

RVNL/SECY/STEX/2024

13.02.2024

National Stock Exchange of India Ltd. Exchange Plaza, Plot no. C-1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 Scrip: RVNL	BSE Limited Department of Corporate Service, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 Scrip: 542649
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Sub: Transcript of Conference Call with Investors

Ref: Regulation 30 of the SEBI (LODR) Regulations, 2015

Dear Sir/Madam,

This is in continuation to our letter of even no. dated 09.02.2024 regarding intimation of the Audio Recording of Conference Call with Investors on the website of the company. Transcript of the said Concall is enclosed herewith. The same is also available on website as follows:

www.rvnl.org – Investor- Board Meetings, Board Committees & General Disclosure - General Disclosures

Link:

https://rvnl.org/RVNL_cms/uploads/boardmeeting/Transcript_of_Conference_Call_with_Investors1.pdf

You are requested to take the same on your records.

Thanking you,

Yours faithfully,
For Rail Vikas Nigam Limited

(Kalpana Dubey)
Company Secretary & Compliance Officer



“Rail Vikas Nigam Limited
Q3 FY '24 Results Conference Call”
February 09, 2024



MANAGEMENT: **MR. RAJESH PRASAD -- DIRECTOR OPERATIONS - RAIL VIKAS NIGAM LIMITED**
MR. SANJEEB KUMAR -- DIRECTOR FINANCE AND CHIEF FINANCIAL OFFICER - RAIL VIKAS NIGAM LIMITED
MS. KALPANA DUBEY -- COMPANY SECRETARY - RAIL VIKAS NIGAM LIMITED

MODERATOR: **MR. VISHAL PERIWAL -- IDBI CAPITAL**

Moderator: Ladies and gentlemen, good day and welcome to Rail Vikas Nigam Limited Q3 FY24 Earnings Conference Call hosted by IDBI Capital. Ladies and gentlemen, kindly note the call will be for a duration of 45 minutes. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes.

Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Vishal Periwal from IDBI Capital. Thank you and over to you, sir.

Vishal Periwal: Yes, good afternoon everyone. First of all, apologies for the delay in the start of the call. So, from the RVNL management side, today we have with us Mr. Rajesh Prasadji, who is the Director Operations, Mr. Sanjeeb Kumarji, Director Finance and CFO and also in the team we have Ms. Kalpana Dubey, who is Company Secretary.

So, as usual, we'll have a brief from the management and then we'll have lines open for Q&A. And due to time constraint with the management, so we'll have this call for 45 minutes. Yes, so that's all. Over to you, sir.

Management: Okay, fine. Very good afternoon. So, this Rail Vikas Nigam Limited, a Navratna PSU under Ministry of Railway was incorporated in January 2003. So, it is 21 years old and we were earlier involved only for the creation of the railway infrastructure and contributed around 30% of all kinds of railway infrastructures. Last 12 years, it has been rated excellent. The CARE rating has been AAA; Outlook, Stable. It is a debt-free company.

And if you see the journey of 21 years, see, I will tell a few things about this particular company, that it is a very vibrant, relatively young. We have got the proven track record. And it is a mix of the efficiency of the private sector and authority of the untrustworthiness of the public sector. We have commissioned more than 16,000 route kilometers of railway infrastructures. And the expenditure wise, it is INR1.5 lakh crores, which we have achieved.

We were also involved in the basically project-specific special purpose vehicles in creation of this SPVs and we have commissioned five number of such special purpose vehicles for creation of railway infrastructures.

And with these SPVs, the government of India has basically earned the traffic of INR1,10,000 crores without a single passive investment. We have got the -- it is a very lean and keen organization with around 1,300 persons, including the contract engineers. So if you are having a turnover of more than INR20,000 crores, so you can work out the kind of efficiency this company is having, that is around INR14 crores per employee.

