

Undertakings

RAIL INDIA TECHNICAL AND ECONOMIC SERVICES LTD. (RITES):

RITES, over the last three decades, has grown and diversified from being a rail consultant to an internationally recognised ISO 9001:2000 certified company of Consultants, Engineers and Project Managers providing total transport solution. It provides comprehensive consultancy services from concept to commissioning in the fields of railways, urban transport, urban development and urban engineering, roads and highways, airports, ropeways, inland waterways, ports and harbours, information technology and export packages of rolling stock and railway related equipment.

RITES, with recognition from multi-lateral funding agencies, has experience in over 65 countries in Africa, Middle East, Latin America, South East Asia, U.K., U.S.A. and Europe.

Business Operations:

Some of the important assignments undertaken in the recent past, were:

Overseas:

- **Afghanistan** – Procurement facilitation services to Afghanistan Reconstruction Development Services (ADRS) under World Bank funded Public Administration and capacity building project. Survey of power transmission line of Power Grid Corporation of India Ltd.
- **Angola** – Implementing railway rehabilitation projects in CFM Railway including supply of locomotives, coaches, pick-up vehicles and buses, rail-cum-road vehicles, etc.

- **Botswana** – Construction, supervision of roads and project management of the airports.
- **Malaysia** – Design and project management support for railway track and electrification.
- **Mozambique** – Providing project management services as one of the consortium members of the Beira Rail Corridor project.
- **Myanmar** – Secured two contracts from Myanmar Railways for supply of locomotives and coaches along with capital spares; integrated export package for MG in-service locomotives with maintenance; techno-economic feasibility study of highway along river Kaladan from Indo-Myanmar border to Sittwe Port.
- **Senegal** – Feasibility study for a new railway link between Zinginchor and Dhakar. Supply of in-service diesel locomotives and MG day coaches to PTB, Senegal.
- **Sharjah** – Signalling and design of underground stations of London Metro - Railway Signalling Design project.
- **Sri Lanka** – Study for restructuring and public-private partnership in Sri Lanka Railways, training of railway personnel, procurement consultancy services for North East Emergency Reconstruction Programme.
- **Sudan** – Supply of in-service and new locomotives, rehabilitation of locomotives, wagon spares and rehabilitation of traction motors.
- **Tanzania** – Asset review and valuation study, leasing of MG diesel electric locomotives, wagon rehabilitation project.
- **UAE** – Feasibility study for rail link of 428 kilometre.

In India:

- Functioning as a major member of the international consortium commissioned as ‘General Consultants’ for the Mass Rapid Transit System (MRTS) for Delhi.

- Major urban/regional planning assignments in Delhi and National Capital Region, detailed project reports of MRTS in Delhi (Phase-II), Bangalore, Ahmedabad. Feasibility study for high capacity bus system for Delhi and its suburbs.
- Detailed project report and design consultancy services for Quazikund-Baramulla railway project, design engineering services for rail bridges in Quazikund-Baramulla line across river Ganga.
- Final location survey for Dedicated Freight Corridor for multi-modal high axle load freight traffic for the Eastern and Western Rail Corridors.
- Total transport system study on modal cost and traffic flows for Planning Commission.
- Consultancy services for augmentation of railway siding and Merry-Go-Round (MGR) Systems for NTPC thermal power projects at Vindhyachal and Rihand, construction supervision for diversion and re-grading MGR system at Kahalgaon.
- Operation and maintenance management of MGR-Systems for NTPC, Farakka Indraprastha Power Generation Corporation Ltd., etc.
- Consultancy and construction supervision contracts in Orissa, design engineering and construction supervision for national highways and rural roads in various States under North-South and East-West corridors and Golden Quadrilateral under NHDP; independent consultants for construction of 8 lane Delhi-Gurgaon section of NH-8 on BOT basis.
- Planning, design and construction management for married accommodation for Ministry of Defence, campus for National Social Security Registry and Processing for Employees' Provident Fund Organisation, Navodaya Schools and various railway sidings and infrastructure buildings.
- Procurement Management for various multi-lateral funded projects for Ministries of Health, Agriculture, etc.

- Development of crashworthy design of passenger coaches, development of self-steering freight bogies, frame-less tank wagons.
- ISO 9000, ISO 14000, TS 16949, OHSAS 18001 Safety Audit and consultancy for over 150 public and private sectors.
- Consultancy services for construction of aerial ropeway at Trikut and Namchi, etc.

