



Rail Vikas Nigam Limited – Corporate Presentation

March 2021

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RVNL – Execution Company for all types of Railway Projects in India

Company Overview

- RVNL, incorporated on 24th January 2003, operates as a wholly owned Government Company, a *Miniratna (Category-1) Schedule 'A' Central Public Sector Enterprise*
- Executes all types of railway projects including new lines, doubling, gauge conversion, railway electrification, metro projects, workshops, etc.
- Since inception, 183 out of the 188 projects transferred by MoR are sanctioned for execution., of which 96 projects worth INR 308.11 bn have been completed as of 31 December 2020
 - Holds an order book of INR 799.74 bn as of 31 December 2020 which includes 86 ongoing projects.
- Majorly serves Indian Railways
 - Other clients include other central & state government ministries and public sector undertakings
- Pan India presence with Project Implementation Units (PIUs) at 25 locations to enable efficient implementation of projects at various locations
- During FY20 the Company completed a total of 1959.83 rkm of project length which included 551.02 rkm of doubling, 95.54 rkm of New Line, 105.41 rkm of Gauge Conversion and 1207.86 rkm of railway electrification

Business Model

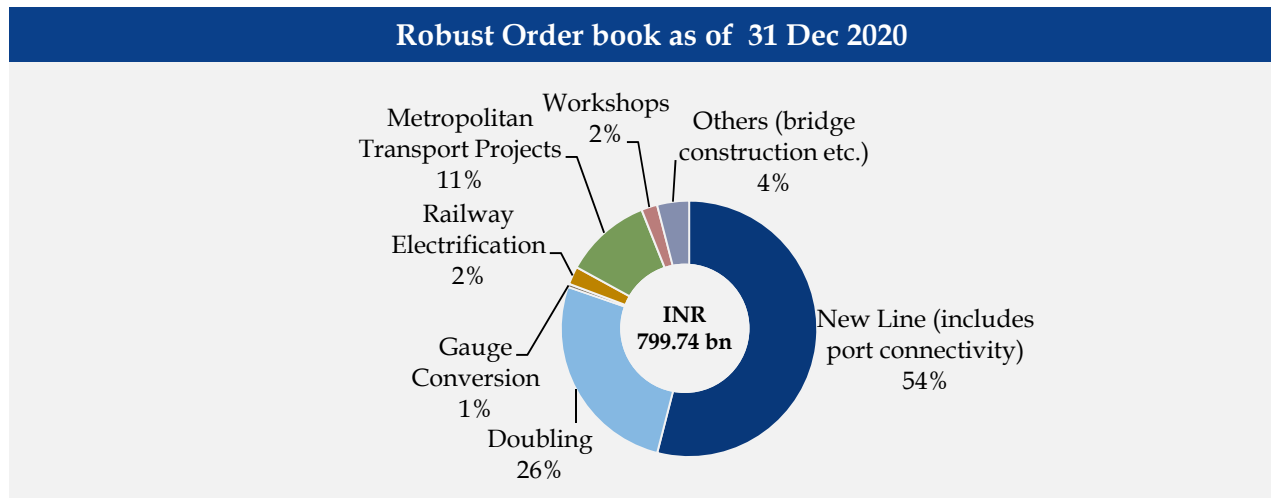
- The Company executes orders mostly for and on behalf of MoR
 - Receives projects based on nomination from MoR
- RVNL is allowed a consolidated management fee (inclusive of supervision charges) on the total expenses incurred for the projects at the following margins:
 - 9.25% for the metro projects
 - 8.50% for other plan heads
 - 10.00% for national projects
- Borrowings on the book are a pass through entry
 - Where in interest and principal repayments are borne by the MoR

Carries a comprehensive range of activities across the Railway sector

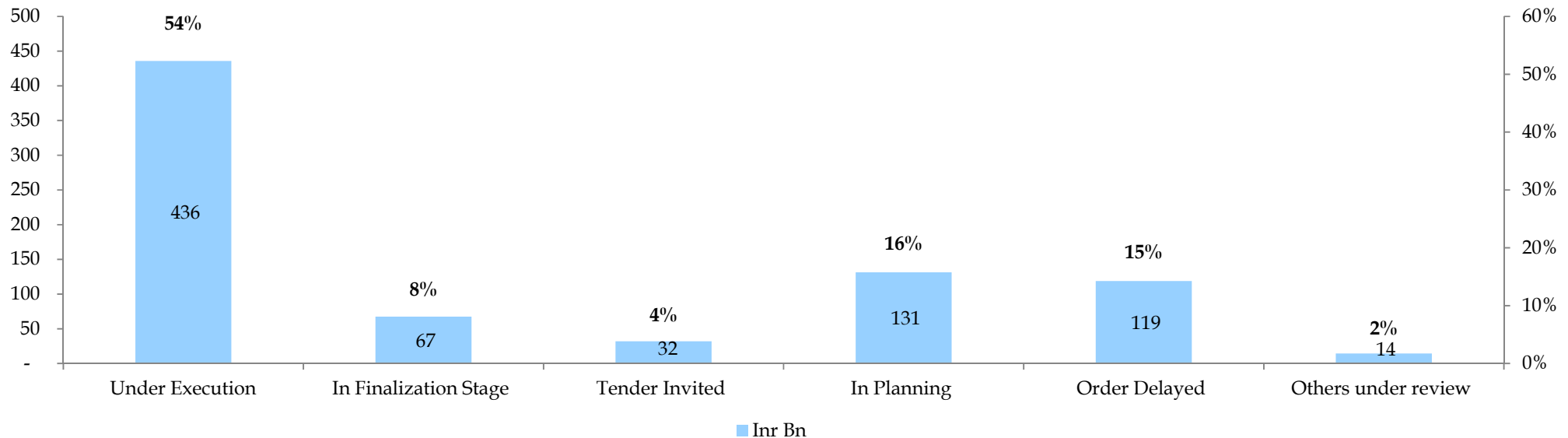


The Company works on a turnkey basis and undertakes the full cycle of project development from conceptualization to commissioning

