

RVNL/SECY/STEX/2024

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<b>National Stock Exchange of India Ltd.</b> Exchange Plaza, Plot no. C-1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 <b>Scrip: RVNL</b>	<b>BSE Ltd.</b> Department of Corporate Service, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 <b>Scrip: 542649</b>
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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 12.08.2024 regarding intimation of the Audio Recording of Conference Call with Investor 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](http://www.rvnl.org) – Investor- Board Meetings, Board Committees & General Disclosure – General Disclosures**

**Link:**

**[https://rvnl.org/RVNL cms/uploads/boardmeeting/Finaltranscript12082024.pdf](https://rvnl.org/RVNL/cms/uploads/boardmeeting/Finaltranscript12082024.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 Q1 Earnings Conference Call for FY 2024-25”

**August 12, 2024**



**MANAGEMENT: MR. RAJESH PRASAD – DIRECTOR (OPERATIONS),  
RAIL VIKAS NIGAM LIMITED.**

**MR. SANJEEB KUMAR – DIRECTOR (FINANCE) &  
CHIEF FINANCIAL OFFICER, RAIL VIKAS NIGAM  
LIMITED.**

**MODERATOR: MR. VISHAL PERIWAL – ANTIQUE STOCK BROKING**

**Moderator:** Ladies and gentlemen, good day and welcome to the Rail Vikas Nigam Limited Earnings Conference Call hosted by Antique Stock Broking.

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 “\*” then “0” on your touchstone phone. Please note that this conference is being recorded.

I now hand the Conference over to Mr. Vishal Periwal from Antique Stock Broking. Thank you, and over to you, Mr. Periwal.

**Vishal Periwal:** Thanks, Siddhant. Good afternoon everyone and welcome you all for the Rail Vikas Nigam Limited 1st Quarter FY25 Earnings Conference Call.

We have with us from the Management Team, Rajesh Prasad ji – Director (Operations), Sanjeeb Kumar Ji, who is the Director of Finance and CFO.

So, results are already in public domain. We will begin with the interactive Q&A session. Thank you and over to you Siddhant.

**Moderator:** Thank you very much, sir. We will now begin the question-and-answer session. The first question is from the line of from Atul from ULJK. Please go ahead.

**Atul:** So, I wanted to understand, we have shown a de-growth in revenue on a Y-o-Y, and Q-on-Q basis, our profit has also come down. So, any particular reason, you would like to guide us that for such a, the numbers for this quarter are good. So, anything you would like to guide us on that part?

**Rajesh Prasad:** Okay. So, first of all, let me start with the order book of this particular company. So, as on 36 since we are talking about Q1 as on 36, 2024 we had an order book of 83,000 crores plus. To be precise, there are 83,221 crores. We are talking of the project execution, the top line of 22,000 crores. So, roughly, we are having the orders for the next four years. So, we are very comfortable and regarding the execution part, see there are certain reasons because of which there was a decline in the top line as well as in the bottom line. I will take some time; you please bear with me. I will give some of the examples of the project specific.

Let us talk about the first overseas project. We had awarded all the subcontracts, we had mobilized all the resources and the manpower, in fact today also about 600 manpower is available at work site. But because of the geopolitical situation in Maldives, the project has been slowed down. And it has been slowed down like anything. We had a plan of turnover of around 300 crores during the 1st Quarter, and we could not do even 10% of that. So, this was a setback, and this would have resulted into the profit also. So, this is one example.

Then let me talk about the metro project. So, metro projects, the bidding project let me start with the Indore metro. We have executed the work, we have got the variations, new items and some claims costing more than 250 crores, which are still pending with the MP Metro authorities. They have approved 38 crores; they have released 21 crores.