Now, if you see the journey of this 21 years, so I will break it into two parts, that is 2003 to 2014. And by that time, we had an expenditure of INR15,600 crores. And in the next part, that is 1st April 2014 to 2024, it is INR1,32,000 crores. We have now crossed the INR1,50,000 crores mark.

Turnover in FY23-2014 -- 2013-14 was INR2,492 crores and 2022-23 was INR20,300 crores. FY23-24, for the first time, it has crossed INR15,000 crores marks. PAT in 2013-14 was INR157 crores. In last year FY, we achieved INR1,268 crores. And first three quarters in FY23-24 is INR1,030 crores. Again, it is all-time high.

Now, if you see the commissioning part, the total railway infrastructure which was created up to 31st March 2014 was 5,100 kilometers. And subsequently, after that, we have commissioned 11,000 kilometers of railway infrastructures. Number of projects we had commissioned up to 2014, 40 numbers. And after 14 -- 2014, we have commissioned 100 projects and handed over railways for the operation.

So, what I wanted to project is that, here is a company which has been rated excellent for the last 12 years by Department of Public Enterprises. We have got an order book of around INR65,000 crores. We will reconcile after 31st March, and then the exact numbers will be basically, we will be able to tell you.

We are involved in the complete project lifecycle that is the SLS, DPR, plans, GADs. We have got the innovative models for execution, excellent contract management practices, and we have got a very lean setup. We were earlier the government's biggest capex expander, and now we are transforming from the local rail infrastructure to global all infrastructure.

And if you see the performance of this particular company, in last five years, the PAT has become 2x. Turnover in last 10 years is 10x. Turnover in last 12 years is 14x. So, you can understand that how this particular company has been performing. In fact, the models in last few years have changed. We have reformed, we have performed, and now we are transforming from the role of the contract manager to the contractor.

So, this is what exactly I thought I should brief in the beginning. And now, we will take up the questions and then whatever may be the questions, then accordingly we will react and try to give the answers, whether it is a Q3 number, future prospects or anything.

So, now over to you, Vishal, to please ask questions, and the time limit is 45 minutes.

Moderator: Thank you very much. We will now begin the question and answer session. Our first question is from the line of Harshit, from BMW Wealth Advisor. Please go ahead.

Harshit: Good afternoon, sir. So, I wanted to know about the current order book, and how we are looking at the future one or two years, in terms of orders that we are winning except for railways? And an update on Vande Bharat trains as well?

Management: Okay, so I'll start with this. Earlier I had said that we have got an approximate order book of around INR65,000 crores, which roughly constitutes 50% from the nomination, that is the typical railway projects, and 50% which we have bagged from the market. So, this is the present model. This is the approximate numbers. We will reconcile at the end of 31st March, and then we'll come back to you with the exact numbers of the order book. But roughly it is like this.

Now, let us first talk about the Indian segments. The segments we are transforming from the local rail infrastructure to global infrastructure. So, we are now concentrating in all kinds of infrastructures.

And in India, we are basically, the railway segment is our main expertise, main area, main forte and the high speed, then the metro segments. We are executing seven cities, the metros, various kinds of projects in seven cities. Then we have diversified into so many other fields.

For the export business, we have got focus on the neighboring countries like Bangladesh, Sri Lanka, Maldives, Mauritius, African continent, where there is an eschewed funding, like LOC, World Bank, ADB, Zika, AFDB, Solar projects, then UAE also, the Saudi Arabia. We have recently participated in a PPP model project in Botswana, where we have been shortlisted. We are opening offices in some other neighboring foreign countries. So, these are the export business. And in India, yes, railway segment is a preferred segment. Metro segment is a segment where we are very comfortable, because it is very technically challenging.

Regarding this Vande Bharat, the project is on track. We have already signed the MCMA. MCMA is the maintenance from the manufacturing. The coaches will be manufactured at Latur. And the first step after signing of MCMA is basically mock-up. That is basically the assignment has been given to a vendor who are doing this mock-up part. And after the mock-up, basically the manufacturing of the rakes will be done. And the schedule of the manufacturing is the first prototype is required to be manufactured 24 months from the date of signing of the agreement. Second prototype within 60 days of that.

