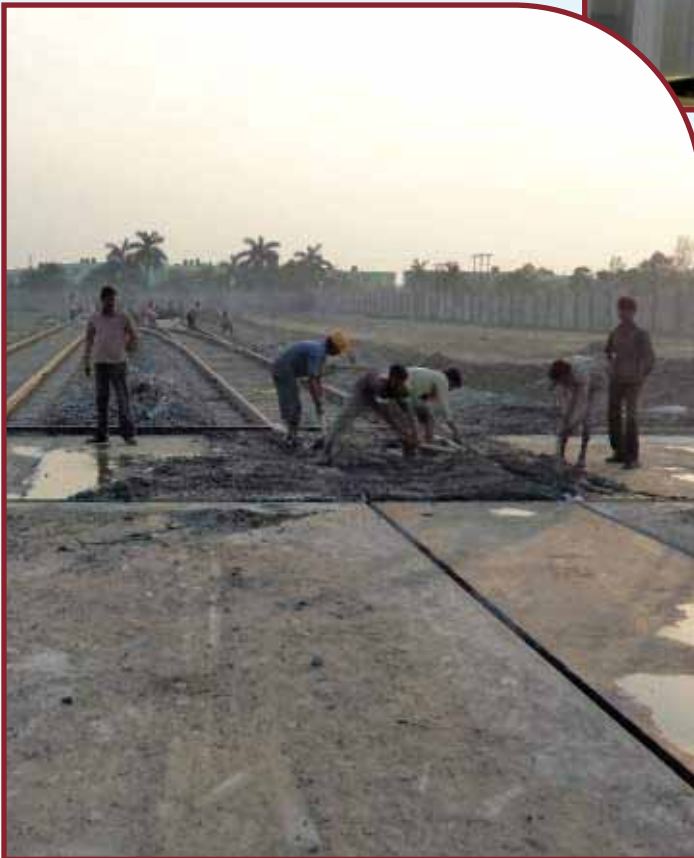




Inspection of Joka BBD Metro Project by Chairman, Railway Board, Shri Vinay Mittal



Dankuni Chittaranjan Locomotive Workshop



DMU Workshop at Haldia, Kolkata



### CSR activities of RVNL



### Sustainability activities of RVNL







## Annual Day Celebrations



## Annual General Meeting



## DIRECTORS' REPORT

### Distinguished Shareholders,

The Directors of your Company are privileged to present the 10<sup>th</sup> Annual Report on the performance of your Company, along with the Audited Statement of Accounts, Auditors' Report and the Review of Accounts by the Comptroller & Auditor General of India for the financial year ended 31st March 2013.

### Integral Reports

The "Management Discussion and Analysis Report", "Report on Corporate Governance", "Corporate Social Responsibility (CSR) Report" and "Sustainability Report" form an integral part of this Directors' Report and have been placed as **Annexure "A" "B" "C" and "D"** respectively.

The Management Discussion and Analysis Report provides an overview of the affairs of the Company, its business environment, mission and objectives, outlook, operational performance, its resources and systems, strengths, opportunities, constraints, risks and concerns, strategies, prospects, etc.

The Corporate Governance Report highlights the Company's philosophy on Corporate Governance and Key Value(s), composition of Board of Directors and its Committees, their details including a profile of Directors who joined the Board during 2012-13 and thereafter, attendance and remuneration of Directors etc, other relevant disclosures, CEO/CFO Certification and general information for share holders. It is supplemented by the following compliance certificates.

- (i) A Certificate signed by the Chairman and Managing Director affirming receipt of compliance with the Code of Conduct from all Board members and Senior Management personnel during the year 2012-13 (placed at **Annexure "B-1"**) as per guidelines of Department of Public Enterprises on Corporate Governance;
- (ii) A Certificate from the Chairman and Managing Director and Director Finance with regard to authenticity of financial statements (placed at **Annexure "B-2"**); and
- (iii) A Certificate of compliance of Corporate Governance signed by a practicing Company Secretary (placed at **Annexure "B-3"**) as per guidelines of Department of Public Enterprises on Corporate Governance.

The Corporate Social Responsibility (CSR) Report reflects the Company's CSR activities, Budget, expenditure and evaluation process etc.

The Sustainability Report describes RVNL's plans, policy and activities undertaken for Sustainability during the year.

### PERFORMANCE HIGHLIGHTS

Your Directors are happy to inform you that 2012-13 has been a year in which your Company has exceeded all previous performance parameters. The significant milestones achieved include:

- ❖ Completion of 267 km of Doubling works, which is almost 40% of the total of 700 km achieved by Indian Railways in 2012-13. Similarly, RVNL has completed 303 km of pure Railway Electrification (RE) works and 238 km of electrification as part of doubling and other projects. This is approximately 40% of the total RE work executed by Indian Railways in the year. Most of these works have been executed in difficult working conditions on high-density routes along the running line where issues of safety and operational constraints have been paramount;



- ❖ Highest ever Turnover of ₹2117 crore;
- ❖ Increase in Profit before Tax (PBT) ₹167.46 crore;
- ❖ Profit after Tax (PAT) of the Company for the first time exceeded ₹100 crore at ₹135.55 crore;
- ❖ The Directors of your Company have recommended a highest ever Dividend of ₹27 crore to the Ministry of Railways;
- ❖ Your Company has once again surpassed its performance targets set for "Excellent" as mentioned in the Memorandum of Understanding (MoU) entered into with Ministry of Railways (MoR), Government of India in consultation with Department of Public Enterprises. Based on overall performance, your Company is poised to achieve 'Excellent' rating for the financial year 2012-13, as in the previous year.

## 1. FINANCIAL RESULTS

Important indicators of the financial performance of RVNL during 2012-13 as compared to 2011-12 are mentioned below: (₹ in crores)

Particulars	2011-13	2010-12
Turnover	2117	1598
Total Income	256	180
Operating Income	168	124
Gross Margin (from operations)	90	68
Reserves & Surplus	333	227
Profit Before Tax	167	119
Profit After Tax	136	98
Net worth	2418	2312
Appropriations		
Proposed Final Dividend	27	20
Transfer to General Reserves	10	10
Transfer to CSR and other funds	2.95	2.87
Transfer to Sustainability Fund	0.49	0.49
Transfer to R&D Fund	0.49	0.49

### Turnover

During the year, the Company has been able to build on the foundation of project planning and award of contracts of projects assigned to RVNL for execution in previous years and sanction of the 2nd ADB loan in July 2012. With the resultant take off in project execution, the Turnover of the Company crossed ₹2,000 crore for the first time to achieve a figure of ₹2116.85 crore at the end of the financial year 2012-13 as compared to ₹1597.92 crore in 2011-12, i.e. an increase of 32%.

The increase in Turnover mainly pertains to projects being executed for Ministry of Railways, where there has been an increase from ₹1365.59 crore in 2011-12 to ₹1898.47 crore in 2012-13. The works undertaken for SPVs and other deposit works remained approximately at the same level at ₹212.22 crore during 2012-13 in comparison to ₹215.76 crore in the previous year. The share of works executed by Zonal Railways in RVNL's Turnover as reported declined from ₹16.57 crore in 2011-12 to ₹6.16 crore during 2012-13.

### Profit

There has been an increase in Profit before Tax from ₹119.32 crore in 2011-12 to ₹167.46 crore in 2012-13. The

major increase is on account of higher income from project execution from ₹ 67.48 crore in previous year to ₹ 89.56 crore in 2012-13 (excluding appropriation to funds as per DPE guidelines). There has also been increase in Dividend income by ₹ 7.5 crore and the balance increase is from interest income from banks and SPVs. For the first time, the Profit after Tax (PAT) of the Company for the year exceeded ₹ 100 crore and was recorded at ₹ 135.55 crore as on 31st March, 2013.

### **Capital Structure**

Against an authorized share capital of the Company of ₹ 3000 crore, there has been no change in the Capital Structure of the Company, with the paid-up share capital of the Company remaining at ₹ 2085.02 crore. Ministry of Railways, Government of India holds the entire share capital of the Company.

### **Dividend**

Keeping in view the financial performance of the Company, the Board of Directors have recommended a final Dividend of ₹ 27 crore for the year 2012-13 as compared to ₹ 20 crore in 2011-12 for consideration of the shareholders. The cumulative Dividend paid to Ministry of Railways by RVNL will amount to ₹ 82.5 crore, including the Dividend declared for 2012-13.

### **Reserves**

An amount of ₹ 10 crore has been transferred to General Reserves by appropriation from profits of the Company. After taking into account, the proposed Dividend of ₹ 27 crore and Dividend Distribution Tax of ₹ 4.38 crore, the balance under Reserve & Surplus at the end of 2012-13 stands at ₹ 332.58 crore in comparison to ₹ 226.77 crore in 2011-12.

### **Net Worth**

The Net Worth of your Company has enhanced over the previous year on account of transfer of profits amounting to ₹ 106 crore to Reserves and Surplus. Accordingly, the Net Worth of the Company has increased from ₹ 2312 crore at the end of previous year to ₹ 2418 crore at the end of the current year.

### **Fixed Deposits**

The Company has not accepted any deposits from the public during the year under review.

### **Buy-back of shares**

The Government of India (Ministry of Railways) holds the entire paid-up share capital of the Company. The Company has not resorted to buy back of shares and accordingly there is nothing to report under section 217(2B) of the Companies Act 1956.

### **Project Advance/Loans**

An amount of ₹ 1911.7 crore, as project advance, was received from Ministry of Railways (MoR) during the year for execution of various works.

Loans from IRFC: During the year, an additional amount of ₹ 104 crore was received as borrowings from IRFC. With this, the total amount received from IRFC is ₹ 2182.9 crore. The principal and interest on the borrowings from IRFC are repaid by Ministry of Railways (MoR) as a pass through entry in the books of RVNL. During the year, an amount of ₹ 310.15 crore was paid to IRFC on this account.

### **Appropriation to Funds**

The following appropriations to Funds have been made in terms of DPE's guidelines:

- CSR Fund – ₹ 2.95 crore (3% of PAT of 2011-12)
- Sustainability Fund – ₹ 0.49 crore (0.5% of PAT of 2011-12)
- R&D Fund – ₹ 0.49 crore (0.5% of PAT of 2011-12)





## 2. PROJECT EXECUTION:

### 2.1 Physical Size of the Projects :

Ministry of Railways has transferred 110 projects to RVNL for execution, which may be broadly classified under the following heads:

Strengthening of Golden Quadrilateral and Diagonals	-	58 projects
Provision of Port connectivity and corridors to hinterland	-	34 projects
Kolkata Metro Rail	-	4 projects
Workshops & others	-	14 projects

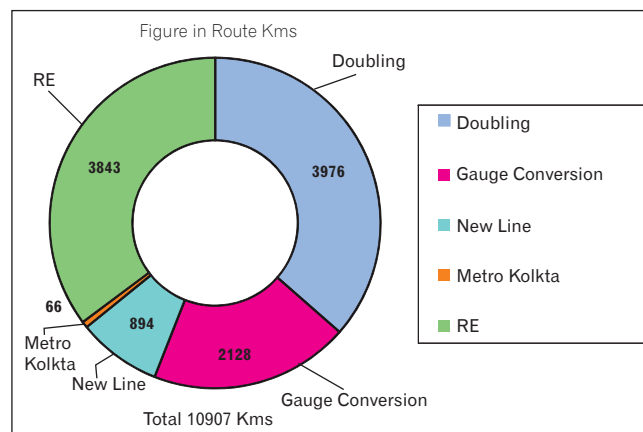
Upto 2012, the Railway Electrification (RE) works transferred to RVNL were only those where electrification was a part of some other projects, such as, Doubling, Gauge Conversion, etc being executed by RVNL. However, recently pure RE projects have also been transferred for execution such as Manheru - Hissar - RE, Amla - Chhindwara - Kalumna - RE, Jakhal - Hisar - RE, Jakhal - Dhuri - Ludhiana - RE, Rajpura - Dhuri - Lehra Mohabat - RE etc.

With the transfer of projects involving construction of workshops, Metro projects, construction of cable stayed bridge etc., RVNL has diversified the nature of projects being executed.

Of the 110 projects, 97 projects pertain to construction of railway lines involving a total length of 10,907 kms which are grouped under the following five categories:

- Doubling;
- Gauge Conversion;
- New Lines;
- Metro;
- Railway Electrification.

These projects are spread all over the country and for efficient implementation of projects, Project Implementation Units (PIUs) have been established at 25 locations i.e. New Delhi (3-Units), Mumbai, Kolkata (5 Units), Chennai, Secunderabad, Bhubaneswar (3 Units), Bilaspur, Bhopal, Jodhpur, Waltair, Bangalore, Pune, Raipur, Lucknow, Rishikesh, Patna and Ahmedabad to execute projects in their geographical hinterland.



### 2.2 Status of physical progress of projects:

The status of 110 projects assigned to RVNL for execution is as under :

Projects completed upto March 2013	:	36
Projects under implementation	:	71
Project yet to be sanctioned	:	3

The list of 36 projects fully completed upto March 2013 are as under:

<b>S. No</b>	<b>Railway</b>	<b>Project Name</b>	<b>Type of Project</b>	<b>Length (Km)</b>
1	Central Railway (CR)	Divya - Kalyan 5th & 6th Line	Doubling	11
2	Central Railway (CR)	Pakni - Mohol Doubling	Doubling	17
3	Central Railway (CR)	Panvel - Jasai JNPT Doubling	Doubling	28.5
4	Central Railway (CR)	Pakni - Solapur Doubling	Doubling	16.28
5	East Coast Railway (ECoR)	Jakhpura- Haridaspur 3rd Line	Doubling	23.3
6	East Coast Railway (ECoR)	Talcher-Cuttack-Paradeep Doubling with 2nd Bridge on Rivers Birupa & Mahanadi	Doubling	3
7	East Central Railway (ECR)	Barauni - Tilrath Bypass Doubling	Doubling	8.3
8	Eastern Railway (ER)	Gurup - Saktigarh Extn of 3rd Line	Doubling	26
9	North Central Railway (NCR)	Palwal - Bhuteswar 3rd Line	Doubling	81
10	North Central Railway (NCR)	Aligarh - Ghaziabad 3rd Line	Doubling	106.1
11	South Central Railway (SCR)	Pullampet - Balapalle Ph I of Gooty - Renigunta Doubling	Doubling	41
12	South Central Railway (SCR)	Krishnapatnam - Venkatachalam Doubling with RE	Doubling	16.5
13	South Central Railway (SCR)	Gooty - Renigunta Patch Doubling	Doubling	151
14	South East Central Railway (SECR)	Bilaspur - Urkura 3rd Line Doubling	Doubling	105
15	South Eastern Railway (SER)	Panskura - Kharagpur 3rd Line	Doubling	45
16	South Eastern Railway (SER)	Panskura - Haldia Ph 1 Doubling	Doubling	14
17	South Eastern Railway (SER)	Rajgoda - Tamluk (Jn. Cabin) Doubling	Doubling	13.5
18	Southern Railway (SR)	Attipattu - Korukkupet 3rd Line Doubling	Doubling	18
19	Southern Railway (SR)	Pattabiram - Triuvallur 4th Line & Tiruvallur - Arakkonam 3rd Line	Doubling	41.89
20	South Western Railway (SWR)	Hospet - Guntakal Doubling	Doubling	115
21	North Western Railway (NWR)	Delhi - Rewari Gauge Conversion	Gauge Conversion (GC)	94.2
22	North Western Railway (NWR)	Ajmer - Phulera - Ringus - Rewari Gauge Conversion	Gauge Conversion (GC)	295
23	North Western Railway (NWR)	Bhildi - Samdari Gauge Conversion	Gauge Conversion (GC)	223
24	Southern Railway (SR)	Thanjavur - Villupuram Gauge Conversion	Gauge Conversion (GC)	192
25	Southern Railway (SR)	Cuddalore - Salem Gauge Conversion	Gauge Conversion (GC)	193





S. No	Railway	Project Name	Type of Project	Length (Km)
26	South Western Railway (SWR)	Arasikere-Hassan-Mangalore Gauge Conversion	Gauge Conversion (GC)	230
27	Western Railway (WR)	Bharuch - Samni - Dahej Gauge Conversion	Gauge Conversion (GC)	62
28	Western Railway (WR)	Gandhidham - Palanpur Gauge Conversion	Gauge Conversion (GC)	301
29	East Coast Railway (ECoR)	Daitari - Banspani New Line	New Line (NL)	155
30	Southern Railway (SR)	Vallarpadm - Idapally New Line	New Line (NL)	9
31	East Coast Railway (ECoR)	Tomka -Banaspani - RE	RE	144
32	Railway Electrification (RE)	Kharagpur (Nimpura) - Bhubaneswar including Branch Line of Talcher - Cuttack - Paradeep ) - Rly Elect.	RE	581
33	Railway Electrification (RE)	Bhubaneswar - Kottavalasa RE	RE	417
34	South Central Railway (SCR)	Renigunta - Guntakal RE	RE	308
35	Eastern Railway (ER)	Civil Engineering works in connection with Diesel Loco Component Factory, Dankuni	Workshop (WKSP)	
36	South Eastern Railway (SER)	Setting Up of Diesel Multiple Unit(DMU) Manufacturing Factory at Haldia	Workshop (WKSP)	

Cumulatively, RVNL has till now completed a total of **1123 km** of Doubling, **1590 Km** of Gauge Conversion, **194 km** of New Lines and **1730 km** of Railway Electrification. Thus as on **31.03.2013**, **4637 km** out of a total length **10,907 km** of **110** projects assigned to RVNL, have been completed.

### 2.3 Project completed during 2012-13

During the year, RVNL physically completed **237 Km** of Doubling & **188 Km** of Railway Electrification i.e. a total of **423 km**. This includes important projects such as Palwal - Bhuteswar 3rd Line, Bilaspur - Urkura 3rd Line, Panskura - Kharagpur 3rd Line, Rajgoda - Tamluk (Jn. Cabin) Doubling, Jakhpura - Haridaspur 3rd Line, Renigunta – Guntakal - RE, Daund - Manmad Incl. Puntamba - Shirdi - RE, Setting up of Diesel Multiple Unit (DMU) Manufacturing Factory at Haldia etc.

In addition, **215 kms** of Railway Electrification works were also carried out in other than specific Railway Electrification works such as Palwal – Bhuteswar 3rd line, Bilaspur-Urkura 3rd line, Bhopal – Bina 3rd line projects, Panskura - Kharagpur 3rd line, Rajgoda - Tamluk (Jn. Cabin) Doubling, Jakhpura - Haridaspur 3rd Line etc.

RVNL's efforts towards capacity building in execution of signalling and telecommunication works have paid dividends 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.

**Palwal - Bhuteshwar 3rd line project:** Vrindavan – Bhuteswar (9 km) and Chaata - Hodal (21 Km) section has been completed in September, 2012 & November, 2012 respectively. The panel interlocking system has been replaced by Electronic Interlocking, thus completing the whole project.

**Bilaspur - Urkura 3rd Line project:** This lies on the busy coal carrying route of Indian Railways. Silyari – Mandhar (11 km) and Mandhar – Urkura (7 km) sections were completed in September, 2012 and March, 2013 respectively thus physically completing the whole project.

**Panskura - Kharagpur 3rd line:** The section between Madpur -Jakpur (9 Km) was completed in September, 2012 and Panskura -Haur section (11 Km) was completed November, 2012. Thus, the entire project has been physically completed.

**Rajgoda - Tamluk (Jn. Cabin) Doubling:** The entire section (13.5 km) was completed in November, 2012.

**Jakhpura - Haridaspur 3rd Line:** The section between Garhmadopur – Jenapur (5.5 Km) was completed in July, 2012 and Jenapur – Jakhapur (8.8 Km) was completed in October, 2012, thus physically completing the project.

**Renigunta - Guntakal RE:** The sections Kondapuram – Vanganur – Tadipatri - Vemulapadu (42 Km) were energized on January, 2013 thereby physically completing the project.

**Daund - Manmad RE:** In 2012-2013, a total of 116 Km of project length was energized in this project, with details, as under:

Puntamba-Belapur + yard (27.3 Km) section	- April, 2012
Belapur-Rahuri (17.5 Km) section	- September, 2012
Rahuri-Vilad (12.5 Km)	- September, 2012
Balance section of Nimlak-Vambori-Rahuri (20.38 km)	- October, 2012
Akolner-Ahmednagar (11.1 Km)	- November, 2012
Ranjangaon-Sarola – Akolner (12.42 Km)	- December, 2012
Ranjangaon-Visapur (15 Km)	- January, 2013

The following sections of projects were physically completed during 2012-13:

S.No.	Name of Project	Length (Km)
1.	Vrindavan-Bhuteshwar (9 Km) & Chhata-Hodal (21 km) sections of Palwal Bhuteshwar 3rd line	30
2.	Esvi-Kupgal (8 km) & Kosgi-Mantralayam (14 km) sections of Raichur-Guntakal Doubling	22
3.	Madpur-Jakpur (9 km) & Panskura-Haur (11 km) sections of Panskura-Kharagpur 3rd line	20
4.	Silyari-Mandhar (11 km) & Mandhar-Urkura (7 km) sections of Bilaspur-Urkura 3rd line	18
5.	Sukhi Sewaniyan-Bhadbhat (7 km), Bhadbhat-Diwanganj (10 km) Kalhar-Mandi Bamora (8.8 km), Sukhi Sewaniyan-Nishatpura (9.6 km) & Gulabganj-Sumer (7.4 km) sections of Bhopal-Bina 3rd line	42.8



S.No.	Name of Project	Length (Km)
6.	Garhmadhopur-Jenapur (5.5 km) & Jenapur-Jakhpur (8.8 km) sections of Jakhpur-Haridaspur 3rd line	14.3
7.	Jitahari-Nigaura sections of Salka Road-Annuppur (with flyover) Doubling	10.1
8.	Arakkonam-Tiruvalangadu sections of Tiruvallur-Arakkonam 4th line	10
9.	Kallakkudi Palanganathyam-Valadi (25 km) & Ariyalur-Kallakkudi Palanganathyam (25 km) sections of Villupuram-Dindigul	50
10.	Barda-Basulya Sutahata of Tamluk Jn.- Basulya Sutahata Doubling	5.9
11.	Rajgoda-Tamluk Doubling	13.5
12.	Putamba- Belapur ( 27.3 Km) Belapur – Rahuri (17.5 Km) , Rahuri – Vilad (12.5 Km), Ahmednagar - Akolner (11.1 Km), Nimlak-Vambori-Rahuri (20.38 km), Rajangaon - Sarola - Akolner ( 12.42 Km) & Ranjangaon-Visapur (15 Km) Sections of Daund-Manmad RE	116
13.	Pamidi - Garlandinne ( 18 Km) and Rajankunti to Dodaballaper ( 12 Km) sections of Gooty-Dharmavaram-Yelahanka RE	30
14.	Kondapuram-Vanganur (25 km) & Tadipatri - Vemulapadu (17 km) sections of Renigunta-Guntakal RE	42

#### 2.4 Signalling and Telecommunication

The Company has achieved commendable success in commissioning signalling works associated with doubling, third line, auto signalling, yard remodelling and gauge conversion. During 2012-13, RVNL commissioned 23 stations including 8 stations on 3rd line projects. RVNL has also been able to successfully commission telecom works involving laying of optic fibre cables and 6 Quad cables of a total of 209 km. RVNL has also successfully commissioned S&T works involving yard remodelling associated with doubling and third line works.

#### 2.5 Bridge Works

During the year, RVNL successfully launched 8 spans of 43.846 m precast PSC box girders each weighing approx 600 MT for bridges across river Mahanadi and Luna in Haridaspur – Paradip section.

#### 2.6 Kolkata Metro Projects:

Four major projects for the extension of **Kolkata Metro** were transferred to RVNL in March 2010 viz.

- Baranagar - Barrackpore & Dakshineswar ( 14.5 Km);
- Dum Dum Airport - New Garia Via Rajerhat (32 Km);
- Joka - Binoy Badal Dinesh Bagh Via Majerhat (16.72 Km); and
- Naupara (Ex.) – Baranagar (2.6 Km).

RVNL has worked at a fast pace for execution of these projects, despite the fact that no Detailed Project Report (DPR) was prepared at the time of sanctioning of project by the Government.

In Naupara - Baranagar (2.6 Km) & Baranagar - Dakshineswar ( 2 Km) section, contract for Naupara - Baranagar (2.6 Km) & Baranagar - Dakshineswar ( 2 Km) including 2 station buildings was awarded in

September 2010 which had to be terminated in November 2010 as the contractor did not start work. The tender was re-invited and a fresh contract was awarded in February 2011. After detailed designing of corridor, the work is in progress and 326 piles, 40 pile caps, 25 piers, 19 pier caps and 88 I girders have been cast. Construction of the station at Dakshineswar has commenced. A 213 m diversion of express way to facilitate construction of via duct has also been completed.

In Baranagar- Barrackpore project, the tender for road widening was awarded on 22.11.2011. 96% of the utility identification work has been completed and 98% geotechnical investigation work has been completed. Detailed design of the section has been completed. The tenders for the viaduct and stations will be invited after the water pipe lines are closed by the State Government.

The foundation stone for Joka - Binoy Badal Dinesh Bagh project, was laid by Her Excellency, President of India on 22.09.2010. After detailed design of the corridor from Joka to Majerhat, the contract for execution of via-duct works was awarded in December 2010. 1127 piles, 257 pile caps, 252 piers, 239 pier caps and 111 segment erection has been completed on the Joka – Mominpur section of the project. The work of construction of stations at Joka, Thakurpukur, Sakherbazar, Behala Bazar and Tartala have been awarded and started.

In Dum Dum Airport - New Garia corridor, after detailed design of the section, the contracts for via duct portion between New Garia to Rabindra Tirtha section in 4 packages have also been awarded on 21.10.2011. 2016 working piles, 179 pile caps, 121 piers and 44 pier caps have been cast.

## 2.7 Projects under implementation

The list of 71 projects under various stages of implementation are as under:

S. No.	Railway	Name of Project	Type of Project
1.	CR	Daund - Gulbarga Doubling	Doubling
2.	CR & SCR	Pune - Guntakal Rly Elect.	RE
3.	CR	Daund – Manamad Incl. Puntaba Shirdi- RE	RE
4.	ECoR	Khurda Road - Barang 3rd Line	Doubling
5.	ECoR	Cuttack - Barang Doubling	Doubling
6.	ECoR	Rajatgarh - Barang Doubling	Doubling
7.	ECoR	Haridaspur - Paradeep New Line	New Line - SPV
8.	ECoR	Angul - Sukinda New Line	New Line - SPV
9.	ECoR	Sambalpur - Titlagarh - Doubling	Doubling
10.	ECoR	Raipur - Titlagarh - Doubling	Doubling
11.	ECoR	Banaspani - Jakhpura – Doubling	Doubling
12.	ECoR	Titlagarh ( Excl) - Raipur –RE	RE
13.	ECR	Neora - Daniwan & Barbigha - Shekhpur NL as MM of Restoration of Dismantled Line of Fathua – Islampur	New Line
14.	ER	Dankuni - Furfura New Line	New Line
15.	ER	Nabadwipghat - Nabadwipdham - New Line	New Line



S. No.	Railway	Name of Project	Type of Project
16.	NR	New Delhi - Tilak Bridge 5th & 6th Line	Doubling
17.	NR	Utretia- Rae Bareli Doubling	Doubling
18.	NR	Rishikesh - Karnaprayag New Line	New Line
19.	NR	Jakhal - Hisar- Railway Electrification	RE
20.	NR	Jakhal - Dhuri- Ludhiana - Railway Electrification	RE
21.	NR	Rajpura - Dhuri - Lehra Mohabat - Railway Electrification	RE
22.	NCR	Bhimsen Jhansi Doubling with Electrification	Doubling
23.	NER	Lucknow- Pilibhit via Sitapur, Lakhimpur GC	Gauge Conversion
24.	NWR	Abu Road - Sarotra Road Patch Doubling	Doubling
25.	NWR	Sarotra Road - Karjoda Patch Doubling	Doubling
26.	NWR	Bhagat Ki Kothi - Luni Doubling	Doubling
27.	NWR	Abu Road - Swaroopganj Doubling	Doubling
28.	NWR	Rani - Keshav Ganj Doubling	Doubling
29.	NWR	Karjoda - Palanpur Doubling	Doubling
30.	NWR	Rewari-Manheru Doubling With RE	Doubling
31.	NWR	Manheru - Hissar - Railway Electrification	RE
32.	NWR	IOC Siding at Salawas ( Deposit Work)	Others
33.	NWR	Rani - Palanpur - Railway Electrification	RE
34.	SCR	Balance Section of Obulavaripalle - Krishnapattnam New Line	New Line - SPV
35.	SCR	Balance Section of Raichur - Guntakal Doubling	New Line
36.	SCR	Guntur - Tenali Doubling with Electrification	Doubling
37.	SCR	Vijaywada - Gudivada - Bhimavaram - Narasapur, Gudiva Da - Machilipatnam & Bhimavaram - Nidadavolu Doubling with RE	Doubling
38.	SCR	Yelahanka - Dharmavaram - Gooty RE	RE
39.	SCR	Hospet - Guntakal And Tomagallu - Ranjitpura	RE
40.	SCR	Multi-Modal Transport System (MMTS) - Phase-II, Hyderabad	MTP
41.	SER	Tikiapara - Santragachi Doubling	Doubling
42.	SER	Goelkera - Manoharpur 3rd Line Doubling	Doubling
43.	SER	Tamluk Jn. Cabin - Basulya Sutahata Doubling	Doubling
44.	SECR	Amla - Chhindwara - Kalumna - Railway Electrification	RE
45.	SECR	Salka Road - Annuppur (with Flyover) Doubling	Doubling
46.	SECR	Dalli - Rajhara - Raoghat New Line	New Line
47.	SR	Tiruvallur - Arakkonam 4th Line	Doubling

S. No.	Railway	Name of Project	Type of Project
48.	SR	Villupuram - Dindigul Doubling	Doubling
49.	SWR	Hospet - Tinaighat - Doubling	Doubling
50.	WCR	Bhopal - Bina 3rd Line	Doubling
51.	WCR	Bina - Kota Doubling	Doubling
52.	WCR	Habibganj - Barkhera 3rd Line	Doubling
53.	WCR	Barkhera- Budni 3rd Line	Doubling
54.	WCR	Budni - Itarsi 3rd Line	Doubling
55.	WR	Ahmedabad - Botad Gauge Conversion	Gauge Conversion
56.	WR	Dhasa - Jetalsar Gauge Conversion	Gauge Conversion
57.	WR	Connectivity to Rewas Port	New Line
<b>Kolkata Metro Rail Line Projects :</b>			
58.	METRO	Baranagar - Barrackpore & Dakshineswar	METRO
59.	METRO	Dum Dum Airport - New Garia via Rajerhat	METRO
60.	METRO	Joka - Binoy Badal Dinesh Bagh via Majerhat	METRO
61.	METRO	Naupara(Ex.) - Baranagar (Extension of Dum Dum – Naupara Metro Line)	METRO
<b>Other than Track Construction Works :</b>			
62.	ER	ROB at Bardhman(YARD) - 4 lane	ROB
63.	SR	Srirangam - Tiruchacirapalli Town - 4 Lane ROB in lieu of 2 - Lane Bridge No. 380-A	ROB
64.	ER	Dum Dum Jn. - Flyover to Improve Passage of Goods and Mail/Express Trains	ROB
65.	CLW	Dankuni - Setting up of Electric Loco Assembly and Ancillary Unit of CLW	WKSP
66.	ECR	Barauni - 250 High Horse Power Loco Shed	WKSP
67.	ECR	Barauni - New Loco Shed to home 100 Electric Locos	WKSP
68.	SER	Kharagpur Workshop - Setting up of centre of Excellence for Wagon Prototyping	WKSP
69.	SER	Anara (Adra) Setting up of Mid-Life Rehabilitation Workshop for Coaches	WKSP
70.	WR	Vadodara - Setting up of New PoH Shop for Electrical Locos	WKSP
71.	DLW	Varanasi - Augmentation of Production Capacity from 200 To 250 High HP Locos per year	WKSP





## **2.8 Projects under Sanction and Development**

Dighi Port New Line

## **2.9 Projects handed over to Railways**

The following sections of projects have been handed over to Zonal Railways for operations during 2012-13:

- |  |     |
|--|-----|
| 1. Vrindavan - Bhuteshwar (9 Km) section of Palwal-Bhuteshwar 3rd line | NCR |
| 2. Tadipatri - Rayalacheruvu (24 Km) of Gooty-Renigunta Patch Doubling | SCR |
| 3. Rajgoda-Tamluk Doubling (13.5 Km)                                   | SER |

## **2.10 Accidents**

During the year, no accident was reported from any of the project sites on RVNL's account.