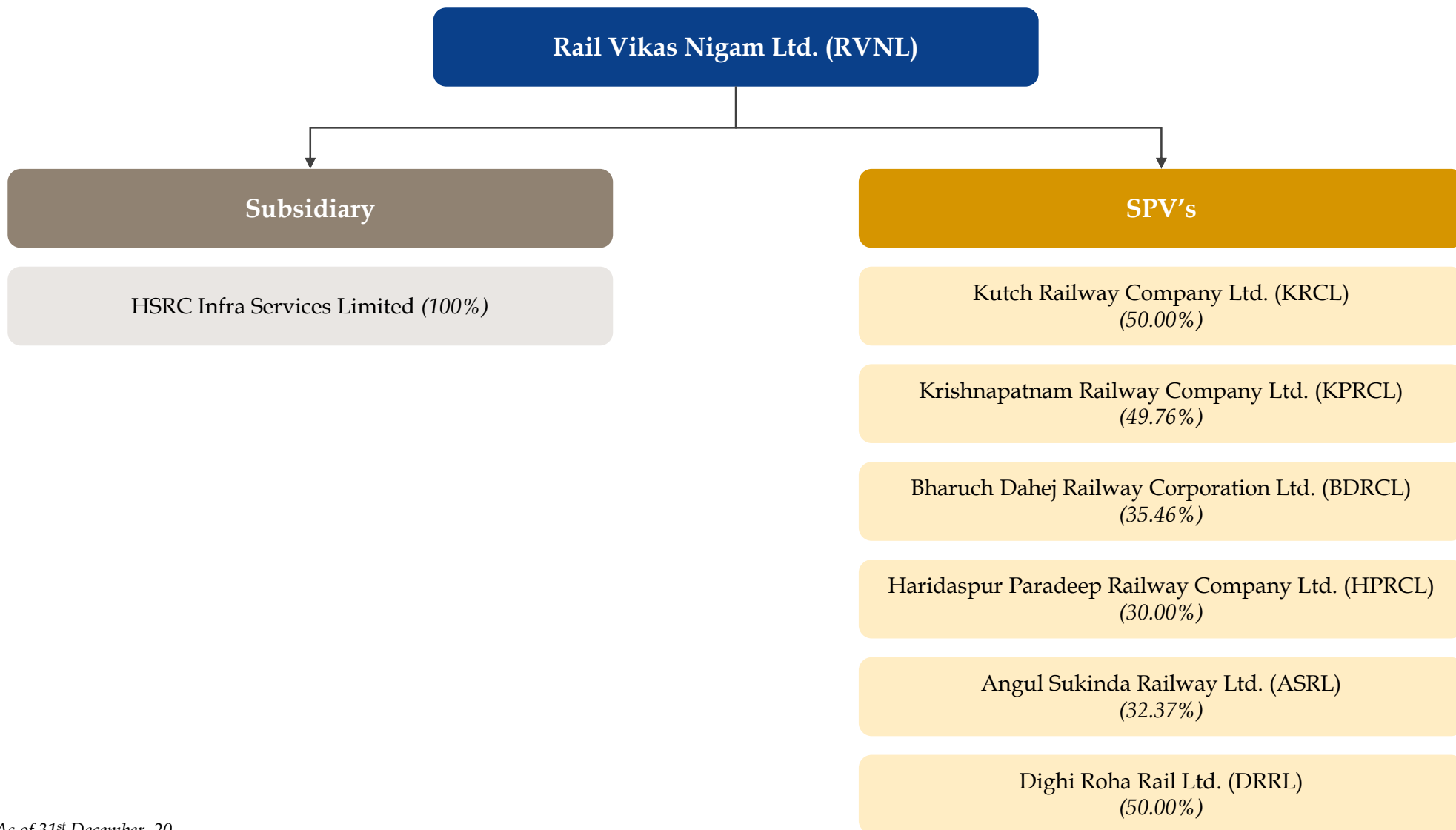
RVNL – Robust Order book with large share of projects under execution