And then the supply program is like this, that after that, first year, 12, second year, 18, third year, 25, fourth year, 25, fifth year, 25, sixth year, 15. So, the project is on track and we are hopeful that we will achieve and we will try to deliver the best quality product in this particular segment, which is a totally new segment for RVNL.

- Harshit:** Thank you for the detailed answers. Have a good day.
- Moderator:** Thank you. Our next question is from the line of Rohit Natarajan from Antique. Please go ahead.
- Rohit Natarajan:** So, my question is more to do with the South African order. Like there is already a tender for Trans Kalahari \$10 billion project as such. What exactly is this project all about? I mean, what is the status of the subsidiary that you have started? Could you please elaborate more on that?
- Management:** We are working on so many foreign projects and since we are a listed company, whenever there is a positive development, these are the price sensitive information. Whenever there is a positive development, we will inform to the exchange and through the website of RVNL.
- Rohit Natarajan:** Okay. Sir, my second question is to do with the Vande Bharat order, the contract manufacturing was supposed to be awarded from the Russian agency to your organization. What is the status of that project?
- Management:** See, this particular tender was for the 200 Vande Bharat train sets, out of which L1 was given. L1 is basically RVNL and then joint stock company, Metro Wagon Mass, and then joint stock

company, LES. So, we have been given basically a contract of 120 train sets. These will be manufactured at Latur. And then there are three workshops where the maintenance facilities will be upgraded. It has got a comprehensive maintenance component.

See, as far as the basically roadmap for these Vande Bharat train sets are concerned, the first thing was that the contract agreement was supposed to be signed. The bank guarantees, etc. was supposed to be submitted. So, accordingly, the MCMA has been signed. The mock-up is being now done. And now the schedule which I have already told that the supply of first prototype is 24 months from the appointed date.

Second is within 60 months, 60 days. And then subsequently, the program I had narrated earlier. You wanted to know whether some vendors have been appointed or not. See, it is being done by a company, Kinet Railway Solutions, where RVNL has got a share of 25%. And the developments will take place only when the mock-up is ready. And once the mock-up is approved, then the real manufacturing will be done at Latur.

Incidentally, this Latur workshop was constructed by RVNL only. And in fact, for the trial purpose, we had also manufactured one coach over there. So, that factory is in readiness. And the handing over, taking over with the railway is going on. Since it is still under the position of RVNL, it has to be first handed over to railway. And then from railway, it will go to the Kinet Railway Solutions, a special purpose vehicle which has been incorporated in the month of April.

We had earlier signed a shareholder agreement in that connection in the month of July 23.

Rohit Natarajan:

I appreciate this point, sir. Could you please elaborate more on the current status of \$4 billion Kyrgyzstan project?

Management:

Yes. See, basically, we were supposed to prepare the DPR. And it has got two components. One is the finalization of the alignment, the other technical specifications. And the project report, detailed project report. So, we have, if you recall, we had earlier signed an MOU.

For four projects, we had signed an MOU. And we had submitted the DPR for the Balekechi and Kara catch line. And the total cost was around INR300 billion. And the DPRs have been submitted. The financial closure, everything is with the government. What they are doing is that they are evaluating the DPR, the financial closure, etc.

And once it is done, since we have already signed the MOU, and the projects will be transferred to us, and we have formed a company called Kyrgyzindustry RVNL Close Joint Stock Company. So, we are very hopeful that very shortly... See, these railway infrastructures are complicated, number one.

And it passes through a complete project lifecycle. And the complete project lifecycle starts from the concept, then the alignment, then the DPR, then the financing. So, these steps have been already undertaken.