## **2.11 Asian Development Bank (ADB) funded projects**

The first ADB loan (IND-1981) sanctioned for "Railway Sector Improvement" has been closed on 31.12.2011.

A 2nd ADB Loan (Loan No. 2793-IND) has also been sanctioned for funding of 5 projects, namely:

- Raipur-Titlagarh Doubling;
- Sambhalpur-Titlagarh Doubling;
- Hospet-Tinaighat Doubling;
- Daund-Gulbarga Doubling;
- Pune-Guntakal Railway Electrification.

The funding by ADB requires compliance of various loan covenants on resettlement and rehabilitation of project affected persons, procurement of works and stores following international competitive bidding processes and implementation of plans for mitigation of social and environmental impact norms. A Multi Tranche Financing Facility of \$ 500 million has been agreed to by ADB. The loan agreement for the first Tranche of this MFF for an amount of \$ 150 million has been signed in July 2012. Contracts for 12 packages have been awarded during 2012-13. The tenders for the balance packages are under various stages of invitation. The contract for General Consultants for these 5 projects has also been awarded in May 2013. Contract for appointment of NGOs to implement the rehabilitation and resettlement policies of the ADB have been awarded and the work of R&R is in an advanced stage.

During the year 2012-13, an amount of ₹ 69.54 crore equivalent to \$ 12.85 million has been disbursed by ADB.

## **2.12 Contracting**

As the size of projects being executed by RVNL is quite large, to ensure fast award and execution of projects, RVNL invites tenders consisting of multiple packages. Each tender may consist of two to four contract packages. This approach has a number of advantages such as:

- a) Multiple contracts can be awarded through one tender which saves time and effort in invitation and finalization of tenders.
- b) Both small and large agencies can compete for any contract package which increases competition.

- c) Large agencies, who are capable of executing big contracts, can quote for multiple packages to achieve economies of scale and pass on the benefit to RVNL by quoting discounts in case of award of more than one package.
- d) Smaller agencies, which would not be eligible to quote if the tender for the project was floated in a single package, are now able to compete in any of the contract packages individually as they may meet the qualification requirements of individual packages which are of comparatively smaller value.

During 2012-13, contracts worth approximately ₹ 4826 cr. were awarded as compared to contracts worth approximately ₹ 2602 cr. awarded during the previous year 2011-12.

The following major contracts were awarded by the Company during the year :

- Execution of construction of two tunnels at chain-ages 186660 to 19600 and 23370 to 29990 with ballast less track and construction of roadbed from Km 17/0 to 35/0 including earthwork in formation, major and minor bridges for new broad gauge railway line (Obulavaripalle to Venkatachalam) in Kadapa and Nellore districts of the state of Andhra Pradesh in South Central Railway (₹ 269.19 cr.)
- (I) RVNL/Mumbai/Daund-Gulbarga, Package-1 -- "Construction of Roadbed, Major & Minor bridges, Track Linking (excluding supply of rails, ordinary track sleepers and thick web switches), Outdoor Signaling and Electrical (General) works in connection with Doubling of Bhigwan - Mohol section(127.14 Kms) part of Daund Gulbarga Doubling in Sholapur Division of Central Railway in the state of Maharashtra." (₹ 233.94 cr.)
- Package 1 : Construction of Roadbed, Major and Minor Bridges, Track Linking (Excluding supply of Rails and PSC Sleepers), General electrical, Traction and Signal & Telecommunication works (outdoor) in connection with Doubling with Railway Electrification of Vijaywada-Bhimavaram section from Km 0.00 to 51.50 between Vijaywada and Moturu Stations (including Gudivada & Moturu yards) on Vijaywada Division of South Central Railway (₹ 232.14 cr.)
- Package - 2 - "Construction of Roadbed, bridges, supply of ballast, dismantling and removal of existing Meter Gauge track, Installation of BG track (excluding supply of rails & PSC sleepers), Electrical (General Electrification), Signalling and Telecommunication works for Gauge conversion of track between Sitapur (excluding) and Mailani (excluding) in Lucknow and Izzatnagar Division of North Eastern Railway, Uttar Pradesh." (₹ 211.86 cr.)
- Construction of roadbed, Major and Minor Bridges and Track linking (excluding supply of and Sleepers), General Electrical works and Electrification (OHE) in connection with doubling of Rewari-Manheru (69.02 kms) section on Rewari-Hissar route of Bikaner Division of North Western Railway in the State of Haryana. (₹ 211.51 cr.)
- Package 1: Construction of Roadbed, Major and Minor Bridges, Track Linking (Excluding supply of Rails and PSC Sleepers), General electric al, Traction and Signal & Telecommunication works (outdoor) in connection with Doubling with Railway Electrification of Gudivada-Bhimavaram Section from Km 51.50 to Km 105.00 between Motory & Bhimavaram Town stations (Excluding Moturu & Bhimavaram Town yards) on Vijaywada Division of South Central Railway - (₹ 209.01 cr.)
- Construction of Joka, Thakurpukur, Sakher Bazar and Behala Chowrasta stations including all related



works (Architecture, electrical and mechanical (E&M) , HVAC, Fire Detection and Fire Suppression System and Public Health Engineering works), in Joka-BBD Bag Corridor of Kolkata Metro Railway line. Package JMS-1 (₹ 200.91 cr.)

- 'Construction of Roadbed, Major and Minor Bridges, Track Linking (excluding Supply of Rails and PSC Sleepers), Signaling Work and General Electrical Works in connection with Doubling between Utratia Junction and Rae Bareli Junction on Lucknow Division of Northern Railway in Uttar Pradesh State. (₹ 178.83 cr.)
- Package - 1 - Construction of Roadbed, bridges, supply of ballast, dismantling and removal of existing Meter Gauge track, Installation of BG track (excluding supply of rails & PSC sleepers), Electrical (General Electrification), Signalling and Telecommunication works for gauge conversion of track between Lucknow and Sitapur (including) in Lucknow and Izzatnagar Division of North Eastern Railway, Uttar Pradesh. (₹ 175.49 cr.)
- Hospet-Tinaighat Package-1 -- Construction of Roadbed, Major and Minor Bridges and Track Linking (excluding Supply of Rails, sleepers and Thick web switches) S&T, General Electrical works in connection with doubling between Hospet (including) to Harlapur (including) - Km 143.22 to 74.000 on Hubli division of South Western Railway in Dharwar district in Karnataka state. (₹ 165.55 cr.)
- Construction of Behala Bazar, Taratala and Majerhat stations including all related works (Architecture, electrical and Mechanical (E&M) HVAC, Fire Detection and Fire Suppression System and Public Health Engineering works),in Joka-BBD Bag Corridor of Kolkata Metro Railway line Package JMS-2 (₹ 162.67 cr.)
- Package - 1 - Design, Supply, Erection , Testing & Commissioning of 25 KV,50HZ, Single Phase, Traction Over-head Equipment, Switching Stations, and other associated works, TSS at YEVAT , DAUND and MARTUR, associated Signaling & Telecommunication works, Civil engineering work i.e. service buildings, quarters, sidings and Electrical General Services works for Railway Electrification between Pune ( Incl ) - Bhigvan ( Incl ) & Gulbarga ( Incl ) - Wadi (excl) Section and sidings etc. of Pune & Solapur Division of Central Railway. (₹ 161.97 cr.)
- Construction of roadbed, major and minor bridges, civil works and track linking (excluding supply of rails and sleepers), General electrical and S&T works in connection with doubling between Rani-Keshavganj (59.5 km) on Ajmer Division of North Western Railway in Rajasthan" (₹ 161.91 cr.)
- Package - 3 - Construction of Roadbed, bridges, supply of ballast, dismantling and removal of existing Meter Gauge track, Installation of BG track (excluding supply of rails & PSC sleepers), Electrical (General Electrification), Signaling and Telecommunication works for Gauge conversion of track between Mailani (including) and Pilibhit (including) in Lucknow and Izzatnagar Division of North Eastern Railway, Uttar Pradesh. (₹ 160.6 cr.)
- Construction of Roadbed, Major & Minor bridges, Track Linking (excluding supply of rails, ordinary track sleepers and thick web switches), Outdoor Signaling and Electrical (General) works in connection with Doubling of Hotgi-Gulbarga section (98 Kms) part of Daund Gulbarga Doubling in Sholapur Division of Central Railway in the states of Maharashtra and Karnataka. (₹ 159.04 cr.)

- Construction of Roadbed, bridges, supply of ballast, Installation of track (excluding supply of rails & PSC sleepers), Electrical (Railway Electrification and General Electrification), outdoor signalling and telecommunication works for Doubling of track between Valadi and Manaparai in Tiruchchirappalli and Madurai Divisions of Southern Railway, Tamil Nadu. (₹ 157.54 cr.)
- Construction of Roadbed, Major & Minor bridges, Track Linking (excluding supply of rails, ordinary track sleepers and thick web switches), Outdoor Signaling and Electrical (General) works in connection with Doubling of Titlagarh (Ex) – Lakhna (In) section (72.948 Kms) part of Raipur-Titlagarh Doubling in Sambalpur Division of East Coast Railway in the state of Odisha. (₹ 156.98 cr.)
- Package-2 - Construction of Roadbed, bridges, supply of ballast, Installation of track (excluding supply of rails & PSC sleepers), Electrical (Railway Electrification and General Electrification), outdoor Signalling and telecommunication works for Doubling of track between Manaparai and Dindigul in Madurai Divisions of Southern Railway, Tamil Nadu, (₹ 155.85 cr.)
- Construction of Important and Major Steel/PSC Girder Bridges, Composite Girder ROBs along with substructure, super structure and related protection works in connection with part of Sambalpur-Titlagarh doubling in Sambalpur Division of East Coast Railway in the State of Odisha. (₹ 154.72 cr.)
- Hospet-Tinaighat Package-2 -- Construction of Roadbed, Major and Minor Bridges and Track Linking (excluding supply of Rails, Sleepers and Thick web Switches) S&T, General Electrical works in connection with doubling between Harlapur (excluding) to Hebsur (including)- Km 74.000 to Km 18.970 and Hubli (including) to Dharwad (including) – Km 469.00 to Km 489.09 on Hubli division of South Western Railway in Dharwar district in Karnataka state. (₹ 149.17 cr.)
- Construction of sheds, structures, water supply arrangement, sewerage, drainage, roads, track, S&T, power supply arrangement, general electrical & OHE works and supply, erection & commissioning of machinery & plant in connection with setting up of Electric Locomotives Factory at Dankuni, West Bengal. (₹ 146.44 cr.)
- Raipur-Titlagarh Package-2 -- Construction of Roadbed, Major & Minor bridges, Track Linking (excluding supply of rails, ordinary track sleepers and thick web switches), Outdoor Signaling and Electrical (General) works in connection with Doubling of Lakhana (Ex) – Arand (In) section (68.936 Kms) part of Raipur-Titlagarh Doubling in Sambalpur Division of East Cost Railway in the states of Odisha & Chattisgarh. (₹ 144.74 cr.)
- Hospet-Tinaighat Package-3 -- Construction of Roadbed, Major and Minor Bridges and Track Linking (excluding supply of Rails, sleepers and thick web switches) S&T, General Electrical works in connection with doubling between Kambarganvi (including) to Londa (including) – Km 514.270 To Km 559.450 and Londa to Tinaighat Km 0.00 To Km 13.200 on Hubli division of South Western Railway in Dharwar district in Karnataka state. (₹ 134.79 cr.)
- Construction of important & major steel/PSC girder bridges, along with super structure, sub-structure and related protection works in connection with part of Bina-Kota doubling in Bhopal and Kota Division of West Central Railway in the State of Madhya Pradesh and Rajasthan. (₹ 134.75 cr.)



- Raipur-Titlagarh, Package-3 -- Construction of Roadbed, Major & Minor bridges, Track Linking (excluding supply of rails, ordinary track sleepers and thick web switches), Outdoor Signaling and Electrical (General) works in connection with Doubling of Arand (Ex) – Raipur (Ex) section (57.404 Km) part of Raipur-Titlagarh Doubling in Sambalpur & Raipur Divisions of East Coast & South East Central Railways in the state of Chattisgarh. (₹ 116.67 cr.)
- Pune- Bhigvan & Gulbarga-Wadi-Raichur-Guntakal Package - 2 - Design, Supply, Erection, Testing & Commissioning of 25 KV, 50HZ, Single Phase, Traction over head Equipment, switching stations, and other associated works, TSS at Chegunta and Lingiri, associated Signalling & Telecommunication works (Incl Marichetathal & Raichur), Civil engineering work i.e. service buildings, quarters, sidings and Electrical General Services works for Railway Electrification between Guntakal Division of South Central Railway in the state of Karnataka and Andhra Pradesh. (₹ 104.86 cr.)
- Pune-Bhigvan & Gulbarga-Wadi-Raichur-Guntakal Package - 3 - Design, Supply, Erection , Testing & Commissioning of 25 KV,50HZ, Single Phase, Traction Over-head Equipment, Switching Stations, and other associated works, TSS at Nagarur and Mantralayam Road, associated Civil engineering work i.e. service buildings, quarters, sidings and Electrical General Services works for Railway Electrification between Guntakal (Excl)-Raichur (Incl) section and sidings etc. of Guntakal Division of South Central Railway in the state of Karnataka and Andhra Pradesh. (₹ 102.86 cr.)
- Proposed Bridge over river Bhagarathi of Nabadwip Ghat to Nabadwip Dham Project of Eastern Railway in the state of West Bengal (₹ 96 cr.)
- Design, Supply, Erection, Testing & commissioning of 25 KV AC 50 HZ single phase, Traction Overhead Equipment, Switching Stations, Traction sub-stations, SCADA, General Electrical Services along with Civil Engineering work i.e. Service Buildings, Quarters, T/W sidings, TSS cross track and other associated works between Amla (incl) - Chhindwara (incl.) comprising of 115 RKM/145 TKM of Nagpur Division of Central Railway & Chhindwara Station yard of Nagpur Division of South East Central Railway, Madhya Pradesh. (₹ 71.39 cr.)
- Design and construction of Power supply & Distribution, Traction electrification, 750 V.C.C. Third Rail and SCADA system for a total length of 4.465 km (approx) from Noapara (excl.) - Baranagar - Dakshineswar station in connection with the extension of existing metro corridor, Kolkata (₹ 42 cr.)
- Doubling of Dindigul-Villupuram Section - Supply, Installation, testing and commissioning of Indoor Signalling arrangements with Electronic Interlocking between Villupuram and Dindigul except Ariyalur-Valadi Section (₹ 22.69 cr.)
- Design, Supply, Erection, Testing & commissioning of 25 KV AC 50 HZ single phase, Traction overhead Equipment including provision of 2nd transformer bay at Nidiguntapalem TSS, Signaling works and other associated works in connection with doubling of Railway Track between Venkatachalam Road Jn Station and Krishnatnam Railway Station of Vijaywada Division of South Central Railway. (₹ 17.75 cr.)
- Construction of Major Bridges to eliminate causeway between KM 220/000 and 230/100 including earthwork in approaches between Vriddachalam and Ichangadu in connection with Doubling of Track between Villupuram and Dindigul (₹ 17.51 cr.)
- Construction of Multi-Functional Complexes (MFCs) at Rae-Bareilly and Ayodhya Railway Stations in Uttar Pradesh State (₹ 1.86 cr.)

- Beside these works contracts, ₹ 110 Cr. value of FLS, DDE & PMC contracts have also been awarded during the financial year 2012-13.

### 2.13 Final Location Survey (FLS)

During 2012-13, Final Location Survey (FLS) of 466 km was carried out in the various projects such as Rani - Keshav Ganj Doubling, Rewari-Manheru Doubling with RE, Utretia- Rae Bareli Doubling, Lucknow- Pilibhit via Sitapur, Lakhimpur GC, Nabadwipghat - Nabadwipdham - New Line.

## 3. PROJECT PLANNING & DEVELOPMENT

### PUBLIC PRIVATE PARTNERSHIP (PPP)

#### Joint Venture SPVs of RVNL

RVNL was conceived as a non-budgetary investment initiative for creation and augmentation of capacity of rail infrastructure. In its initial years, RVNL took the lead to create five joint venture Special Purpose Vehicles (SPVs). Through these initiatives, RVNL has succeeded in attracting investment of ₹ 4324 crore (₹ 1330 crore as equity and ₹ 2994 crore as debt), with a contribution of only ₹ 546 crore by RVNL, which is approximately 13% of the total investment (details given below). Of the five SPVs promoted by RVNL, Kutch Railway Company Limited has been fully operational since 2006, Krishnapatnam Railway Company Limited is partially operational since 2008 and Bharuch Dahej Railway Company Limited has recently commenced operations in full earnest. Construction of Haridaspur Paradip Railway Company Limited and Angul Sukinda Railway Limited is in progress after completion/resolving land acquisition issues.

Name of SPVs	Total Equity	RVNL's Equity		Partners' Equity		Debt	Bonus Shares issued	Total
	₹	₹	%	₹	%	₹	₹	₹
	(crore)	(crore)	%	(crore)	%	(crore)	(crore)	(crore)
Kutch Railway Company Limited (301 Km)	200	100	50	100	50	300	50	500
Bharuch Dahej Railway Company Limited. (63 Km)	165	42.9	26	122.1	74	230	--	395
Krishnapatnam Railway Company Limited. (113 Kms)	270	81	30	189	70	933	--	1203
Haridaspur Paradip Railway Company Limited (82 Kms)	275	133.2	48.43	141.8	51.6	899	--	1174
Angul Sukinda Railway Limited* (102 Kms)	420	189	45	189	45	632	--	1052
<b>Total</b>	<b>1330</b>	<b>546.1</b>		<b>741.9</b>		<b>2994</b>	<b>50</b>	<b>4324</b>

\*Equity gap of 10%

Total investment = ₹ 4324 crores

RVNL's contribution = ₹ 546.1 crores or 12.6%

Total Equity received till date = ₹ 953.38 crore





The status of each SPV is given below:

### **a. Kutch Railway Company Limited (KRC)**

The first SPV of RVNL, connecting Gandhidham – Palanpur (301 km Gauge Conversion MG to BG) in Gujarat on Western Railway, commenced operations in 2006. The turnover of the SPV for 2012-13 is expected to increase to ₹502 crore (provisional) as compared to ₹380 crore in the previous year.

To cater to the anticipated increase in traffic of Kandla & Mundra Ports, KRC has planned the doubling of Samakhali- Palanpur section (248 km). This route will be an important feeder route to the Dedicated Freight Corridor. The doubling project has been sanctioned by the Ministry of Railways in 2012-13 at a cost of ₹1266 crore, which would be funded by KRC without any contribution of funds by Indian Railways. The SPV plans to fund the doubling project through internal accruals, enhanced equity participation from shareholders and term loans from banks. KRC has appointed RVNL as the executing agency for this project. Further, a study is being carried out for the feasibility of a 3rd line between Samakhali to Gandhidham (53 km).

### **b. Haridaspur Paradip Railway Company Limited (HPRCL)**

HPRCL was incorporated in 2006 to implement the new line project connecting Haridaspur to Paradip port (82 km) in Odisha on East Coast Railway. Land has been acquired for 68 kms out of the total project length of 82 Kms. However, land losers had impeded the progress of construction at some locations through obstruction of work and agitations-demanding additional compensation. To resolve this issue Government of Odisha proposed payment of additional compensation as ex-gratia to the land losers. The additional cost of ₹40 crore (approximately) towards land acquisition is being borne by the SPV. By April 2013, about 95% of the ex-gratia amount payable was disbursed through State Government agencies.

Contracts for important bridges on Luna & Mahanadi Rivers are under execution and substantial progress has been made. Contracts for roadbed, and other major and minor bridges have been awarded in May 2013.

HPRCL is now in the process of financial closure to meet its project funding requirements.

### **c. Krishnapatnam Railway Company Limited (KRCL)**

KRCL was registered on 11.10.2006 to implement the new line project connecting Obulavaripalle to Krishnapatnam Port (113 km) in Andhra Pradesh on South Central Railway. The SPV commissioned 23 km of the project section to connect Venkatachalam Railway Station with Krishnapatnam Port in November, 2008. Currently, an average of 12 loaded trains per day are moving on this section and rapid increase of rail traffic is anticipated. To cater to the increase in port traffic, a 9 km long by-pass was constructed between Venkatachalam – Manubolu in 2010 and doubling of the section between Venkatachalam – Krishnapatnam has been taken up at a cost of ₹87 crore completely funded by KRCL. The doubling is expected to be commissioned by August, 2013.

A sum of ₹40.75 crore has been received by the SPV from SC Railway as the provisional net apportioned earning for the traffic carried on the project line upto end of March, 2013.

Construction of phase II of the work between Obulavaripalle to Venkatachalam (90 km), which includes two tunnels with a total length of about 7.8 km, is in progress. Forest clearance for a portion of the project is still awaited.

### **d. Bharuch Dahej Railway Company Limited (BDRCL)**

BDRCL was incorporated to implement the Gauge Conversion project connecting Bharuch to Dahej Port (62 km) in Gujarat on Western Railway. The first goods train was run on the section in December, 2011. The

SPV started commercial operations in March, 2012. A total of 1370 trains were loaded and run on the section during 2012-13. The SPV is expecting a turnover of ₹ 61.60 crore (provisional) for 2012-13.

Due to the paucity of manpower, Western Railway has temporarily directed the SPV to maintain the entire track and also deploy gatemen to man 16 gates on the section. The Company has successfully initiated this work and is effecting substantial savings compared to the cost of maintenance indicated by the railways.

#### **e. Angul Sukinda Railway Limited (ASRL)**

ASRL was formed in February, 2009 to implement the new line project connecting Angul to Sukinda Road (102 km) in Odisha on East Coast Railway. The Concession Agreement between the SPV and Ministry of Railways was signed in May 2010. The process of land acquisition is in progress through East Coast Railway. The Project requires 1205 acres of private land, 220 acres of Government land and 251 acres of forestland i.e. total 1676 acres. Acquisition of both government and private land is at an advanced stage. A tender for taking up execution of work on a portion of the land which has been acquired has been floated.

#### **Bankability studies**

During the year, bankability reports for the following projects, which were assigned to RVNL, have been completed and sent to Ministry of Railways for taking further action:

- Dahod – Indore New Line;
- Machrela – Nalgonda New Line;
- Palanpur – Samakhali Doubling (on behalf of Kutch Railway Company Limited on Western Railway).

In addition, bankability studies for the following projects are in the process of finalization:

- (a) Rail connectivity to Dighi Port (in Maharashtra);
- (b) Rail connectivity to Rewas Port (in Maharashtra);
- (c) Samakhali – Gandhidham 3rd Line (on behalf of Kutch Railway Company Ltd. in Western Railway);
- (d) Angul - Sukinda Road New Line (revised).

#### **Model Concession Agreements**

Ministry of Railways has mandated RVNL to develop the Model Concession Agreements for various models enumerated in the new policy on Participative Models for rail connectivity and capacity augmentation projects. The drafts of the Model Agreements have been submitted to Ministry of Railways for further scrutiny.

#### **SUBSIDIARIES**

##### **High Speed Rail Corporation of India Limited (HSRC)**

President of India (Ministry of Railways) issued directions to your Company for incorporating an SPV for development and implementation of High Speed Rail projects in the country. Subsequently, RVNL incorporated High Speed Rail Corporation of India Limited (HSRC) as its wholly owned subsidiary on 25th July 2012 with an authorised share capital of ₹ 5 crore and paid-up share capital of ₹ 5 lakh. HSRC, which is a Government Company under the provisions of Companies Act, 1956 received its Certificate of Commencement of Business on 18th August, 2012.

The subsidiary has been incorporated with an objective to carry on the business related to planning, development, construction, maintenance, operation and financing of railway infrastructure with respect to High Speed Rail Projects in India.



A pre-feasibility study of Delhi-Chandigarh-Amritsar High Speed Rail corridor has been initiated.

In accordance with section 212 of the Companies Act 1956, the audited Balance Sheet and Profit & Loss Account for the first financial year (from 25.07.2012 to 31.03.2013) and the report of Board of Directors along with Auditors' Report thereon of High Speed Rail Corporation of India Limited, subsidiary of RVNL, for the year ended 31st March, 2013 have been included in the Annual Report of RVNL (Holding Company).

#### **4. PERSONNEL DEVELOPMENT**

RVNL appreciates the importance of having a pool of committed and motivated employees as they are the most important asset of RVNL. As the source for persons with the technical experience and knowledge of railway construction is limited, the manpower requirement of RVNL is predominantly met by drafting Railway employees on deputation who bring with them their rich experience of working on the Indian Railways. RVNL has also a cadre of its own created by absorbing willing employees from Railways and PSUs. As on 31.3.2013, the strength of the company stood at 371, out of which 113 are regular employees. RVNL possesses one of the finest pools of technical manpower for creation of rail infrastructure.

RVNL has attractive and employee-friendly policies to boost the morale and motivate the employees to perform to the best of their abilities. The perquisites being paid are reviewed periodically. To enhance the efficiency and for faster and effective communication between Corporate Office and employees working in the Project Implementation Units, latest technology and tools have been provided. Skills development of the employees has been given special attention through in house and external training programmes relevant to their function. In all, 127 employees were deputed for 481 mandays to attend various seminars/training programmes during the year.

RVNL recognized the services of meritorious employees through individual/ group awards by presenting shields and cash awards on the occasion of Annual Foundation Day celebrations held on 9th April 2012. Besides awarding twenty meritorious employees, shields were presented by Chairman/Member Engineering, Railway Board to the following Project Implementation Units for their excellent performance:-

- |                              |   |                                      |
|------------------------------|---|--------------------------------------|
| 1. Best PIU (Winner)         | - | Delhi                                |
| 2. Best PIU (Runner up)      | - | Secunderabad                         |
| 3. Best Project              | - | Bina-Bhopal under PIU, Bhopal        |
| 4. Maximum Turnover          | - | PIU, Chennai                         |
| 5. Best PIU in Metro Project | - | Joka-Mominpur under CPM, Majerhat    |
| 6. Best Workshop Project     | - | Dankuni Workshop                     |
| 7. Best RE project           | - | Daund-Manmad Section under PIU, Pune |

An RVNL employee, Shri D. Vema Reddy (Assistant Manager/Civil, Secunderabad) was honoured with the Vishwakarma award by the Ministry of Labour, Government of India.

A system of Mentorship has been initiated to give guidance to the younger employees.

To provide medical and other assistances to superannuated employees, as well as to financially support families of medically incapacitated staff / death of staff in harness, RVNL has implemented a Medical & Welfare Scheme.

Several seminars, workshops have been organized over the year for the physical and psychological well being of employees. A picnic was organized in which more than a hundred staff along with their family members participated. These efforts have kept the organization vibrant, dynamic and on the forefront of the rail infrastructure sector.

Employees satisfaction survey was conducted through an Independent agency according to which the satisfaction level has been rated as "Excellent."

### **Industrial relations**

Cordial industrial relations have been maintained throughout the year.

### **Particulars of Employees under Section 217 (2A) of Companies Act, 1956**

None of the employees of the Company has drawn remuneration exceeding the limits laid down under the provisions of section 217 (2A) of the Companies Act read with Companies (Particulars of Employees) Rules, 1975 as amended from time to time.

### **Presidential Directives**

The Company did not receive any Presidential Directive from Ministry of Railways during 2012-13.

## **COMPLIANCES**

### **Right to Information Act**

The Right to Information Act has been implemented in RVNL in letter and spirit and timely responses are given to all queries. The Company has nominated an Appellate Authority/Central Public Information Officer at the Corporate Office and an Assistant Public Information Officer for each PIU. During the year 2012-13, 32 applications were received and disposed off in time.

### **Rajbhasha (Official Language)**

The Company has been making concerted efforts in implementing the directives of the Government of India on use of Rajbhasha (Official Language). The Rajbhasha Department of the Company has a part-time Mukhya and Up-mukhya Rajbhasha Adhikari and a regular Assistant Manager (Rajbhasha). The website of the company is bilingual and is updated frequently. All the computers in the Corporate Office have been provided with Unicode compliant software and fonts to facilitate access to common templates in Devnagari. To encourage use of Rajbhasha, officials who are using Rajbhasha in drafting notes and letters were identified and given cash awards.

A Hindi essay writing competition, Hindi noting and drafting competition, Hindi quiz competition, Shankar Dayan Singh Smriti Puraskar competition were held on the occasion of Hindi Divas on 14th October, 2012 and awards amounting to ₹ 31,800/- were distributed to 69 successful participants. The Company has set up a reading room-cum-library in the corporate office with a large collection of books, newspapers and periodicals in Hindi. During the year 2012-13, four meetings of Rajabhasha Implementation Committee of RVNL have been held with the representatives of Railway Board's Rajbhasha Directorate and one Independent Observer nominated by Railway Board.

The Committee of Parliament on Official Language inspected the usage of Rajbhasha in RVNL on 6th June, 2012 and expressed their satisfaction. The assurances to the various observations of the committee have also been duly complied with.