So, what I want to tell you is that this 250 crore work has been done, but it has not been reflected in the top line as well as in the bottom line. If you see the metro projects, this is in Indore metro project through the bidding, there are some other metro projects. And Atul, you must be aware that the 1st Quarter, all the investors who are present, everybody was focused towards the election. See, this quarter was full of basically news items related to the election. It has also impacted the execution, there are other PSUs, and the other companies have also shown decline. The reason is that the labor, etc., have gone back to their places. Once they go back to their places, they come back only after one month. So, this has impacted, the vehicles, etc., they have been taken by the election commission, and everything is on the election board, and focus gets shifted. And I will cite an example of Kolkata metro. There, we are executing the projects on nomination basis, see the permission, etc., because of the election and otherwise, the permissions were not granted. And we had a plan of expenditure of 800 crores plus, in fact last quarter, last year's Q1 we had done a turnover of 838 crores. And this Q1 we had done 291, crores. So, there was a decline of 65.29%, the clearances there were five major clearances. We have now received three major clearances, one major clearance we are likely to get in the next 15, 20 days, we are now having permission for the shaft for Victoria station, Park Street stations, and we will try to make it up. See, money is available, everything is available, contractor is available, vendors are available, manpower is available. But because of this, the non-granting of the traffic permission for the various metro projects, because of the election this affected, we are working in seven cities, the metros. We are executing in seven cities, and it had an impact, it had an impact. Then you will have to appreciate one more thing, the special purpose vehicles. Most of the special vehicles, purpose vehicles, have been commissioned, and the execution of the projects have gone down from 173 crores to 60 crores, because the scope has got reduced. Then, because of the election, the land acquisition got slowed down. You must be aware, because of the, basically modern conduct of rules, the cheque disbursement and the land acquisition got delayed in the 1st Quarter. This affects us in many ways. First, we do not get the site, the project do not move forward, and of course then it gets affected ultimately in the top line and bottom line. So, the land acquisition got delayed. I can cite few projects where, because of the land acquisition, the project did not move forward during the 1st Quarter.

So, roughly, I can tell you that the Q1 there was a difference of around 1400 to 1500 crores. And every quarter, Q1 is always a weak number, and it keeps on basically increasing in the subsequent quarters. This will again happen in the next three quarters. And again, I am telling you, this was because of the election impact, because of the reasons, geopolitical reasons I had stated, and some of the reasons were beyond our control. But we are aware that, yes someday it is going to be resolved, and again it will come on the track. So, fund is available, the equipment's are available, the manpower is available, but because of the reasons beyond our control, we

could not execute it. I have given you some examples. Hope you appreciate this, that why the top line and the bottom line has gone down.

Here, I would like to point out one more thing. Now, if you see the number of tenders which were coming out in Q1 the number of bids, which was basically we have participated it was only 57 numbers, because the tenders were not coming and because of the election, it was getting postponed. So, everything slowed down during this quarter, and I am 100% sure that in time to come we are going to have, see you will have to see the long-term perspective. We have already gotten transition from Azadi ka Amrit Mohotsav to Amrit Saal. And by 2047 there is going to be an investment of 25 lakh crores in only railways infrastructure. And RVNL is going to play a big role and only two days back there was news in the cabinet. The cabinet had approved eight railway projects costing around 25,000 crores for a length of 800 kilometers. So, things are coming, and once the projects are there, we have got the expertise, we have got the proven track record, and I am 100% sure that in time to come, we are going to make it up.

**Atul:** Thank you, sir. Thank you for the elaborated answer sir. Apart from Maldives, any other regions which we are facing, geopolitical tension, like for example Bangladesh we have quite an exposure in Bangladesh.

**Rajesh Prasad:** Okay. So, let me tell about the Bangladesh. We had a plan of participating in tenders for 2500 crores. These were LOC projects and the government grant projects. But because of the geopolitical reasons the tenders may not be coming up in next few months' time, but whenever it comes, we will definitely participate and it is a temporary problem, and that would have not reflected in our top line and bottom line for this particular finance year.