Order book in execution at 54% of total order book



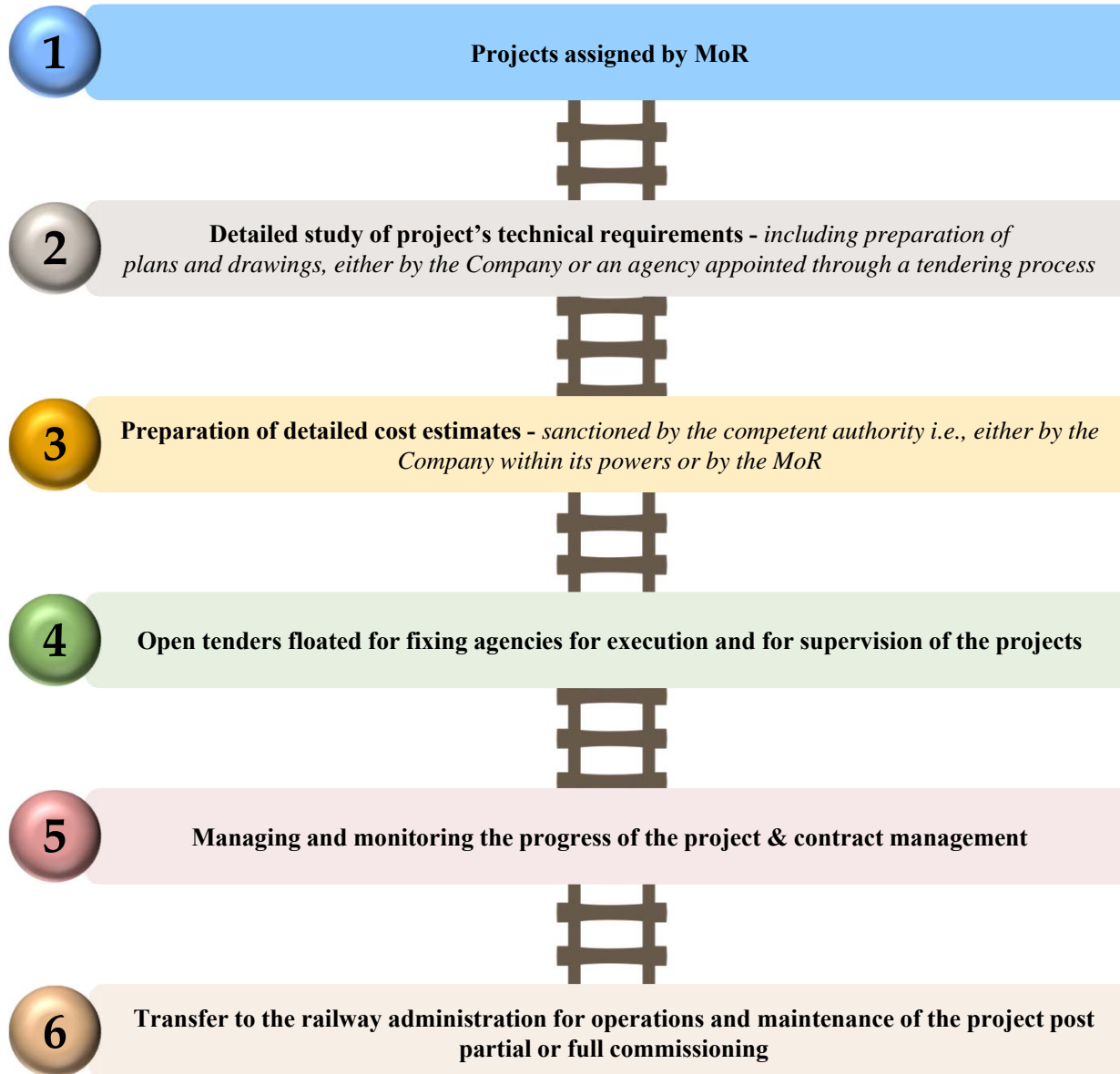
Corporate Structure



As of 31st December 20

RVNL has promoted SPVs to attract private participation in development of railway infrastructure

Overview of the Business Process



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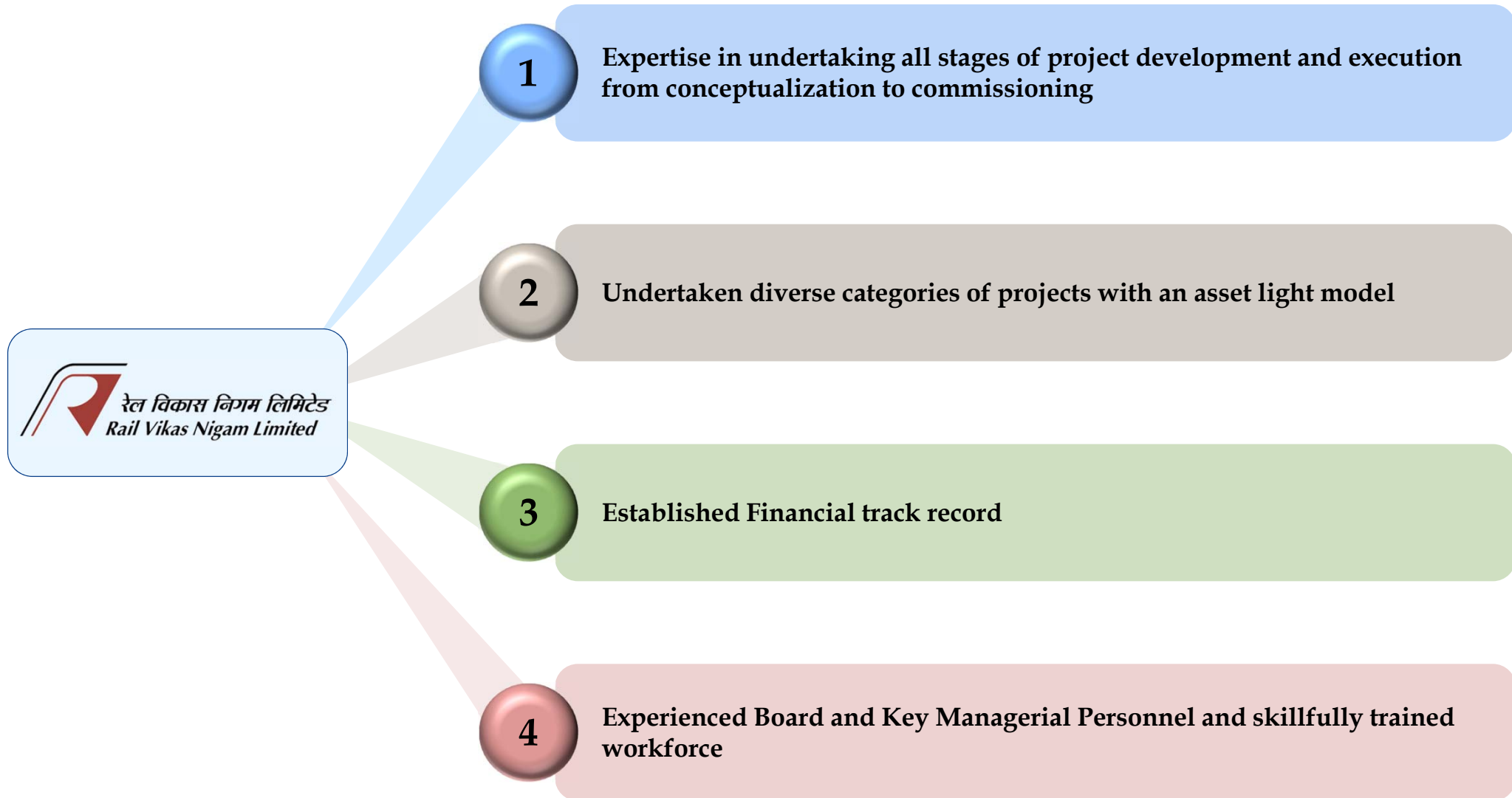
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Key Strengths