### **Vigilance**

During the year, Ms. Rajalakshmi Ramanathan, IA&AS, has assumed charge of full time Chief Vigilance Officer in RVNL w.e.f. 6th February 2013. Previously, the Vigilance Department consisted of a part-time Chief Vigilance Officer and two Sr. Managers/Vigilance.



A key focus of the Vigilance Department in RVNL is on preventive intervention through a system of reviews of work procedures/guidelines, random inspections and through dissemination of important instructions. The Vigilance Department also initiates/advises measures for system improvement and monitors implementation of punitive measures.

The Vigilance Awareness Week was celebrated in RVNL from 29th October 2012 to 3rd November 2012. A pledge taking ceremony was held on 29.10.2012, during which the pledge was administered to all the officers and staff of Rail Vikas Nigam Limited. Banners/posters relating to vigilance awareness were displayed in the RVNL's office.

Besides, a seminar on vigilance awareness was held on 30.10.2012 in the corporate office of RVNL. On the occasion, RVNL's 7th Vigilance Bulletin was also released.

From time to time, guidelines are issued for system improvement/procedure amendments to improve transparency and reducing the possibility of corruption/leakage of revenue. During 2012-13, three letters narrating guidelines on the following subjects were issued:-

S.No.	Subject	Date of issue
1.	Amendment in provisions of GCC clause 1.1.2.4 of SBD	31.10.2012
2.	Uploading of tender documents, A&Cs and contract awarded.	06.12.2012
3.	Maintenance/updating of leave records	20.03.2013

### Memorandum of Understanding

The Company secured "Excellent" rating by Department of Public Enterprises for the year 2011-12 on the basis of the Memorandum of Understanding signed between RVNL and Ministry of Railways and achievement of the committed targets.

In 2012-13, the Company has been able to achieve a majority of the targets set in the MoU and even surpass them. RVNL completed Doubling of 237 km and Railway Electrification of 188 km against the excellent target of 230 km of Doubling and 180 km of Railway Electrification respectively. The Company was also able to meet the targets for all financial, enterprise specific, sector specific, Corporate Social Responsibility, Sustainability, R&D parameters set in the MoU for 2012-13. Your Company is also expecting to achieve an "Excellent" rating for 2012-13 as well.

During the year, the Company signed a Memorandum of Understanding (MoU) with Ministry of Railways fixing its physical, financial targets and other sector specific targets for the year 2013-14.

### Particulars Relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo etc.

#### (i) Conservation of Energy and Technology Absorption

Initiatives taken to create awareness about conservation of energy among employees has resulted in steady reduction in energy consumption at Corporate Office. Environment friendly equipments like solar heaters solar lights are being installed in projects/ offices of the Company.

In addition, various state of the art systems have been installed and environment friendly technology has been adopted in the Corporate Office building to conserve energy.

#### (ii) Foreign Exchange Earnings and Outgo

During the financial year 2012-13, the Company spent ₹ 72.47 lakh in foreign exchange on foreign travel of Company's officials. The Company, however, did not earn any Foreign Exchange.

**RISK MANAGEMENT**

RVNL has a formal Risk Management Policy duly approved by the Board of Directors. The policy aims to review RVNL's Risk Management System and upgrade the same periodically. It also strives to increase awareness among its employees and other stakeholders about possible risks and measures to mitigate and control the same.

Your Company has a Risk Management Committee under the chairmanship of Director (Operations) with ED (Projects), GM (PP&D), GM (F&A) and GGM (HR) as members. The Committee identified and worked on the mitigation of the following risks :

S.No.	Risks Identified	Measures taken to mitigate risk
1.	Delay in approval of plans and freezing of scope of work	Additional Member (Works), Ministry of Railways has issued instructions in this regard to concerned Railway officials and has directed the Zonal Railways to comply with the same.
2.	Arbitration Claims	The recommendations of the committee listing the points to be monitored for minimizing the risk from arbitration claims have been circulated to all PIUs.
3.	Legal Compliance Risk	The process for engagement of an agency to identify the compliance requirements has been initiated.
4.	Time & Cost overrun Risks in implementation of projects	The factors leading to time and cost overrun are being assessed.
5.	Risk regarding delay in Land Acquisition	Various issues faced in land acquisition for projects have been identified.
6.	Risk of dependency on Indian Railways	The Committee is identifying projects to diversify in other areas such as Metros and Coal sidings etc to reduce its dependence on projects from Ministry of Railways.

Keeping in view the importance of Risk Management for a Corporate Entity, the Board of Directors of RVNL has approved the proposal to engage a professional firm for Enterprise Risk Assessment and Management of RVNL.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

In accordance with the revised guidelines and directives issued by Department of Public Enterprises (DPE) in January 2013 (which were to be effective from 1st April 2013), RVNL has formulated its CSR and Sustainability Policy which was approved by the Board of Directors (BoD) of RVNL in January 2013 itself.

As per the approved CSR and Sustainability Policy, RVNL has put in place a three tier organizational structure to steer the CSR and Sustainability agenda of RVNL. The three-tier structure comprises of:

- a. **Tier-I** -- Board Level Committee, headed by an Independent Director;
- b. **Tier-II** -- Corporate Level Committee, headed by ED (Mechanical), the Nodal officer for CSR and Sustainability.
- c. **Tier-III** -- Project Implementation Units (PIU) Level Committees, at the field level, headed by the respective CPM of the PIU.





A comprehensive report on CSR activities of RVNL for the year 2012-13 is enclosed as **Annexure-C** to the report.

**SUSTAINABILITY**

A separate report on the Sustainability initiatives for the year 2012-13 is included in the Directors' Report as **Annexure-D** to the report.

**RESEARCH AND DEVELOPMENT**

In accordance with the guidelines issued by Department of Public Enterprises, a Board level Committee headed by an Independent Director was constituted. The Committee had four meetings during the year.

An amount of ₹ 0.49 crore [0.5% of ₹ 98.38 crore, i.e. Profit after Tax (PAT) of 2011-12], has been transferred towards RVNL's R&D Fund for the year 2012-13. RVNL's R&D Fund was created last year with a balance of ₹ 0.49 crore. During the year, ₹ 82 lakhs has been spent on RVNL's R&D activities.

The following R & D activities were completed during 2012-13:

S.No.	Item	Targets	Achievement
1.	Introduction of real time software based project monitoring and management system	To be introduced in 7 Project Implementation Units	Introduced in 9 Project Implementation Units
2.	Use of satellite stereo images for reconnaissance/preliminary survey	A length of 75 kms	The target length of 75 kms has been completed using digitized topo sheets
3.	Introduction of Environment Monitoring Plan in construction contracts	7 contracts	11 constructions contracts have been awarded with this provision

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors of the Company in pursuance of section 217 (2AA) of the Companies Act, 1956 as amended hereby confirms:

- I. that in the preparation of the annual accounts, all the applicable accounting standards along with proper explanation have been followed and there has been no material departure;
- II. that such accounting policies were selected and applied consistently and such judgements and estimates were made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company and Profit & Loss of the Company for the year ended on 31st March 2013;
- III. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. that the Annual Accounts have been prepared on a going concern basis.

**BOARD OF DIRECTORS**

During April 2012 to March 2013, five meetings of the Board of Directors were held with two meetings in the quarter ending June 2012, and one meeting in each quarter ending September 2012, December 2012 and March 2013.



Mr. R. S. Sharma was appointed as (part-time) (non-official) Independent Director on the Board of RVNL w.e.f. 11.6.2012. Mr. Pradeep Kumar, Advisor (Projects) has been nominated as (part-time) (official) Director by Ministry of Railways w.e.f. 20.2.2013.

Mr. A.K. Gupta, Advisor (Bridges), Ministry of Railways ceased to be part-time official Director on the Board of RVNL due to his resignation from the post of Advisor (Bridges), Ministry of Railways w.e.f. 25.1.2013

Mr. R.N. Aga completed his tenure of 3 years as Independent Director on the Board of RVNL on 16.2.2013.

Mr. A. P. Mishra ceased to be part-time official Chairman of RVNL on attaining superannuation on 31.1.2013.

The Directors would like to express their gratitude for all their predecessors for their invaluable contribution.

On the date of report, the strength of the Company is nine Directors comprising of five functional directors including Chairman and Managing Director, one (part-time) (official) and three (part-time) (non-official) Directors.

The following Directors are holding office as on the date of the report:-

1.	Mr.S.C. Agnihotri Chairman and Managing Director <i>(due to re-designation of the post of Managing Director as Chairman and Managing Director)</i>	--	from 27.1.2010 as Managing Director From 5.3.2013 onwards as CMD
2.	Ms. Gita Mishra Director (Personnel)	--	from 13.10.2008 onwards
3.	Mr. Mukul Jain Director (Operations)	--	from 16.06.2010 onwards
4.	Mr. Vijay Anand Director (Projects)	--	from 09.04.2011 onwards
5.	Mr. Ashok K. Ganju, Director (Finance)	--	from 12.09.2011 onwards
6.	Dr. K.K. Chaudhuri Part-time (non-official) Director	--	from 15.12.2010 onwards
7.	Prof. (Dr.) S.S. Chatterji Part-time (non-official) Director	--	from 13.05.2011 onwards
8.	Mr. R. S. Sharma Part-time (non-official) Director	--	from 11.06.2012 onwards
9.	Mr. Pradeep Kumar Advisor (Projects)/Railway Board Part-time (official) Director	--	from 20.02.2013 onwards



## **AUDITORS**

The Comptroller & Auditor General of India has appointed M/s R.K. Relan & Company, Chartered Accountants as Statutory Auditors of the Company for the year ended 31st March, 2013. The Board would like to thank them for their valuable support and guidance during the audit of accounts under review.

## **COMMENTS OF COMPTROLLER & AUDITOR GENERAL (C&AG) OF INDIA**

The Comptroller & Auditor General of India has undertaken supplementary audit on the accounts of the Company for the year ended 31st March, 2013 under section 619(4) of the Companies Act, 1956. The comments of the C & AG on the Annual Accounts of the Company for the year ended 31st March, 2013 shall also form part of this report.

## **ACKNOWLEDGEMENTS**

We take this opportunity to gratefully acknowledge the cooperation, guidance and support received from Ministry of Railways (MoR), Ministry of Finance, Department of Public Enterprises, various banks, Asian Development Bank, the Zonal Railways, IRFC, RITES, IRCON, RLDA and our equity partners in Joint Venture SPVs for their continued interest and support to the Company. The Directors would like to express their thanks for the devotion, commitment and dedication of each and every employee of the Company due to which your Company could face the new challenges and opportunities and create a niche for itself as a major provider of rail infrastructure in the country. The Directors also place on record their appreciation to the officials of Comptroller & Auditor General of India for their guidance during the year under review. Last but not the least, the Directors would like to express their deep appreciation and gratitude towards all their predecessors who have been associated with RVNL, for their invaluable contribution to the growth and development of the Company in attainment of the Company's aims and goals in all spheres.

For and on behalf of the Board of Directors

Sd/-

S.C. Agnihotri

(Chairman and Managing Director)

Place: New Delhi

Date: 3<sup>rd</sup> July, 2013

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****Industry Structure and Development:**

In 2012-13, Indian Railways joined the exclusive club of world railways with an originating loading of over 1 billion tonnes of traffic, despite a difficult global economic environment. During 2013-14, it is projected that the loading will further increase to 1047 million tonnes. The number of passengers increased to about 8 billion in 2012-13 and is expected to increase by 5.2% in 2013-14. However, the railways are facing major challenges in maintaining this growth trajectory due to severe capacity constraints and financial crunch.

Indian Railways is presently faced with a significant infrastructure deficit as the main traffic carrying routes are saturated. This coupled with a significant national initiative for development of the road sector and technologies for road transportation have resulted in the share of traffic being moved by roads steadily increasing at the cost of the share of railways which has reduced to less than 30%. Alarming, this is also true for the traditional bulk cargo of railways such as coal, cement, steel etc. On a wider perspective, this is not in the national interest as the railways are the most energy efficient and environment friendly mode of transport on land. The Railways are also not in a position to meet the demand for additional passenger traffic. In this background, the railways will have no option but to focus on creation of additional line capacity.

At the same time, the railways have a throw-forward of projects of ₹ 1,75,000 crore to be completed. Limited budgetary support has resulted in the thin spread of funds which has compounded the problem. In fact, the Minister for Railways in his Budget speech for 2013-14 observed that "many of the projects which would help railways in debottle-necking and decongesting its over saturated network are not getting funded in the time bound manner..... considering the vastness of our country and taking into account large areas still aspiring for rail connectivity, the rail network has to be extended at a much faster rate than has been possible till now."

During the 12th plan, Indian Railways has been advised a target of ₹ 1.20 lakh crore from market borrowing and ₹ 1 lakh crore from Public Private Partnership (PPP) route for meeting its infrastructure requirements.

The present scenario of a severe resource crunch and the need for capacity augmentation is in fact similar to that faced by the railways in 2002. At that time, Prime Minister of India launched a non-budgetary investment initiative for the creation and augmentation of capacity of rail infrastructure called National Rail Vikas Yojana (NRVY). RVNL was, in fact, created in this background with the specific mandate for fast track implementation of projects and raising of extra budgetary resources.

Over the years, RVNL has established its credentials for fast track delivery of different nature of railway infrastructure projects. RVNL had initially started with the execution of doubling, gauge conversion, new lines and railway electrification projects. Having established itself in the area of project execution, the Company has now diversified and is executing projects of varied types including construction of Metro lines and workshops. RVNL has also been assigned the National Project of Rishikesh Karanprayag new line in Himalayas and is undertaking detailed geo-technical and other studies in the project area for speedy execution and at the same time to ensure safety and quality. There is also a major thrust in the Railway Electrification programme and RVNL is emerging as a major player in this sector.

With regard to RVNL's mandate for resource mobilization, RVNL has played a significant role in the raising of resources for project implementation through the SPV route. RVNL has established five SPVs, which have generated substantial revenues with only a limited contribution of equity by IR. New possibilities of further



investment from critical stakeholders as well as private funding will have to be explored. In this regard, the Ministry of Railways has recently announced a new policy for Private Participation in rail infrastructure which addresses the specific concerns of prospective partners such as ports, mines, industry and private investors. However, the Company's role in raising EBR from market borrowings has been limited to projects financed by IRFC (as decided by Railway Board).

It is in this background that RVNL is poised to play an even more significant role in the ramping of rail infrastructure in the country. While the Company has streamlined its tendering and project management processes, the major challenge that RVNL will face in the coming years is to reduce its dependence on allocation of funds in the railway budget and to find innovative methods to raise extra budgetary resources for implementation of rail related projects in the country.

### **Rail Vikas Nigam Limited (RVNL) – A Synopsis**

Rail Vikas Nigam Limited, a Public Sector Undertaking of Ministry of Railways, was created in 2003 under the National Rail Vikas Yojana (NRVY) to implement railway projects viz. gauge conversion, new line, doubling or third line through budgetary and non-budgetary resources to remove capacity bottlenecks on the Indian Railways network, and to facilitate port connectivity and multimodal corridors to the hinterland on a fast track basis. With the assignment of metro works in Kolkata and construction of workshop projects, RVNL is emerging as a major provider of rail infrastructure projects in fast track mode.

RVNL undertakes project development and implementation and has been mandated to undertake resource mobilization directly or by creation of project specific SPVs or any other financing structure, appropriate for different projects. RVNL is also involved in strengthening the policy and regulatory framework of PPPs in the Railway Sector.

### **Strengths/Weaknesses/Opportunities/Threats**

#### **Strengths**

1. RVNL has demonstrated its capability for fast track implementation of projects. In 2012-13, RVNL completed 267 km of doubling works i.e. 40% of the total 700 km achieved by Indian Railways, 188 km of pure Railway Electrification works and 215 km of electrification as part of doubling and other projects (approximately 35% of total RE work executed by Indian Railways).
2. RVNL has successfully mobilized funds for the construction of new lines by creating project specific SPVs with strategic stake holders. Projects worth ₹ 4324 crore have been taken up for implementation by 5 SPVs with a total equity investment by Railways/ RVNL of only ₹ 546 crores, which is 13% of the total investment. Its large capital base can be leveraged to raise more funds as per its original mandate.
3. MoR has delegated the authority to RVNL for sanctioning of estimates and awarding contracts without any financial limits. This enables RVNL to implement projects faster than other railway organizations. As RVNL can award large value contracts, it has been able to attract the best infrastructure companies in India to work as its contractors, viz. L&T, AFCONS, Tata Projects, Simplex, Gammon India, Nagarjuna etc.
4. It has developed expertise in undertaking all stages of project development - from concept to commissioning – including carrying out feasibility/bankability studies, DPR (Detailed Project Reports), financing/structuring of project specific SPVs, tendering for EPC contractors, project supervision, commissioning etc.
5. RVNL has developed the requisite skills and experience to implement projects to follow ADB procedures and ensure Resettlement and Rehabilitation of Project Affected Persons displaced by land acquisition to implement socio-economic safeguards.

6. It has introduced large-scale mechanization in all aspects of construction to achieve high quality output and has adopted the latest technology in civil construction, signaling and electrification works.
7. It has refined its tendering processes and introduced innovative concepts like multi-package tender that result in quick decision making and saving in overall costs.
8. It has a sound and robust financial management system, which allows for effective monitoring and control of expenditure.

**Weaknesses**

1. RVNL is over dependent on the Ministry of Railways for funding of projects which may prove detrimental for the future growth of the Company and for timely implementation of projects.
2. RVNL has not been notified as a Zonal Railway and accordingly does not have the authority to approve drawings, designs etc. The progress of projects often gets impaired on account of delays in securing the necessary approvals from the Zonal Railways.

**Opportunities**

1. RVNL has been entrusted with the work of implementation of projects for Kolkata Metro. This will give RVNL an opportunity to develop expertise for implementation of metro projects in new cities across the country.
2. RVNL has successfully constructed major workshops for electrical and mechanical departments of Indian Railways in fast track mode. With these credentials, RVNL can undertake implementation of large buildings, factories, townships etc. for other agencies as well.
3. With RVNL's growth as a major provider of a variety of rail infrastructure, there is an opportunity of securing rail infrastructure projects overseas.
4. The 12th Plan has recognized the need for Indian Railways to raise extra-budgetary resources for implementation of its infrastructure projects, where RVNL can play a significant role as this is a specific mandate of the Company and has experience of implementation of projects in PPP mode.
5. Railways have formulated a new policy for attracting private participation in augmenting capacity in Indian Railways which can be used for implementing PPP projects in the railway.
6. RVNL is implementing Rishikesh – Karanprayag project in the Himalayan region and can also take up more such projects.
7. RVNL has formed a subsidiary company for the development and implementation of High Speed Rail projects - High Speed Rail Corporation of India Limited.

**Threats**

1. The shortage of technical manpower, with required experience in the rail sector, is a major constraint in the delivery of projects. At present, RVNL is largely dependent on deputationists from Indian Railways. Any adverse policy decision may result in railway officers not being available for deputation.
2. Land acquisition issues require to be resolved expeditiously so that the progress of projects is not hampered.
3. Delays in clearances for project execution, such as tree-cutting, removal of utilities from the construction of viaducts in metros for metro rail projects etc.
4. A number of projects are being executed along existing running lines, which makes safety a serious challenge.



5. Projects are adversely affected due to poor law and order conditions, such as those in Left Wing Extremists affected districts.
6. Delays in project delivery may have an adverse impact on the image of RVNL.

### **Industrial Relations**

Industrial Relations remained harmonious and cordial.

### **Strategies**

The Company is taking measures for ensuring cost control and timely delivery of projects, without any compromise on quality, for the execution and delivery of rail infrastructure projects on a fast track basis. RVNL can play a significant role in Ministry of Railways efforts of raising extra-budgetary resources for project implementation, especially through the SPV route. Innovative models for project financing will also have to be explored. RVNL has also requested Ministry of Railways that it may be permitted to leverage its equity base to raise funds from the market as per its mandate.

To reduce the dependence on seeking officers and staff on deputation from Railways, RVNL has formulated an Absorption Policy. Most of the workforce consists of engineers with experience in Railways and/or its PSUs. RVNL has also recruited specialists to provide continuity in its project implementation.

An appropriate recruitment and training programme is being designed to develop competent, suitably skilled and qualified manpower. Efforts are also being made to transfer skills and best practices from other infrastructure sectors and acquiring skills related to execution of railway projects.

The Mission, Vision and Objectives of the Company as per the MoU are as mentioned below:

#### **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.

#### **Objectives:**

- To undertake and execute successfully project development, financing and implementation of projects relating to infrastructure, especially rail infrastructure;
- To mobilize financial and human resources for project implementation;
- Timely execution of projects with least cost escalation;
- To maintain a cost effective organizational set up;
- To encourage public private participation in rail related projects managed by RVNL;
- To be an infrastructure Project Execution Company committed to sustainable development and environment friendly construction practices of rail related projects in the country;
- To acquire, purchase, license, concession or assign rail infrastructure assets including contractual rights and obligation with the approval of MoR whenever required.

### **Outlook**

As per the MoU between RVNL and Ministry of Railways for the year 2013-14, RVNL is committed to achieve 250 km of Doubling/third line and 200 km of Railway Electrification during the year. In addition, RVNL will be taking up implementation of ADB projects under the 2nd loan, and other works recently transferred to RVNL.

Execution of works related to expansion of Kolkata Metro, Workshops etc will continue. The Company will endeavor to exceed the target for turnover of ₹ 2200 crore set in the MoU.

### **Concerns**

The main concern being faced by RVNL in the implementation of projects is the availability of funds from Ministry of Railways as the requirement of funds projected for 2013-14 has been substantially curtailed. Delays in land acquisition, finalization of plans by users, timely clearance of permissions from other government departments (mainly Ministry of Environment and Forests) and law and order problems can lead to time and cost overruns. The execution of projects, which involve linking with the present rail system in the proximity of running lines, often involve operational difficulties which require immense efforts of coordination. These factors will impact the viability of the project and the credibility of RVNL for speedy implementation of projects.

### **Internal Control Systems**

As the main activity of RVNL is the execution of projects, the Company has put in place an effective internal control system for monitoring the implementation of projects including periodic reviews of the physical and financial progress, evaluation of efficiency of cost control measures based on inputs of both the Technical and Finance Departments.

The Finance and Accounts Department also conducts reviews of the progress and nature of expenditure and submits reports thereon to Management. Budgetary reviews are also conducted. A system of internal audit by an external firm ensures the efficacy of control systems and also submission of comments on the appropriateness of incurrence of expenditure and their accountal by the Company. The reports of the internal auditor are periodically reviewed by Audit Committee of the Board of Directors and implementation of recommendations are monitored. The Annual Accounts of the Company are also subject to scrutiny by the Statutory Auditor appointed by CAG and Audit by CAG.

### **Human Resource Development and Industrial Relations**

The Human Resource strategy of Rail Vikas Nigam Limited aims at enhancing the capabilities of the organization in acquiring, developing, motivating and retaining its human resources in an environment in which team work and cooperation among employees contributes to the growth and well being of individual employees as well as the organization as a whole.

To strengthen its position, the Company has formed a nucleus of its own permanent cadre through an Absorption Policy along with a Recruitment & Promotion Policy as approved by the Board of Directors of RVNL.

### **Cautionary Statement**

Statements in the Directors' Report and Management Discussion and Analysis Report describing the Company's strengths, strategies, projections, philosophies and estimates may be "forward looking statements" and progressive within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, government policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward looking statements.





## REPORT ON CORPORATE GOVERNANCE

Annexure "B"

### 1. The Company's Corporate Governance philosophy

At RVNL, Corporate Governance is not solely restricted to regulatory or structural remedies. At your Company, it is a culture, which is based on trusteeship, transparency, empowerment, accountability and corporate ethics. Your Company has always shown commitment towards its Code of Corporate Governance, which is, "To act in accordance with the highest standards of professional integrity, honesty, ethical conduct and to be proficient, professional and profitable by upholding and promoting transparency and accountability."

RVNL has taken initiatives to strengthen the Corporate Governance framework internally by implementing policies viz., Code of Conduct for Board members and Senior Management and Whistle Blower Policy. To attain the set goals and targets, your Company has been guided by the following key values:

- ❖ Zeal to attain excellence in performance;
- ❖ To act as a team;
- ❖ Honesty and justice in dealings;
- ❖ Firm obedience to commitments undertaken;
- ❖ Timely completion of work;
- ❖ Respect for dignity and potential of individuals;
- ❖ Devotion and pride towards RVNL.

### 2. Board of Directors

The Board lays down the Company's policies and procedures and oversees their implementation to ensure attainment of the objectives of the Company. The Board of Directors consists of experienced professionals who constantly endeavour to set goals to align with the Company's Mission, i.e. **("To create state of the art rail transport infrastructure to meet the growing demand")** and Vision, i.e. **("To emerge as the most efficient provider of rail infrastructure, with a sound financial base and global construction practices, for timely completion of projects.")**

Your Company, being a Government Company, as defined under the Companies Act, 1956, appointment/nomination of all the Directors is done by President of India through Ministry of Railways. The Articles of Association of your Company provides that the strength of the Board shall not be less than three (3) Directors and not more than twelve (12). These Directors may be either whole-time Directors or part-time Directors.

#### a. Composition of the Board

The present strength of the Board of RVNL comprises of nine (9) Directors. The post of Managing Director, RVNL has been re-designated as Chairman and Managing Director w.e.f. 5th March 2013 as communicated by Ministry of Railways. Accordingly, Mr. S.C. Agnihotri has assumed the charge of Chairman and Managing Director, RVNL w.e.f. 5th March 2013, in continuation of his charge as Managing Director, RVNL.

The composition of the Board includes five (5) whole-time Directors including Chairman and Managing Director, one (1) Government Nominee (on behalf of Ministry of Railways) as (part-time) (official) Director, and three (3) part-time (non-official) (Independent) Directors. The composition of the Board of RVNL is in accordance with the guidelines issued by Department of Public Enterprises on Corporate Governance in May, 2010 regarding unlisted CPSEs.

The age limit of Chairman and Managing Director and other whole-time Directors is 60 years.

The Chairman and Managing Director and other whole-time Directors are appointed for a period of five years from the date of taking over of charge or till the date of superannuation of the incumbent or till further orders from the Government of India, whichever event occurs earlier.

Government Nominee Directors representing the Ministry of Railways, Government of India, retire from the Board at the discretion of the nominating authority or on their ceasing to be officials of the Ministry of Railways.

Independent Directors are appointed by the Government of India, usually for a tenure of 3 years.

The composition of the Board of RVNL, along with Directorships and memberships/chairmanships in the Committees held by them is reproduced in the table below:

## Directors on the Board of RVNL

Sl. No.	Category of Directors	Name of Directors	Number of Directorships/ Chairmanships in public companies excluding RVNL*	Total No. of Committee Memberships/ Chairmanships in public limited companies including RVNL#	
				As Chairman	As Member
<b>(i) Whole-time Directors</b>					
1.	Chairman and Managing Director (Managing Director from 27.1.2010) (Chairman and Managing Director due to re-designation from 05.03.2013)	Mr. S.C. Agnihotri	1 {Chairman - HSRC}	Nil	Nil
2.	Director (Finance)	Mr. Ashok K. Ganju	1 {Director - HSRC}	Nil	Nil
3.	Director (Operations)	Mr. Mukul Jain	1 {Director - HSRC}	Nil	1 (upto 20.09.2012)
4.	Director (Personnel)	Ms. Gita Mishra	Nil	Nil	Nil
5.	Director (Projects)	Mr. Vijay Anand	1 {Director - HSRC}	Nil	Nil
<b>(ii) Part-time (official) Directors</b>					
6.	Member Engineering, Railway Board (upto 31.01.2013)	Mr. A.P. Mishra	3 {Chairman-IRCON, KRCL} {Director - DMRC}	Nil	Nil
7.	Advisor (Bridges) Railway Board (upto 25.01.2013)	Mr. A. K. Gupta	Nil	Nil	Nil
8.	Advisor (Projects) Railway Board (from 20.02.2013)	Mr. Pradeep Kumar	1 {Director-CMRL}	Nil	Nil
9.	(Part-time) (non-official) (Independent) Directors	Mr. R. N. Aga (upto 16.02.2013)	1 { Director – NMDC }	1	2
10.		Dr. K.K. Chaudhuri	2 { Director- Manaksia Limited and Sharda Plywood Industries Limited}	1	3
11.		Prof. (Dr.) S. S. Chatterji	1 { Director – IRCON }	Nil	2
12.		Mr. R.S. Sharma (From 11.06.2012)	2 { Director – DFCCIL and IndusInd Bank Limited }	Nil	3

\* Does not include Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

# Membership/Chairmanship in the Audit Committee and Shareholders' Grievance Committee only have been considered for counting the number, as prescribed under DPE's Guidelines on Corporate Governance, 2010.



**Notes:**

- a. The term “whole-time” indicates functional/ executive Directors (in the whole time employment of the Company).
- b. The term “part-time (official) indicates the Directors nominated by Government (Ministry of Railways) on the Board of RVNL who are officials of the Ministry of Railways.
- c. The term “part-time non-official” indicates the Directors who are independent and do not hold any office in the Government.
- d. The number of directorships held by Directors of the Company is within the limit stipulated under Companies Act, 1956.
- e. The Directorships and Memberships/ Chairmanships are based on the latest disclosure received.
- f. Directors are not per se related to each other and do not have any pecuniary relationship or transaction with the Company.
- g. None of the Directors are member of more than 10 committees or Chairman of more than 5 committees as laid down in DPE’s guidelines on Corporate Governance of May, 2010 .
- h. Full names of the referred companies:
  - HSRC – High Speed Rail Corporation of India Limited;
  - KRCL – Konkan Railway Corporation Limited;
  - DMRC – Delhi Metro Rail Corporation Limited,
  - CMRL – Chennai Metro Rail Limited;
  - NMDC – National Mineral Development Corporation Limited;
  - DFCCIL – Dedicated Freight Corridor Corporation of India Limited

**3. Board Meetings, Committee meetings and Procedures:**

**a. Scheduling and selection of agenda for Board/Committee meetings**

- ✓ The meetings are convened by giving appropriate advance notice after obtaining the approval of the Chairman of the Board/ Committee. Detailed agenda notes, along with other explanatory statements, are circulated in advance among the members for focused discussion and effective decision- making during the meeting. When urgent issues need to be addressed, meetings are called at shorter notice or resolutions are passed by circulation, which are put up in the next meeting of the Board of Directors for information.
- ✓ Wherever it is not practical to attach a document to the agenda item, being confidential in nature, the same is tabled at the meeting with approval of Chairman of the Board/Committee.
- ✓ In special and exceptional circumstances, additional or supplementary items are placed on table during the meeting.
- ✓ The agenda papers are prepared by the concerned officials, sponsored by the concerned Functional Director and approved by the Chairman and Managing Director.
- ✓ Duly approved Agenda papers are circulated amongst the members of the Board/Committee by the Company Secretary or the convener of the Committee.
- ✓ The meetings are usually held at the Company’s registered office.
- ✓ The members of the Board have complete access to all information of the Company. The Board is also, free to recommend any issue that it may consider important for inclusion in the agenda.