**Atul:** Right sir. Sir, last question is on order book. Could you please give us a bifurcation of order book, how much it is contributing towards the new line, doubling of lines and other segments of our businesses?

**Rajesh Prasad:** I do not have the breakup, but I can tell you the total order book I said 83,221 crores to be precise, in this the new line is major one, double line is around 7500 crores, gauge conversion is almost over it is around 500 crores and from the bidding, we have 30,000 crores plus.

**Moderator:** Thank you. The next question is from the line of Shreyans Mehta from Equirus Securities. Please go ahead.

**Shreyans Mehta:** So, sir, first on the Vande Bharat trainset. So, just wanted to understand what is the current status, what is the order book?

**Rajesh Prasad:** See the Vande Bharat trainset, you must be aware that the cost of the project is 35,000 crores, and there were some developments which had occurred in the Q1, in May 24th Ministry of Railway issued the direction in change of the scope of the work. So, the scope was, basically number of train sets from 120 to 80 earlier, we had planned with 16 coaches, now they have asked to go with 24 coaches, and then all train sets to be made 24 coaches, and introduction of

new coach types like pantry car, sub pantry and alternate cars, then luggage compartment. So, there has been some change in scope by the Ministry of Railways. But as far as the number of coaches are concerned it's the same. Now this particular project, I will tell you the status of the manufacturing activities. So, mock up is to be approved by ICF, then interior design and layout will be before that. Manufacturing likely to start Latur from November '24 and the manufacturing plant the Latur factory, which was cis likelyected by RVNL has been handed over to Kinet Rail Solution on 28 June 2024 by Central Railways. So, the factory which was constructed by RVNL on behalf of Ministry of Railway that is Central Railway, has been handed over to Kinet Rail Solution. And the prototype, the first prototype we are trying to basically complete by September 25 within 24 months after the date of the agreement. Second prototype, November 2025, that is two months after the first prototype. And for the mock up we have given the contract to M/s. Kineco, Goa and the final inspection is scheduled this week only, most probably 14th or 16th August. So, hope I have been able to, and the annual production plan is that in first year we will be manufacturing 12 train set, second year 18 train set, third year onwards 25 train sets, as we have done an equity infusion of 205 crores in this particular project.

**Shreyans Mehta:** Sure. And sir the order value for us is closer to 8000 odd crores?

**Rajesh Prasad:** One more thing which I forgot to mention is that this particular project has a comprehensive maintenance component for 35 years. For that three depots, one is that Jodhpur, the other is Delhi Bijwasan, and then third in Bangalore that is the Thanisandra. So, they are required to be upgraded, layouts, etc., have been chosen, and the work is going to start very shortly. Construction agencies, etc., by the railway and by the SPV we are on the job, and we are 100% sure that when the manufacturing is done by the time all these activities are over for undertaking the comprehensive maintenance.

**Shreyans Mehta:** Sure. And sir, just to clarify our share of order is closer to 8000 odd crore right, for this?

**Rajesh Prasad:** Earlier the contract was awarded to the consortium of JFC MWM, JFC MWM having a share of 70%, RVNL is having a share of 25% and locomotive electronic system is having a share of 5% and we have incorporated an SPV. The name of the SPV is Kenit Railway Solutions Limited, it was earlier 100% subsidiary of RVNL. Subsequently, there was a share purchase agreement, and now in that particular company, RVNL is having a share of 25%.

**Shreyans Mehta:** Got it. Sir my second question is on the investments which we have done. So, we have a couple of subsidiaries for the Kutch Railway and for the railways to connectivity to the ports. So, till date, what are the investments we have done and how much more needs to be invested?