The financing part, the financial institutions have been contacted, which is being done by the government of Kyrgyzstan. And once they approve the DPR and the financial closure, which is

almost done, immediately the project will be transferred to us. And it will be executed on nomination basis, just like the previous nomination of the government of India, Ministry of Railways. And probably the management fee is slightly better than the government of India's management fee.

Rohit Natarajan: I really appreciate those comments, sir. Finally, my question is on... We have been an asset light, a debt-free company, without any major assets on the balance sheet.

But given the nature of domestic landscape has dramatically changed, I recollect last time we were talking something about road projects, where the total landscape is moving towards BOT toll. And even in the African project, Transcalary \$10 billion project, it's a DBFOT where you have to finance the project. So, incrementally, do you see business opportunities with lot of capital deployment? Is that the strategy going ahead? Will the balance sheet be bloated with debt?

Management: Yes, you are 100% correct. You must have heard in the newspaper that recently we had signed an MOU with REC, Rural Electrification Corporation, where the PFC is having 52% share. The idea behind this signing of MOU was that in case of any project financing, we will be much more comfortable when we deal with a government company.

And the MOU was that in next five years, around INR35,000 up to INR35,000 crores of project financing can be done. And in that particular MOU, they had also agreed for infusing equity in the railway infrastructure, SPVs. See, I will cite two examples of HAM model projects, the Paradeep Masakani project, which is 100% subsidiary, and then this Chhatra Expressway, where we have got a share of around 49%.

So, we need some kind of project financing, and that is why we had signed an MOU with REC. And in time to come, whenever we need some kind of project financing, the cost of the project financing cost basically has to be loaded on the project, and the project should be basically viable, and it should be able to service the debt during the construction and otherwise also. And accordingly, the bid should be, the pre-bid stage will have to take care of that.

So, what I wanted to convey is that once we have signed the MOU with REC, and the other financial institutions are also ready, so in time to come, we can see that depending upon the kind of projects we will go to the market, and we will take the loan and debt, and accordingly we will plan for execution of the projects, various kinds of projects.

Management: I'll supplement to that. While we have an arrangement for working capital enhancement, but ultimately we want to remain asset light, and so we are choosing more and more projects where the mobilization advance and such other advances and financing is done by the client in a way like we did with the sale-bid project.

Rohit Natarajan: Got the point, sir. In terms of order inflows in the coming years, domestic as well as international, what is that number that we are looking at? If you could really help us on some qualitative guidance to go by.

Management: What exactly we want? We want to have a top line which should remain at around INR20,000 crores to INR22,000 crores level, but bottom line should grow, and all the time we want to have the order book of three times, three to four times of the basically turnover that is the top line. In that connection, we should maintain an order book of around INR75,000 crores.

The inflow and outflow will be around INR22,000 crores, INR20,000 crores to INR22,000 crores, because that is an optimal level, and the order book three times to four times means it is around INR75,000 crores. Every year there should be a new inflow of INR25,000 crores of orders. Regarding the breakup, I said the railway infrastructure is basically our forte, number one.

Metro segments is a preferred segment, and we are also diversifying in so many other segments. Foreign projects, we are eyeing so many projects in foreign countries. I said in the beginning that which are the countries where exactly we are trying to enter into.

Two years back, we were totally depending upon the Ministry of Railways, and today we are having so many clients, and we are not only executing railway infrastructures, we are executing all kinds of infrastructures, and not limited to India, but also overseas. The first overseas project has also taken off very well. So what I want to tell you is that our main focus is that in time to come, we should have an order book of around INR75,000 crores, and every year there has to be a new order of INR25,000 crores coming to our kitty from the domestic market or the international market.

Rohit Natarajan: Got it, sir. I appreciate all the points. All the best.

Moderator: Thank you. Our next question is from the line of Rohan, an individual investor. Please go ahead.

Rohan: Hello. Am I audible?

Management: Yes, you are very much audible.

Rohan: So with regards to the formation of JV with Jackson Green, what is your plan with solar projects?