- ✓ Presentations are made to the Board/ Committee covering Finance, Operations, Human Resources, Joint Venture operations, whenever required.

**b. Recording of minutes of the Board/Committee meeting**

Minutes of the proceedings of each Board/Committee meetings are duly recorded. Draft minutes are circulated amongst all members of the Board/Committee for their suggestions and comments. The comments received by the members are incorporated in the minutes, which are finally approved by the Chairman of the Board/Committee. The finalized minutes are entered in the Minutes Book. The minutes of the Board meeting are confirmed in the next meeting. Minutes of the meetings of the committees are included in the agenda of the Board meeting for information of the Directors.

**c. Compliance of laws**

RVNL endeavours that all provisions of laws, rules and guidelines applicable to it are complied with. To ensure the same, a duly signed Statutory Compliance Certificate is obtained from all the Departments at Corporate Office level and all the Project Implementing Units which is consolidated by Company Secretary and put up to Board of Directors with the signature of Chairman and Managing Director on an annual basis.

**d. Number of Board meetings**

As per the guidelines on Corporate Governance released by Department of Public Enterprises in 2010, the Board meetings of RVNL are held within an interval of not more than 3 months.

During 1st April, 2012 to 31st March, 2013, the Company held five Board meetings to transact business with two meetings in the quarter ending June 2012 and one meeting in each quarter ending September 2012, December 2012 and March 2013.

In all cases of absence of a Director, Leave of Absence was granted under clause (g) of sub-section (1) of section 283 of the Companies Act, 1956.

Details of the dates of the meetings of Board of Directors of RVNL for the year under review are mentioned below:

55th meeting of Board of Directors	19th May, 2012
56th meeting of Board of Directors	28th June, 2012
57th meeting of Board of Directors	21st September, 2012
58th meeting of Board of Directors	26th October, 2012
59th meeting of Board of Directors	25th January, 2013

**e. Attendance in Board meetings and last AGM**

The details of attendance of each Director in the Board meetings held during 2012-13 and in the last AGM are mentioned below:

Sl. No	Name & Status of Directors	No. of Board meetings held		Last AGM attended
		Held (during their respective tenure)	Attended	
1.	Mr. A.P. Mishra , Member Engineering, Railway Board & Chairman (official) (upto 31.01.2013)	5	5	Yes



Sl. No	Name & Status of Directors	No. of Board meetings held		Last AGM attended
		Held (during their respective tenure)	Attended	
2.	Mr. S.C. Agnihotri, Chairman and Managing Director (Managing Director from 27.01.2010) <i>(Chairman and Managing Director due to re-designation from 05.03.2013)</i>	5	5	Yes
3.	Mr. Ashok K. Ganju, Director (Finance)	5	5	Yes
4.	Mr. Mukul Jain, Director (Operations)	5	5	Yes
5.	Ms. Gita Mishra, Director (Personnel)	5	5	Yes
6.	Mr. Vijay Anand, Director (Projects)	5	5	Yes
7.	Mr. A. K. Gupta, Adviser (Bridges)/Railway Board & Director (official) (upto 25.01.2013)	4	3	Yes
8.	Mr. R. N. Aga, Part-time (non-official) Director (upto 16.02.2013)	5	5	Yes
9.	Dr. K.K. Chaudhuri, Part-time (non-official) Director	5	4	No
10.	Prof. (Dr.) S. S. Chatterji, Part-time (non-official) Director	5	5	Yes
11.	Mr. R. S. Sharma Part-time (non-official) Director (from 11.06.2012)	4	2	Yes
12.	Mr. Pradeep Kumar, Advisor (Projects), Railway Board Director (official) (from 20.02.2013)	0	0	N/A

**f. Disclosures by Directors**

As per the disclosures made by Directors under section 299 of Companies Act, 1956, no relationship exists between the directors inter-se. The Government Nominee Directors are officials of Ministry of Railways and thus related to the promoter.

Since, the entire paid-up share capital of RVNL is being held by Central Government (Ministry of Railways), sections 255 to 257 of the Companies Act, 1956, which require not less than 2/3rd of the Directors as persons whose office is liable to determination by retirement of directors by rotation at a general meeting, are exempt to the Company vide Notification No. GSR. 906, dated 30-07-1981 of

Department of Company Affairs.

The Company has not issued any prospectus or Letter of Offer.

**g. Brief resume of Directors appointed during/after the closure of the financial year:**

✓ **Mr. R. S. Sharma, (part-time) (non-official) Independent Director, RVNL w.e.f. 11.06.2012**

Mr. R. S. Sharma is the former Chairman and Managing Director of India's premier national oil company- Oil and Natural Gas Corporation Ltd (ONGC). He was also concurrently the Chairman of ONGC Videsh Ltd (OVL), Mangalore Refinery & Petrochemicals Ltd (MRPL) and five other ONGC Group companies during the 56 months period from May, 2006 to Jan, 2011.

Mr. R S Sharma, a Fellow Member of the Institute of Cost Accountants of India and an Associate Member of the Indian Institute of Bankers, has participated in various management programmes in India and overseas. Prior to joining ONGC in the middle management level, he has functioned as Regional Head of Finance for overseas operations of another PSU. Mr. Sharma has also had over 10 years banking experience with specialized experience in Credit Appraisal. Mr. Sharma was intensely associated with various industry associations and federations in highly responsible capacities. He continues to hold the position of Chairman-FICCI Hydrocarbon Committee

An honorary fellow of Institute of Directors (IOD), All India Management Association (AIMA) and Project Management Association of India (PMA), Mr. R S Sharma had led ONGC and Group companies to a commendable height of corporate excellence. It is not only that Mr. Sharma was instrumental for ONGC getting numerous awards and accolades for its various activities; he himself was also conferred with several prestigious awards and accolades. Out of his personal accolades few are worth mentioning, like CNBC TV18 CFO Award in 2005, 2006 and 2007; Amity Corporate Leadership Award in 2009; CII Outstanding performance Award in 2010; ICONOCLAST CEO Award in 2010 and Star Lifetime Achievement Award for HR Leadership in February, 2011.

✓ **Mr. Pradeep Kumar, Advisor (Projects), Railway Board as (part-time) (official) Director w.e.f. 20.02.2013**

Mr. Pradeep Kumar, Advisor (Projects), Railway Board has been nominated as part-time (official) Director on the Board of RVNL w.e.f. 20.02.2013 by Ministry of Railways. Born on 1.7.1957, he is an IRSE officer of 1978 batch. He is BE (Civil) from University of Roorkee and has done Masters' Diploma in Public Administration from Indian Institute of Public Administration (IIPA). Besides holding the charge of Advisor (Projects) Railway Board, he is also handling the additional charge of Advisor (Civil Engineering), Ministry of Railways. During his 35 years of career with Indian Railways, he has held various significant positions including, Chief Track Engineer, Northern Railway, Divisional Railway Manager, Delhi Division, Northern Railway, Executive Director (Civil Engineering/Planning), Chief Engineer (Construction), South East Railway and Northern Railway. Before taking the charge of Advisor (Projects), Railway Board he worked as Principal Chief Engineer, South Central Railway.

He has participated in various trainings in India and abroad and has also represented Indian Railways in international trainings and seminars.

**4. Committees of Board**

The Company has formed the following committees of Board of Directors of RVNL:

- i. Audit Committee;
- ii. Remuneration Committee;
- iii. Investment Committee;





- iv. RVNL's Corporate CSR Committee (till 31st March 2013);
- v. RVNL's Board level Sustainable Development Committee (till 31st March 2013);
- vi. RVNL's Board level Advisory Committee on Research & Development;
- vii. RVNL's HR Monitoring Committee;
- viii. RVNL' Board level Committee on CSR and Sustainability (from 1st April, 2013 onwards)

**I. Audit Committee:**

- a. *Scope of the Committee* : The Committee acts in accordance with the Terms of Reference as per Section 292A of Companies Act, 1956 and Guidelines of Corporate Governance laid down by Department of Public Enterprises in May, 2010. The scope of the Committee is:
  - ✓ Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
  - ✓ Recommending to the Board the fixation of audit fees.
  - ✓ Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
  - ✓ Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
    - Matters required to be included in the Directors' Responsibility Statement" to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
    - Changes, if any, in accounting policies and practices and reasons for the same;
    - Major accounting entries involving estimates based on the exercise of judgment by management;
    - Significant adjustments made in the financial statements arising out of audit findings;
    - Compliance with legal requirements relating to financial statements;
    - Disclosure of any related party transactions; and
    - Qualifications in the draft audit report.
  - ✓ Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
  - ✓ Reviewing, with the management, performance of internal auditors and adequacy of the internal control systems.
  - ✓ Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
  - ✓ Discussion with internal auditors and/or auditors any significant findings and follow up there on.
  - ✓ Reviewing the findings of any internal investigations by the internal auditors/ auditors/agencies into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  - ✓ Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  - ✓ To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

- ✓ To review the functioning of the Whistle Blower Mechanism.
  - ✓ To review the follow up action on the audit observations of the C&AG audit.
  - ✓ To review the follow up action taken on the recommendations of Committee on Public Undertaking (COPU) of the Parliament.
  - ✓ Provide an open avenue of communication between the statutory auditor, internal auditor and the Board of Directors.
  - ✓ Review all related party transactions in the company. For this purpose, the Audit Committee may designate a member who shall be responsible for reviewing related party transactions.
  - ✓ Review with the statutory auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
  - ✓ Consider and review the following with the Statutory auditor and the management:
    - o The adequacy of internal controls including computerized information system controls and security, and;
    - o Related findings and recommendations of the Statutory auditor and internal auditor, together with the management response.
  - ✓ Consider and review the following with the management, internal auditors and the Statutory auditor:
    - o Significant findings during the year, including the status of previous audit recommendations
    - o Any difficulties encountered during audit work including any restrictions on the activities or access to required information.
  - ✓ Carrying out functions pursuant to provisions of section 292A of the Companies Act.
- b. *Composition of the Committee:* The Company has in place an Audit Committee of the Board of Directors pursuant to Section 292A of the Companies Act, 1956 and the Guidelines on Corporate Governance issued by the Department of Public Enterprises in May, 2010. The Committee is reconstituted as and when there has been change in the independent or part time Directors of the Company.

The Committee was reconstituted last on 21st September, 2012 with the following composition comprising of all the Independent Directors of the Company, due to appointment of Mr. R.S. Sharma as Independent Director on the Board of RVNL. Mr. R.S. Sharma, Independent Director was inducted in the Committee vice Mr. Mukul Jain, Director (Operations), RVNL.

Name of the Director	Status
Mr. R. N. Aga, Part-time non-official (Independent) Director	Chairman
Dr. K.K. Chaudhuri, Part-time non-official (Independent) Director	Member
Dr. S.S. Chatterji, Part-time non-official (Independent) Director	Member
Mr. R.S. Sharma, Part-time non-official (Independent) Director	Member

Director (Finance) is a permanent invitee for the meetings of the Audit Committee.

The meetings are also attended by senior officials of F&A Department, head/representative of the Internal Auditor and Statutory Auditors as Special Invitees.



Due to completion of tenure of Mr R. N. Aga as Independent Director on the Board of RVNL w.e.f. 16.2.2013, as on date of report, the Audit Committee has the following composition:

Name of the Director	Status
Dr. K.K. Chaudhuri, Part-time non-official (Independent) Director	Chairman
Dr. S.S. Chatterji, Part-time non-official (Independent) Director	Member
Mr. R.S. Sharma, Part-time non-official (Independent) Director	Member

c. *Meetings and Attendance of the Committee:*

In accordance with the guidelines released by Department of Public Enterprises on Corporate Governance, the meetings of Audit Committee were held in an interval of less than four months. The Committee met four times during the financial year 2012-13, i.e. on 17th May 2012, 28th June, 2012, 26th October, 2012 and on 14th February, 2013. The details of the attendance of each member are mentioned below:

Name of the Member with Status	Meeting held during their respective tenure	Attendance
Mr. R. N. Aga, Chairman	4	4
Dr. K. K. Chaudhuri, Member	4	3
Dr. S. S. Chatterji, Member	4	3
Mr. Mukul Jain, Member	2	2
Mr. R.S. Sharma, Member	2	1

Mrs. Suman Kalra, Company Secretary is the Secretary to the Committee, and attended all the meetings of the Committee

## II. Remuneration Committee

- a. *Scope of the Committee:* The Committee has been constituted pursuant to clause 5.1 of the guidelines on Corporate Governance issued by Department of Public Enterprises, to decide the annual bonus/PRP pay pool and policy for its distribution as per the recommendations of 2nd IDA Pay Revision Committee.
- b. *Composition of the Committee:* In accordance with the DPE's guidelines on Corporate Governance released in May 2010, the Committee has been constituted under the chairmanship of an Independent Director and is re-constituted as and when there is change in independent director(s) or part-time directors of the Company .

As on date of report, the Committee had the following composition:

Name of the Director	Status
Dr. K.K. Chaudhuri, Part-time non-official (Independent) Director	Chairman
Dr. S.S. Chatterji, Part-time non-official (Independent) Director	Member
Mr. R.S. Sharma, Part-time non-official (Independent) Director	Member
Mr. Ashok K. Ganju , Director (Finance), RVNL (without right to vote)	Member

Mr. S. C. Agnihotri, Chairman and Managing Director and Mrs. Gita Mishra, Director (Personnel) are permanent invitees for the meetings of the Committee.

Mr. Ajay Kumar, GGM (HR) is the Secretary to the Committee.

- c. *Meetings and Attendance during the year:* The Committee did not meet during the financial year 2012-13.

**Details of remuneration paid to Directors of RVNL during 2012-13***a. Part-time official (Government nominee) Directors*

The part-time official (Government nominee) Directors on the Board of the Company do not draw any remuneration. They only draw regular remuneration from the Government of India (Ministry of Railways) as Government officials.

*b. Sitting fee to (part-time) (non-official) Independent Directors*

The part-time non-official (Independent) Directors on the Board of the Company are paid a sitting fee of ` 12000/- for attending Board/Committee meetings. (Figures in ₹)

S. No.	Name of the Director	Sitting Fees		Total
		Board Meetings	Committee Meeting	
1.	Mr. R. N. Aga	60000	132000	192000
2.	Dr. K. K. Chaudhuri	48000	36000	84000
3.	Dr. S. S. Chatterji	60000	36000	96000
4.	Mr. R.S. Sharma	24000	12000	36000
	<b>Total</b>	<b>192000</b>	<b>216000</b>	<b>408000</b>

*c. Remuneration of whole-time Directors for financial year 2012-13*

(Figures in ₹)

S. No	Name of Directors	Salary	Lease/ (License Fee)	Performance related Pay/Ex-Gratia Payment*	Retirement Benefits (EPF or FSC)	Bonus/ Ex-gratia	Stock options	Total
1.	Mr. S.C.Agnihotri Chairman and Managing Director	2286657	871304	1999560	211854	--	--	<b>5369375</b>
2.	Mr. Ashok K. Ganju Director(Finance)	1913348	703723	0	186481	--	--	<b>2803552</b>
3.	Ms. Gita Mishra Director (Personnel)	2182377	729229	1411380	296898	--	--	<b>4619884</b>
4.	Mr. Mukul Jain Director (Operations)	2037089	674172	1068750	187330	--	--	<b>3967341</b>
5.	Mr. Vijay Anand Director (Projects)	1874859	116067	0	182712	--	--	<b>2173638</b>
6.	Mr. Harish Chandra Director (Finance) upto 31.08.2011	--	--	1523370	--	--	--	<b>1523370</b>
	<b>Total</b>	<b>10294330</b>	<b>3094495</b>	<b>6003060</b>	<b>1065275</b>	--	--	<b>20457160</b>

**Notes:**

1. Gratuity and other pensionary benefits of working Directors have not been included.
2. Payment on account of PRP to Sh. S.C.Agnihotri, Sh. Mukul Jain and Smt. Gita Mishra pertains to financial year 2010-11.
3. Payment on account of PRP amounting to ₹ 15,23,370/- to Sh. Harish Chandra pertains to financial year 2010-11.



**III. Investment Committee:**

- a. *Scope of the Committee:* In accordance with DPE guidelines, the Investment Committee of RVNL has been constituted to take investment decisions for short-term deployment of surplus funds as per financial delegation(s) of power for this purpose. The decision taken by the Committee is put up to the Board of Directors of RVNL regularly for information.
- b. *Composition of Committee:* The Committee consists of Chairman and Managing Director, Director (Finance) and Director (Operations). Ms. Meenu Dang, GM (F) is Member Secretary to the Committee.
- c. *Meetings and attendance of the Committee:* The meetings of the committee are held generally on weekly basis or as required, and are attended by all the members.

**IV. RVNL's Corporate CSR Committee (till 31st March, 2013)**

- a. *Scope of the Committee:* This Company has constituted a Corporate CSR Committee pursuant to the guidelines of Department of Public Enterprises (DPE) in November 2011. The Committee has been constituted to monitor the implementation and execution of 5 Year Plan (2011-16) on RVNL's CSR with the responsibilities of formulation of policies, sanction of projects, quarterly periodical reviews, reporting to the Board of Directors, Administrative Ministry and DPE, communication with the National Hub etc.
- b. *Composition of Committee:* The Committee had the following composition till 31st March 2013.

Name of the Director	Status
Mrs Gita Mishra, Director (Personnel)	Chairperson
Mr. Vijay Anand, Director (Projects)	Member
Mr. Ashok K Ganju, Director (Finance)	Member
Mr. D. Ghosh Roy, ED/Mechanical	Member Coordinator

- c. *Meetings and attendance of the Committee:* During the financial year 2012-13, RVNL's Corporate CSR Committee held two meetings on 13.5.2012 and 22. 8.2012. The details of the attendance are mentioned below:

Name of the Member	Meeting held during their respective tenure	Attendance
Mrs Gita Mishra, Director (Personnel)	2	2
Mr. Vijay Anand, Director (Projects)	2	2
Mr. Ashok K. Ganju, Director (Finance)	2	2
Mr. D. Ghosh Roy, ED/Mechanical	2	2

**V. RVNL's Board level Sustainable Development Committee (till 31st March, 2013)**

- a. *Scope of the Committee:* Pursuant to guidelines of Department of Public Enterprises (DPE), the Board of Directors of RVNL constituted the Committee on 24.10.2011 while approving the 5 Year Plan (2011-16) on RVNL's Sustainability with the responsibilities of formulation of policies, quarterly periodical reviews of implementation of Sustainable Development initiatives of RVNL, reporting to the Board of Directors, Administrative Ministry, DPE etc.

b. *Composition of Committee:* The Committee has been formed with the following composition:

Name of the Director	Status
Mr. R. N. Aga, (part-time) (non-official) Independent Director	Chairman
Mr. Vijay Anand, Director (Projects)	Member
Mrs Gita Mishra, Director (Personnel)	Member
Mr. Ashok K Ganju, Director (Finance)	Member

Mr. P. K. Singh, ED (Infra) is Secretary to the Committee

c. *Meetings and attendance of the Committee:*

During the financial year 2012-13, the Committee had four meetings on 15.5.2012, 4.9.2012, 22.11.2012 and 11.3.2013. The details of attendance are mentioned below:

Name of the Member with Status	Meeting held during their respective tenure	Attendance
Mr. R. N. Aga, Chairman	3	3
Mr. Vijay Anand, Director (Projects)	4	4
Mrs Gita Mishra, Director (Personnel)	4	4
Mr. Ashok K Ganju, Director (Finance)	4	3

## VI. RVNL's Board level Advisory Committee on Research & Development

a. *Scope of the Committee:*

The Committee has been constituted by the Board of Directors of RVNL in accordance with the guidelines of Department of Public Enterprises (DPE) on 24.10.2011. The Committee has been constituted to monitor the progress of implementation of Research & Development, and system improvement initiatives in RVNL.

b. *Composition of Committee:* The Committee has been formed with the following composition:

Name of the Director	Status
Mr. R. N. Aga, (part-time) (non-official) Independent Director	Chairman
Mr. Vijay Anand, Director (Projects)	Member
Mrs Gita Mishra, Director (Personnel)	Member
Mr. Ashok K Ganju, Director (Finance)	Member
Mr. Mukul Jain, Director (Operations)	Member

Mr. S.K. Dhiman, ED/Projects is Secretary to the Committee.

c. *Meetings and attendance of the Committee*

During the financial year 2012-13, the Committee had four meetings on 15.5.2012, 4.9.2012, 22.11.2012 and 25.3.2013. The details of attendance are mentioned below:

Name of the Member with Status	Meeting held during their respective tenure	Attendance
Mr. R. N. Aga, Chairman	3	3
Mr. Vijay Anand, Director (Projects)	4	4
Mrs Gita Mishra, Director (Personnel)	4	4
Mr. Ashok K. Ganju, Director (Finance)	4	3
Mr. Mukul Jain, Director (Operations)	4	4



## VII. RVNL's HR Monitoring Committee

- a. *Scope of the Committee:* RVNL has prepared a Human Resource (HR) Plan covering the key areas of the future HR strategy of the company, in accordance with the guidelines issued by the Department of Public Enterprises. The Committee has been constituted to periodically review the targets, performance and achievements of the RVNL's Human Resource (HR) plan.
- b. *Composition of Committee:* The Committee has been formed with the following composition:

Name of the Director	Status
Mr. R. N. Aga, part-time non-official (Independent) Director	Chairman
Mrs. Gita Mishra, Director (Personnel)	Member
Mr. Ashok K. Ganju, Director (Finance)	Member

Mr. Ajay Kumar, GGM (HR) is Secretary to the Committee.

- c. *Meetings and attendance of the Committee:* During the financial year 2012-13, the Committee held one meeting on 22nd November, 2012 and was attended by all the members.

## VIII. RVNL's Board level Committee on CSR and Sustainability (From 1st April, 2013 onwards)

Till 31st March, 2013, RVNL had two separate Board level Committees on Corporate Social Responsibility and Sustainability as mentioned in para IV and V above.

However, in accordance with the revised guidelines and directives issued by Department of Public Enterprises (DPE) in January 2013 (which were to be effective from 1st April 2013), RVNL formulated its CSR and Sustainability Policy, which was approved by the Board of Directors (BoD) of RVNL in January 2013 itself.

The separate Board level Committees on CSR and Sustainability were accordingly dissolved and a new RVNL's Board level Committee for CSR and Sustainability was constituted under the chairmanship of an Independent Director as mentioned below.

As on date of report, the RVNL's Board level Committee on CSR and Sustainability has the following composition:

Name of the Director	Status
Dr. K.K. Chaudhuri, Independent Director	Chairman
Mrs. Gita Mishra, Director (Personnel)	Member & Convener
Mr. Vijay Anand, Director (Projects)	Member
Mr. Ashok K Ganju Director (Finance)	Member

## 5. Shareholders' Grievance Committee

The Company has not constituted a Shareholders Grievance Committee as the entire paid-up share capital is held by Ministry of Railways and its nominees.

## 6. General Body Meetings

The details relating to date, time, venue and the special resolutions passed at the last three Annual General Meetings of the Company are placed below:

Year	AGM	Date	Time	Venue	Special Resolution passed
2011-12	9th	21.09.2012	1600 hrs	Committee Room, Rail Bhawan	No
2010-11	8th	16.09.2011	1200 hrs	Committee Room, Rail Bhawan	Yes. The special resolution was passed for alteration of Articles of Association of RVNL under section 31 of Companies Act to reflect the increase in sitting fee to part-time (non-official) Independent Directors of RVNL.
2009-10	7th	09.09.2010	1200 hrs	Committee Room, Rail Bhawan	No

### Annual General Meeting of current year

Date : 18th September, 2013

Time : 1200 hrs

Venue : Committee Room, Rail Bhawan, New Delhi-110001

### 7. Subsidiary Company

During the year 2012-13, your Company has incorporated a wholly owned (100%) subsidiary company, High Speed Rail Corporation of India Limited (HSRC). HSRC received its Certificate of Incorporation on 25.7.2012 and Certificate of Commencement of Business on 18.8.2012.

Chapter 6 of the guidelines issued by Department of Public Enterprises in May 2010 on Corporate Governance cover only those subsidiaries, whose turnover or net worth is not less than 20% of the turnover/net worth of the Holding Company. Since, the turnover / net worth of HSRC did not exceed 20% of the turnover or net worth of RVNL (Holding company) during 2012-13, HSRC is not a 'subsidiary' under the above-mentioned DPE's guidelines. Therefore, provisions relating to subsidiary companies are not applicable to RVNL. However, the minutes of the Board meetings of HSRC, subsidiary of RVNL are invariably placed before the Board of Directors of RVNL.

### 8. Disclosures

- I. The Company has not entered into any significant related party transactions with the Directors or their relatives (Disclosure made by Directors individually pursuant to section 299 of Companies Act) having potential interest with the Company at large.
- II. The Company has not been imposed a penalty by any statutory authority owing to non-compliance under any law, during the last three years.
- III. The Company has complied with the guidelines on Corporate Governance issued by Department of Public Enterprises (DPE) released in May 2010. RVNL has been including a Report on Corporate Governance and Management Discussion and Analysis Report in its Directors Report since 2007-08. The compliance to these Guidelines was also reflected in the Chairman's speech delivered at the last Annual General Meeting of the Company held on 21.9.2012
- IV. The Company has not received any Presidential directive during the financial year 2012-13.
- V. All items of expenditure debited in the Books of Accounts of RVNL are for the purpose of project execution entrusted to RVNL and are related to project expenditure.



- VI. There are no personal expenses incurred for the Board of Directors except which are as per terms of appointment as contractual obligations.
- VII. *Details of Administrative and office expenses as a percentage of total expenses vis-à-vis financial expenses* – During the year, Ministry of Railways has rationalised the revenue stream of RVNL. The principles of allocation of administrative expenses in RVNL are approved by the Audit Committee. The percentage of administrative expenses to total expenses was 4.03% in 2012-13.
- VIII. Your Company has filed the report on Corporate Governance with the Ministry of Railways and Department of Public Enterprises in the stipulated time.
- IX. The Company has set up a Risk Management Committee under the chairmanship of a Functional Director. The Committee meets on a quarterly basis and the recommendations of the Committee are put up to Board of Directors at regular intervals.

### **9. CEO/CFO Certification**

The certificate duly signed by Mr. S.C. Agnihotri, Chairman and Managing Director {CEO} and Mr. Ashok K. Ganju, Director (Finance) {CFO}, as presented to Board of Directors, is annexed as **Annexure "B-2"** to the report.

### **10. Code of Business Conduct and Ethics**

The Code of Business Conduct and Ethics as prepared in accordance with the guidelines on Corporate Governance released by Department of Public Enterprises is posted on the website of the Company, [www.rvnl.org](http://www.rvnl.org).

The Compliance of the Code of Conduct has been affirmed on the basis of confirmation received from all the Board members and senior management personnel for the financial year 2012-13. A declaration to this effect, duly signed by the Chairman and Managing Director is placed at **Annexure "B-1"** and forms part of this report.

### **11. Rating on Corporate Governance by Department of Public Enterprises**

Department of Public Enterprises has rated RVNL as "Excellent" under the category of Corporate Governance during 2011-12. On the basis of self evaluation of achievement of sector specific targets in the MoU, it is expected that RVNL will achieve an "Excellent" rating this year also.

### **12. Means of Communication**

The audited annual financial results and Annual Report are displayed on RVNL's website, [www.rvnl.org](http://www.rvnl.org). Tenders of various departments, details of tenders/contracts awarded, physical and financial Plan of RVNL along with other official news releases are also uploaded on the website of RVNL.

The policies and plans framed under Corporate Governance, viz., Code of Business Conduct and Whistle Blower Policy are placed on the Company's website. The information uploaded on the website of RVNL is updated from time to time according to the information provided. A Hindi Version of the website is also available.

### **13. Shareholders' Information**

- i. The Company's Financial Year is from 1st April to 31st March.
- ii. Payment of Dividend: Dividend when declared is paid within 5 days of declaration.



## iii. Distribution of shareholding

Category	No. of shares held	% of shareholding
Central Government (Ministry of Railways) in the name of President of India and its nominees	2085020100	100.00
<b>Total</b>	<b>2085020100</b>	<b>100.00</b>

Transfer of shares is normally technical in nature from one Government nominee shareholder to another upon change in incumbency, as the entire paid-up share capital of the Company is held by Government of India (Ministry of Railways). To affect the transfer, Company Secretary has been authorized and no transfer is pending.

iv. *Book Closure*

The Company does not resort to closure of Register of Member and Share Transfer Books of the Company.

v. *Plant locations/Operating units*

RVNL does not have plant locations or operating units but has its Project Implementing Units in more than fifteen states across the Country. A list of the units has been mentioned in the Report.

vi. *Information to Shareholders*

Apart from the Annual Reports which are sent to shareholders before the Annual General Meeting, the periodical information(s) on the physical and financial progress of the Company are regularly submitted to Ministry of Railways, the sole shareholder of RVNL.

vii. *Audit Qualifications*

The Company has been putting all efforts towards ensuring a regime of unqualified financial statements and there have been no significant qualifications.

viii. *Training of Board Members*

In this regard, pursuant to clause 3.7 of the guidelines released by Department of Public Enterprises on Corporate Governance, the Company has framed a Training Policy for Board of Directors of RVNL, duly approved by the Board of Directors. The Policy is also posted on the Company's website, [www.rvnl.org](http://www.rvnl.org).

RVNL also takes initiatives to train its Board members about RVNL's profile, business parameters, etc. All the relevant issues and significant developments related to the working of RVNL are imparted to part-time Directors {(official) and (non-official), as the case may be} by the management of RVNL from time to time. The documents related to the Company including Annual Reports, Memorandum and Articles of Association, MoU between RVNL and Ministry of Railways etc are provided to them as per the requirement.

Director(s) are nominated on training programmes organized by DPE and SCOPE from time to time.

ix. *Whistle Blower Policy*

RVNL, being a Government Company under Ministry of Railways, is covered by the Chief Vigilance Commission (CVC) and as per CVC guidelines, a mechanism is established or all its employees and clients to report on any unethical behaviour, actual or suspected fraud to the CVO or the Chairman and Managing Director directly. However, to encourage best Corporate Governance practices within the Company, a Whistle-blower Policy of RVNL has been prepared with approval of the Board of Directors, and is placed on the Company's website, [www.rvnl.org](http://www.rvnl.org).

No employee has been denied access to the Audit Committee of the Board of Directors.

14. *Compliance Certificate*

A Certificate obtained from a Practicing Company Secretary regarding compliance of the conditions of Corporate Governance in accordance with the guidelines issued by Department of Public Enterprises has been included as **Annexure-"B-3"** to the Report.



Annexure "B-1"

**Declaration by Chairman and Managing Director regarding compliance with the Code of Conduct by Board Members and Senior Management for the Financial Year 2012-13**

I, S.C. Agnihotri, Chairman and Managing Director, Rail Vikas Nigam Limited, do hereby declare that all the members of the Board of Directors and the Senior Management team of the Company have affirmed their compliance with the Code of Conduct and key values of the Company during 2012-13.