**Rajesh Prasad:** Okay. So, there have been some developments in this basically SPVs, so you allow me to speak, because there are some positive developments, and there are some other kind of developments. So, let me start with the positive development. See, there was a very big issue in connection with the GST. So, the Railway Board, Ministry of Railway in September 2023 advised, and from FY23-24 onwards, IR would transfer a portion revenue to SPVs, inclusive of GST. This was

slightly affected, not slightly it was affecting all the SPVs. Then, in November '23 the Finance Directorate of the Railway Board, account directorate, directed to SPVs to raise invoices for October 23 onwards, on user fee and a portion revenue as per the guidelines that payment can be arranged accordingly. And they asked us to raise invoices. The total repercussion of the GST in the SPVs subsidiary company, Krishna Patnam, Bharuch Dahej, Haridaspur, Angul Sukinda were around 1500 crores in one year, more than 1500 crores. And RVNL is having a share of varying from 30% to 50% so the repercussion would have been more than 650 to 700 crores. Now what has happened is, that all the SPVs, RVNL piloted this, and we made the joint representation to Ministry of Railways. Ministry of Railways again they wrote to the GST Council, and I am very happy to inform all the investors that during the 53rd GST Council, they exempted GST on the transitions between SPVs and Ministry of Railways. It was a very big achievement on behalf of RVNL and for all the SPVs, because it had a repercussion of 1500 crores in these five SPVs and we jointly represented and the GST council also agreed, and they exempted the transition between the SPVs and the Ministry of Railways. So, this is one positive development. The second development, which I just wanted to tell you, is, regarding the Krishna Patnam Rail Company Limited there was an arbitration case pending before the honorable tribunal. The tribunal basically comprised of the justice Sudarshan Reddy, justice Ravindran and Mr. Rakesh Chopra he is Ex-Secretary to Government of India Ministry of Railways. So, basically, there were four claims which were filed by KRCL, Krishna Patnam Rail Company Limited where we have got a share of 49.74%. So, the terminal cost, we had a claim of 475 crores. And that the tribunal had given the award of 337.57 crores. They had given, basically the claim for the terminal cost 15-11-2008 to 3-9-2012 they had rejected, as bard by the limitations. Then the interest part, they have given the interest of 246.65 crores, and we have demanded for 18% and they had asked from 1-1-2010 they have given from 15-6-2018. So, what I want to tell you is that these are the awards which have been given by the honorable tribunal, they have not considered the award of the apportionment of the siding. And we feel that we should have bought it because the Ministry of Railway had agreed from 2017 onward, and 2017 now prior to November 2017 they should have also considered it. So, it is a kind of a not very good and excellent but good award of 584 crores. Further course of action by Ministry of Railway or KRCL, will be intimated to the stock exchange or the investors in due course of time. But we have got a relief of 584 crores. So, the SPVs we have got five number of SPVs, Kutch Rail Company Limited, Krishna Patnam Rail Company Limited, Bharuch Dahej, and then Haridaspur and Angul Sukinda. So, all have been commissioned, now it is time to get the fruit. The execution part is more or less over, but it is now the time to get the fruits out of this SPVs in time to come. And subsidiary, we have got the 100% subsidiary that is the HSRC Infra Services. Then we have got a road project, Masakani Paradeep Road Vikas Limited, RVNL Infra South Africa, RVNL Infra Middle East, Oman, RVNL Middle East Contracting LLC, Dubai, Rail Vikas Nigam Limited LLC, Uzbekistan.

**Shreyans Mehta:**

Sure. So, sir my question is, I understand we will be reaping the benefits in.

**Rajesh Prasad:**

21 number of SPVs, cum JVs, cum subsidiaries, cum associates.