Management: Here at JV, at the moment we are looking at a project in Uzbekistan, and another one in Saudi Arabia. And both of these will be JVs with a 49%-51%, with Jackson Green doing the 51%. And since this is a short period work, around a year or so, maybe at this stage next year we will add it to both our revenues and profits.

Rohan: Thank you. And one last question is, what is the high-speed railways market potential and how can RVNL gain advantage from it?

Management: Basically, when you are talking about the high speed, we should also talk about the semi-high speed, we should also talk about RRTS, we should also talk about the Metro segments. So RVNL is presently executing the Metro in seven cities, out of which Kolkata Metro is on nomination basis and rest all the Metros we have faced from the market. So you have asked about the potential.

We have got a subsidiary called HSRC and we were involved in prefeasibility studies of the various high-speed corridors connecting Delhi, Mumbai, Kolkata and Chennai. So the four sides and the two diagonals, and we had submitted the various reports, detailed report along with the financing models. So we were involved in basically planning of these corridors.

Presently, there is only one corridor which is under implementation stage, that is Ahmedabad to Mumbai, which is around 500 kilometers. And in time to come, you will find plenty of high-speed corridors. And in fact, I was going through one article that by 2047, 60% of the countries will have semi-high speed and the high-speed corridors.

So what I foresee is that by 2047, we will have around 10,000 kilometers of high-speed networks. And these are complicated and complex infrastructures. So here comes the expertise of RVNL, which has a proven track record. And therefore, we see a lot of roles coming our way in implementation of the high-speed corridors, Metro segments and maybe RRTS is going to come.

Rohan: Okay. Thank you.

Moderator: Thank you. Our next question is from the line of Vishal from IDBI Capital. Please go ahead.

Vishal: Yes, sir. Thanks for the opportunity. Sir, in order book, will this breakup be available in terms of sector-wise, how exactly it is segregated; railway, power and others?

Management: Right now, I do not have, but roughly I will tell you that INR65,000 crores, 50% of that, means around INR32,000 crores or INR33,000 crores is on the nomination basis, typical railway projects. And now, if you really want to have the breakup, so I can tell you that the share of the Vande Bharat is around INR9,000 crores. And then we are executing seven number of Metro projects. So that will be around maybe of the order of INR7,000 crores.

Chennai Metro itself is around INR4,500 crores. Then we have got the works in the municipality. We have got the works in the electrification and transmission lines. We have got the works in the irrigation equipment. So altogether, we can -- I do not have the breakup, but yes, it can be done. And the rough breakup is like this.

Vishal: Okay, sure, sir. And sir, in power sector distribution work, we have got a couple of orders. So any JV is formed and what exactly is the nature of the work, if you can just provide some color?

Management: There are various kinds of projects. Right now, I do not have the details, but just let me see. We are not involved in any JVs. We are executing ourselves based on our own credentials. And these are very important projects and unique nature of projects. We have got a different electrical -- one vertical, the electrical department who are looking after these projects. I will share afterwards regarding this.

Vishal: Sure. And sir, qualitatively, can we say that the margins in the power sector and others, it will be relatively better or probably equal to what we have been getting in nomination or any color if you can provide?

Management:

See, earlier we were getting the works on the nomination basis where the management fee was paid. Now since we are in the market, so the different projects will have different kinds of margins. And sometimes the margins will be better, sometimes the margin will be less. But I will cite examples of the first projects which we took from the bidding and the first international project which we took through the bidding. So first domestic project was Indore Metro because we cite examples because that is the oldest. We are very, very new and raw in this. So we got around two years and few months back and the project is nearing completion.

And in fact, four months back, there was a trial for the metro over a length of 6.6 kilometer and it became the fastest metro construction. Now the margin part, if you want to see that the margin in Indore Metro is slightly better than the margins which we used to get through the nomination basis. Similarly, the first overseas project for the development of basically harbor and the port, it is a very highly strategic project. But I can tell you that in last four, five months, we had done a reclamation of 22 hectares of land. And you can understand the kind of progress which we have made, number one.