Sd/-

(S.C. Agnihotri)

Chairman and Managing Director

Place: New Delhi

Date: 25.06.2013

Annexure "B-2"

**Chairman and Managing Director and Finance Head Certification**

We have reviewed financial statements and the cash flow statement for the financial year 2012-13 and to the best of our knowledge and belief:

- i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- iii) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are illegal or violative of the Company's code of conduct.
- iv) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed, to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls of which we are aware and the steps we have taken or propose to take or rectify these deficiencies.
- v) We have discussed with the auditors and the Audit Committee :
  - (a) Significant changes in internal control over financial reporting during the year.
  - (b) Significant changes in accounting policies during the year, and that the same have been disclosed in the notes to the financial statements; and
- vi) There was no instance of significant fraud of which we are not aware nor there has been involvement of management or an employee having significant role in the Company's under internal control system over financial reporting.

Sd/-

Ashok K. Ganju  
Director Finance

Sd/-

S.C. Agnihotri  
Chairman and Managing Director

Place: New Delhi

Date: 03.07.2013

**CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT****1. RVNL's Corporate Social Responsibility Plan**

Rail Vikas Nigam Limited (RVNL) has a Five Year CSR Plan duly approved by the Board of Directors to pursue the long term objectives under RVNL's CSR Plan. The Five Year Plan has been formulated pursuant to the adoption of the CSR Policy and envisages a strategic plan for implementation of programmes and projects for the development of the community as per DPE guidelines.

**2. Aims and objectives**

RVNL's CSR activities are being implemented to meet the broad objectives underlined in the Policy. The objectives are mentioned as below:

- a. Implementation in project mode;
- b. Focus on periphery of project areas of RVNL;
- c. Education & Health being thrust areas;
- d. Inclusive growth of communities with emphasis on development of weaker sections of society;
- e. Execution of activities in backward districts of the country; and
- f. Realization of UN Millennium Development Goals.

**3. RVNL's Corporate CSR Committee**

The Committee has been constituted to monitor the implementation and execution of a 5 Year Plan (2011-16) on RVNL's CSR with the responsibilities of formulation of policies, sanction of projects, quarterly periodical reviews, reporting to the Board of Directors, Administrative Ministry and DPE, communication with National Hub etc. The Committee has the following composition which functioned upto 31st March, 2013:

Mrs Gita Mishra, Director (Personnel)	Chairperson
Mr. Vijay Anand, Director (Projects)	Member
Mr. Ashok K. Ganju, Director (Finance)	Member
Mr. D. Ghosh Roy, ED/Mechanical	Member Coordinator

Subsequently, in accordance with the revised guidelines and directives issued by Department of Public Enterprises (DPE) in January 2013, RVNL has formulated its CSR and Sustainability Policy duly approved by the Board of Directors (BoD) of RVNL in January 2013.

As per the approved CSR and Sustainability Policy from 1st April 2013, RVNL has put in place a three tier organizational structure to steer the CSR and Sustainability agenda of RVNL. Tier-I, Board Level Committee, is headed by an Independent Director. Tier-II, Corporate Level Committee, is headed by Executive Director (Mech), who is the Nodal Officer for CSR and Sustainability. Tier-III, PIU Level Committees, at the field level, is headed by respective Chief Project Manager of Project Implementing Units.

**4. RVNL's strategic partner(s)**

RVNL has already entered into a long term MoU on 17.11.2011 with Tata Institute of Social Sciences (TISS), nominated as a National CSR Hub by DPE, to provide necessary support in implementation of CSR activities in RVNL.

RVNL is utilizing the services of specialized external agencies, NCSR Hub empanelled NGOs, Ramakrishna Mission, TISS etc for baseline/ Needs assessment studies, preparation of project reports, implementation, monitoring, evaluation, audit and social impact assessment studies apart from involvement of the field level Committees for close monitoring, evaluation and feedback.



## **5. Budget and Expenditure on RVNL's CSR activities**

During the year 2012-13, a total amount of ₹3.02 crore has been spent on CSR activities, which is 3.07% of PAT of ₹ 98.38 cr for the year 2011-12 and against an MoU target of ₹ 1.8 crore. Out of the total amount spent in 2012-13, 90.6% was directly on CSR projects.

The Board of Directors of RVNL has also approved for providing 3% of PAT of 2012-13 in the non-lapsable CSR & Sustainability Fund during the year 2013-14, which is the maximum allocation vis-à-vis DPE's guidelines of 2% to 3% of PAT. Budget allocation for the year 2013-14 is 80% for projects, 5% for Emergency Needs and balance 15% on training, communication, baseline survey, needs assessment, social audit and payment to NCSR Hub etc.

## **6. Status of CSR Projects during 2012-13 and their evaluation**

Status on the CSR initiatives undertaken during the year 2012-13 is briefly described hereunder.

### **❖ Hostel facilities for tribal boys in the backward district of Narayanpur, Chhattisgarh:**

CSR project for providing hostel facilities for tribal boys, commenced on 1.4.2012, is implemented in the Left Wing affected Backward District of Narayanpur in the state of Chhattisgarh by the Ramakrishna Ashrama, Narainpur. The project is in the vicinity of Dallirajhara Raoghat new line construction project of RVNL being executed by CPM/Bilaspur. The CSR project will provide much needed residential hostel facilities to about 300 tribal boys from Abujhmarh area. Abujhmarh means the unknown highland and is inhabited by one of the primitive tribes called Madhia who have been very recently categorized as a "particularly vulnerable tribal group". This is an inaccessible area of about 4,000 sq km, a tangled knot of hills and thick forests in Narainpur District of Chhattisgarh.

The CSR project has been planned to be executed in two years with a likely completion date of 31.3.2014. The project entails a total expenditure of about ₹ 382 lakhs, out of which an amount of ₹ 190.75 lakh has been spent during 2012-13 and a CSR budget of ₹ 190 lakhs has been allocated in 2013-14 for completing the project on schedule by March 2014.

Thus, as envisaged in the Needs Assessment Survey Report by TISS, the hostel facilities will provide access to quality and value education to these tribal boys and thus, provide a sound platform for mainstreaming of these children and facilitate in meeting the Millennium Development Goals for achieving universal primary education.

*Extract of TISS's audit report*

*"Role of RVNL can be important here for a longer support to the Ashrama. RVNL can also, if finds possible play the anchor within PSEs to create awareness about the work in Narainpur and Ashrama which the company is doing. RVNL has a unique opportunity to support the Ashrama in Narainpur. It should thus take an active interest in the socio economic development of Narainpur through the activities of Ramakrishna Ashrama as well as through their own CSR team. This can act as a guiding example of quality CSR intervention by PSEs in the neediest areas of the country".*

### **❖ Education & Development of under privileged differently abled children, in the backward district of South 24 Paraganas West Bengal**

The CSR project for education and development of under privileged differently-abled children, commenced on 1.4.2012, is implemented in the Backward District of South 24 Paraganas in the state of West Bengal by the Institute for the Handicapped and Backward People (IHBP), Kolkata.

IHBP, which is a NCSR Hub (TISS) empanelled NGO dedicated to the cause of education and

development of underprivileged differently abled children, was appointed on 28-3-2012 (Date of signing of MoU) by the Tier-III, field level Kolkata PIU CSR Committee for implementation of the project.

One hundred (100) under privileged differently abled children having three types of disabilities, namely, 55 hearing impaired children (21 boys & 34 girls), 28 mentally challenged children (17 boys & 11 girls) and 17 children with cerebral palsy (14 boys & 3 girls) have been covered in the project. Education and development of these children are being done under the close supervision of well qualified and trained teachers with a student to teacher ratio of 10:1 for hearing impaired, 6:1 for mentally challenged, 3:1 for cerebral palsy and dedicated support staff. Children have been provided with school uniforms, books, notebooks, educational kits, medical aid, nutritious and quality meals. Five students have passed the Madhyamik Examination through Rabindra Mukta Vidyalaya. From the feedback obtained from parents, it is learnt that parents are satisfied with the progress of the children and these children have immensely benefited with overall improvement in education, awareness and comprehension.

*Extracts of TISS's mid-term social audit report*

*"Mid-term social audit of the project was carried out by NCSR Hub (TISS) and as per report submitted in February 2013, "This project has generated lots of curiosity and a positive response amongst the parents of the disabled children because this is one of its kind".*

#### ❖ **Educational support to under privileged children and health support in the backward district of South 24 Paraganas, West Bengal**

CSR project for providing educational support to under privileged children and health support, commenced on 1.10.2012, and is implemented in the Backward District of South 24 Paraganas in the state of West Bengal by Ramakrishna Math, Naora and covers a population of about 85,000 people comprising 20% SC, 15% ST and 56% minority community in three Gram Panchayats of Bhangar Block comprising of 52 villages.

Health support is provided by a team of qualified doctors and medical staff and covers periodic health check ups at four centers along with free medicine (at Naora on Monday, Wednesday and Friday; at Behulabari on Wednesday and at Hedia and Malampota on Monday), pathological tests (at Naora center), mobile medical service and health awareness camps. During the six months period from October 2012 to March 2013, 5176 patients were treated, i.e., an average of (862 patients per month) comprising of 28% male, 57% female and 15% children.

Three hundred(300) under privileged children are given free coaching classes, physical training, sports, yoga training etc for 6 days in a week for overall development of the children at 3 centres. 100 children at Naora (60 girls & 40 boys); 100 children at Chandaneswar (74 girls & 26 boys) and 121 children at Mulchatki (60 girls & 61 boys). These children have been provided with uniforms, school bags, books, notebooks, nutritious meals etc.

*Extracts of TISS's audit report*

*"This programme has helped local students throughout the formal training process. Outreach is not only limited to the selected 100 candidates for each centre, but also includes other local students subject to the same budgetary allocation. Irrespective of their understanding and level of acquiring knowledge, a positive impact has been observed in terms of mobilizing them towards pursuing formal education. This has motivated them to participate in group activities".*





### **1. Sustainability activities – 2012-13**

During 2012-13, the Company undertook the following activities under Sustainability, as committed under the Memorandum of Understanding for the year 2012-13:

- (i) Tree plantation as a part of biodiversity management;
- (ii) Rain water harvesting as a part of water management;
- (iii) Solar power signalling and lighting system as a part of energy management;
- (iv) Training of RVNL officials in Sustainability; and
- (v) Conducting promotional activities with executing contractors at work sites.

### **2. Sustainability Plan**

RVNL has a duly approved Five Year Plan for Sustainability with the objective to create a state of development to meet the needs of today without compromising the needs for tomorrow. RVNL's Sustainability activities are targeted not only to take initiatives for the identified projects but also to create awareness about the significance of Sustainability in today's scenario.

### **3. Sustainability Policy**

RVNL's Sustainability policy aims at the activities as categorised and mentioned below :

#### *Water Management*

- a. Rain water harvesting by aquifer recharging;
- b. Rain water harvesting by storage of water.

#### *Energy Management*

- a. Use of solar powered signalling & lighting;
- b. Use of solar power water heating systems in residential structures;
- c. Use of energy efficient lighting systems.

#### *Bio-diversity Management*

- a. Tree plantation

#### *Training*

- a. Training of regular and contract employees on Sustainability;
- b. Creating mandatory hours of Sustainability training.

### **4. Sustainability Budget**

An amount of ₹ 0.49 crore {0.5% of ₹ 98.38 crore, i.e. Profit after Tax (PAT) of 2011-12}, has been transferred towards RVNL's Sustainability Fund for the year 2012-13. RVNL's Sustainability Fund was created last year with a balance of ₹ 0.49 crore. During the year, ₹ 81 lakhs has been spent on RVNL's Sustainability activities.

**5. Achievements during the year 2012-13**

S.No.	Item	Target	Achievement
1.	Planting of Trees (Number)	5500	6000
2.	Rain Water Harvesting (Number of locations).	7	8
3.	Solar Powered Lighting System (Number of locations)	7	7
4.	Training of RVNL officials in Sustainability (Number of employees)	30	37
5.	Conducting promotional activities with executing contractors at work sites (Number of sites)	6	6

**6. Evaluation**

- a. For guiding and monitoring the Sustainability efforts of RVNL, a Board level Committee headed by an Independent Director has been constituted. The Committee held four meetings in 2012-13.
- b. An independent agency has been engaged to audit the performance of sustainability initiatives of RVNL during 2012-13. The agency has inspected and audited the sustainability initiatives undertaken by RVNL during 2012-13, and has submitted its report.



**ADDENDUM TO DIRECTORS' REPORT**

(Management's Replies to comments in Auditors' Report)

Sr. No.	Reference to Auditors' Main Report Para No. 4/(vi) (a)	Management's Reply
1	Works in Progress, shown under the 'Current Assets' include projects completed, as well as partly completed, by RVNL and under operation by Railways funded by IRFC. These assets are to be retained in the books of RVNL pending the modalities for financial adjustments to be finalized in consultation with Ministry of Railways and the consequent financial impact thereof cannot be ascertained presently.	The modalities to be followed to carry out the financial adjustments for completed projects funded through IRFC are under finalization in consultation with Ministry of Railways. It is expected that modalities will be finalized in the year 2013-14 and financial adjustments will be carried out accordingly. However, if the matter is not resolved, the amount will be shown under a separate head from the Accounts of 2013-14.

For and on behalf of the Board of Directors

Sd/-  
S.C. Agnihotri  
Chairman and Managing Director

Place: New Delhi

Date: 03.07.2013

**VINOD KUMAR & ASSOCIATES**

COMPANY SECRETARIES

**CS VINOD KUMAR**

M.COM, FCS, LL.B

343, AJAY PARK, STREET NO. 10-11, NAYA BAZAR, NAJAFGARH, NEW DELHI - 110043

CELL NO. 9212477250, 8800497844

vkaneja2001@gmail.com, fcsvinod@gmail.com

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**CERTIFICATE OF COMPLIANCE**

With the conditions of Corporate Governance in accordance with  
Guidelines on Corporate Governance issued by the  
Department of Public Enterprises

To  
The Members of  
**RAIL VIKAS NIGAM LIMITED**  
New Delhi

The Certificate is in respect of the Compliance of the conditions of Corporate Governance as issued by the Department of Public Enterprises on 14th May 2010, RAIL VIKAS NIGAM LIMITED, a Government Company under section 617 of the Companies Act, 1956, for the year ended 31st March, 2013 as stipulated in the Company's code on Corporate Governance.

We have studied the Report on Corporate Governance of the said Company as approved by its Board of Directors. We have also examined the relevant records and documents maintained by the company and furnished to us for our review in this regard.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementations thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

We comment that such compliance is neither an assurance as to the future viability of the Company nor the efficiency of effectiveness with which the Management has conducted the affairs of the Company.

In our opinion and to the best of our information and on the basis of our review and according to the information and explanations given to us, we certify that the Company has complied with the mandatory requirements of Corporate Governance as stipulated in Company's code of Corporate Governance in all material respects.

**FOR VINOD KUMAR AND ASSOCIATES  
COMPANY SECRETARIES**

Sd/-  
Vinod Kumar (Prop.)

C.P. No. 5740

Place:- New Delhi

Date:- 03-07-2013



**Balance Sheet as at 31st March, 2013**

Particulars	Notes	Balances as at 31.03.2013		Balances as at 31.03.2012	
		Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>I. EQUITY AND LIABILITIES</b>					
(1) Shareholders' Funds					
(a) Share Capital	3	2085,02,01,000		2085,02,01,000	
(b) Reserves and Surplus	4	<u>332,58,56,296</u>	2417,60,57,296	<u>226,76,93,217</u>	2311,78,94,217
(2) Share Application Money Pending Allotment					
(3) Non-Current Liabilities	5				
(a) Long-Term Borrowings		7693,34,89,381		5708,43,22,715	
(b) Other Long Term Liabilities		446,53,06,032		338,38,28,850	
(c) Long-Term Provisions		<u>2,34,22,078</u>	8142,22,17,491	<u>1,55,15,954</u>	6048,36,67,519
(4) Current Liabilities	6				
(a) Short Term Borrowings		155,91,66,667		125,08,33,333	
(b) Trade Payables		157,36,16,163		184,23,39,200	
(c) Other Current Liabilities		469,12,50,401		367,07,10,199	
(d) Short-Term Provisions		<u>64,80,55,226</u>	847,20,88,457	<u>44,23,80,443</u>	720,62,63,175
<b>TOTAL</b>			<u><b>11407,03,63,244</b></u>		<u><b>9080,78,24,911</b></u>
<b>II. ASSETS</b>					
(1) Non-Current Assets					
(a) Fixed Assets	7				
(i) Tangible Assets		7,67,77,103		4,68,76,447	
(ii) Intangible Assets		7,93,753		14,40,855	
(b) Non-Current Investments	8	414,24,54,500		395,42,50,000	
(c) Long-Term Loans and Advances	9	447,52,22,369		338,57,49,152	
(d) Other Non-Current Assets	10	<u>5,58,45,365</u>	875,10,93,090	<u>5,49,99,365</u>	744,33,15,819
(2) Current Assets					
(a) Current Investments	11	242,00,00,000		162,50,00,000	
(b) Project-Work-in-Progress	12	8871,05,14,912		6966,41,56,573	
(c) Trade Receivables	13	259,72,63,123		134,59,37,985	
(d) Cash and Bank Balances	14	386,63,43,939		473,17,55,752	
(e) Short-Term Loans and Advances	15	134,44,81,203		213,69,50,608	
(f) Advances for Project Advances		638,06,66,977		386,07,08,174	
(g) Other Current Assets		-	10531,92,70,154	-	8336,45,09,091
<b>TOTAL</b>			<u><b>11407,03,63,244</b></u>		<u><b>9080,78,24,911</b></u>
General Information	1				
Summary of Significant Accounting Policies	2				

This is the Balance Sheet referred to in our report of even date

The notes referred to above form an integral part of the Balance Sheet

**R K Relan & Co.**  
Chartered Accountants  
Firm Registration Number : 002267N

**FOR AND ON BEHALF OF THE BOARD**

Sd/-  
**CA Hemant Relan**  
Partner  
M.No. 085317

Sd/-  
**S.C. Agnihotri**  
Chairman & Managing Director

Sd/-  
**Ashok K. Ganju**  
Director Finance

Sd/-  
**Suman Kalra**  
Company Secretary

Place : New Delhi  
Date : 03.07.2013



## Statement of Profit and Loss for the Year Ended 31st March, 2013

Particulars	Notes	Figures for the Year Ended 31.03.2013		Figures for the Year Ended 31.03.2012	
		Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
I. Revenue from Operations (Turnover)	16		2116,85,29,464		1597,91,80,156
II. Other Income	17		88,10,91,909		56,37,27,388
<b>III. Total Revenue (I + II)</b>			<b>2204,96,21,373</b>		<b>1654,29,07,544</b>
<b>IV. Expenses:</b>					
Expenses on Operations	18		1949,03,68,321		1473,88,50,043
Employee Benefits Expenses	19		60,54,30,670		41,75,77,057
Other Expenses	20		17,71,62,950		14,76,67,359
Other Expenses as per DPE Guidelines	21		6,30,60,362		1,07,88,526
<b>Total Expenses</b>			<b>2033,60,22,303</b>		<b>1531,48,82,985</b>
V. Profit Before Depreciation and Tax (III-IV)			<b>171,35,99,070</b>		<b>122,80,24,560</b>
VI. Depreciation and Amortization Expense	7		3,89,79,335		3,47,45,196
VII. Profit before Tax (V - VI)			<b>167,46,19,735</b>		<b>119,32,79,364</b>
VIII. Tax Expense:					
(1) Income Tax					
(a) Current Tax		31,25,17,718		22,67,79,268	
(b) Earlier Years		65,89,175		(1,73,34,747)	
(2) Deferred Tax		-	<b>31,91,06,893</b>	-	<b>20,94,44,521</b>
<b>IX. Profit (Loss) For The Year (VII - VIII)</b>			<b>135,55,12,842</b>		<b>98,38,34,843</b>
X. Earnings Per Equity Share:					
Basic			0.65		0.47

This is the Statement of Profit & Loss referred to in our report of even date

The notes referred to above form an integral part of the Profit & Loss Account

**R K Relan & Co.**  
Chartered Accountants  
Firm Registration Number: 002267N

**FOR AND ON BEHALF OF THE BOARD**

Sd/-  
**CA Hemant Relan**  
Partner  
M.No. 085317

Sd/-  
**S.C. Agnihotri**  
Chairman & Managing Director

Sd/-  
**Ashok K. Ganju**  
Director Finance

Sd/-  
**Suman Kalra**  
Company Secretary

Place : New Delhi  
Date : 03.07.2013



**Cash Flow Statement for the Year Ended 31st March, 2013**

S. No.	Particulars	Current Year		Previous Year	
		Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>1</b>	<b>Cash Flow from Operating Activities</b>				
	Net Profit Before Taxation and Extraordinary Items	167,46,19,735		119,32,79,364	
	<b>Add: Adjustment For :</b>				
	Depreciation	3,89,79,335		3,47,45,196	
	Other Income	(75,60,91,909)		(45,93,58,885)	
	Dividend Received	(12,50,00,000)		(5,00,00,000)	
	<b>Operating Profit Before Working Capital Changes</b>	<b>83,25,07,161</b>		<b>71,86,65,675</b>	
	<b>Adjustments for Changes in Working Capital:</b>				
	<b>Adjustments For (Increase)/Decrease in Operating Assets:</b>				
	Inventories				
	Trade Receivables	(1,25,13,25,138)		(57,08,46,512)	
	Short-Term Loans and Advances	79,24,69,405		(41,82,44,587)	
	Long-Term Loans and Advances	(1,08,94,73,217)		(18,07,24,464)	
	Other Current Assets	(21,56,63,17,142)		(13,70,08,86,140)	
	Other Non- Current Assets	(8,46,000)		(3,04,49,753)	
		<b>(23,11,54,92,092)</b>		<b>(14,90,11,51,456)</b>	
	<b>Adjustments for (Increase)/Decrease in Operating Liabilities:</b>				
	Trade Payables	(26,87,23,037)		(16,39,72,578)	
	Other Current Liabilities	1,02,05,40,202		32,32,16,746	
	Other Long -Term Liabilities	108,14,77,182		18,07,24,464	
	Short-Term Provisions	20,56,74,783		11,49,76,127	
	Long-Term Provisions	79,06,124		96,24,312	
	Decrease in Deferred Tax Asset	-		-	
		<b>2,04,68,75,254</b>		<b>46,45,69,071</b>	
	<b>Cash Generated from Operations</b>	<b>(20,23,61,09,677)</b>		<b>(13,71,79,16,711)</b>	
	Direct Taxes Paid/Received (Net of TDS)	(31,91,06,893)		(20,94,44,521)	
	<b>Cash Flow from Operations (A)</b>	<b>(20,55,52,16,569)</b>	<b>(20,55,52,16,569)</b>	<b>(13,92,73,61,232)</b>	<b>(13,92,73,61,232)</b>
<b>2</b>	<b>Cash Flow from Investing Activities :-</b>				
	Capital Expenditure on Fixed Assets, Including Capital Advances Proceeds from Sale of Fixed Assets	(6,82,32,889)		(4,46,72,645)	
	Bank Balances not Considered as Cash and Cash Equivalents	2,91,00,00,000		(2,91,00,00,000)	
	Current Investments not Considered as Cash and Cash Equivalents:				
	Purchase of Long-Term Investments:				
	Joint Venture	(18,82,04,500)		(33,65,00,000)	
	<b>Interest Income (Revenue)</b>				
	Others	75,60,91,909		45,93,58,885	
	<b>Dividend Received</b>				
	Joint Venture	12,50,00,000		5,00,00,000	

S. No.	Particulars	Current Year		Previous Year	
		Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
	Net Cash Flow from / (used in) Investing Activities (B)	<u>(2,73,96,54,520)</u>	2,73,96,54,520	<u>(3,30,19,51,528)</u>	(3,30,19,51,528)
<b>3</b>	<b>Cash Flow from Financing Activities :-</b>				
	Proceeds from issuance of Share Capital (including Share Application Money)	-	-	-	-
	Proceeds from Long-Term Borrowings	2140,83,33,333		1808,52,60,666	
	Repayment of Long-Term Borrowings	(1,55,91,66,667)		(1,71,12,84,775)	
	Proceeds from Short-Term Borrowings	1,55,91,66,667		125,08,33,333	
	Repayment of Short-Term Borrowings	(1,25,08,33,333)		(1,00,66,66,666)	
	Proposed Dividend and Tax thereon	(31,38,00,750)		(23,24,45,000)	
	Utilisation of Reserve	1,64,50,987		(1,64,50,987)	
	<b>Net Cash Flow from / (used in) Financing Activities (C)</b>	<u>1986,01,50,237</u>	1986,01,50,237	<u>1636,92,46,571</u>	1636,92,46,571
	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalent (A+B+C)</b>		<u>2,04,45,88,187</u>		<u>(86,00,66,189)</u>
	<b>Cash &amp; Cash Equivalent at the beginning of the Year</b>		<u>182,17,55,752</u>		<u>268,18,21,940</u>
	<b>Cash &amp; Cash Equivalent at the March 31, 2013</b>		<u>386,63,43,939</u>		<u>182,17,55,752</u>
	<b>Cash and Cash Equivalents Comprise</b>				
	Cash and Cheques in Hand	11,05,400		10,06,11,346	
	Balance with Scheduled Banks				
	On Current Account	68,27,38,539		4,61,44,406	
	On Term Deposit Account	318,25,00,000		167,50,00,000	

**Notes :**

The above Cash flow statement has been prepared under the indirect method set out in AS-3 issued by The Institute of Chartered Accountants of India.

Previous year's figures have been regrouped and rearranged, wherever necessary.

This is the Cash flow statement referred to in our report of even date

**R K Relan & Co.**  
Chartered Accountants  
Firm Registration Number: 002267N

**FOR AND ON BEHALF OF THE BOARD**

Sd/-  
**CA Hemant Relan**  
Partner  
M.No. 085317

Sd/-  
**S.C. Agnihotri**  
Chairman & Managing Director

Sd/-  
**Ashok K. Ganju**  
Director Finance

Sd/-  
**Suman Kalra**  
Company Secretary

Place : New Delhi

Date : 03.07.2013



## **1. General Information**

Rail Vikas Nigam Limited (RVNL), a fully owned Public Sector Undertaking under the Ministry of Railways (MoR), Government of India was incorporated under the Companies Act, 1956 on 24th January, 2003 with an authorised share capital of ₹ 3000 crore. The objectives of the Company include:

- (i) Fast track implementation of rail infrastructure projects
- (ii) Raising extra budgetary resources for project execution.

The Company is implementing various types of Rail infrastructure projects assigned by MoR including doubling (including 3rd/4th lines), gauge conversion, new lines, railway electrification, major bridges, workshops, production units and extension of the Kolkata Metro Rail System.

## **2. Summary of Significant Accounting Policies**

### **2.1 Basis of Preparation**

The financial statements of Rail Vikas Nigam Limited (RVNL) have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. These financial statements have been drawn up in accordance with the going-concern principle, on accrual basis and on a historical cost basis. However, certain escalation and other claims by customers, which are not ascertainable / acknowledged, are not taken into account. The significant accounting policies adopted by the Company are given below.

### **2.2 Use of Estimates**

Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

### **2.3. Cash Flow Statement**

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard "3" on "Cash Flow Statements " and presents the cash flows by operating, investing and financing activities of the Company. Cash and bank balance that have insignificant risk of change in value, which have durations up to three months, are included in the Company's cash and cash equivalents in the cash flow statement.

### **2.4 Extraordinary and Exceptional Items**

Income or Expenses that arise from events or transactions, that are clearly distinct from the ordinary activities of the Company, are classified as Extraordinary items. Specific disclosure of such events/transactions is made in the financial statements. Similarly, any external event beyond the control of the company, significantly impacting income or expense, is also treated as an extraordinary item and disclosed as such.

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company, is such that its disclosure improves an understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the Notes to Accounts.

## 2.5 Tangible Fixed Assets

Tangible Fixed Assets are stated at cost less accumulated depreciation and accumulated impairment in value. Such cost includes acquisition cost inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. The expenses also include borrowing cost attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

## 2.6 Intangible Assets

Intangible assets comprise of license fees, other implementation costs for system software and other application software acquired for in-house use. The costs are capitalized in the year in which the relevant software is implemented for use. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes, and any directly attributable expenditure on making the asset ready for its intended use.

## 2.7 Depreciation

Depreciation on individual assets acquired for ₹ 5000/- or less is depreciated at the rate of 100% in the year of purchase itself. Depreciation is provided on pro-rata basis on the straight-line method over the estimated useful lives of the assets determined as follows:

Leasehold improvements are amortized over the period of lease from the year in which such improvements are capitalized. Capitalized software costs are amortized @ 33.33% on pro rata basis except where the estimated useful life is less than three years.

Furniture and Fixture	23.75%
Computers	31.67%
Office Equipments (Excluding Mobile Phones)	19.00%
Mobile Phones	47.50%

## 2.8 Impairment of Assets

All assets other than inventories, investments other than interest in Jointly Controlled Entities (JCEs) are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets, whose carrying amount value exceeds their recoverable amount, are written down to the recoverable amount.

## 2.9 Investments

Long-term investments, including interests in incorporated Jointly Controlled Entities (JCEs), are carried at cost, after providing for any diminution, other than temporary, in value of such investments. Short-term investments are carried at lower of cost or market value. The determination of carrying amount of such investments is done on the basis of specific identification.

## 2.10 Inventories

Project Work-in-Progress is valued at the contract rates and construction material at site is stated at cost. Payments made to Zonal Railways for acquiring land included in project Work-in-Progress is stated at cost.





### **2.11 Revenue Recognition**

Revenue is recognized based on the nature of activity, when consideration can be reasonably measured and there exists reasonable certainty of its recovery. Revenue from construction/project related activity is recognized as follows:

- (a) Projects executed for Ministry of Railways (MOR): Revenue from project execution is determined by adding aggregate cost plus margin agreed with MOR and any subsequent clarifications received in this respect.
- (b) Deposit works (cost plus contract) related to JCEs (Jointly Controlled Entities) in the form of Special Purpose Vehicles and others): Contract revenue is determined by adding the aggregate cost plus proportionate margin (Direction & General Charges) based on fixed percentage as agreed with the customer.
- (c) Claims are accounted as income in the year of acceptance by client or evidence of acceptance received.
- (d) Interest on investment is accounted on accrual basis, inclusive of related tax deducted at source.
- (e) Other items of income are accounted as and when the right to receive arises.

### **2.12 Employee Benefits**

#### **a) Short Term Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, and short-term compensated absences, etc. are recognized in the period in which the employee renders the related service.