Financial Performance :

The comparative financial performance of RITES, during the last 2 years, is as follows:

	(Rupees in crores)	
	2005-06	2006-07
Total turnover	426	566
Net Profit	99	118

IRCON INTERNATIONAL LTD. (IRCON) :

IRCON, a 'Mini Ratna' company, is the first Public Sector Enterprise to get an ISO-9001:2000 certification from TUV Germany for its full range of construction activities. Making a debut in 1980 in the international market by undertaking projects in Iraq and Algeria, IRCON operates in more than 21 countries and has successfully completed over 80 projects in various countries. Besides, it has taken up over 210 varied projects throughout India.

The company has diversified its activities from Railways to other sectors of infrastructure viz. highways, roads, ports, housing, water supply, irrigation and electrification, etc. and bagged many projects through competitive bidding.

IRCON has taken up rail project in the most difficult terrain in Jammu & Kashmir by constructing the longest tunnel ever built in India. It has arranged transportation of the railway coaches to Jammu & Kashmir valley by road thereby signalling the arrival of Railways in that region. It has also contributed significantly in the construction of Delhi

Metro Rail network. IRCON is also pursuing rail works of the proposed Dedicated Freight Corridor of IR.

IRCON is one of the few successful profit making and dividend paying construction companies with a cumulative foreign exchange earnings of about Rs.1,582 crores as of now. During 2006-07, the company has secured orders worth Rs.1,689 crores and the total workload as on 31st March 2007 stands at Rs.5,600 crores.

Ongoing domestic projects:

- Construction of Broad Gauge rail link between Qazigund-Srinagar-Baramulla and Laloe-Qazigund in Jammu & Kashmir valley at a cost of Rs.3,335 crores.
- Gauge conversion including electrical works on Rewari-Ajmer section of North Western Railway for Rail Vikas Nigam Limited at a cost of Rs.157.77 crores.
- Construction of roadbed, bridges, facilities, installation of track and electrification in connection with provision of 3rd line of Aligarh-Ghaziabad section (106 kilometre) in joint venture with Gannon Dunkerley & Company Limited. IRCON's share is valued at Rs.124.46 crores.
- Enhancement of coach production capacity and setting up a wheel shop at Rail Coach Factory in Kapurthala, at a cost of Rs.91.17 crores.
- Under Pradhan Mantri Gram Sadak Yojna (PMGSY), took up rural road projects in Bihar region valued at Rs.606 crores, 2 State road projects in Uttar Pradesh worth Rs.197.30 crores, 4 lanning of Pimpalgaon-Dhule section of National Highway-3 in Maharashtra under BOT scheme, executing 3 married accommodation projects in Uttar Pradesh and Madhya Pradesh at a cost of Rs.369.39 crores, etc.
- Bagged 2 electrical projects in Kerala valued at Rs.200 crores.

Projects abroad:

IRCON is executing a road project in Ethiopia valued at Rs.141.28 crores. It is also executing railway rehabilitation and supply works in

Mozambique worth USD 68 million with 25% equity stake besides two electrical projects in Afghanistan.

Financial Performance:

IRCON paid a dividend of Rs.25.74 crores for 2006-07. Its comparative financial performance during the last two years is as follows:

	(Rupees in crores)	
	2005-06	2006-07
Total income/Gross sales	1,112.8	1,543.1
Operating income	1,058.1	1,474.8
Profit before tax	110.9	111.0
Profit after tax	80.7	75.7
Gross margin	130.9	135.2
Net worth	829.3	874.0

INDIAN RAILWAY FINANCE CORPORATION LIMITED (IRFC):

IRFC was set up, as a public limited company, in December 1986, with the sole objective of raising money from the market, to part finance the Plan outlay and for meeting the developmental needs of IR. Funds are raised through issue of bonds, term loans from banks/financial institutions and through external commercial borrowings/export credit. The Department of Public Enterprises has rated it as “Excellent” for nine years in succession. Based on its strong financial strength and credit standing, it has got highest possible rating from three prominent domestic credit rating agencies and investment grade ‘sovereign’ rating from four major International Credit Rating Agencies.

It has successfully met the borrowing targets year after year. The company has leased rolling stock assets worth Rs.39,550 crores to the Ministry of Railways upto 31st March, 2007. IRFC has successfully brought down lease rentals from 17.5% per annum in 1996-97 to 11.59% per annum in 2006-07. The Ministry has been making payments of lease rentals regularly which forms less than 7% of Gross Traffic Receipts.