Number two, margins in that particular project is also very good and it is slightly more than the margin which we used to get on the nomination basis. So the initial projects, whether in India or overseas, they are giving good results. See, these projects basically are challenging. And since we are fetching through the market, the challenges gets multiplied. And we'll have to work -- see, we are a professional company and we want that everyone who is working with the company should actively involve in resolving the technical issues technically.

We should do a lot of value engineering, which we are doing it, at the stage of pre-bidding, at the stage of execution. So let us see, but we are confident that in time to come. And the market has also been appreciating the approach and attitude of the company. And for a government company, it is not that easy that just you change your model that from the role of the contract manager, you become the contractor.

But we have done it, we have sown it and we have bagged orders. We have implemented also some of the projects after taking through the bid. So altogether, I can tell you that the company has got a bright future. We need to work basically in such a manner that the projects are implemented on time with proper quality, following the highest safety standards.

Vishal:

Right, sir. And then one last question from my side. I think you did mention we are targeting a INR22,000-odd crores kind of revenue. In the last one, two quarters, we are seeing probably like flattish sort of number on a Y-on-Y basis. Can you provide some color like -- in terms of range, will it be more towards the 20,000 or 22,000 for a full year basis for FY'24? That is my last question.

Management:

Okay. So let me -- in the beginning, I explained that last financial year, we had a turnover of INR20,300 crores. This year, FY'23-'24, first three quarters, it is more than INR15,000 crores, all-time high. The PAT, the bottom line, was INR1,030 crores, more than INR1,000 crores in first three quarters. So what I wanted to tell you -- convey to all the investors that we want to have basically top line because that is the optimal level, almost optimal level. But we want to increase the bottom line.

And the bottom line can be increased by doing a lot of value engineering. The scope of creation of infrastructure in the country or overseas are plenty. And that is why we need to basically find out the projects which are of the interest of RVNL. I have already told about the preferred segments and how we are going to execute that. We have also explained some of the models I have explained, the examples I have cited.

So what I wanted to tell is that the INR21,000 crores-INR22,000 crores is a kind of an optimal level. The bottom line, yes, it should grow. And now we have got plenty of segments. So accordingly, some of the projects may have lesser profit. But some of the projects can give very big margins also. So it is a mixed kind of thing. And the order book, I said that we will try to maintain 3x to 4x of the turnover every year.

Vishal: Yes, that's all from my side. And I think, yes, just to congratulate, I think order win has been pretty consistent with us. So congratulations on that.

Management: Thank you, sir.

Moderator: Thank you. Our next question is from the line of Dr. Manjoorahmed, an individual investor. Please go ahead.

Manjoorahmed: Good afternoon, sir.

Management: Good afternoon.

Manjoorahmed: Sir, my question is, as you have mentioned that the top line will remain flat for the upcoming years, up to the five years. So what is your plan to increase the bottom line? Actually, in this quarter also, the bottom line has been 5%. And the profit after tax has been decreased by 6%. So can you throw some light on this?

Management: See, we have got the different models for the margins and earnings. We have got the model of the government-nominated projects. We have got the model of getting the dividends from the SPVs. And now we will have the earnings from the projects which we have taken through the bidding.

See, these projects basically are the areas where we can really do a lot of value engineering at the stage of pre-bid, at the stage of execution. They are slightly complicated and complex. And here comes the expertise. With the experience, with the kind of proven track record, I can tell you that we can do a lot of value engineering. We can reduce the cost.

We can execute on a faster track basis, faster manner. And if you execute the project in a faster manner, and if you really apply your value engineering and technology, then you will have certainly, you are going to have better margins in the project implementation. This is what we have shown in Indore Metro.

This is what we have shown in Maldives projects. The first Indian projects which we got through the bidding. The first overseas project which we got through the bidding.

Management: Thank you, sir. Sir, one more question. Just now we have formed a joint venture with Jakson Green. So, what is the future plan regarding this? And how it will reflect in terms of revenue and operating profit margin?