#### **b) Long Term Employee Benefits**

The obligation for long-term employee benefits such as long-term compensated absences, is recognized in the same manner as in the case of defined benefit plans as mentioned in (c) (ii) below

#### **c) Post Employment Benefits**

i. Defined contribution plans: The Company makes defined contribution to the Regional Provident Fund Commissioner in respect of provident fund scheme, CGIS and employee state insurance scheme. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

ii. Defined benefit plans: Gratuity is a post employment defined benefit plan. The liability recognized in the balance sheet is the present value of the defined benefit obligation at the balance sheet date less fair value of plan assets. The defined benefit obligation is calculated by an independent actuary using projected unit credit (PUC) method. Actuarial gains and losses are recognized immediately in the Profit & Loss Account.

- d) Retirement benefits of the 'staff on deputation' have been accounted for on the basis of the guidelines of the Ministry of Railways.

### **2.13 Foreign Currency Transactions**

Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of transactions. Gains/Losses arising out of settlement are charged/credited to the profit and loss account.

**2.14 Borrowing Cost**

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time as the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

**2.15 Taxes on Income**

Tax on income for the current year is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961, and based on the expected outcome of the assessment/appeals. Minimum Alternative Tax is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the company.

Deferred tax is recognized annually on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws substantially enacted as on the balance sheet date.

**2.16 Lease Rentals**

Lease rental in respect of operating lease is charged to project work in progress under Statement of the Profit and Loss.

**2.17 Provisions and Contingencies**

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure of a contingent liability is made where there is a possible obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made. Contingent assets are not recognised. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

**2.18 Earnings Per Share**

In determining earnings per share, the Company considers the Net Profit After Tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The dilutive earnings per share is not computed as there is no dilution involved during the year.

R K Relan & Co.  
Chartered Accountants  
Firm Registration Number: 002267N

FOR AND ON BEHALF OF THE BOARD

Sd/-  
CA Hemant Relan  
Partner  
M.No. 085317

Sd/-  
S.C. Agnihotri  
Chairman & Managing Director

Sd/-  
Ashok K. Ganju  
Director Finance

Sd/-  
Suman Kalra  
Company Secretary

Place : New Delhi

Date : 03.07.2013



Sl. No.	Particulars	As at March 31, 2013		As at March 31, 2012	
		Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>3.</b>	<b>Share Capital</b>				
(a)	<b>Authorised:</b>				
	3,00,00,00,000 Equity Shares of ₹ 10 Each		3000,00,00,000		3000,00,00,000
(b)	<b>Issued:</b>				
	2,08,50,20,100 Equity Shares of ₹ 10 Each fully paid up		2085,02,01,000		2085,02,01,000
(c)	<b>Subscribed &amp; Fully paid up</b>				
	2,08,50,20,100 Equity Shares of ₹ 10 Each fully paid up (100% Shareholding with MoR)		2085,02,01,000		2085,02,01,000
	<b>Total</b>		<b>2085,02,01,000</b>		<b>2085,02,01,000</b>
(d)	<b>Reconciliation of number of Shares:</b>				
	<b>Equity Shares:</b>	<b>No. of Shares</b>	<b>Amount (₹)</b>	<b>No. of Shares</b>	<b>Amount (₹)</b>
	Balance at the beginning of the Year	208,50,20,100	2085,02,01,000	208,50,20,100	2085,02,01,000
	Addition during the Year	-	-	-	-
	<b>Balance at the End of the Year</b>	<b>208,50,20,100</b>	<b>2085,02,01,000</b>	<b>208,50,20,100</b>	<b>2085,02,01,000</b>
(e)	<b>Details of Shares held by each Shareholder Holding more than 5% Shares:</b>				
		<b>No. of Shares held</b>	<b>% holding</b>	<b>No. of Shares held</b>	<b>% holding</b>
	Ministry of Railways (MoR)	208,50,20,100	100	208,50,20,100	100
<b>1.</b>	<b>Rights, Preferences and Restrictions attaching to shares</b>				
	Equity Shares: The Company has one class of Equity Shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.				
<b>4.</b>	<b>Reserves and Surplus</b>				
(a)	<b>General Reserve</b>				
	As per last Balance Sheet	41,00,00,000		31,00,00,000	
	Addition during the Year	10,00,00,000		10,00,00,000	
			51,00,00,000		41,00,00,000
(b)	<b>Statement of Profit &amp; Loss :</b>				
	As per last Balance Sheet	181,79,06,436		120,49,61,378	
	<b>Addition during the Year:</b>				
	Profit after Tax	135,55,12,842		98,38,34,842	
	Add: Transfer from CSR Fund	3,02,39,502			
	Add: Transfer from CSR Fund (for Previous Year)	1,64,50,987			
	Less : Transfer to CSR Fund	(2,95,15,045)		(2,86,55,384)	
	Add: Transfer from Research & Development Fund	82,41,250			
	Less: Transfer to Research & Development Fund	(49,19,174)		(48,94,701)	
	Add: Transfer from Sustainability Fund	81,28,803			
	Less: Transfer to Sustainability Fund	(49,19,174)		(48,94,701)	
	Less: Transfer to General Reserve	(10,00,00,000)		(10,00,00,000)	
	Less: Proposed Dividend (₹ 0.13 Per Equity Share)	(27,00,00,000)		(20,00,00,000)	
	Less: Additional Tax on Dividend	(4,38,00,750)		(3,24,45,000)	
	<b>Net Addition during The Year</b>	<b>96,54,19,241</b>	<b>278,33,25,677</b>	<b>61,29,45,057</b>	<b>181,79,06,436</b>

Sl. No.	Particulars	As at March 31, 2013		As at March 31, 2012	
		Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>(c) Corporate Social Responsibility</b>					
	As per last Balance Sheet	2,99,97,380		1,77,92,983	
	Add: Transfer from Statement of Profit and Loss	2,95,15,045		2,86,55,384	
	Less: Transfer to Statement of Profit and Loss	(3,02,39,502)		(1,64,50,987)	
			2,92,72,923		2,99,97,380
<b>(d) Sustainability Fund</b>					
	As per last Balance Sheet	48,94,701			
	Add: Transfer from Statement of Profit and Loss	49,19,174		48,94,701	
	Less: Transfer to Statement of Profit and Loss	(81,28,803)	16,85,072		48,94,701
<b>(e) Research &amp; Development Fund</b>					
	As per last Balance Sheet	48,94,701		-	
	Add: Transfer from Statement of Profit and Loss	49,19,174		48,94,701	
	Less: Transfer to Statement of Profit and Loss	(82,41,250)	15,72,625	-	48,94,701
	<b>Total</b>		<b>332,58,56,296</b>		<b>226,76,93,217</b>

(1) As per DPE's guidelines for Corporate Social Responsibility Fund a provision has been made @ 3% of PAT of previous year, as a philosophy wherein organizations serve the interest of society by taking responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations.

(2) As per DPE's guidelines for Sustainability Development Fund a provision has been made @ 0.5% of PAT of previous year, for the Rain Water Harvesting, installation of Solar Power lighting system, tree plantation, etc.

(3) As per DPE's guidelines for Research & Development Fund a provision has been made @ 0.5% of PAT of previous year. The rationale behind it is the changed business environment, highly competitive markets, the rapid pace of change in technology, stringent quality control criteria, heightened expectations and demands of customers, lack of transfer of technology and know-how from competitors, etc.

## 5. Non-Current Liabilities

### (a) Long term borrowings

#### (i) Indian Railway Finance Corporation

##### Unsecured:

Opening Balance	1729,31,66,669		1746,50,00,002	
Addition during the year	104,00,00,000		107,90,00,000	
Less: Repayment to be made within 12 months	(1,55,91,66,667)	1677,40,00,002	(1,25,08,33,333)	1729,31,66,669

##### Terms of Repayment:

(1) There is a moratorium period of 3 years for each year's loan. During the said moratorium period no amount on account of interest and principal shall be payable. The interest shall be charged on half yearly basis and repayment of loan shall be twice in a year (for a period of 12 years) after the completion of moratorium period. Ministry of Railways would make available to RVNL the required funds thereafter, to enable them to do the debt servicing. The debt servicing will pass through RVNL books.

(2) The Company has cumulatively borrowed funds aggregating to ₹2182,90,00,000 (up to Previous year ₹2078,90,00,000) from Indian Railway Finance Corporation (IRFC). After cumulative repayment of Principal of ₹349,58,33,331 (up to Previous Year ₹224,49,99,998), the net borrowing is ₹1833,31,66,669 (up to Previous Year ₹1854,40,00,002), which includes current liability i.e. repayable in next twelve months ₹155,91,66,667 (Previous Year ₹125,08,33,333). The interest liability has been assessed on the amount disbursed in financial year 2012-13 at the rate of 9.20% (rates applicable for the amount disbursed in the year 2011-12 is 9.88%). The interest accrued but not due on the IRFC loan amount has been shown as recoverable from MOR under Current Assets & Non Current assets (for the interest non recoverable in next 12 Months) and the interest payable but not due under the Current Liabilities and Non Current Liabilities (for the interest not recoverable in next 12 Months) payable to IRFC in the Balance Sheet.



<b>(ii) Project Advance Capital</b>				
<b>Ministry of Railways</b>				
<b>Unsecured:</b>				
Opening Balance	1857,21,46,389		842,08,34,330	
Addition during the Year	1330,65,00,000		1025,41,94,000	
Less: Projects Transferred during the Year	-	3187,86,46,389	(10,28,81,941)	1857,21,46,389
<b>(iii) Project Advance (Capital Fund)</b>				
<b>Ministry of Railways</b>				
<b>Unsecured:</b>				
Opening Balance	1290,11,09,659		1325,86,79,160	
Addition during the Year	-		-	
Less: Projects Transferred during the Year	-	1290,11,09,659	(35,75,69,501)	1290,11,09,659
<b>(iv) Advance from MoR IRFC loan Repayment</b>				
<b>Unsecured:</b>				
Opening Balance	224,49,99,998		123,83,33,332	
Addition during the Year	125,08,33,333		100,66,66,666	
Less: Projects Transferred during the Year		349,58,33,331		224,49,99,998
<b>(v) Misc. Advance Capital (Metro project)</b>				
<b>Unsecured:</b>				
Opening Balance	275,50,00,000		32,75,00,000	
Addition during the Year	550,00,00,000		242,75,00,000	
Less: Projects Transferred during the Year	-	825,50,00,000	-	275,50,00,000
<b>(vi) Project Advance Capital Bonds</b>				
Opening Balance	321,79,00,000		-	
Addition during the Year	-		321,79,00,000	
Less: Projects Transferred during the Year		321,79,00,000		321,79,00,000
<b>(vii) Project Advance Safety Fund</b>				
Opening Balance	10,00,00,000		-	
Addition during the Year	29,00,00,000		10,00,00,000	
Less: Projects Transferred during the Year	-	39,00,00,000		10,00,00,000
<b>(viii) Development Fund-3</b>				
Opening Balance	-		-	
Addition during the Year	2,10,00,000		-	
Less: Projects Transferred during the Year	-	2,10,00,000		-
<b>Total</b>		<b>7693,34,89,381</b>		<b>5708,43,22,715</b>
<b>(b) Other Non- Current Liabilities</b>				
<b>Interest Accrued but not due (IRFC)</b>				
Opening Balance	338,38,28,850		320,31,04,386	
Add: Interest Accrued during the Year	207,13,83,363		203,14,32,367	
Less: Repayment to be made within 12months (98,99,06,181)		446,53,06,032	(1,85,07,07,903)	338,38,28,850
<b>Total</b>		<b>446,53,06,032</b>		<b>338,38,28,850</b>
<b>(c) Long term Provisions</b>				
<b>Provision for Retirement Benefits</b>				
Opening Balance	1,55,15,954		58,91,642	
Add: Addition during the Year	78,65,353		1,19,32,075	
Add: Transfer from due within 12 months	40,771		(12,16,111)	
Less: Utilization during the Year	-	2,34,22,078	(10,91,652)	1,55,15,954
<b>Total</b>		<b>2,34,22,078</b>		<b>1,55,15,954</b>



**1. Employee Benefits**

(a) The majority of the officers / staff employed in RVNL are on deputation from Indian Railways. RVNL is paying Foreign Service Contribution to the Indian Railways towards retirement benefits.

(b) For RVNL employees

The disclosure required under Accounting Standard-15 "Employees Benefit" in respect of defined benefit plan is:

Particulars	Gratuity	Leave Encashment
	Amount (₹)	Amount (₹)
Opening Balance as on 01/04/2012	96,23,861	71,08,204
Interest Cost	7,93,969	5,86,427
Current Service Cost	27,63,983	37,43,750
Benefit Paid	-78,742	-
Actuarial (Gain/ Loss) on obligation	-31,70,272	31,47,499
Closing Balance as on 31/03/2013	99,32,799	1,45,85,880

Gratuity Benefit is payable to employees on retirement or resignation or death. The amount of gratuity payable is based on past service and salary at time of exit as per Payment of Gratuity Act, 1972.

Leave Encashment is payable to employees on retirement. The amount of Leave Encashment payable is based on past service and salary at time of retirement.

ACTUARIAL ASSUMPTIONS:	
Method Of Valuation :	Project Unit Credit Method
Discount Rate :	8.25%
Salary Escalation Rate:	7.00%
Retirement Age:	60 years
Withdrawal Rate:	3% at younger ages and reducing to 1% at older ages according to graduated scale.
Mortality rate:	India Assured Lives Mortality (2006-08) Ult.

Sl. Particulars No.	As at March 31, 2013		As at March 31, 2012	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)

**6. Current Liabilities****(a) Short Term Borrowings****Indian Railways Finance Corporation***Unsecured:*

Opening Balance	125,08,33,333		100,66,66,666	
Addition during the Year	155,91,66,667		125,08,33,333	
Less: Repayment during the Year	(1,25,08,33,333)	155,91,66,667	(1,00,66,66,666)	125,08,33,333
<b>Total</b>		<b>155,91,66,667</b>		<b>125,08,33,333</b>

1. Funds received by the Company from MoR are utilized for executing projects assigned by MoR. After physical completion of a project, the assets are to be transferred to the concerned Zonal Railway who would add the value of assets in their Block Account.

2. For IRFC Loan, please refer to the foot-note under Terms of Repayment in Note No. 5.

**(b) Trade Payable**

Micro, Small & Medium Enterprises	-	-
Others	157,36,16,163	184,23,39,200
<b>Total</b>	<b>157,36,16,163</b>	<b>184,23,39,200</b>



Sl. Particulars No.	As at March 31, 2013		As at March 31, 2012	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>(c) Other current liabilities</b>				
Earnest Money & Performance Security Deposit		126,48,89,235		56,79,22,618
Sundry Creditors		6,61,04,221		5,38,69,503
Misc. Deposit		40,94,82,058		26,49,23,316
Duties & Taxes		17,34,89,835		13,92,86,385
Book Overdraft		3,91,22,068		7,72,17,434
Retention Money		27,31,76,698		20,58,91,965
Advance received from Customers against Deposit Works		142,06,60,901		47,00,34,720
<b>Interest Accrued but not due on Loan: (IRFC)</b>				
Opening Balance	185,07,07,903		152,09,42,558	
Add: Addition during the Year	98,99,06,181		185,07,07,903	
Less: Payment during the Year	(1,85,07,07,903)	98,99,06,181	(1,52,09,42,558)	185,07,07,903
Other Liabilities		2,82,52,997		1,78,92,642
Expenses Payable		2,61,66,207		2,29,63,713
		<b>469,12,50,401</b>		<b>367,07,10,199</b>
1. Book Overdraft is due to Cheques issued but not cleared in Bank.				
<b>(d) Short-term provision</b>				
<b>(i) Provision for Taxation</b>				
Opening Balance	12,02,00,268		13,26,38,310	
Add: Addition during the Year	11,02,17,718		12,02,00,268	
Less: Adjustment during the Year	(12,02,00,268)	11,02,17,718	(13,26,38,310)	12,02,00,268
<b>(ii) Dividend Payable</b>				
Opening Balance	20,00,00,000		12,50,00,000	
Add: Addition during the Year	27,00,00,000		20,00,00,000	
Less: Adjustment during the Year	(20,00,00,000)	27,00,00,000	(12,50,00,000)	20,00,00,000
<b>(iii) Provision for Foreign Service Contribution</b>				
Opening Balance	4,05,94,924		3,23,98,130	
Add: Addition during the Year	2,76,70,000		1,92,61,272	
Less: Adjustment during the Year	(1,21,52,225)	5,61,12,699	(1,10,64,478)	4,05,94,924
<b>(iv) Provision for PRP/PLI</b>				
Opening Balance	8,03,69,140		3,73,67,876	
Add: Addition during the Year	8,37,30,987		5,96,00,000	
Less: Adjustment during the Year	(3,12,71,916)	13,28,28,211	(1,65,98,736)	8,03,69,140
<b>(v) Provision for Retirement Benefit</b>				
Opening Balance	12,16,111		-	
Less: Transfer to long term provisions	(40,771)		12,16,111	
Less: Adjustment during the Year	(78,742)	10,96,598	-	12,16,111
<b>(vi) Provision for LTC</b>				
Opening Balance	-		-	
Add: Addition during the Year	6,00,000		-	
Less: Adjustment during the Year	-	6,00,000	-	-
<b>(vii) RVNL Welfare Scheme</b>				
Opening Balance	-		-	
Add: Addition during the Year	5,00,00,000	5,00,00,000	-	-
<b>(viii) RVNL Medical Scheme</b>				
Opening Balance	-		-	
Add: Addition during the Year	2,72,00,000	2,72,00,000	-	-
		<b>64,80,55,226</b>		<b>44,23,80,443</b>
<b>Income Tax:</b>				

- Provision for Income Tax has been made as tax computed under the Income Tax Act.
- In compliance with provisions of Accounting Standards and based on general prudence, the Company has not recognized the Deferred Tax Assets while preparing the Accounts of the current year.

## 7. Fixed Assets

Block of Assets	GROSS BLOCK						DEPRECIATION				NET BLOCK	
	Cost up to March 31, 2012	Additions during the year	Deletions/ Adjustments during the year	Cost up to 31st March 2013	Up to March 31, 2012	Depreciation during the year	Depreciation on sale/ Adjustment	Up to 31st March 2013	As at March 31, 2013	As at March 31, 2012	Amount (₹)	Amount (₹)
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>A. Tangible Assets</b>												
Lease Hold Improvements	5,53,46,057	2,10,50,756	-	7,63,96,813	3,46,39,032	93,41,836	-	4,39,80,868	3,24,15,945	2,07,07,026		
Furniture and Fixtures	3,78,68,081	1,01,27,734	15,62,626	4,64,33,189	3,19,21,162	77,68,588	14,79,394	3,82,10,356	82,22,833	59,46,919		
EDP Assets	5,15,00,627	2,50,79,835	19,82,894	7,45,97,568	4,25,28,930	1,08,59,055	16,66,862	5,17,21,104	2,28,76,464	89,71,700		
Office Equipments	4,02,44,788	1,14,12,140	15,67,154	5,00,89,774	2,89,93,984	90,65,097	12,31,169	3,68,27,912	1,32,61,862	1,12,50,803		
<b>TOTAL</b>	<b>18,49,59,552</b>	<b>6,76,70,465</b>	<b>51,12,674</b>	<b>24,75,17,343</b>	<b>13,80,83,109</b>	<b>3,70,34,576</b>	<b>48,77,445</b>	<b>17,07,40,240</b>	<b>7,67,77,103</b>	<b>4,68,76,447</b>		
<b>B. Intangible Assets</b>												
Software	55,65,527	12,97,656	-	68,63,183	41,24,672	19,44,759	-	60,69,431	7,93,752	14,40,855		
<b>TOTAL</b>	<b>19,05,25,079</b>	<b>6,89,68,121</b>	<b>51,12,674</b>	<b>25,43,80,526</b>	<b>14,22,07,780</b>	<b>3,89,79,335</b>	<b>43,77,445</b>	<b>17,68,09,671</b>	<b>7,75,70,856</b>	<b>4,83,17,302</b>		
Previous Year	14,82,53,684	4,53,57,476	30,86,079	19,05,25,081	10,98,63,832	3,47,45,196	24,01,249	14,22,07,779	4,83,17,302			



Sl. Particulars No.	As at March 31, 2013		As at March 31, 2012	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>8. Non-current investment</b>				
<b>Fully paid up Equity Share in Incorporated in Joint Ventures (unquoted-at-cost)</b>				
Kutch Railways Company Limited				
10,00,00,000 Equity Shares of ₹ 10 Each fully paid up & 2,50,00,000 Bonus Shares of ₹ 10 Each fully paid up		100,00,00,000		100,00,00,000
Haridaspur Paradip Railways Company Limited				
25,000 Equity Shares of ₹ 10 Each fully paid up		2,50,000		2,50,000
Krishnapatnam Railways Company Limited				
8,10,00,000 Equity Shares of ₹ 10 Each fully paid up		81,00,00,000		2,50,000
Bharuch Dahej Railways Company Limited				
4,29,00,000 Equity Shares of ₹ 10 Each fully paid up		42,90,00,000		32,50,00,000
Angul Sukinda Railways Company Limited				
25,000 Equity Shares of ₹ 10 Each fully paid up & 18,89,75,000 Partly paid up Equity Shares of ₹ 10 Each		57,09,54,500		2,50,000
<b>Fully paid Equity Share in Subsidiary Company (unquoted-at-cost)</b>				
High Speed Rail Corporation of India Limited				
50,000 Equity Shares of ₹ 10 Each Fully paid up		5,00,000		
<b>Share Application Money pending Allotment</b>				
Bharuch Dahej Railway Company Limited	-	-	10,40,00,000	
Krishnapatnam Railway Company Limited	-	-	2,50,000	
Haridaspur Paradip Railway Company Limited	133,17,50,000		133,20,00,000	
Angul Sukinda Railway Company Limited	-	133,17,50,000	38,25,00,000	181,87,50,000
<b>Total</b>		<b>414,24,54,500</b>		<b>395,42,50,000</b>
As per Share Holder Agreements shares will be allotted, when the full amount of equity has been received by the concerned SPV.				
<b>9. Long Term Loans &amp; Advances</b>				
(a) Recoverable from Ministry of Railways				
(Interest & Processing Fee)		446,53,06,032		338,38,28,850
(Unsecured, considered good)				
(b) Employees Loan & Advances		99,16,337		19,20,302
		<u>447,52,22,369</u>		<u>338,57,49,152</u>
<b>10 Other Non-Current Assets</b>				
Security Deposits		5,58,45,365		5,49,99,365
		<u>5,58,45,365</u>		<u>5,49,99,365</u>
<b>11. Current investment</b>				
Term Deposit in Schedule Bank		242,00,00,000		162,50,00,000
		<u>242,00,00,000</u>		<u>162,50,00,000</u>

S. No.	Particulars	Opening Balance as at 01.04.2012 Amount (₹)	Addition from 01.04.2012 to 31.03.2013 Amount (₹)	Project Transferred from 01.04.2012 to 31.03.2013 Amount (₹)	As at March 31, 2013 Amount (₹)	As at March 31, 2012 Amount (₹)
<b>12. Project Work-in-Progress</b>						
<b>1. Civil Works</b>						
	Bridges	1115,20,11,140	419,57,50,600		1534,77,61,740	1115,20,11,140
	Civil Works	41,81,94,028	103,34,11,519		145,16,05,547	41,81,94,028
	Preliminary Project Expenditure	36,51,29,467	8,00,04,799		44,51,34,266	36,51,29,467
	Equipments Plants and Machinery	55,94,55,363	10,37,34,494		66,31,89,857	55,94,55,363
	Formation	650,00,97,795	211,70,73,970		861,71,71,765	650,00,97,795
	Land	248,23,20,872	8,60,46,901		256,83,67,773	248,23,20,872
	Permanent Way	3138,06,08,754	427,42,38,423		3565,48,47,177	3138,06,08,754
	Detailed Design & Engineering (Civil)	-	4,68,84,497		4,68,84,497	-
	Station Buildings	321,10,22,917	129,28,97,598		450,39,20,515	321,10,22,917
	<b>Total Civil Work (A)</b>	<b>5606,88,40,336</b>	<b>1323,00,42,801</b>	<b>-</b>	<b>6929,88,83,137</b>	<b>5606,88,40,336</b>
<b>2. S &amp; T Work</b>						
	Detailed Design & Engineering	24,47,06,241	4,33,27,917		28,80,34,158	24,47,06,241
	Signaling Arrangement	146,83,05,473	62,21,18,069		209,04,23,542	146,83,05,473
	Telecommunication Arrangement	8,92,42,915	28,57,782		9,21,00,698	8,92,42,915
	Signaling & Telecom Works	623,53,20,898	80,32,32,211		703,85,53,109	623,53,20,898
	<b>Total S &amp; T Work (B)</b>	<b>803,75,75,527</b>	<b>147,15,35,980</b>	<b>-</b>	<b>950,91,11,507</b>	<b>803,75,75,527</b>
<b>3. Electrical Works</b>						
	General electrification	263,97,86,546	44,51,13,077		308,48,99,623	263,97,86,546
	Detailed Design & Engineering (Electrical)	-	77,48,493		77,48,493	-
	Overhead Electric Equipment	570,30,86,112	2,30,62,06,475		8,00,92,92,588	5,70,30,86,112
	<b>Total Electrical Work (C)</b>	<b>834,28,72,658</b>	<b>275,90,68,046</b>	<b>-</b>	<b>1110,19,40,704</b>	<b>834,28,72,658</b>
<b>4. Incidental Expenditure during Construction Period</b>						
	Opening Balance	180,42,74,962	(83,524)		180,41,91,438	172,61,85,504
	Add: Transferred from Employees' Remuneration and Benefits	-	-		-	-
	Supervision Charges	-	-		-	-
	<u>Project related Direct Expenditure</u>					
	Project Management Consultancy	-	26,49,67,623		26,49,67,623	17,86,12,280
	D&G to Railways	-	2,55,37,728		2,55,37,728	2,51,36,775
	<b>Total Incidental Expenditure During Construction Period</b>	<b>180,42,74,962</b>	<b>29,04,21,827</b>	<b>-</b>	<b>209,46,96,789</b>	<b>192,99,34,559</b>





Less: Interest on Mobilisation Advance	-	17,32,85,272		17,32,85,272	12,56,59,597
<b>Net Incidental expenditure Apportioned to Projects in the ratio of spending on individual projects to project</b>	<b>180,42,74,962</b>	<b>11,71,36,555</b>	<b>-</b>	<b>1,92,14,11,517</b>	<b>180,42,74,962</b>
<b>5. Others</b>					
Expenditure Pending Allocation	158,58,54,391	(3,42,22,139)		155,16,32,252	158,58,54,391
Net Project Execution Income	182,37,53,977	150,31,16,096		332,68,70,073	182,37,53,977
<b>Total Others (E)</b>	<b>340,96,08,368</b>	<b>146,88,93,957</b>	<b>-</b>	<b>487,85,02,325</b>	<b>340,96,08,368</b>
<b>Total Project Work in Progress</b>	<b>7766,31,71,852</b>	<b>1904,66,77,339</b>	<b>-</b>	<b>9670,98,49,191</b>	<b>7766,31,71,852</b>
Less: Credit from Release Material	4,41,725	3,19,000		7,60,725	4,41,725
Less: to date Expenditure incurred on SPVs	799,85,73,554	-		799,85,73,554	799,85,73,554
<b>Net Project Work in Progress for MoR Projects</b>	<b>6966,41,56,573</b>	<b>1904,63,58,339</b>	<b>-</b>	<b>8871,05,14,912</b>	<b>6966,41,56,573</b>

1. Land cost included in Project Work in Progress represents payments made through various Zonal Railways/ to concerned authority for the purpose of acquisition of land. The total payment made amounts to ₹2,56,83,67,773 (Previous year: ₹248,23,20,872). The land so acquired is in the name of the concerned Zonal Railway.
2. The Company is executing projects assigned by MoR . In some of the projects, initially transferred to the Company, work was already in progress and some of the Zonal Railways had incurred expenditure on those projects prior to their transfer to the Company. The expenditure made by the concerned Railways prior to the formation of the Company has not been taken into account.
3. In the opinion of the Management, the value of current assets, loans and advances on realization in the ordinary course of business, will not be less than the value at which these have been stated in the Balance Sheet.
4. In previous practice direct expenses of SPV and deposit work were grouped under current assets, From 2012-2013 direct expenses of SPV and deposit work are directly booked in Profit and Loss Account.
5. "Interest on mobilization Advance, recovered from the Contractors as per the terms and conditions of the contract, is being credited to the project."

	As at March 31, 2013 Amount (₹)	As at March 31, 2012 Amount (₹)
<b>13. Trade Receivables</b>		
(a) More than 6 months		
Unsecured-Considered good	178,28,43,987	58,92,25,938
(b) Other (less than 6 months)		
Unsecured-Considered good	81,44,19,136	75,67,12,047
	<u>259,72,63,123</u>	<u>134,59,37,985</u>
<b>14. Cash and Bank Balances</b>		
<b>Cash and Cash Equivalent</b>		
(i) Balances with Bank		
-- Current Account	68,27,38,539	4,61,44,406
-- Fixed Deposits (Maturity less than 3 Months)	318,25,00,000	167,50,00,000
(ii) Cheque-in-Hand	3,36,029	10,00,00,000
(iii) Imprest	7,69,371	6,11,346
	<u>386,63,43,939</u>	<u>182,17,55,752</u>
<b>Other Bank Balances</b>		
(i) Balances with Bank		
-- Fixed Deposits (Maturity more than 3 months & less than 12 months)	-	291,00,00,000
	<u>-</u>	<u>291,00,00,000</u>
	<u>386,63,43,939</u>	<u>473,17,55,752</u>
<b>15. Short Term Loan &amp; Advances</b>		
Advance Receivable in Cash or in kind or for value to be Received: (Unsecured, considered good)		
(a) Recoverable from Ministry of Railways (Interest & Processing Fee)	99,99,06,181	186,07,07,903
(b) Interest accrued on Fixed Deposit	6,03,89,936	8,10,43,795
(c) Interest accrued on Mobilization Advance	2,55,09,586	2,08,38,021
(d) Security Deposit	21,47,703	29,99,934
(e) Advance Tax and Tax Deducted at Source	21,43,71,309	14,61,93,856
(f) Others	4,21,56,488	2,51,67,099
	<u>134,44,81,203</u>	<u>213,69,50,608</u>



	As at March 31, 2013		As at March 31, 2012	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>16. Revenue from Operation:</b>				
<b>(Turnover from Construction Work in Progress (Project Activity))</b>				
- From MoR Projects	1615,94,64,045		1267,07,91,194	
- From MoR Metro Projects	281,23,69,124		98,12,69,631	
- From MoR National Projects	1,28,62,162		38,15,492	
- From MoR Projects (Executed by Zonal Railways)	6,16,63,008		16,57,15,056	
- From Deposit Work - Projects (SPV)	189,28,08,861		187,71,97,990	
- From Deposit Work - Project (Others)	22,93,62,264	2116,85,29,464	28,03,90,794	1597,91,80,156
		<u>2116,85,29,464</u>		<u>1597,91,80,156</u>

In accordance with Railway Board's letter No. 2004/W-1/RVNL/15 dated 04.01.2012 RVNL has accounted Consolidated Management fee @ 9.25% in case of Metro Projects, 8.5% in case of Other Plan Heads and 10% in case of National Projects on the expenditure incurred by RVNL on MoR projects. As per the directions of MoR, all expenditure in the nature of consultancies related to Project Management are being charged directly to project. D&G charges payable to Railway up to 0.25 % of cost of projects are allocated to the projects on actual funds released to the respective Zonal Railway, Expenditure incurred on D&G (Supervision) are being charged to the Profit & Loss account. The miscellaneous receipts from sale proceeds of Tender and other income has been credited to the P&L account.