1. Expertise in undertaking all stages of project development and execution from conceptualization to commissioning (1/2)

Activities Undertaken

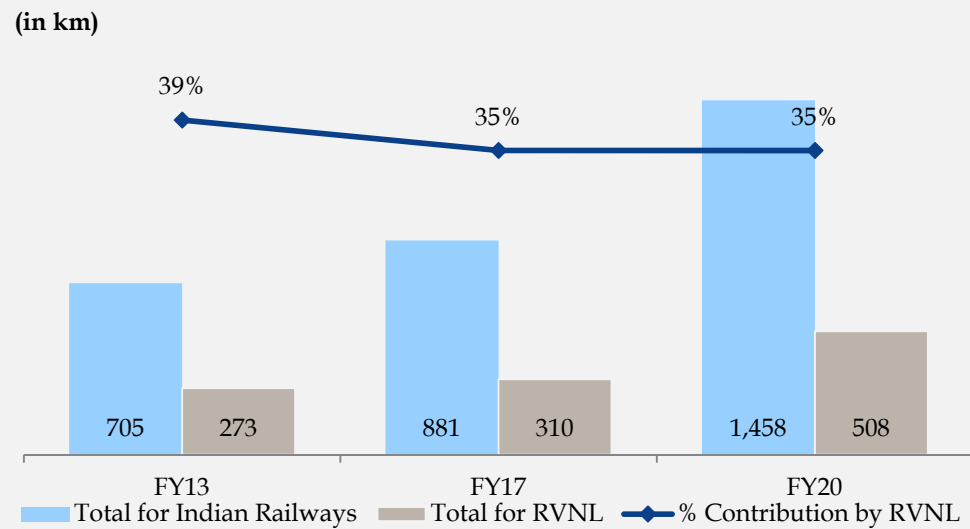
New Lines	<ul style="list-style-type: none"> ▪ Includes augmenting the rail network by laying new lines ▪ Aimed to achieve seamless multi modal transportation network across the country ▪ New lines are sanctioned to provide connectivity to areas not connected to the rail network
Doubling	<ul style="list-style-type: none"> ▪ Provisioning of additional lines along the existing tracks ▪ Objective is to ease out traffic constraints ▪ Company is a significant contributor in doubling projects, having undertaken one-third of the projects commissioned annually for the last five years for the Indian Railways
Gauge Conversion	<ul style="list-style-type: none"> ▪ Includes conversion of meter gauge lines to broad gauge railway lines
Railway Electrification	<ul style="list-style-type: none"> ▪ Electrification of current un-electrified rail network and electrification on the new rail network ▪ RVNL contributes to around 21% of the total electrification work done in FY-20 by the Indian Railways* ▪ Electrification would lead to: <ul style="list-style-type: none"> - Reduced fuel bill - Reduce dependence on fossil fuel - Improved operational efficiency
Metropolitan Transport Project	<ul style="list-style-type: none"> ▪ Setting up of metro lines and suburban network in Kolkata and Hyderabad
Other Services	<ul style="list-style-type: none"> ▪ Includes but is not limited to construction of workshops (for production and maintenance of railway inventory), construction of bridges including rail over bridges, institutional buildings

(* Source ministry of Railways)

1. Expertise in undertaking all stages of project development and execution from conceptualization to commissioning (2/2)

