
SAIL inks traffic guarantee agreement with RVNL

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It is reported that Steel Authority of India Limited has signed a traffic guarantee agreement with Rail Vikas Nigam Limited for transportation of an assured volume of 500,000 tonnes of imported coking coal per annum using the Paradip Haridaspur railway line.

SAIL also handed over a cheque for INR 2.5 crore as its equity contribution in Haridaspur Paradip Railway Company Limited, which has been formed by RVNL as a special purpose vehicle for development of an 82 kilometer railway line in Orissa to connect Paradip port with the hinterland.

By becoming a strategic investor in the company, SAIL is ensuring availability of required number of rakes from the Indian Railways for movement of imported coking coal to meet its increased production targets of 2010. In addition, SAIL will also enjoy reduced freight rates for some destinations.

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