## 17. Other income

### (a) Interest income

- Current Investment	20,90,40,194		9,07,60,177	
- Banks - Gross	36,72,12,302		36,85,98,708	
- Others - Gross	17,40,86,926	75,03,39,422	4,47,48,537	50,41,07,422
(b) Dividend income:		12,50,00,000		5,00,00,000
(c) Misc Income		57,52,487		96,19,966
		<u>88,10,91,909</u>		<u>56,37,27,388</u>

1. Interest on Current Investment includes interest on Fixed Deposits created out of Reserves of the Company.
2. Interest from Bank includes interest on Fixed Deposits (other than created out of Reserves) and on CLTD.
3. Interest from Others includes interest from Special Purpose Vehicles (SPVs) against balances outstanding.
4. Misc Income includes sale of Tender, Interest from contractors, etc.

	As at March 31, 2013		As at March 31, 2012	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>18. Expenses on Operations</b>				
<b>(Direct Expenses on Construction and Project related Activity)</b>				
- Incurred on MoR Projects	1489,56,35,446		1168,01,17,806	
- Incurred on MoR Metro Projects	257,42,50,914		89,81,87,305	
- Incurred on MoR National Projects	1,16,92,874		34,68,629	
- Incurred on Projects (Zonal Railway)	6,16,63,008		16,57,15,056	
- Incurred on Deposit Work - Projects (SPV)	173,73,34,295		172,59,27,830	
- Incurred on Deposit Work-Projects (Others)	20,97,91,783	1949,03,68,321	26,54,33,417	1473,88,50,043
		<u>1949,03,68,321</u>		<u>1473,88,50,043</u>

1. Expenditure on Work in Progress against contracts awarded by the Company is recognized on completion of measurements and testing certified by the Engineer.
2. Expenditure of execution of projects done by the Zonal Railways on behalf of the Company on MOR projects is accounted for on the basis of statement of estimated expenditure received from respective Zonal Railways and is adjusted allocation-wise as and when the final expenditure statement is received.
3. The total cost of projects executed for MoR by the Company is ₹ 10890,36,46,063 (Previous Year ₹ 8986,95,94,525). Out of this ₹ 1853,27,86,207 (Previous Year ₹ 1847,75,21,063) worth of projects has been executed by Zonal Railways on behalf of the Company.
4. The value of projects commissioned / completed and put to use by Railways up-to period ended 31st March 2013 amounted to ₹ 4151,09,98,805 (Previous year ₹ 4136,23,99,677). Out of the same the value of completed projects funded through MOR sources of funds i.e. Capital is ₹ 749,38,91,735 (previous year ₹ 749,67,47,611) and Capital Fund is ₹ 1279,50,72,293 (previous year ₹ 1270,86,90,341) and IRFC funded (including project part funded by Tamil Nadu Government) is ₹ 2086,92,85,967 (previous year ₹ 2086,92,85,967).
5. As some projects have been completed by RVNL and handed over to the respective Zonal Railways for operation, the financial adjustments for such projects have been carried out against Project Advance (Capital) and Project Advance (Capital Fund) respectively in the Balance Sheet leading to a reduction in Loan Funds and Project Work in Progress to the tune of ₹ 2035,40,37,080 (previous year ₹ 2020,54,37,952). As some minor works may still be required, the expenditure incurred on projects subsequent to the date of financial adjustments will be cleared at the time of drawing the completion reports. With regard to the IRFC funded projects, the expenditure incurred on these projects is to be retained on the Balance Sheet of RVNL till the loan amount is liquidated or instructions of MoR, whichever i.e. earlier.
6. With the rationalisation of the revenue stream of RVNL, the expenses incurred on supervision and monitoring directly allocable to the projects have been reviewed in terms of Railway Board 's letter no 2004/W-1/RVNL/15 dated 04/01/2012, the pattern of booking of expenditure on Zonal Railways and general accounting practises. The expenditure incurred on this account related to execution of Deposit Works (for SPV and others) have been charged to the Profit and Loss account.



	As at March 31, 2013 Amount (₹)	As at March 31, 2012 Amount (₹)
<b>19. Employee benefits expenses</b>		
(a) Salaries and Wages	49,81,62,899	38,97,81,123
(b) Contribution to Provident & Other Funds	3,88,09,873	1,07,59,240
(c) Staff Welfare Expenses	6,84,57,898	1,70,36,694
	<u>60,54,30,670</u>	<u>41,75,77,057</u>
<b>20. Other Expenses</b>		
(a) Power & Fuel	1,09,06,046	91,62,667
(b) Rent	2,78,74,819	2,48,05,124
(c) Rates & Taxes (excluding Income Tax)	95,683	2,020
(d) Miscellaneous Expenditure	66,95,520	27,75,663
(e) Payment to Auditors		
(i) As Auditor	3,93,260	3,89,208
(ii) For Taxation Matters	1,01,124	1,22,360
(iii) For Other Services	73,034	86,573
(iv) For Expenses	72,500	5,000
(f) Advertisement and Business Promotion	2,33,99,510	1,73,78,353
(g) Project Management Consultancy	2,05,33,459	2,25,77,888
(h) Printing and Stationery	1,40,41,734	1,19,27,882
(i) Travelling & Local Conveyance	1,77,42,443	1,96,44,651
(j) Communication	1,64,74,074	1,22,34,427
(k) Books & Periodicals	4,83,789	6,09,104
(l) Prior Period Items	19,88,704	8,17,314
(m) Professional Fees Consultancy	-	76,224
(n) Legal and Professional Charges	1,15,99,741	74,96,068
(o) Consultant Fee	1,09,60,894	61,10,333
(p) D & G to Zonal Railway	5,00,000	-
(q) Other Expenses	1,32,26,616	1,14,46,499
(r) PPE Incidental	-	-
	<u>17,71,62,950</u>	<u>14,76,67,359</u>
<b>21. Other Expenses as per DPE Guidelines</b>		
(a) CSR Expenses	3,02,39,502	
(b) CSR Expenses (Previous Year)	1,64,50,987	
(c) Sustainability Expenses	81,28,803	99,97,180
(d) Research & Development Expenses	1,10,40,253	7,91,346
Less: Transferred to Project for R&D	(27,99,183)	
	<u>6,30,60,362</u>	<u>1,07,88,526</u>
<b>22. Deposit Works (SPVs and others)</b>		
22.1 Works being executed for SPVs and others parties are treated as a Deposit Work. The corresponding current assets and liabilities in respect of such projects have been recognized on the basis of expenditure incurred plus supervision charges as agreed. The advance received is disclosed under Current Liabilities and the amount recoverable on account of project execution under Sundry Debtors.		



**22.2 Costs incurred on Deposit Works:**

Particulars	Year Ended March 31,2013 Amount (₹)	Year Ended March 31,2012 Amount (₹)
Costs incurred for Deposit Works	194,71,26,078	201,39,39,135
Recognized Profit/Loss	17,50,45,047	14,36,49,649
Advance received	142,06,60,901	47,00,34,720
Gross Amount due from Customers	259,72,63,123	134,59,37,985
Cumulative amount of costs incurred	1407,74,28,113	1213,03,02,035
Cumulative amount of recognised Profit/Loss	120,50,24,759	102,99,79,712

**23. Micro, Small and Medium**

The Company has not received any intimation from "Suppliers" regarding their status under the Micro, Small and medium enterprises Development Act, 2005 and hence disclosures, if any, relating to amounts unpaid as at the year-end together with interest paid/payable as required under the said Act is not ascertainable presently.

**24. Expenditure in Foreign Currency**

	Year Ended March 31,2013 Amount (₹)	Year Ended March 31,2012 Amount (₹)
Travel expenses	72,47,052	Nil
Project Management Consultancy	Nil	20,70,001

**25. Contingent Liabilities**

Contingent liability in respect of claims not acknowledged as debts by the Company is ₹516,37,90,000 (Previous year ₹129,36,93,982).

**26. Capital Commitment**

Capital commitment towards share capital in SPV's is ₹131,90,45,500 (Previous year ₹150,72,50,000).  
Capital commitment towards Project expenditure is ₹7486,62,00,000 (Previous Year ₹4317,75,00,234).

**27. Managerial Remuneration**

	Year Ended March 31,2013 Amount (₹)	Year Ended March 31,2012 Amount (₹)
Salary & allowances	1,93,91,885	1,85,82,208
Provident fund and other fund	10,65,275	9,77,565

Includes ₹43,22,986 (Previous year ₹39,03,555) for Directors who are on deputation from Ministry of Railways.

**28. Earnings per Share:**

The numerators and denominators used to calculate Basic Earnings per Share are:

	Year Ended March 31, 2013	Year Ended March 31, 2012
Profit Attributable to the shareholders (₹) (A)	135,55,12,842	98,38,34,842
Basic average number of Equity Shares outstanding at end of the year (Nos.) (B)	208,50,20,100	208,50,20,100
Weighted average number of Equity Shares outstanding at the end of year	208,50,20,100	208,50,20,100
Nominal value of Equity Shares (₹)	10	10
Basic Earnings per share (₹) (A/C)	0.65	0.47



**29. Related Party Disclosures (AS-18) :**

**29.1 Joint Ventures:**

Kutch Railway Company Limited  
 Haridaspur Paradip Railway Company Limited  
 Krishnapatnam Railway Company Limited  
 Bharuch Dahej Railway Company Limited  
 Angul Sukinda Railway Limited

**29.2 Subsidiary Company :**

High Speed Rail Corporation of India Limited

**29.3 Key Management Personnel:**

Sh. S.C. Agnihotri : Managing Director  
 Sh. Ashok Krishna Ganju : Director Finance  
 Ms. Gita Mishra : Director Personnel  
 Sh. Mukul Jain : Director Operation  
 Sh. Vijay Anand : Director Projects

**29.4 Enterprises in which Directors interest exist:**

High Speed Rail Corporation of India Limited

**29.5 Disclosure of transactions with related parties:**

Particulars	Transactions		Outstanding Amount **	
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012
Remuneration to Key Personnel (29.3) above	*	*		
HPRCL				
Share Application Money	Nil	Nil	Nil	Nil
Expenditure towards project	14,11,48,992	13,73,74,450	-29,10,79,307	62,03,061
BDRCL				
Share Application Money	Nil	10,40,00,000	Nil	Nil
Expenditure towards project	20,72,19,756	67,40,83,893	36,83,51,941	14,05,74,186
KPRCL				
Share Application Money	Nil	Nil	Nil	Nil
Expenditure towards project	111,35,28,013	89,23,87,189	220,92,01,212	118,01,67,273
ASRL				
Share Application Money	18,82,04,500	15,75,00,000	Nil	Nil
Expenditure towards project	43,09,12,100	41,50,17,059	1,84,73,911	1,45,52,742
High Speed Rail Corporation of India Limited				
Share Capital	5,00,000	Nil	Nil	Nil
Expenditure towards Incorporation etc.	12,36,059	Nil	1,26,36,059	Nil

\* See note No. 27

\*\* These represent amounts recoverable on account of expenditure incurred on various projects of Joint Ventures. and Misc Expenses of Subsidiary.

## 30. Disclosure in respect of Joint Venture/Subsidiary :

Name of the Joint Venture	Partner(s) Country of Origin	Proportion of Ownership Interest as at March 31, 2013	Proportion of Ownership Interest as at March 31, 2012
Kutch Railway Company Limited	Rail Vikas Nigam Limited, India	50%	50%
	Kandla Port Trust, India	26%	26%
	Mundra Port SEZ	20%	20%
	Government of Gujarat, India	4%	4%
Haridaspur Paradip Railway Company Limited (HPRCL)	Rail Vikas Nigam Limited, India	48.43%	50%
	IDCO (Govt of Odisha)	0.66%	
	Essel Mining and Industries Ltd., India	10.91%	50%
	Paradeep Port Trust	10.00%	
	Rungta Mines Ltd	10.91%	
	Jindal Steel & Power Ltd	1.82%	
	Steel Authority of India Limited	1.82%	
	POSCO India Limited	10.00%	
MSPL LTD	5.45%		
Krishnapatanam Railway Company Limited (KRCL)	Rail Vikas Nigam Limited, India	30%	30%
	Krishnapatnam Port Corporation Limited, India	30%	30%
	Bramhani Industries Limited	12%	12%
	National Mineral Development Corporation	15%	15%
	Government of Andhra Pradesh	13%	13%
Bharuch Dahej Railway Company Limited (BDRCL)	Rail Vikas Nigam Limited, India	26.00%	26%
	Adani Petronet (Dahej) Port Private Limited, India	10.50%	8%
	Gujarat Maritime Board, India	10.82%	10.82%
	Dahej SEZ Limited, India	6.06%	8%
	GNFC	8.20%	10.82%
	Hindalco Industries Limited, India	8.20%	10.82%
	Jindal Rail Infrastructure Limited, India	6.06%	8.00%
	Guj. Industrial Dev. Corp. Ltd	10.82%	10.82%
Equity Gap	13.33%	6.70%	
Angul Sukinda Railway Limited (ASRL)	Rail Vikas Nigam Limited, India	45%	50%
	Jindal Steel and Power Limited, India	25%	50%
	Bhushan Steel & Power Ltd.	20%	
	Equity Gap	10%	
High Speed Rail Corporation of India Limited	Rail Vikas Nigam Limited India	100%	

Details of the aggregate amounts of the assets, liabilities, income and expenditure related to the interest in the Jointly Controlled Entities are as under:

**a. Kutch Railway Company Limited**

	As at March 31, 2013 (Provisional) Amount (₹)	As at March 31, 2012 (Audited) Amount (₹)
Assets excluding preliminary expenditure	432,53,00,000	322,18,50,000
Liabilities	191,68,50,000	145,13,50,000
Income	256,38,50,000	194,51,00,000
Expenditure	192,59,00,000	152,26,50,000

Contingent liabilities: ₹ Nil (Previous year ₹ Nil)

Capital commitment: ₹ Nil (Previous year ₹ 16.50)

**b. Haridaspur Paradip Railway Company Limited**

	As at March 31, 2013 (Provisional) Amount (₹)	As at March 31, 2012 (Audited) Amount (₹)
Assets excluding preliminary expenditure	133,22,05,527	138,58,51,063
Liabilities	3,80,527	36,68,070
Income	96,82,758	3,28,82,583
Expenditure	31,55,174	68,30,761

Contingent liabilities: ₹ Nil (Previous year ₹ Nil)

Capital commitment: ₹ Nil (Previous year ₹ Nil)

**c. Krishnapatnam Railway Company Limited**

	As at March 31, 2013 (Provisional) Amount (₹)	As at March 31, 2012 (Audited) Amount (₹)
Assets excluding preliminary expenditure	143,43,17,454	117,05,14,628
Liabilities	66,41,68,322	36,11,49,607
Income	9,59,00,339	14,31,32,678
Expenditure	13,51,16,227	14,37,67,657

Contingent liabilities: ₹ Nil (Previous year ₹ Nil)

Capital commitment: ₹ Nil (Previous year ₹ Nil)

**d. Bharuch Dahej Railway Company Limited**

	As at March 31, 2013 (Provisional) Amount (₹)	As at March 31, 2012 (Audited) Amount (₹)
Assets excluding preliminary expenditure	108,69,34,836	97,71,96,369
Liabilities	76,38,78,640	63,78,78,118
Income	14,14,28,561	75,58,507
Expenditure	18,10,49,836	87,65,256

Contingent liabilities: ₹ Nil (Previous year ₹ Nil)

Capital commitment: ₹ Nil (Previous year ₹ Nil)

**e. Angul Sukinda Railway Limited**

	As at March 31, 2013 (Provisional) Amount (₹)	As at March 31, 2012 (Audited) Amount (₹)
Assets excluding preliminary expenditure	45,37,77,065	35,51,35,800
Liabilities	90,74,015	73,85,800
Income	46,21,765	5,95,958
Expenditure	24,81,303	3,73,514

Contingent liabilities: ₹ Nil (Previous year ₹ Nil)

Capital commitment: ₹ Nil (Previous year ₹ Nil)

**f. High Speed Rail Corporation of India Limited**

	As at March 31, 2013 (Audited) Amount (₹)
Assets excluding preliminary expenditure	11,82,295
Liabilities	14,27,513
Income	8,135
Expenditure	7,53,353

Contingent liabilities: ₹ Nil

Capital commitment: ₹ Nil

**31. Segment Reporting**

As the business activity of the Company falls within a single segment viz. construction of Railway projects in the domestic market, the disclosure requirement of AS-17 on 'Segment Reporting' issued by the Institute of Chartered Accountants of India (ICAI) is not applicable.

**32. Lease Rentals**

The company's leasing arrangements in respect of offices and residential premises are in the nature of operating lease. The rent is being charged on rates agreed to between HUDCO and RVNL based on letter of offer received from HUDCO and agreed to by RVNL. The formal lease agreement between the Company and HUDCO for lease of Corporate Office, New Delhi has not been executed and is under approval of Ministry of Urban Development.

**33. Operating Cycle**

Operating Cycle of the Company is based on time required from initiation of the project to the completion of the project. The period required for completion varies from project to project. In general duration is more than 12 month up to 60 months. Keeping in view the project cycle of more than 12 months, all assets and liabilities relating to projects have been classified accordingly as current and non-current.

34. Current/Non current classification are based on the period from 01-04-2013 to 31-03-2014 (i.e. Liability/Assets to be paid/Recoverable upto 31-12-2014 are shown under current liability/current assets respectively accordingly liability/assets to be paid/recoverable after 31-12-2014 are shown under non current liability/non current assets respectively

**R K Relan & Co.****Chartered Accountants**

Firm Registration Number :002267N

**FOR AND ON BEHALF OF THE BOARD**

Sd/-  
CA Hemant Relan  
Partner  
M.No. 085317

Sd/-  
S.C. Agnihotri  
Chairman & Managing Director

Sd/-  
Ashok K. Ganju  
Director Finance

Sd/-  
Suman Kalra  
Company Secretary

Place : New Delhi

Date : 03.07.2013



**R. K. RELAN & CO.**

CHARTERED ACCOUNTANTS

B-45 (FIRST FLOOR)

GREATER KAILASH, PART-1

NEW DELHI - 110048

OFFICE PHONE : 011-29238055 FAX : 011-29238059

DIRECT LINES :

B.L. JAIN : 011-29238056

HEMANT RELAN : 011-29238059, 9810027220

RAJIV AGARWAL : 011-29238055, 9810472030

E-mail : rkrelan1962@yahoo.co.in

Ref. No. ....

Date : 18/07/2013

To,  
The Members,  
Rail Vikas Nigam Limited,  
First Floor, August Kranti Bhavan,  
Bikaji Cama Place, R.K. Puram,  
New Delhi-110066.

Sir,

We have issued the Independent Auditor's Report as at March 31, 2013 dated 3rd of July, 2013. While preparing the report, the para of Cash Flow Statement was inadvertently left out from the Independent Auditor's Report, though it was certified in the Financial Statements. This was purely an omission of para, which is regretted.

Now, in the Independent Auditor's Report, first paragraph may be read out as **"We have audited the accompanying Financial Statements of Rail Vikas Nigam Limited, ("the Company"), which comprises the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of Significant Accounting Policies and other explanatory information,"** instead of existing one.

In the certification of the true and fair view of the account, Clause 'C' may be added stating, **"in the case of the Cash Flow Statement, of the cash flows for the year ended on that date."**

In point no. 2 (c and d) regarding the agreement with books of account as required by the Section 227(3), may be read as, **"(c) The Balance Sheet & Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account. (d) In our opinion, the Balance Sheet & Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956."**

Thanking you,

Yours truly,

For R.K. RELAN & CO.,  
CHARTERED ACCOUNTANTS

Sd/-

(HEMANT RELAN)  
PARTNER; MRN: 085317.



**R. K. RELAN & CO.**  
 CHARTERED ACCOUNTANTS  
 B-45 (FIRST FLOOR)  
 GREATER KAILASH, PART-1  
 NEW DELHI - 110048

OFFICE PHONE : 011-29238055 FAX : 011-29238059  
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 RAJIV AGARWAL : 011-29238055, 9810472030  
 E-mail : rkrelan1962@yahoo.co.in

### INDEPENDENT AUDITOR'S REPORT

To  
 The Members of  
 RAIL VIKAS NIGAM LIMITED,

We have audited the accompanying financial statements of RAIL VIKAS NIGAM LIMITED, ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion *Except that Work in Progress shown under the 'Current Assets' include project completed, as well as partly completed, by RVNL and under operation by Railway funded by IRFC. These assets are to be retained in the books of RVNL pending the modalities for financial adjustments to be finalized in consultation with Ministry of Railways and the consequent financial impact thereof cannot be ascertained presently.*

In our opinion and to the best of our information and according to the explanations given to us, *subject to our comment in above paragraph, financial adjustments yet to be carried out pending modalities to be finalized in consultation with Ministry of Railways, in case of projects funded through IRFC, and the consequent financial impact thereof cannot be ascertained presently.* The financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement Profit and Loss, of the loss for the year ended on that date.
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) the Balance Sheet & Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet & Statement of Profit and Loss comply with the Accounting Standards referred to in subsection(3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For R.K. Relan & Co.,  
Chartered Accountants  
FRN: 002267N

Sd/-  
(CA. Hemant Relan)  
Partner; MRN. 085317

Place: New Delhi  
Date: 03.07.2013

**The Annexure referred to in paragraph 1 of the Our Report of even date to the members of RAIL VIKAS NIGAM LIMITED, on the accounts of the company for the year ended 31<sup>st</sup> March, 2013.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - (b) As explained to us, fixed assets have been physically verified by the management according to phased programme designed to cover all the items during the year, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No Material discrepancies were noticed on such verification.
  - (c) In our opinion and according to the information and explanations given to us, No substantial part of fixed asset has been disposed during the year.
2. According to the information and explanation given to us the inventories have been physically verified during the year. No material discrepancies have been noticed.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
  - (b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of fixed assets, rendering of services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. Based on our examination and according to the information and explanations given to us, we are of the opinion that there were no transactions during the year that need to be entered in the Register maintained under Section 301 of the Companies Act, 1956.
6. According to the information and explanation provided to us, the Company has not accepted any deposits from the "public" attracting the provisions of Sections 58A and 58AA of the Companies Act 1956 or the rules framed there under.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act, accordingly paragraph 4 (viii) of the Order is not applicable.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities.
  - (b) According to the information and explanations given to us there were no outstanding statutory dues



as on 31st of March, 2013 for a period of more than six months from the date they became payable.

- (c) According to the information and explanation given to us, there are no dues of sale tax, income tax, customs Duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
10. The company does not have any accumulated losses. The Company has not incurred cash losses during the financial year ended 31st March, 2013 and in the immediately preceding financial year.
  11. In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution. The Company has neither borrowed from Banks nor issued any debentures.
  12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
  13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provisions of the clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
  14. In our Opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the company.
  15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
  16. In our opinion and according to information and explanations given to us, the term loans taken from IRFC have been applied for the purpose for which the loans were obtained.
  17. On the basis of information and explanations given to us, and on an overall examination of the financial statements of the company, no funds have been raised on short-term basis. Hence, no comments required.
  18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
  19. The Company has no outstanding debentures during the period under audit.
  20. The Company has not raised any money by public issue during the year.
  21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For R.K. Relan & Co.,  
Chartered Accountants  
FRN: 002267N

Sd/-  
(CA. Hemant Relan)  
Partner; MRN. 085317

Place: New Delhi  
Date: 03.07.2013

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT 1956**

**HIGH SPEED RAIL CORPORATION OF INDIA LIMITED**

1. High Speed Rail Corporation of India Limited is a 100% wholly owned Subsidiary of Rail Vikas Nigam Limited. The Company was incorporated under the provisions of the Companies Act 1956 on July 25, 2012 with the object of carrying business related to planning, designing, development, construction, manufacturing, assembling, fabricating, processing, installing, maintenance, operation, and financing of railway infrastructure and related logistic support systems, including, rolling stock, of all types in India and abroad of High Speed Rail Projects and other rail based traffic, as may be approved by Government of India or Rail Vikas Nigam Limited or any other such Competent authority.

2. The accounts of the company for the 1st year commencing from the date of incorporation i.e. July 25, 2012 to 31st March 2013 have been audited by the auditors and form part of the Annual Report of the holding Company (Rail Vikas Nigam Limited).

**FOR AND ON BEHALF OF THE BOARD**

Sd/-

S. C. Agnihotri  
Chairman and Managing Director

Sd/-

Ashok K. Ganju  
Director Finance

Sd/-

Suman Kalra  
Company Secretary

Place : New Delhi

Date : 03.07.2013



सत्यमेव जयते

भारतीय लेखा परीक्षा एवम् लेखा विभाग  
प्रधान निदेशक लेखा परीक्षक, रेलवे-वाणिज्यिक का कार्यालय  
काफमो, भारतीय रेल, तिलक ब्रिज, नई दिल्ली-110 002

INDIAN AUDIT AND ACCOUNTS DEPARTMENT  
OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT, RLY-COMMERCIAL,  
COFMOW, INDIAN RAILWAYS, TILAK BRIDGE, NEW DELHI-110002

No.PDA/RC/PSU/32-18/RVNL/2012-13/

Dated: 04.09.2013

To

The Chairman and Managing Director,  
Rail Vikas Nigam Limited,  
August Kranti Bhawan, Bikaji Cama Place,  
New Delhi-110 066

**Sub: Comments of the Comptroller And Auditor General of India under Section 619 (4) of the Companies Act, 1956 on the accounts of Rail Vikas Nigam Limited, New Delhi for the year ended 31st March 2013.**

Sir,

The comments of the Comptroller And Auditor General of India under Section 619 (4) of the Companies Act, 1956 on the accounts of Rail Vikas Nigam Limited, New Delhi for the year ended 31st March 2013 are enclosed. The comments may be placed before the Annual General Meeting along with accounts of the Company in compliance with the provisions of Section 619 (5) of the Companies Act, 1956. Six copies of the printed Annual Report and Accounts of the company may please be sent to this office at the earliest.

Receipt of the letter may please be acknowledged.

Yours faithfully,

Encl: As above

(Dinesh Bhargav)  
Principal Director of Audit  
Railway - Commercial



**CONFIDENTIAL****COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF RAIL VIKAS NIGAM LIMITED, NEW DELHI FOR THE YEAR ENDED 31 MARCH 2013**

The preparation of financial statements of Rail Vikas Nigam Limited, New Delhi for the year ended 31 March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956, are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 03 July 2013.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619 (3) (b) of the Companies Act, 1956 of the financial statements of Rail Vikas Nigam Limited, New Delhi for the year ended 31 March 2013. This supplementary audit has been carried out independently without access to the Statutory Auditors and the Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under Section 619 (4) of the Companies Act, 1956, which have come to my attention and which in my view, are necessary for enabling a better understanding of the financial statements and the related Audit Report.

**Significant Accounting Policies (Note 2.12)****Employee Benefits**

In the Note it has been stated that short-term as well as long-term compensated absences had been recognized in the accounts.

As per the leave rules of the Company, the employees are eligible for 20 days' half pay leave per year. However, the compensated absence on half pay leave has not been recognized, measured and provided for in the accounts, Actuarial valuation is also not done. The recognition of this expenditure is, therefore, on cash basis rather than on accrual basis.

For and on the behalf of the  
Comptroller & Auditor General of India

New Delhi

04.09.2013

(Dinesh Bhargav)  
Principal Director of Audit  
Railway - Commercial



Management's reply to comments of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956, on the Accounts of Rail Vikas Nigam Limited for the year ended 31st March 2013

Sr. No.	Comment of C&AG	Management Reply
1.	<p data-bbox="299 547 870 584"><b>"Significant Accounting Policies (Note 2.12)</b></p> <p data-bbox="299 653 757 689"><b>Employees Benefits of regular staff</b></p> <p data-bbox="299 758 920 886">In the Note, it has been stated that short-term as well as long term compensated absences had been recognized in the accounts.</p> <p data-bbox="299 1019 920 1366">As per the leave rules of the Company, the employees are eligible for 20 days half pay leave per year however, compensated absence on half pay leave has not been recognized, measured and provided for in the accounts. Actuarial valuation is also not done. The recognition of this expenditure is, therefore, on cash basis rather than on accrual basis."</p>	<p data-bbox="950 556 1552 998">Rail Vikas Nigam Limited does not have a policy for encasement of Half Pay Leave at the time of retirement. Accordingly no staff of RVNL was eligible for any financial compensation of 20 days Half Pay Leave, as there was no financial implication on account of the same, the compensated absence on Half Pay Leave had not been recognized, measured and provided for in the accounts of RVNL till now.</p> <p data-bbox="950 1019 1552 1366">It is stated that the financial implications for compensated absences on half pay leave is negligible as compared to the turnover of the Company amounting Rs. 2116.85 cr. during the year 2012-13. However, the actuarial evaluation of Half Pay Leave will be conducted and provided for in the accounts of 2013-14 onwards as advised by Audit.</p>

For and on behalf of Board of Directors

Sd/-  
S.C. Agnihotri  
Chairman & Managing Director

Place: New Delhi  
Date: 16.09.2013

## HIGH SPEED RAIL CORPORATION OF INDIA LIMITED

(A Wholly owned Subsidiary of Rail Vikas Nigam Limited)

### DIRECTORS' REPORT

#### Distinguished Shareholders,

The Directors of your Company are privileged in presenting the 1<sup>st</sup> Annual Report of the Company together with the Audited Statements of Accounts and Auditors' Report for the year ended 31st March, 2013 (from 25<sup>th</sup> July, 2012 to 31<sup>st</sup> March, 2013).

President of India (Ministry of Railways) issued directions to Rail Vikas Nigam Limited (RVNL) for incorporating an SPV for development of High Speed Rail Corridors in the country. Subsequently, RVNL incorporated High Speed Rail Corporation of India Limited (HSRC) on 25<sup>th</sup> July 2012 as its Wholly owned Subsidiary and the Certificate of Commencement of Business was received on 18<sup>th</sup> August, 2012. The Company has its registered office in New Delhi.