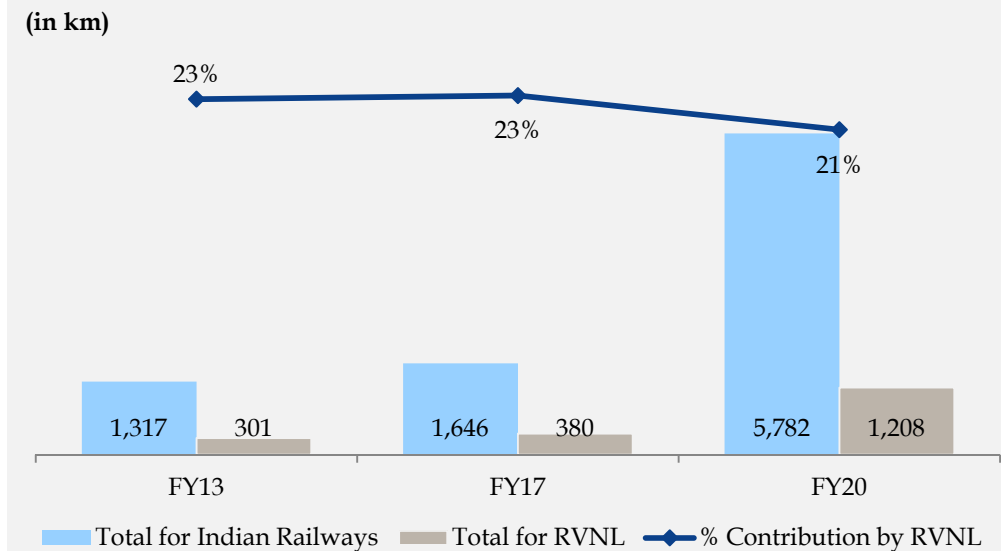
- Works on turnkey basis and undertakes full cycle of project development from concept to commissioning including stages of design, preparation of estimates, calling and awards of contract, projects and contract management etc. with robust expertise in undertaking all nature of railway infrastructure projects
- Experienced management and execution teams provide RVNL a competitive advantage and have contributed significantly in increasing their projects execution capability
- With 38 PIU across the country, RVNL operates as a client company to the Ministry of Railways
 - Works for and on behalf of the ministry for execution of various nature of infrastructure projects

Doubling - Contribution by RVNL



(Source ministry of Railways)

Railway Electrification - Contribution by RVNL



Have contributed more than 33% of the doubling and more than 20% of electrification projects of the total reported by Indian Railways

2. Undertaken diverse categories of projects with an asset light model

The Company follows an Effective Asset light model

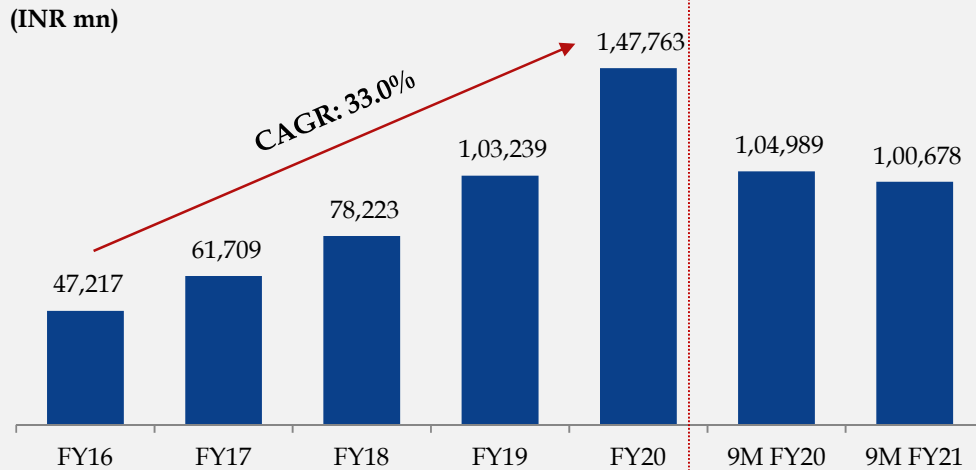
- Over the years, RVNL has leveraged its expertise in diverse segments of railway infrastructure such as doubling, railway electrification, new lines, etc.
- Each segment requires specific skill sets and experience which has been developed by the Company
- Promoted six SPVs, with strategic stakeholders to undertake project development, mobilization of financial resources and better connectivity to various ports
- RVNL works on *Asset Light model* i.e., in their contracts, RVNL requires the contractor to provide all the machinery, plants and stores for execution of works
- Also, the Company relies on MoR for deputation of manpower to perform supervisory tasks, etc.

Wide range of projects under execution (As of 31st December 2020)

	No. of Projects	Length (km)	Anticipated Cost (Rs Bn)
Doubling	28	4,466	475
Gauge Conversion	3	538	38
Metro Projects	6	199	135
New Line	9	938	471
Other	19	327	35
Railway Electrification	11	2,272	38
Workshop	10	-	20