Management: Joint venture with?

Management: Jakson Green.

Management: The joint venture with Jakson Green. Could you repeat your question?

Management: Sir, what is the future plan with Jackson Green? And how will it reflect on revenue as well as in terms of operating profit margin?

Management: Yes, those at the moment, we have a 49%-51% JV, company JV that we have formed in India. RVNL Jakson Green. And the work that we will get, we will do it accordingly.

And as of now, we can only say that because it's a work that Jakson Green has the capability and we have the efficiency and interactions abroad. In the UAE, we have been active looking at the markets in Central Asia and UAE and Western Asia. So, we should be able to manage a profit which will be commensurate with our performances in other fields.

And Jakson Green is also, I mean, they have professionals who have been dealing with this, may not be with this company, but they have been. So, this JV has a synergy and we will be able to do well.

Management: That's all from my side. Thank you, sir.

Moderator: Thank you. Due to time constraint, we will take last question from Smita from Kredent Info Edge. Please go ahead.

Smita: Yes. So, I wanted to ask one question, sir. The bidding order that you are executing or you are bidding for, out of that, what percentage would you say that you are able to get it in bidding out of the total order that you are bidding for?

Management: Okay. So, the first project which we got through the bidding in the year '21 in the month of October. So, it is around two years and four months.

So, it is altogether a new field, but over a period of two years and few months, we have bagged around INR33,000 crores, INR34,000 crores of order book. What we perceive is that in time to come, we are going to have more and more orders through the bidding, and this nomination project will get diminished over a period of next three years, next three to four years. So, your question again, could you repeat the question? What exactly was your question?

Smita: Yes, my question was, sir, that out of the total bidding that you make in a year, what is the percentage of bid order that you receive on your bidding?

Management: Success rate is around 24%.

- Smita:** 24%?
- Management:** 24%, 25%.
- Smita:** Okay. And sir, because of this, is the, was the revenue of this quarter and profitability of this quarter down or is it something other than that?
- Management:** See, these are the basically margins of the projects which we had got on the nomination basis and their margin vary from 5.5% to 6%. So, this quarter also, it was around 5.6%. So, the basically, there is a very small dip and, but if you see the cumulative figure in terms of the PAT or in terms of the PBT, it is all time high.
- Management:** The dip is also lower because, a little bit, because as you, as Director (Operations) has mentioned so far, Indore and other, and the two older works have almost the same level of margin as the railway nominated works. And in other works which we have got gradually, most of it we are in the commencement phase and early stages. So, maybe, and so in the next quarter and next half year, these three quarters we will bounce back.
- Smita:** Which means? See, 24, a lot better than this quarter and then in last year?
- Management:** Yes, the margin in this quarter will be better than the current quarter and maybe even better than the last one.
- Smita:** Yes, but what about the revenue, sir? You said that you would be maintaining the revenue target, the top line that is.
- Management:** Yes, we will be maintaining both the revenue target and the margin. Margin will try to be little up and turnover also may go higher. Then, last year, 20,281 is also likely to be exceeded.
- Smita:** So, sir, what kind of growth can we expect in the top line as well as the order book in next two to three years?
- Management:** I said in the beginning that we want to maintain the order book which is around three to four times of the turnover. And the turnover, the optimal level is INR20,000 crores to INR22,000 crores. But the bottom line, we would like to grow.
- Presently, it is around, last year it was INR1,267 crores. First nine months, it is more than INR1000 crores. This year, we would like to have around INR1,300 plus crores. And maybe next year, we would like to grow in the same fashion which we have been growing in the last two to three years.
- Smita:** Okay, sir. Thank you.
- Moderator:** Thank you. That was the last question for the day. I now conclude the call on behalf of Rail Vikas Nigam Limited and conclude this conference. Thank you for joining us and you may now disconnect your lines.
- Management:** Thank you.