IRFC has been consistently earning profits and has so far paid Rs.1,168 crores as dividend to the Government on the paid up capital of Rs.232 crores. This includes an all time high payout of Rs.160 crores for 2006-07.

The company has also disbursed funds to the tune of Rs.968 crores to Rail Vikas Nigam Limited till the end of 2006-07. Besides, funds to the tune of Rs.112 crores have also been provided to Rail Land Development Authority during 2006-07.

CONTAINER CORPORATION OF INDIA LTD. (CONCOR):

CONCOR was set up in November 1989 with the prime objective of developing multi-modal transport and logistics infrastructure to support country's international and domestic containerized cargo and trade. It provides responsive, cost effective, efficient and reliable logistic solutions to its customers for export import trade by adopting latest technology and practices in containerized freight transportation by rail in India.

CONCOR's core business is characterised by three distinct activities - that of a carrier, terminal operator and warehouse/CFS operator. As a carrier, it provides containerized rail transport in India with operational support from IR as several of its terminals are situated on leased railway land. Its terminals provide a spectrum of facilities in terms of warehousing, container parking, repair facilities and even office complexes.

CONCOR derives its strength mainly from a dedicated network of state-of-the-art terminals all across the country to capture traffic at its place of origin, ability to provide multi-modal choice according to the needs of customers, cost advantage due to distinct location of ICD premises, the 'right-of-way' available to IR and service run by professional management team, experts trained in multi-modal logistics and information technology. CONCOR handled over 2.10 million Twenty feet Equivalent Units (TEUs) during the year as compared to 1.9 million TEUs of the previous year.

Recently, CONCOR has successfully run double-stack container trains to Pipavav as well as coastal shipping services. It has also diversified its business by foraying into Cold Chain logistics.



Cars loaded in double stack containers at Pipavav.

CONCOR paid a total dividend of Rs.90.20 crores for 2006-07 on its paid up capital.

Financial Highlights:

The comparative financial performance of CONCOR for the last two years is as follows:

	(Rupees in crores)	
	2005-06	2006-07
Turnover (Rs.in crores)	2,489.16	3,121.89
Net Profit as % of Turnover	21.12	22.54
EPS (in Rs.)	80.90	108.29

KONKAN RAILWAY CORPORATION LIMITED (KRCL):

The prestigious 760 kms. long Konkan Railway project was commissioned in 1998 as the first railway project in the country to be executed on BOT (Build, Operate and Transfer) principle. KRCL was formed with participation of the 4 beneficiary States of Maharashtra, Goa, Karnataka and Kerala along with the Ministry of Railways.

Some of the major achievements of KRCL in 2006-07 are as follows:

Financial & Operating Performance:

The earnings from freight and passenger traffic have increased from Rs.341 crores to Rs.412 crores. The operating surplus has increased from Rs.131 crores to Rs.159 crores compared to the previous year.

Financial Restructuring Proposals:

The total outstanding liabilities of KRCL is Rs.5,425 crores, out of which Ministry of Railways has provided financial assistance of Rs.2,928 crores till date. The proposal for financial restructuring plan of KRCL viz. conversion of Ministry of Railways loan of Rs.2,927.74 crores into non cumulative redeemable preferential shares, review of arrangement of financial support for interest and redemption liabilities, etc., is under consideration with the Board for Reconstruction of Public Sector Enterprises (BRPSE).

Projects:

- The Corporation has taken up the construction of 90 kms. Katra-Laole section of Udhampur-Srinagar-Baramulla single line broad gauge railway project on cost plus 10% basis.
- Introduced telemedicine for employees to avail specialized health care facilities. The scheme has also been implemented in Northeast Frontier, East Central and Western Railways to make it available in remote areas.

Safety Works:

The Corporation has planted about 10 lakh vetiveri plants on cutting slopes as an anti soil erosion and soil stabilization measure. Also fixed 4 lakh square metres of steel boulder nets in rock cuttings, undertook 25 lakh cubic metres of earthwork by flattening the slopes, providing berms, etc. The Corporation spent Rs.30 crores on geo-safety works during the year. The Corporation had an accident free record in 2006-07.