3. Established Financial Track Record (1/2)

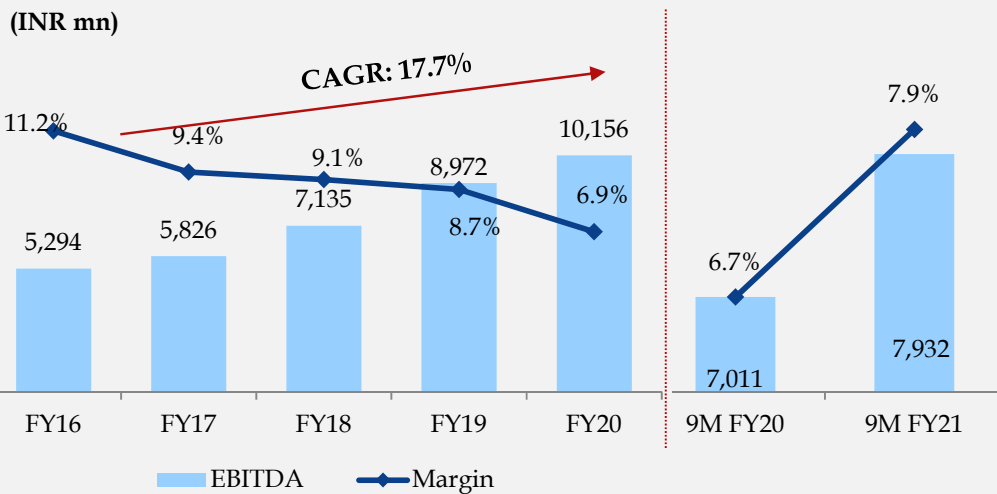
Strong growth in Total Revenue



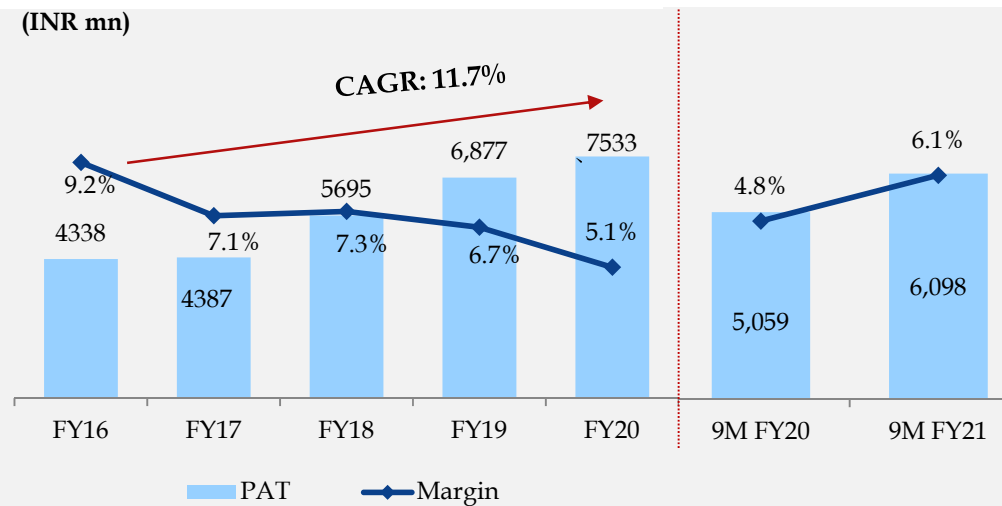
Diversified revenue streams

Revenue Stream (INR mn)	FY20	9M FY20	9M FY21
Revenue from Operations	1,453,06	1,03,099	98,258
<i>Doubling</i>	57.95%	56.77%	61.41%
<i>New Line</i>	13.68%	14.35%	13.64%
<i>Railway Electrification</i>	12.27%	12.61%	10.04%
<i>Gauge Conversion</i>	6.58%	6.64%	4.26%
<i>Metropolitan Transport Projects (including metros)</i>	4.40%	4.50%	4.57%
<i>Workshops</i>	4.10%	4.09%	4.29%
<i>Others (bridge construction etc.)</i>	1.01%	1.04%	1.80%
Total Income	1,47,763	1,04,989	1,00,678