- Shreyans Mehta:** Got it. So, sir I just wanted to understand, how much amount we have invested till date in this SPVs or subsidiaries?
- Rajesh Prasad:** How much amount we have invested?
- Shreyans Mehta:** In the form of equity, equity investments which we have done?
- Rajesh Prasad:** The railway SPVs, see the Kutch Rail, Bharuch Dahej, Krishnapatnam, Haridaspur, Angul Sukinda we have invested around 1520 crores.
- Shreyans Mehta:** And anything more to be invested, or is it done?
- Rajesh Prasad:** No, more because more or less it is completed, the Angul Sukinda, there is a proposal of making a Tata connectivity, and that is being funded by a different financial model, and the cost is borne by Tata. So, that particular project, yes, will be executed in the next two years' time, but it will not be loaded on RVNL. And there is no equity infusion, further equity infusion to be made in Angul Sukinda Railway line.
- Shreyans Mehta:** Got it. So, sir, just one clarification. Say, in total we have invested the railway SPVs closer to 1520 crore. And for Vande Bharat, our share is closer to 205 crore. So, totally we have invested closer to 1700 odd crores plus, is the understand correct?
- Rajesh Prasad:** We have 21 number of SPVs, we do not have that kind of breakup. But yes, we have 21 number of SPVs, cum the JVs, cum subsidiaries and that breakup is not immediately available, but I can tell you what is the kind of share which we are having in the various SPVs or JVs or subsidiaries and associates.
- Shreyans Mehta:** Sir, I will take it offline. I will give you a call, and I will take it offline. And sir lastly in terms of cash and bank, what is our share of cash and bank, the cash balances which we have?
- Rajesh Prasad:** We have around 2000 crores in the bank, which we use as working capital.
- Moderator:** Thank you. The next question is from the line of Himanshu from NVS Brokerage. Please go ahead.
- Himanshu:** My question is sir, very simple at the outset, last year you had a wonderful year, and you performed exceedingly well. Now, looking to this order book, which you described 83,000 crore plus, and the difficulties in terms of I would say that only execution because of external factors. So, do we assume that, in the current year you will be able to make up for the loss ground for the Q1 and overall, we will have something like 25,000 crore plus kind of a top line and matching profitability?
- Rajesh Prasad:** In the beginning of the financial year, in this very forum we have the RVNL management has said that we will achieve 22,000 crores plus. And we are still hopeful, and we should be able to



do it, 22,000 crores. The plenty of works are there. As I said, the execution was a problem in Q1. And Himanshu, you also must be very busy in the election quarter watching all the time the election, et cetera. It has impacted all the investors must be very, we were also very busy in that.

**Himanshu:** Absolutely, you are right sir definitely. So, then the amount of work which needs to be done remains in the railway sector should see your order books well further during the course of the year?

**Rajesh Prasad:** See, in 1st Quarter, I had tried to explain that see, we were earlier executing only the railway infrastructure projects, and the first contract we got in October 2021. So, it is not even three years. But we have transitioned from the road of contract manager to contractor. And for your information, till date we have participated in 328 bids costing around 1.70 lakh crores. And out of 328 bids we have participated in 176, in civil engineering, 79 in electrical, 71 in S&T and 2 mechanical and in FY24-25 because of maybe the election quarter, the number of bids got slowed down. So, only 57 tenders were there where we could participate and they kept on, basically extending the time of opening, time of date of opening. And now things should be in place. See, as I said in the beginning, that we are in transition from Azadi ka Amrit Mohotsav, to Amrit Saal and there is going to be an investment of 25 lakhs crore in only railway sector, the present model share in the country is, you know how much is there, it is only 26%. The government of India's plan is that the logistic cost has to come down from 16% to 8%, there has to be a thrust on the railway infrastructures. Only two days back, there were eight number of projects which got sanctioned, costing around 25,000 crores for a new line covering a length of around 800 kilometers. So, what I want to tell you is that there will not be a problem in the orders, execution could be a problem, but we have got the proven track record, we have executed in the past, and we are fully aware that the technical problems are resolved technically, and we have done in the past, we will do it in future. The Maldives project was a marine project, for the first time we were executing the overseas project, and that to in marine sector. You will be surprised to know that in four months, we could reclaim 22.5 hectares of land in that particular country. And everybody got surprised that how come RVNL has done this for the first time, we entered into the market through Indore metro, and probably that became the fastest metro in the country. So, don't worry about this, we are technically very, very competent, and we are aware about our responsibilities, we are working on it, we have got a very elaborate review system. And to keep on talking, discussing, and the problems are resolved technically, technical problems are getting resolved technically.