CENTRE FOR RAILWAY INFORMATION SYSTEMS (CRIS):

CRIS facilitates implementation of computerization projects on the Railways. The progress achieved in the main project areas is as follows:

Freight Operations Information System (FOIS):

FOIS is an on-line system for management and control of freight movement which enables freight customers to have instant access to information regarding the current status of their consignments in transit. The FOIS application comprises the core module of Rake Management System (RMS) for handling train operations and Terminal Management System (TMS) for commercial transactions. RMS enables live monitoring of all freight trains giving their current position, commodity-wise flow of freight trains for major users to have an accurate forecast of cargo arrivals, recording and updating of detachments from block rakes and details of rakes/wagons in various yards including their detention, analyzing total demand for rail transport and its logical matching with incoming rakes to minimize empty running and finding availability of rolling stock to plan for their efficient utilization and analyzing detention to stock in terms of rakes and wagons at various yards/terminals. More than 2,000 reporting devices have been installed at more than 700 locations, which are interlinked through Railway-owned digital microwave communication facilities complemented by hired channels from BSNL. Railway Receipts are being generated through the system at many locations.

Passenger Reservation System (PRS):

Countrywide Network of Computerized Enhanced Reservation and Ticketing (CONCERT) has been installed at more than 1,372 locations with 5,473 terminals handling more than 3,000 trains and more than one million passenger transactions per day and providing facility to the passengers to book seats/berths on any train on IR from any location.

PRS enquiry through 'Internet':

IR's website www.indianrail.gov.in provides booking through 'Internet' for which Indian Railway Catering & Tourism Corporation

(IRCTC) has been given connectivity to PRS system for issue of e-tickets. The website also answers queries regarding accommodation availability, current status of waitlisted tickets, trains available between important stations, train schedules, fares, etc. Mobile phone based SMS enquiry services on availability of berths, status of waitlisted passengers, etc. have also been introduced. National Train Enquiry System (NTES) which is accessible on www.trainenquiry.com also provides information about the running status of any train, amenities to passengers, etc.

Unreserved Ticketing Systems (UTS):

UTS has been computerized by CRIS and expanded to cover 828 stations to enable passengers to purchase tickets from other than the train originating station, up to 3 days in advance of the date of journey, except for suburban passengers. 25 lakh tickets are being issued daily for 70 lakh passengers with daily earnings of Rs.16 crores.

Major Projects:

CRIS has undertaken some important projects, viz., Parcel Management System for computerization of parcel services at 7 major



Computerised Reservation Counter at Tirupathi Railway Station, Southern Railway.

stations on Delhi-Howrah corridor, Crew Management System to provide information regarding train crew on a real time base, Comprehensive Payroll Processing System, Workshop Information System, E-Procurement System to improve purchase efficiency and transparency, web based electronic office management system for South East Central Railway, namely South East Central Railway Office Automation and Documentation System (SECROADS), Control Office Application (COA) for more efficient monitoring and controlling of train operations across all divisions/area control offices on IR, etc.

INDIAN RAILWAY CATERING AND TOURISM CORPORATION LTD. (IRCTC):

IRCTC registered all-round growth in all its business segments. Brief details of the achievements during the year were as under:

Catering Services :

- Awarded 104 contracts for on-board catering services on trains. Catering services on 14 Rajdhani, 13 Shatabdi, 16 Janshatabdi and 173 Mail/Express trains were operational as on 31st March, 2007.
- Awarded 485 contracts for Automated Vending Machines for sale of hot and cold beverages at various railway stations.
- Opened 5 Food Plazas taking the total tally of operational Food Plazas to 41. Also awarded licenses for 20 Food Plazas at various railway stations during the year.

Income from Catering services during the year was Rs.263.84 crores as compared to Rs.172.93 crores during the previous year.

Rail Tourism :

To promote rail tourism, IRCTC, in association with travel and tourism industry, undertook 124 full train charters, booked 1,534 berths under value added tours, operated 22 village-on-wheels (Bharat Darshan) trains, booked 316 special charter coaches and operated 40 charters on hill railways. During the year, IRCTC started complete tour

packages for Delhi-Mata Vaishno Devi, Hyderabad-Shirdi, Mumbai-Trivandrum, etc. A special train for Buddhist Circuit has been planned and one trial trip was also run with international and domestic travel agents and media. IRCTC also launched its tourism portal www.railtourismindia.com. IRCTC has been given mandate by Ministry of Railways to set up 'Rail Ratna' brand of Budget Hotels on 100 railway stations across the country on Public Private Partnership and Build, Operate and Transfer basis for a period of 30 years.