EBITDA Margins*



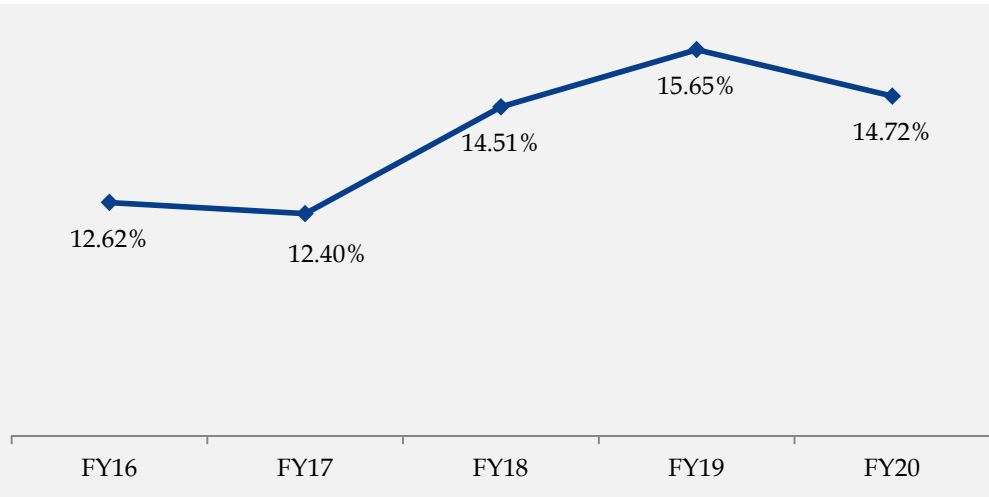
PAT Margins



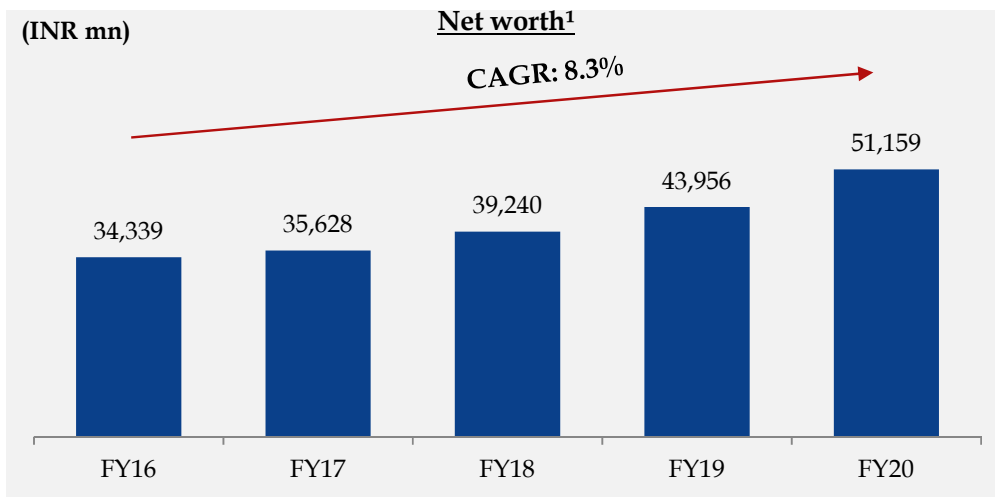
Note: * EBITDA includes other income
All figure are on consolidated basis

3. Established Financial Track Record (2/2)

Consistent Return on Net-worth

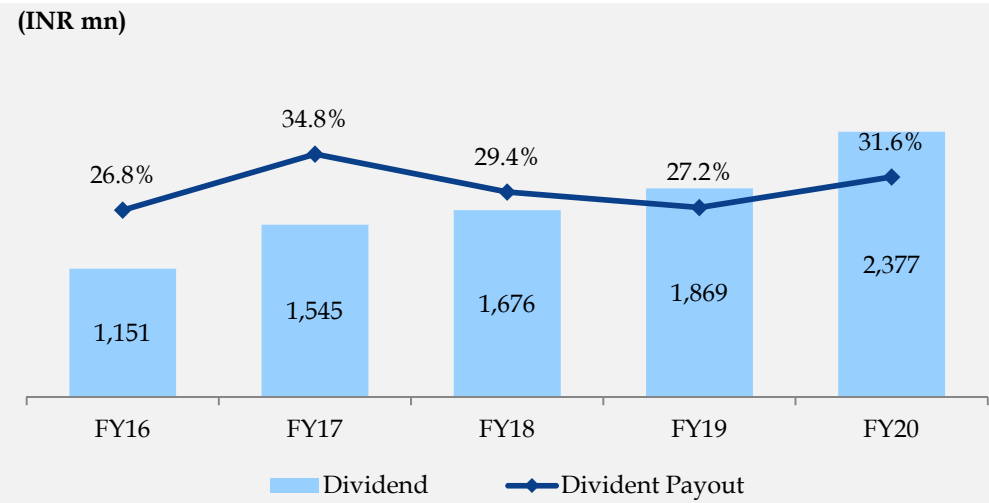


Strong Balance Sheet to support



Note: ¹ Consolidated figures

History of consistent dividend payment



Liberal debt structure

- Projects are funded through loans from Indian Railway Finance Corporation (IRFC) as advised by MoR
- There is a moratorium period of 3 years for each year's loan
- During this period no amount on account of interest and principal shall be payable
- MoR takes full responsibility towards any debt servicing for RVNL
- The debt servicing will pass through RVNL's books
- Funds received by RVNL each year from MoR for debt servicing, are transferred to IRFC immediately

Note: * Annualised

4. Experienced Board of Directors



Pradeep Gaur, Chairman & MD

- 15+ year of experience with the Indian Railways and was appointed as MD of RVNL in September 2018
- Associated with RVNL in capacities of Chief Project Manager and Executive Director since 2005
- He holds a bachelor's degree in civil engineering from REC, Kurukshetra (now NIT, Kurukshetra) and Master of Technology in Structural Engineering from Punjab Engineering College, Chandigarh.



Ajay Kumar, Director – Personnel

- Associated with RVNL since 2007
- He holds a Masters Degree in Geology from Patna University
- Prior to joining RVNL, he was with the Indian Railways in various capacities until 2007.



Sanjeeb Kumar, Director – Finance

- 10+ years of experience and associated with RVNL from May 2020
- He holds M.A., MBA and LLB degrees from the University of Delhi.



Rajesh Prasad, Director – Operations

- 30+ years of experience and associated with RVNL as Director from March 2020
- He holds a bachelor's degree in civil engineering from IIT/Kanpur.



Vinay Singh, Director- Projects

- 30+ years of experience and associated with RVNL as Director since 2019
- He holds a Bachelor Degree in Civil Engineering from University of Roorkee (Now I.I.T. Roorkee) and Master of Technology from Indian Institute of Technology, Delhi (I.I.T. Delhi).



Mr Dhananjaya Singh, Non-Executive- Govt. Nominee Director

- Associated with RVNL from November 2020.
- He holds a bachelor's degree in civil engineering from University of Lucknow and is presently working as Executive Director (Works) in the Railway Board under the Ministry of Railways.