**Himanshu:** Correct. Sir congratulations very much and I am really excited by the amount of confidence which you have shown once again congratulations and best wishes for the new year. Thank you very much.

**Moderator:** Thank you. Next question is from the line of Sandeep Sisodiya from Shivam Denmark Private Limited. Please go ahead.

**Sandeep Sisodiya:** Well RVNL seems to be doing a great job when it comes to execution. And, being in the public space, I am from Kolkata, and I see RVNL executing the metro project almost at every crossing and corner. Now coming to the question sir, is basically the queries relating to top line, bottom line have been addressed by you in the previous question. There is a little bit of a concern with respect to our JVs and SPVs. The contributions of these JVs and SPVs to our bottom line has either stagnated or shown a sharp decline. Would this be basically because of the GST issue and if that is what it is, can we hope to make it up in the coming quarters, since the GST issue has been resolved?

**Rajesh Prasad:** See, let me explain. Sandeep, namaskar to you as you are from Kolkata, and I have spent many years of my life in Kolkata. So, you must be aware this Kolkata metro project we are doing it and Q1 numbers for Kolkata metro got a decline from 838 crores to 291 crores. There was a difference of roughly 450 crores in only Kolkata metro, and it was only because of the traffic clearances, approvals, because the contractors are there, the site is available only thing is that permission has to be given for one small permission they take few months, years, but they are underground metro construction, which was not taking shape. Now we have got the approvals. Now you must be aware, you must be seeing the newspaper that we have already started doing construction in Park Street Metro Station, Victoria metro station, then the shaft location near Saint Thomas, so things are now going forward. Now coming to this, a few other projects which we have taken in the bidding in Kolkata area. We have taken a project of Sita Rampur Bypass, where we are constructing the rail over rail bridge and the crossing of yards without interfering. That is one of the very challenging projects. Then NHAI project, that is the Kona Expressway. There were some disputes between NHAI. Now, all have been resolved, we are on the ground, we are working now, utility shifting, etc., everything is in place. Now, your question was that the top line and the bottom line, I had explained that in the beginning of the financial year, we had said that the top line would be around 22,000 crores. We would like to maintain a bottom line.

**Sandeep Sisodiya:** Sir, that has already been addressed by you.

**Rajesh Prasad:** Okay, then the question which you have asked about the JV.

**Sandeep Sisodiya:** The other one was sir, the contribution of our SPVs and JVs to our bottom line has either stagnated or shown a decline, that is because of the GST issue and if that is it, and the GST issue has been resolved, can be hoped to have.

**Rajesh Prasad:** Regarding the railway SPVs, the GST issue is totally resolved. And as I said, it could have resulted into a 1500 crores loss for all the railway infrastructure SPVs where RVNL could have a share of around (+600) crore, which in during the 53rd GST council meeting, they have given the clearance. So, that has been very well taken care of, regarding the other SPVs and the JVs where we are working.

**Sandeep Sisodiya:** Sir, I will rephrase that question. We had a bottom-line contribution of approximately 105 crores.

**Rajesh Prasad:** See, you will have to appreciate one more thing, that is the financial basically billing cycle. See what happens that suppose we are executing an electrical work, now you have purchased the electric cables, and until and unless you execute it, you will not get the turnover, you will not get the money from the client. SPVs have stopped the billings.

**Rajesh Prasad:** Because of the court cases and GST being inclusive, the SPVs have not billed to the railways. So, while that is progressing, some payments are yet to be realized. Therefore, because of the GST issue, things are improved and there were some local variations because of Krishna Patnam for export has declined and so on. But the GST issue itself being that will add to quite a bit.