The main objects of the Company are to enter into and carry on all business related to planning, designing, development, construction, manufacturing, assembling, fabricating, processing, installing, maintenance, operation and financing of railway infrastructure and related logistic support systems, including rolling stock, of all types in India and abroad of High Speed Rail Projects and any other rail-based traffic, as may be approved by the Government of India or Rail Vikas Nigam Limited (RVNL) or any other Authority specifically created for this purpose from time to time, and to undertake any or all activities connected thereto, on PPP, EPC or any other scheme or model basis.

However, specific instructions from Ministry of Railways for implementation of High Speed Rail Projects in the country are yet to be communicated. As such, the operational activities of the Company are yet to commence.

#### Business Performance

The Company has not recorded operating turnover during the year, as Company is yet to commence its operational activities.

#### Financial Performance

The significant indicators of financial performance of the Company for its first financial year {from 25.07.2012 (date of Incorporation) to 31.3.2013} are mentioned below:

Particulars	Asat March 31, 2013 (Amount in ₹)
Authorized Share Capital	5,00,00,000
Paid-up share Capital	5,00,000
Capital work in progress	Nil
Total Income	8,135
Operating Income	Nil
Profit before Tax	(7,45,218)
Net Worth	(2,45,218)
Earnings per share	(21.76)

The expenditure incurred by the Company is on items related to incorporation of the Company including legal and professional fees, Auditor's fees etc. As mentioned above, the operational activities of the Company are yet to commence.



### **Capital Structure**

The paid-up share capital of the Company is ₹ 5 lakh, against the Authorized Share Capital of ₹ 5 crore.

### **Dividend**

Since the company has not yet started its commercial activities, the Company has declared no dividend for the year 2012-13 (from 25.07.2012 to 31.3.2013).

### **Fixed Deposits**

The Company has not accepted any fixed deposits from public during the year under review.

### **Reserves**

As the Company is yet to commence its operational activities and has not earned any income or profit, the Company has not transferred any amount to General Reserves.

### **Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo**

The provisions of conservation of energy, technology absorption are not applicable to the Company. During the year under review, there is no foreign exchange earnings or outgo.

### **Particulars of Employees under Section 217 (2A)**

The Company has not employed any person whose particulars are required to be submitted in the report pursuant to provisions of Section 217(2A) of the Companies Act, 1956 and rules framed there under.

### **Buy-Back of Shares under Section 217 (2B)**

The Holding Company holds all the shares in the Company and the Company has not resorted to any buy-back of its shares during the year under review. As such, there is no item to report under Section 217 (2B) of the Companies Act, 1956.

### **Presidential Directive**

No Presidential Directive was received during the year.

### **Integral Reports**

“Management Discussion and Analysis Report” and “Corporate Governance Report” form an integral part of this Director's Report, which are placed at **Annexure-I & II**

### **Board of Directors**

The Board of Directors consists of four (4) part-time Directors nominated by the Holding Company, Rail Vikas Nigam Limited. The Board met three (3) times during the year for transacting business.

The following Directors held office during the year:

Sh. S. C .Agnihotri	Chairman
Sh. Mukul Jain	Director
Sh. Ashok K. Ganju	Director
Sh. Vijay Anand	Director

### **Directors' Responsibility Statement**

As required under Section 217 (2AA) of the Companies Act, 1956, Directors of the Company confirm that:-

- (i) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and that there are no material departure from the same.

- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit or Loss of the Company for that period.
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) the Directors have prepared the annual accounts on a going concern basis.

**Auditors**

The Comptroller & Auditor General of India appointed M/s ASAP & Associates, Chartered Accountants as Company's Statutory Auditors for the year 2012-13. The Board would like to place on record their sincere thanks for the valuable services rendered by Statutory Auditors.

**Comments -- Comptroller & Auditor General of India**

The Comptroller & Auditor General of India has undertaken supplementary audit on the accounts of the Company for the year ended 31st March, 2013 under section 619 of the Companies Act, 1956. The comments of the C & AG on the Annual Accounts of the Company for the year ended 31st March, 2013 shall also form part of this report.

**Acknowledgements**

We record our appreciation and thanks to Holding company, RVNL and Ministry of Railways for their support to the Company, and also the employees of the Holding company for their efforts to take the company forward.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**Mukul Jain**  
Director

**Ashok K. Ganju**  
Director

Place : New Delhi  
Date : 14.06.2013



## MANAGEMENT DISCUSSION AND ANALYSIS

### **An Overview**

The company was incorporated on 25th July, 2012 as a Wholly owned Subsidiary (WoS) of Rail Vikas Nigam Limited, a schedule 'A' CPSE under Ministry of Railways.

### **Objectives**

The main objects of the Company are to enter into and carry on all business related to High Speed Rail Projects and any other rail-based traffic, as may be approved by the Government of India or Rail Vikas Nigam Limited (RVNL) or any other Authority specifically created for this purpose from time to time.

### **Financial Performance**

The company has not recorded any operating turnover during the year, as the Company is yet to start its commercial activities. The Company, however, earned an interest on deposits amounting to ₹ 8,135/-.

### **Operational Performance**

The Company has not yet started its commercial activities.

### **Strengths**

The Company has been established as a wholly owned subsidiary of RVNL which has a large pool of technical manpower with a diversity of skills and vast experience of execution of rail related infrastructure projects in the country. RVNL also has specialized experience of developing innovative financial models for execution of projects.

### **Risks and Concerns**

High Speed Rail projects are highly capital intensive. The implementation of these projects will depend on specific policy directives of the Government of India.

### **Internal Control Systems**

The internal control system of the Company will be established with the taking up of operational activities.

### **Human Resources**

The Company has no personnel on its rolls. At present, all activities of the Company are being managed by personnel of RVNL.



**REPORT ON CORPORATE GOVERNANCE****1. Company's Philosophy on Corporate Governance**

Initiatives are being taken to implement Corporate Governance principles and measures as contained in the Guidelines on Corporate Governance for Central Public Sector Enterprises May 2010 issued by the Department of Public Enterprises.

**2. Incorporation**

The Company was incorporated on 25<sup>th</sup> July, 2012 as a Wholly owned Subsidiary of RVNL with an Authorized Share Capital of ₹ 5 crore and paid up share capital of ₹ 5 lakhs. The Holding Company, RVNL, holds the entire paid-up share capital of the Company.

**3. Board of Directors**

The Board of the Company comprises of four directors namely Shri S. C. Agnihotri, CMD, RVNL, Shri Mukul Jain, Director (Operations), RVNL, Shri Ashok K. Ganju, Director (Finance), RVNL and Shri Vijay Anand, Director (Projects), RVNL.

The names and categories of Directors on the Board, number of Directorships and Committee Chairmanship/ Membership held by them in other companies are as under:

Name	Category of Directors Whole Time/ Part Time	No. of other Directorship* (including HSRC)	No. of Committee Membership**	
			As Chairman	As Member
Mr. S.C. Agnihotri	Part Time Chairman	2	-	-
Mr. Mukul Jain	Part Time Director	2	-	1 (upto 20.09.2012)
Mr. Ashok K. Ganju	Part Time Director	2	-	-
Mr. Vijay Anand	Part Time Director	2	-	-

\* Does not include Directorship in Private Companies, Section 25 Companies and Foreign Companies.

\*\* Does not include Chairmanship/ Membership in the Board of Committees other than the Audit Committee and Shareholders' Grievance Committee.

**3.2 Brief Resume of Directors****a. Mr. S. C Agnihotri, Part-time Chairman (since incorporation i.e. 25.07.2012)**

Mr. Satish Agnihotri has assumed the charge of Chairman and Managing Director of Rail Vikas Nigam Limited (RVNL) on 05.03.2013. Prior to this, he was appointed as Managing Director, RVNL. Mr. Satish Agnihotri, M.E. (Structures) and B.E. (Civil) from IIT, Roorkee, joined the Indian Railway Service of Engineers in 1984. Before joining as Managing Director of RVNL on 27.01.2010 he was working as Director (Projects) of the company w.e.f 4th July 2007. Before 4th July 2007, he headed the Metro Project Directorate of Ministry of Railways dealing with upcoming metro lines in metropolitan cities. While working as OSD to Member Engineering, he was involved in laying down the policies, standards, planning, implementation and monitoring of infrastructure projects all over Indian Railways. As Executive Director (Corporate Coordination) & OSD / Chairman Railway Board, he was engaged in substantive decision making in the Ministry of Railways. In his career, spanning over 24 years, with



Ministry of Railways, he worked on important projects including construction of a double line bridge over river Ganga, doubling of tracks, major yard remodelings, etc. He worked on the Rajdhani Route of Allahabad Division, the most prestigious track on Indian Railways, as Maintenance Engineer progressively as Assistant Engineer, Divisional & Senior Divisional Engineer. He was largely responsible for raising the speed potential of Rajdhani route from 130 to 160/180 KMPH by upgrading the track geometry and strengthening of track. He was also deputed to Japan for undergoing training in Tunnel and Tunneling organized by Japan International Corporation Agency (JICA). Through UNDP, he was deputed to Germany, France and Austria for extensive training on maintenance of high speed track and upkeep of track machines. While working as Executive Director/Track Machine, he visited Germany, France, Italy and Russia as the team leader for development of high output track machines. Along with Chairman, Railway Board, he attended the Conference of Chief Executives of world railways in Japan, organized by UIC.

Mr. Agnihotri has also keen interest in sports and was adjudged as best in sport and studies amongst all branches of Engineering at IIT, Roorkee and was awarded Sarojini Naidu Cup for Work and Play.

**b. Mr. Mukul Jain, Part-time Director (since incorporation i.e. 25.07.2012)**

Mr. Mukul Jain has taken over as Director (Operations) of Rail Vikas Nigam Limited on 16th June, 2010. He is a B.Tech in Mechanical Engineering from I.I.T. Delhi, and a Master of Engineering in Logistics & Supply Chain Management from Massachusetts Institute of Technology, Boston and Zaragoza Logistics Center, Spain.

Mr. Jain was the Executive Director in Container Corporation of India Ltd. (CONCOR), a PSU of Government of India prior to joining RVNL. He had joined Indian Railway Traffic Service (IRTS) in 1981. After working in various capacities in operating, commercial and general administration in SE Railway and Western Railway, he joined as Head of CONCOR's Western Region in 1995. He then headed North Western Region of CONCOR from 2003 to 2006. He has worked as Head of Planning & Development, Air Cargo and Shipping in its Corporate Office, New Delhi. He specializes in transport strategy, design of Intermodal Terminals and hinterland port connectivity.

He has been credited with the establishment of highly successful Container Freight Stations in Mulund (Mumbai), Dronagiri Node (JNPT), Vadodara and at several other locations in Western India. He regularly delivers lectures on railways, containerization, logistics, SCM and other management subjects.

**c. Mr. Vijay Anand, Part-time Director (since incorporation i.e. 25.07.2012)**

Mr. Vijay Anand an officer of 1981 batch of Indian Railway Service of Engineers, has taken over as Director (Projects) of Rail Vikas Nigam Limited on 9th April, 2011. He is a graduate in Civil Engineering from Punjab Engineering College, Punjab University, Chandigarh. He has held various responsible positions in Indian Railways and Delhi Metro Rail Corporation in maintenance and construction of Railway and Metro assets. In his career, spanning over 29 years, he worked on important projects including construction of new Railway lines from Ernakulam - Allepey, Karur - Dindigal, Rohtak - Jakhla doubling. He while working as Chief Engineer, Northern Railway, Kashmeri gate, was associated in various Common Wealth Game works related with Railways for construction of ROBs & RUBs in Delhi area, which includes Barapulaha Nalaha and Salimgarh Fort Underpass.

He while working as Chief Project Manager in Delhi Metro Rail Corporation and subsequently as Director (Projects) in Delhi Metro Rail Corporation, has planned, designed, constructed and commissioned various Corridors of Delhi Metro Projects on Phase-I and Phase-II including Connaught Place - Dwarka, Shadhara - Dilshad Garden, Delhi University - Jahangirpuri, Inderlok - Mundka, Inderprastha - Noida, Yamuna Bank - Anand Vihar and Central Secretariat - Badarpur.

**d. Mr. Ashok K. Ganju, Part-time Director (since incorporation i.e. 25.07.2012)**

Mr. Ashok K Ganju, has taken over as Director (Finance) of Rail Vikas Nigam Limited on 12th September,

2011. After completing B.A. (Hons.) History, M.A. Sociology from Delhi University, he joined the Indian Railways Accounts Service (1981 Exam). He has worked in various capacities in the Railways in the Division, Workshop, Production Unit, EDP Centre, Traffic Accounts and Construction Offices etc. Prior to joining as Director (Finance), he worked as ED/Finance in RVNL from 31st August, 2007. He has also been on deputation with Centre for Railway Information Systems (CRIS) and on Central Deputation to the Ministry of Social Justice and Empowerment, Ministry of Consumer Affairs and Food & Public Distribution. He attended the 30th APPPA Course at the IIPA where he was awarded an M.Phil in Public Administration.

### 3.3 Number of Board Meetings with date and attendance at the Board meetings and last Annual General Meeting

The Board of Directors met 3 times during the year to discuss the operational activities of the Company.

Name	Board Meetings During the year		Attendance at last AGM
	1st Board Meeting 30.07.2012 2nd Board Meeting 29.11.2012 3rd Board Meeting 22-03-2013		
	Held During their Tenure	Attended	
Mr. Sh. S. C. Agnihotri	3	3	NA
Mr. Sh. Mukul Jain	3	3	NA
Mr. Sh. Ashok K. Ganju	3	3	NA
Mr. Vijay Anand	3	3	NA

### 4. Remuneration of Directors

Part time Directors, nominated on the Board by the holding company, do not draw any remuneration from the Company.

No sitting fee is paid to the part – time Directors.

### 5. Code of Conduct

All Directors of the company are whole-time Directors of the holding company, RVNL. They have been following the Code of conduct laid down by RVNL.

### 6. Committees of the Board of Directors

Audit committee, Remuneration committee etc will be constituted as and when the need arises.

### 7. Annual General Meeting

The Company will hold its first Annual General meeting in accordance with the provisions of section 166 of the Companies Act .

### 8. Means of Communication

All important information pertaining to the Company has been mentioned in the Annual Report of the Company containing inter-alia Audited Accounts, Financial Statements, Directors' Report, Report on Corporate Governance which is being circulated to the members and others entitled thereto.



**High Speed Rail Corporation of India Limited**  
**Balance Sheet as on 31st March, 2013**

Particulars	Note No.	As at March 31, 2013	
		Amount (₹)	Amount (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	3	500,000	
(b) Reserves and Surplus	4	(7,45,218)	(2,45,218)
<b>2. Non-current Liabilities</b>			
(a) Other Long term liabilities	5	5,74,110	5,74,110
<b>3. Current Liabilities</b>			
(a) Other current liabilities	6	8,53,403	8,53,403
<b>TOTAL</b>			<b>11,82,295</b>
<b>II. ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Long-term loans and advances	7	6,74,160	6,74,160
<b>2. Current assets</b>			
(a) Cash and cash equivalents	8	5,08,135	5,08,135
<b>TOTAL</b>			<b>11,82,295</b>
<b>III. NOTES FORMING PART OF FINANCIAL STATEMENTS</b>	1 to 14		

This is the Balance Sheet referred to in our report of even date

For ASAP & Associates  
Chartered Accountants  
FRN. :005713N

Sd/-  
Anil Kumar Jain  
Partner  
M.No. 084559  
Place : New Delhi  
Date : 14.06.2013

FOR AND ON BEHALF OF THE BOARD

Ashok K. Ganju  
Director

Mukul Jain  
Director

## High Speed Rail Corporation of India Limited

## Statement of Profit and Loss for the Period Commencing July 25, 2012 and ending March 31, 2013

Particulars	Note No.	As at March 31, 2013 Rupees (₹)
I. Other Income	9	8,135
<b>Total Revenue</b>		<b>8,135</b>
<b>II. Expenses:</b>		
(a) Other Expenses	10	7,53,353
<b>Total expenses</b>		<b>7,53,353</b>
III. Profit before Exceptional and Extraordinary Items and Tax(II-III)		(7,45,218)
IV. Exceptional Items		-
V. Profit before Extraordinary Items and Tax (III-IV)		(7,45,218)
VI Extraordinary Items		-
<b>VII Profit before tax (V-VI)</b>		<b>(7,45,218)</b>
VIII Tax Expense:		
(1) Current Tax		-
(2) Deferred Tax		-
<b>IX Profit (Loss) for the Period from continuing Operations (VII - VIII)</b>		<b>(7,45,218)</b>
X Profit/(Loss) from Discontinuing Operations		-
XI Tax expense of Discontinuing Operations		-
XII Profit/(Loss) from Discontinuing Operations (After Tax) (X-XI)		-
<b>XIII Profit/(Loss) for the Period (IX + XII)</b>		<b>(7,45,218)</b>
XIV Earnings Per Equity Share :		
(1) Basic		(21.76)
(2) Diluted		(21.76)
XV Notes Forming Part of Financial Statements	1 to 14	

This is the Statement of Profit & Loss referred to in our report of even date

**For ASAP & Associates**  
Chartered Accountants  
FRN.:005713N

**Sd/-**  
**Anil Kumar Jain**  
Partner  
M.No. 084559

**Place : New Delhi**  
**Date : 14.06.2013**

**FOR AND BEHALF BOARD OF DIRECTORS**

**Ashok K. Ganju**  
Director

**Mukul Jain**  
Director



High Speed Rail Corporation of India Limited

Cash Flow Statement for the Period commencing July 25, 2012 and ending, March 31, 2013

Particulars	As at 31st March 2013	
	Amount (₹)	Amount (₹)
<b>A. Cash Flow from Operating Activities</b>		
Net profit/(Loss) before tax and extraordinary items	(7,45,218)	
Adjustment for :		
Add: Increase in Non Current Liabilities	5,74,110	
Add: Increase in Current Liabilities	8,53,403	
Less: Increase in Non Current Assents	(6,74,160)	
Increase in Other Current Assents	-	
Direct Taxes paid	-	
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<u>8,135</u>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets/Investments	-	
Sale of Investments	-	
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>		<u>-</u>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Issue of Equity Share Capital	5,00,000	
Interest paid	-	
Dividend paid	-	
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		<u>5,00,000</u>
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)		5,08,135
Cash & Cash Equivalents at the beginning of the year		-
Cash and Cash Equivalents at the end of the year		<u><u>5,08,135</u></u>

1. The above Cash flow statement has been prepared under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India.

This is the Cash flow statement referred to in our report of even date

For ASAP & Associates  
Chartered Accountants  
FRN. :005713N

Sd/-  
Anil Kumar Jain  
Partner  
M.No. 084559

Place : New Delhi  
Date : 14.06.2013

For and on Behalf of the Board

Ashok K. Ganju  
Director

Mukul Jain  
Director



**High Speed Rail Corporation of India Limited**  
**Notes to the financial statements for the Period commencing July 25,2012**  
**and ending March 31, 2013**

**1. General Information**

High Speed Rail Corporation of India Limited is a 100% Wholly Owned Subsidiary of Rail Vikas Nigam Limited. The Company was incorporated under the Provisions of the Company Act, 1956 on July 25, 2012 with the Object of carrying out Business related to Planning, designing, development, construction, manufacturing, assembling, fabricating, processing, installing, maintenance, operation, and financing of Railway Infrastructure and related logistic support systems, including rolling stock, of all types in India and abroad of High Speed Rail Projects and other rail based traffic, as may be approved by Government of India or Rail Vikas Nigam limited or any other such Competent Authority.

**2. Summary of significant accounting policies**

**2.1 Basis of preparation**

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

**2.2 Use of Estimate**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the years presented. Actual results could differ from those estimates.

**2.3 Revenue Recognition**

Interest: Interest income on Fixed Deposits with bank's is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**2.4 Provisions and contingencies**

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure of a contingent liability is made where there is a possible obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation can not be made.

**2.5 Cash Flow Statement**

The Cash Flow Statement is prepared by the Indirect Method set out in "Accounting Standard 3" on "Cash Flow Statements" and presents the Cash Flows from Operating, Investing and Financing activities of the Company.



## 2.6 Earning Per Share

Basic earning per share is computed by dividing the profit/loss after tax by the number of weighted average shares outstanding during the year. Diluted earning per share is calculated by dividing the net profit for the year attributable to equity shareholder by the weighted average number of equity shares outstanding during the year adjusted for all potential equity shares.

## 2.7 Preliminary / Share issue expenses

Preliminary expenses and Share issue Expenses are fully written off in the year in which they are incurred.

### Note 3. Share Capital

Particulars	As at March 31, 2013 (Amount in ₹)
<b>Authorized</b>	
50,00,000 Equity Share of ₹ 10 each	5,00,00,000
<b>Issued</b>	
50,000 Equity Shares of ₹ 10 each	5,00,000
<b>Subscribed &amp; Paid up</b>	
Equity Shares fully paid 50,000 at ₹ 10 per equity share	5,00,000
<b>Total</b>	<b>5,00,000</b>

### Note 3.1 Reconciliation of number of shares

Particulars	Equity Shares	
	Number	(Amount in ₹)
<b>Shares outstanding at the beginning of the year</b>	-	-
Shares Issued during the year	50,000	5,00,000
Shares bought back during the year	-	-
<b>Shares outstanding at the end of the year</b>	<b>50,000</b>	<b>5,00,000</b>

**Note 3.2** The Company is a 100% Wholly Owned Subsidiary of Rail Vikas Nigam Limited (along with 6 Nominees of Holding Company). Rail Vikas Nigam Limited holds 49994 shares & its Nominee holds 6 shares, Face value of share is ₹ 10 each.

**Note 3.3** The Company has only one class of equity shares referred to as equity shares having at par value of ₹ 10/-. Each holder of one equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares shall be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts.

### Note 3.4 Details of shares held by share holders more than 5% of the aggregate shares in the Company

Particulars	As at 31st March 2013	
	No. of Shares held	% of Holding
Rail Vikas Nigam Limited (along with 6 Nominees) - Holding Company (50,000 shares fully paid up @ ₹ 10/- per share)	50000	100%
<b>Total</b>	<b>50000</b>	<b>100%</b>

**Note 4. Reserves & Surplus**

Particulars	As at 31 March 2013 (Amount ₹)
<b>Profit &amp; Loss</b>	
Opening balance	-
Add : Loss for the Period from July 25, 2012 to 31/03/2013	-7,45,218
<b>Closing Balance</b>	<b>-7,45,218</b>

**Note 5. Other Long Term Liabilities**

Particulars	As at 31 March 2013 (Amount ₹)
Other	5,74,110
<b>Total</b>	<b>5,74,110</b>

5.1 Above Liabilities represent Preliminary Expenses incurred by Rail Vikas Nigam Limited (Holding Company). The same will form part of share capital instrument to be made by Rail Vikas Nigam Limited in High Speed Rail Projects after due following process.

**Note 6 Other Current Liabilities**

Particulars	As at 31 March 2013 (Amount ₹)
Statutory Liabilities	23,587
Other Payables	8,29,816
<b>Total</b>	<b>8,53,403</b>

**Note 7. Long Term loans and advances**

Particulars	As at 31 March 2013 (Amount ₹)
Capital Advances	
Unsecured, Considered Good - Advance given for Logo of HSRC	6,74,160
<b>Total</b>	<b>6,74,160</b>

**Note 8. Cash and Cash equivalents**

Particulars	As at 31 March 2013 (Amount ₹)
<b>Bank Balance</b>	
Current Account	2,08,135
Flexi Deposits	3,00,000
<b>Total</b>	<b>5,08,135</b>

**Note 9. Other Income**

Particulars	As at 31 March 2013
	(Amount ₹)
Interest on flexi Account	8,135
<b>Total</b>	<b>8,135</b>

**Note 10. Other expenses**

Particulars	As at 31 March 2013
	(Amount ₹)
Legal & Professional Fees	1,16,771
Payment to Auditors :	
As Auditors - Statutory Audit	56,180
Preliminary Expenses	5,80,402
<b>Total</b>	<b>7,53,353</b>

**Note 11.** There are no reported Micro, Small and Medium enterprises as defined in the "The Micro, Small & Medium Enterprises Development Act 2006" to whom the company owes dues.

**Note 12. Other Disclosures**

Expenditure in Foreign Currency - Nil

**Note 13 Related Party Disclosures****Note 13.1 Related Parties & Nature of Relationship**

S.No.	Name of Related Party	Nature of Relationship
1.	Rail Vikas Nigam Limited (RVNL)	Holding Company
2.	Satish Chandra Agnihotri	Director
3.	Vijay Anand	Director
4.	Ashok Krishna Ganju	Director
5.	Mukul Jain	Director

**Note 13.2 Disclosure of transaction with related parties**

Name of the related Party	Total Value of the Transaction during the period
	(Amount ₹)
<b>Rail Vikas Nigam Limited (RVNL)</b>	
Amount received towards Subscription of Equity Shares	5,00,000
Preliminary Expenses incurred by RVNL on behalf of HSRCL	5,17,480
Advance for Logo of HSRCL Paid by RVNL	6,74,160
Legal & Professional Exp. Paid by RVNL	44,419
<b>Total</b>	<b>1,736,059</b>

**Note 14** This being the first year, since incorporation, the question of reflecting figures pertaining to Previous year does not arise

These are the notes referred to in Balance Sheet, Statement of Profit & Loss and our report of even date.

**For ASAP & Associates**  
Chartered Accountants  
FRN. :005713N

Sd/-  
**Anil Kumar Jain**  
Partner  
M.No. 084559

Place : New Delhi  
Date : 14.06.2013

**For and on Behalf of the Board**

**Ashok K. Ganju**  
Director

**Mukul Jain**  
Director



**ASAP & ASSOCIATES**

CHARTERED ACCOUNTANTS

1, Temple Complex, Shiv Mandir,  
Tilak Bridge, New Delhi-110001

OFFICE PHONE : 011-2337 1637, 2337 1937

E-mail : [info@asap.net.in](mailto:info@asap.net.in)

Website: [www.asap.net.in](http://www.asap.net.in)

**AUDITORS REPORT (Revised)**

To

The Members of

High Speed Rail Corporation of India Limited

We have audited the accompanying financial statements of HIGH SPEED RAIL CORPORATION OF INDIA LIMITED, ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss for the year then ended and the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and the Cash Flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement Profit and Loss, of the loss for the year ended on that date.
- c) in the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.



1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. Books of Accounts are prepared on Going Concern basis, Management is planning, to arrange additional funds for repayment of its liabilities. Therefore Going concern assumption seems to be unaffected.
3. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) the Balance Sheet, Statement of Profit and Loss and cash flow statements dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statements comply with the Accounting Standards referred to in subsection(3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For ASAP & Associates  
Chartered Accountants  
FRN: 005713N**

**Sd/-  
(CA. Anil K. Jain)  
Partner  
Membership No. 084559**

**Place: New Delhi**

**Date: 07.08.2013**

Note :

This Audit Report is re-issued on 7th August, 2013 in the new Audit Report Format on the basis of the observations made in the supplementary audit conducted by C&AG and this supersedes earlier reports.



**Referred to in Point No 1 of our report of even date,**

1. The company does not own any fixed assets as on date and therefore, we have no comments to offer.
2. No comments, as the inventory is NIL.
3. The company has not taken/granted any loans to companies, firms and other parties covered in the register maintained under section 301 of the companies Act 1956, except the initial expenditure paid by holding company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of company and the nature of its business with regards to its operations. There is no major weakness noticed in the internal controls.
5. No comments in view of the point 3 above.
6. The company has not accepted any deposit from public so the provision contained under Section 58 A and 58 AA of the companies Act 1956 are not applicable to the company.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business and the same is being done in-house.
8. the requirement of maintaining cost records under Section 209(1) (d) are not applicable to the company.
9. (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Investor Education & Protection fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Custom duty, Excise-duty/cess and other statutory dues applicable to it. However, all the dues have been deposited fully during the year itself.  
(b) According to the records of the company, there are no dues of Sales tax, Income-tax, Customs tax/Wealth-tax, Excise duty/cess which have not been deposited on account of any dispute.
10. The company has no accumulated losses, as it is the first year of incorporation. The current year losses are on account of preliminary expenses, accounting charges, legal & professional and audit fee.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. Based on our examination of documents and records, we are of the opinion that the company has not granted any loan on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit are not applicable to the company.
14. The company is not dealing in shares, Securities, debenture and other investments.
15. The company has not given any guarantee for loans taken by others from bank or financial institutions.
16. No term loans were raised during the year.
17. No short term funds have been raised during the year except some amount spend by holding company to meet initial expenses of the company.
18. The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. During the period the company has not issued any debentures.
20. No money has been raised by public issues by the company.
21. Based upon audit procedure performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.



भारतीय लेखा परीक्षा एवम् लेखा विभाग  
प्रधान निदेशक लेखा परीक्षक, रेलवे-वाणिज्यिक का कार्यालय  
काफमो, भारतीय रेल, तिलक ब्रिज, नई दिल्ली-110 002

INDIAN AUDIT AND ACCOUNTS DEPARTMENT  
OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT,  
RLY-COMMERCIAL,  
COFMOW, INDIAN RAILWAYS, TILAK BRIDGE, NEW DELHI-110002

No.PDA/RC/PSU/32-31/HSRCIL/2012-13/406

Dated: 13.08.2013

To

The Director,  
High Speed Rail Corporation of India Limited,  
August Kranti Bhawan, Bikaji Cama Place,  
New Delhi

Sub: Comments of the Comptroller & Auditor General of India under Section 619 (4) of the Companies Act, 1956 on the accounts of High Speed Rail Corporation of India Limited, New Delhi for the year ended 31st March 2013.

Sir,

The Nil Comment Certificate of the Comptroller and Auditor General of India under Section 619 (4) of the Companies Act, 1956 on the accounts of High Speed Rail Corporation of India Limited, New Delhi for the year ended 31st March 2013 is enclosed. This may be placed before the Annual General Meeting along with accounts of the Company in compliance with the provisions of Section 619 (5) of the companies Act, 1956. Six copies of the printed Annual Report and Accounts of the company may please be sent to this office at the earliest.

Receipt of the letter may please be acknowledged.

Yours faithfully,

Encl: As above

(Dinesh Bhargav)  
Principal Director of Audit  
Railway - Commercial



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF HIGH SPEED RAIL CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31ST MARCH 2013**

The preparation of financial statements of **High Speed Rail Corporation of India Limited, New Delhi** for the year ended 31st March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 619(2) of the Companies Act 1956, are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on the independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report (Revised) dated 07 August, 2013.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the financial statements of High Speed Rail Corporation of India Limited, New Delhi for the year ended 31 March 2013. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under section 619(4) of the Companies Act, 1956.

For and on the behalf of the  
Comptroller & Auditor General of India

(Dinesh Bhargav)  
Principal Director of Audit  
Railway - Commercial

Place: New Delhi  
Date: 13.08.2013



रेल विकास निगम लिमिटेड  
***Rail Vikas Nigam Limited***  
(A GOVERNMENT OF INDIA ENTERPRISE)

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