Mr Vinay Srivastav, Non-Executive.- Govt. Nominee Director

- 26+ years of experience and associated with RVNL since 2019
- He holds a Mechanical Engineer from Jamalpur with a Masters Degree in Public Administration from Syracuse University.
- He is presently working as Executive Director (PSU) in the Railway Board under the Ministry of Railways



Dr. L V M Reddy, Independent Director

- 27+ years of experience and associated with RVNL since 2018.
- He holds a bachelor's degree in Chemical Engineering from Mangalore University, a master's degree in technology on Energy Systems from Jawaharlal Nehru Technical University and doctorate of Philosophy in Energy Conservation from Bangalore University.



Dr. Anil Kumar, Independent Director

- 30+ years of experience and associated with RVNL since 2018
- He holds a bachelor's degree in political science from Ranchi University, Diploma in HR from Institute of Engineering and Management, Delhi.



Major General (Retd.) Cyrus Addie Pithawalla, Independent Director

- Associated with RVNL since 2019
- He holds a M.Phil and M.sc in Defence studies and also Masters degree in Commerce from Delhi University.

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Strategy Going Forward

1 To Leverage RVNL's position as an executing agency in MoR's investment plan for ramping of rail infrastructure

- For FY22, total capital and development expenditure of railways has been pegged at INR 2,151 bn as compared to INR 1,617 bn in FY21 RE
- Since RVNL is an executing agency for the MoR for various infrastructure projects, it plans to leverage its knowledge and experience in execution of projects for assignment of further projects from Indian Railways

2 Focus on high value projects

RVNL is focusing on high value in a sustained manner and it is confident of achieving the targeted completion of the projects in the decided timelines. The high value projects are -

- | | |
|------------------------------------|-------------------------------|
| a) Rishikesh- Karanprayag New line | c) Sonnagar- Patratu 3rd line |
| b) Bhanupalli- Bilaspur New line | d) Yavatmal - Nanded New line |
| e) Indore - Budni New line | |

3 Implementation of railway workshops and factory projects

- RVNL has been performing admirably in all workshop and factory projects and has established benchmarks in commissioning of such projects. The timelines have been shrunk sustainably and RVNL has got reputation of timely commissioning of these projects with high standard of quality and state of art technology.

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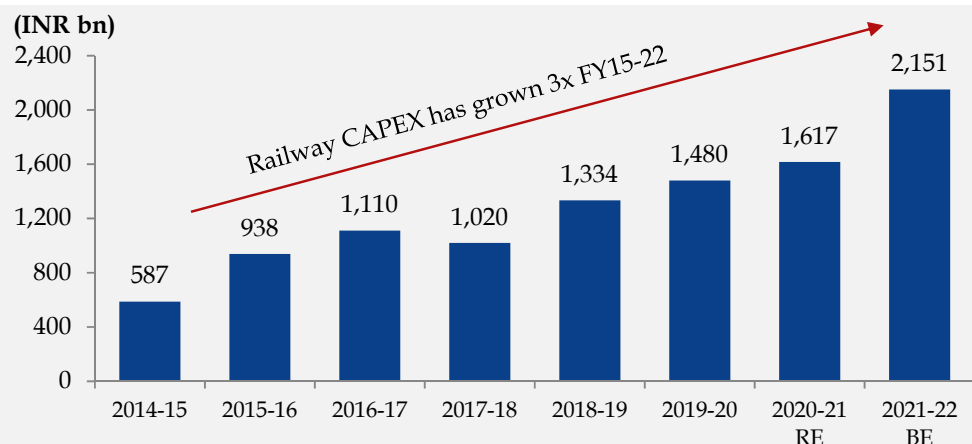
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- **Key Growth Drivers for Railway Infrastructure Sector**

Investment in Indian Railways is Top Priority for Indian Government with increased budget allocation over the years

Railway Capital expenditure has nearly tripled since FY15



Budget 2021 has set a capital outlay of Rs. 2,151 bn for Indian Railways in FY22E towards expenses of its network a 33% rise from its revised capex for FY21

Budget allocation in various spheres of railways

Rs bn	FY20	FY21E (RE)	FY22E (BE)
New Lines (Construction)	127	150	170
Gauge Conversion	41	34	22
Doubling	224	222	261
Traffic Facilities-Yard Remodeling Others	16	17	41
Rolling Stock	371	418	370
Leased Assets-Payment of Capital Component	105	120	195
Road Safety Works-Road Over/Under Bridges	35	54	55
Track Renewals	78	92	93
Electrification Projects	71	66	75
Other Electrical Works incl. TRD	5	7	9
Workshops Including Production Units	21	22	19
Staff Welfare	5	5	7
Passengers and Users Amenities	19	27	28
Investment in Govt. Commercial Undertaking-	169	156	373
Metropolitan Transport Projects	15	17	19
Others	52	59	65
EBR	126	150	350
Total	1,481	1,617	2,151

Major segment wise projects planned on priority basis by railways for the period FY22E

	FY20	FY21E (RE)	FY22E (BE)
Construction of new lines (Route Kms)	360	300	300
Gauge conversion (Route Kms)	408	400	500
Doubling of lines (Route Kms)	1,458	1,400	1,600
Rolling stock			
a (i) Diesel Locomotives	33		
a (ii) Electric Locomotives	795	725	905
b Coaches	7,557	4,802	6,695
c wagons (vehicle units)	11,382	10,000	12,000
Track renewals (Route Kms)	4,500	3,200	4,000
Electrification projects (Route Kms)	4,378	6,000	6,000

Source: Ministry of Railways