Internet Ticketing System :

During the year, the number of railway tickets booked through the website of IRCTC www.irctc.co.in has gone up to 68,23,481 and the value of tickets to Rs.678.64 crores as against 25,36,289 tickets and Rs.229.30 crores respectively during the previous year. Under the Scheme Of Frequent Travellers (SOFT), approximately 30,000 customers were registered by IRCTC and State Bank of India, 4200 agents were enrolled for E-ticketing facility which included Railway Agents (RTSAs). Work on the project, Rail Sampark-139, is in the last stages of completion which will revolutionise rail enquiry services by providing consistent and high quality services all over the country without STD on a single number 139.

Packaged Drinking Water Project (Railneer) :

During the year, production of Railneer increased to 3.51 crores bottles. The results of the tests carried out by accredited laboratories indicate that the quality of Railneer conforms to European Economic Community (EEC) norms for pesticides residue.

RAILTEL CORPORATION OF INDIA LTD. (RailTel) :

The company was incorporated in the year 2000 to modernize IR's communication system for safe and efficient train operation and to generate revenue through commercial exploitation of the system. It is poised to emerge as a national level operator in the telecom sector by using Railways' right of way on about 63,000 route kilometres by creating an Optical Fibre Cable (OFC) network.

With 30,790 route kms. OFC network along the railway track and high bandwidth Point of Presence (PoP) at more than 2,828 stations,

RailTel has modernized train control and emergency communication system of IR. It has also connected railways' electronics telephone exchanges at E1 level to provide seamless railway STD services. A total of 26,197 route kms. of STM-16, 14,605 route kms. of STM-4 and 21,137 route kms. of STM-1 have already been commissioned over IR till March 2007.

RailTel has set up cyber cafes/internet kiosks at 18 stations to provide facility of high speed internet browsing, e-mail, audio video chatting, video conferencing, IP telephony, etc.

RailTel's sales revenue was Rs.114.32 crores during 2006-07 as against Rs.60.44 crores in the previous year resulting in a net profit of Rs.41 crores for the first time since its inception.

RAIL VIKAS NIGAM LIMITED (RVNL) :

RVNL, a Special Purpose Vehicle (SPV) under the Ministry of Railways was incorporated in the year 2003. It is executing 46 projects on fast track basis under National Rail Vikas Yojana costing approx. Rs.12,613 crores to strengthen the golden quadrilateral and its diagonals and to augment port connectivity. In addition, RVNL has conducted pre-feasibility studies of Dedicated Freight Corridor and has also formed 3 SPVs during the year in the States of Orissa, Andhra Pradesh and Gujarat for execution of projects under Public Private Partnership.

Up to 31.3.2007, RVNL completed 10 projects covering 155 kms. of new lines, 795 kms. of gauge conversion and 276 kms. of doubling and 954 kms. of railway electrification. Important projects completed during the year, were :

Section	Kms.
Delhi-Rewari - Gauge Conversion	83
Panvel-Jawaharlal Nehru Port - Doubling	29
Samkhiali-Gandhidham - Gauge Conversion	51
Kumbhakonam-Mayiladuthurai - Gauge Conversion	32
Salem-Attur - Gauge Conversion	56
Keonjhar-Tomka - New Line	

RVNL is executing 7 projects funded by Asian Development Bank. The project of 2nd Mahanadi Bridge under ADB has been progressing satisfactorily. It is also constructing one of the longest railway bridge (4.6 kms.) near Cochin for International Container Terminal using latest technology and innovations.

During the year, expenditure on project works was Rs.1,236.24 crores, registering a growth of 46.59% over the previous year.

PIPAVAV RAILWAY CORPORATION LIMITED (PRCL):

PRCL, a joint venture company of Ministry of Railways and Gujarat Pipavav Port Ltd., (GPPL) with equal equity participation was formed to execute the Surendranagar-Rajula-Pipavav Port gauge conversion/new line project. PRCL, executed through private sector participation, has concessionaire rights to construct, operate and maintain this project line for 33 years. PRCL carries foodgrain, DOC, gypsum, cement, fertilizers, coal, steel, etc. In addition to sizeable container traffic. Pipavav Port will also get the benefit of the container train services by the proposed Dedicated Freight Corridor.

During the year, PRCL handled 1,517 trains including 1,153 container trains and transported 2.28 million tonnes of cargo yielding an apportioned earning of Rs.40.68 crores from freight operations. 11 pairs of passenger trains are also running on different sections of Pipavav Railway.