**Sandeep Sisodiya:** Sir, do we hope to have a comparative bottom line from the SPVs in the current financial year as last year?

**Rajesh Prasad:** Yes, last year we had, the SPVs has contributed significantly, and the same level will remain in the coming year.

**Sandeep Sisodiya:** That's of great relief. Sir, the other question is, that we have participated, and we have also been successful in other projects overseas. If I remember, it was either Uzbekistan or Kazakhstan, which was \$2.8 billion and also with Jackson Green with regard to green energy projects, so have we made any progress there and do we hope that it will translate to work on the ground. Apart from Maldives any other project that is likely to take off soon, overseas project?

**Rajesh Prasad:** So, Jackson Green project one in Uzbekistan and another in Saudi Arabia. They are, in fact the Uzbekistan project is underway significantly, and again Jackson Green project and the other one is also in the process of going ahead orders are being placed, and these have very short completion periods of around 11 months, because of that, the return will most of it will come at the end of this year.

**Rajesh Prasad:** I would like to tell you that, see we have started bidding in only 2021 later part, and the first order, we got in October 2021, so we are not even three years old in the market. But earlier we were doing only typical railway infrastructures under the Ministry of Railways. Now, I will tell you where exactly we have got the presence. We have got branch offices in Maldives and Abu Dhabi, we have got a Rail Vikas Nigam Limited LLC wholly owned subsidiary in Uzbekistan. This was incorporated 1st August 2024 then we have got RVNL Middle East Contracting LLC, wholly owned subsidiary of RVNL in Dubai, incorporated on 2-6-2024. Then we have got RVNL Infra Middle East, wholly owned subsidiary of RVNL in Sultanate of Oman, incorporated on 4-4-2024, we have got the RVNL Infra South Africa, again it is wholly owned subsidiary of RVNL incorporated sometime in the beginning of 2024. Then following offices are also under process for example, in the kingdom of Saudi Arabia. And then we had earlier made a basically SPV in the Kyrgyz industry. So, you try to appreciate this, the company which was earlier executing only typical railway infrastructures has spread at too many locations. And we are trying to diversify, we are getting, we are opening the various verticals. We were not in the business of manufacturing. Now we have entered into the business of manufacturing. We have

entered into the transmissions line. We have entered into municipality, the big value contract. So, what are your RDSS, RDSS is a basically revamped, reform based and results linked distribution sector scheme. So, what I am saying is that, we are diversifying, we had earlier received orders in Himachal Pradesh State Electricity Board. So, what I want to tell you is that, we are looking for opportunities wherever we can participate, wherever we can spread our wings, and we can get the works and execute and maintain the bottom line.

**Sandeep Sisodiya:**

Sir, we have been closely following the horizontal growth of RVNL in the last two, three years and like you said in just three years' time we are probably now 45,000 crores from the market, our order book. And it's very hard time to see the horizontal growth of RVNL probably is much more than the vertical growth, and with horizontal growth, it is bound to contribute to top line, bottom line sometime going into the future. So, that is much appreciated sir, and also that these short-term orders will contribute to the financials within the current financial year. Sir, just one last question is that, we hear a lot about the bullet train project, and I know that the National High Speed Rail Corporation of India is a subsidiary of RVNL.

**Rajesh Prasad:**

You first complete the question, then I will tell you.

**Sandeep Sisodiya:**

So, sir what is the financial contribution that RVNL can expect from the execution of the bullet train project, the current fund, as well as the other two or three projects which are planned going into the future?

**Rajesh Prasad:**

See, the National High Speed Rail Corporation Limited is not the subsidiary of RVNL. RVNL has a subsidiary named HSRCL, that is the High-Speed Rail Company Limited and this HSRCL was involved in doing the pre-feasibility and feasibility studies, and we had undertaken around 10,000 kilometers of pre-feasibility studies, that is the four metro cities, the four sides and the two diagonals. And these reports were submitted around seven, eight years back, eight, nine years back. And then, when the execution part came up, then government of India decided that we will have a separate company. And accordingly, they formed a company named NHRCL. RVNL has got no linkage with NHRCL, HSRCL we have got a subsidiary and since you are talking about the bullet train by 2047 there is a likelihood of having 10,000 kilometers of high-speed railway network in the country. And when these projects come up for which the pre-feasibility studies was done by RVNL about seven, eight years back, RVNL will definitely play a significant role in execution and implementation.

**Sandeep Sisodiya:**

That's very hearting to know, sir since RVNL has now gone into production, like you said, which is basically rolling stock, as we call it, and rolling stock is the next big as far as railways is concerned, that's the next big opportunity because it will happen continuously. Are we restricting ourselves to just the One Way Bharat, or are we open to orders from overseas countries since we are now going to have experience?

**Rajesh Prasad:**

We had earlier participated in a bid in Mauritius metro, the LRT and there also we had tied up with some foreign companies for supply of the basically rakes. So, we are in constant touch with

the various companies. We are looking for opportunities and whenever we get the opportunities we will look into this, we will enter into that. There is absolutely no problem, we are highly flexible, we are focused and flexible and only because of this virtue this company is totally different, and it makes it further different with respect to the other companies, other PSU.

**Moderator:** Thank you very much. The next question is from the line of Raj Kumar Dixit, who is an Individual Investor. Please go ahead.

**Raj Kumar Dixit:** My question is on falling in and bottom line, basically so margin particularly, the margin, net profit margin what I have seen is 4.5% something. So, that is very.

**Rajesh Prasad:** I understood your question, your voice wasn't clear, but you were talking about the margins. So, let me explain that earlier, we were having the fixed margins when we were executing the railway infrastructure projects. We are still having railway infrastructure projects where the margins will be as per the revenue stream. But as far as the projects which we are taking from the market, the margins would vary. In the previous quarters investors meet, I had clarified that the Maldives project and the Indore metro projects, the first overseas project and the first Indian project, which we had secured through the bidding, they had resulted into the margins which were more than the margins which we used to get from the nomination. And I can tell you one more thing that, there will be some projects which will be more challenging, the margins may not be there, but there will be some liquidity projects where the margins will be slightly better, so it will be a mix. The only thing is that we will have to apply mind, will have to bid accordingly, we will have to execute accordingly. Challenges are there, but we are working on this to maintain the bottom line.

**Raj Kumar Dixit:** So, in that scenario there is a growth in bottom line looks would be stagnant, or I don't see much growth in bottom line that way?

**Rajesh Prasad:** See, you please try to appreciate this. As I said, we have got a order book of around 83,000 crores plus. So, when you execute the project, the bottom line will also get basically reflected.

**Management:** I will add to this, as mentioned by Rajesh earlier, there are several works for which transmission and distribution works of the railways in Madhya Pradesh and Rajasthan, where we have procured material for the entire year's production. But we will be paid only on the basis of billing on execution which will mean that especially, that's around 4000 crore of work. So, that should help us in increasing our bottom line there as well. And thank you so much.

**Raj Kumar Dixit:** I would like to say on behalf of my, because I am a retail investor, and I want to say thanks to the whole RVNL team for giving such a wonderful return in the last three years. I am invested in since last three years. So, I want to say thanks from all my friends and relatives and from my.

**Rajesh Prasad:** Heartening to hear, and you keep doing well, we keep doing well and taking you forward.

**Raj Kumar Dixit:** Actually, I want to take this opportunity to say thanks, that is the reason I joined. Thank you much, and I am confident that you will do wonders sir.

**Management:** Even today we have come back from the....

**Rajesh Prasad:** Vishal can we conclude, it is already 45 minutes over?

**Vishal Periwal:** Yes. we can conclude.

**Moderator:** On behalf of Rail Vikas Nigam Limited, we thank you for joining the call. And you may now disconnect your lines.