

RVNL/SECY/STEX/2023

23.08.2023

<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 Limited</b> Department of Corporate Service, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 <b>Scrip: 542649</b>
--	--

**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 17.08.2023 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 - Compliances- Disclosure.

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 FY2024 Earnings Conference Call”

**August 17, 2023**



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

**MANAGEMENT: MR. PRADEEP GAUR - CHAIRMAN & MANAGING DIRECTOR - RAIL VIKAS NIGAM LIMITED**  
**MR. RAJESH PRASAD - DIRECTOR OPERATIONS - RAIL VIKAS NIGAM LIMITED**  
**MR. SANJEEB KUMAR - DIRECTOR FINANCE & CHIEF FINANCIAL OFFICER - RAIL VIKAS NIGAM LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to Rail Vikas Nigam Limited Earnings Conference Call for Q1 FY2024. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on the date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. 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 touchtone 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 Mr. Periwal.

**Vishal Periwal:** Thanks Yusuf and good afternoon everyone. Thanks for joining in for the Q1 post result earning call of Rail Vikas Nigam Limited. From the RVNL management side today we have with us Mr. Pradeep Gaur, Chairman & Managing Director, Mr. Rajesh Prasad, Director Operations and Mr. Sanjeeb Kumar, Director Finance & CFO. As usual we will have a brief overview from the management on the gone by quarter and then we will have lines open for Q&A. Thank you sir and over to you.

**Rajesh Prasad:** I will take two minutes, just an introduction about the company. As you are aware this is a company which is around 20 years old. It is a Navratna Company, it is a listed company with CAGR has been more than 20%. We commenced our operations in 2005 and got the Navratna status on May 1st, 2003. We are involved in the full project

lifecycle that is from concept to commissioning. We have got a proven track record and we have commissioned and handed over 143 odd projects for Ministry of Railways. In last year 12 years we have been excellent and it is also trained in the Special Purpose vehicle model. The Q1 performance and OFS if you wish I can speak just now or otherwise I will take the question. Vishal ji, if you are comfortable I can briefly explain about the OFS, the quarter number or we can take the question.

**Vishal Periwal:** I think we can briefly may be few lines on the quarterly results and OFS and then we can have lines open for Q&A sir.

**Rajesh Prasad :** Okay. First, let us talk about the OFS. As you are aware that this company was listed in April 2019, with 12.16% of the divestment in April 2019. It was followed by OFS-1 with 9.64%, but during that time the approval was taken for 15%, so the 5.36% which was remaining this time the OFS was called and it went very successfully. As on date, the government is holding at 72.84% and OFS-1 total realization of the revenue of the order of Rs.475 Crores, OFS-1 was Rs.550 Crores and this time it was around Rs.1365 Crores. The institutional purchase was 2.73x and it was successful OFS. So as on date, the government is holding at 72.84% and the requirement was the minimum public shareholder requirement. It has to be more than 25%, but it has crossed that limit and now the public is having a holding of 27.16%. So this is all about the OFS-2.

Regarding this Q1 number, so as you recall the last time, we had crossed the all time high numbers of the turnover that was around Rs.20282 Crores, the profit after tax, the bottomline was Rs.158 Crores and performance, the commissioning was more than 1044

kilometer that was also all time high. Now, you can see the numbers of Q1 and if you compare this Q1 numbers with respect to the Q1 in the history of RVNL again the topline and the bottomline was all time high. So this time, the turnover increased by 17% to be precise enough it was Rs.5446 Crores and the bottomline, the PAT was Rs.334 Crores and there was an increase of 17.8%. So, what I wanted to project is that the company has been growing and the numbers are also basically it is sounding good. Director finance will supplement on these number.

**Sanjeeb Kumar:** This year, we have had revenue from operation of Rs.5446.25 Crores and other income was Rs.280.36 Crores, we had total income of Rs.5726.61 Crores and this is 17.36% higher than last time, the expenses are Rs.5250 Crores and total profit after tax Rs.333.57 Crores which again was 17.83% higher than last year.

**Pradeep Gaur:** Now, we can take the question.

**Moderator:** Thank you very much. We will now begin the question and answer session. The first question is from the line of Dixit Doshi from Whitestone Financial Advisors Private Limited. Please go ahead.

**Dixit Doshi:** Thanks for the opportunity. Sir my first question is, what is the current order book and the order book excluding the Vande Bharat orders?

**Rajesh Prasad:** The order book is Rs.65000 Crores plus and out of that, Rs.35000 Crores is the nomination basis, Rs.30000 Crores to the bidding, it includes Rs.8700 Crores for Vande Bharat, so total Rs.65000 Crores plus. Now, if you recall we had started bidding we had the first order

for Indore metro in October and November 2021 and it is less than two years we have got order about Rs.30000 Crores from the market.

**Dixit Doshi:** Okay. Just one clarification, so this Vande Bharat order of Rs.8700 Crores the revenue booking will happen at the JV level and the JV will come into our book as a share of profit from JV, is that understanding correct?

**Rajesh Prasad:** I will briefly explain what exactly is the model? The total number of trains which are going to be manufactured is 150 trainsets at a size of Rs.150 Crores. These trainsets will be manufactured at Latur and then the trainsets are required to be maintained in Jodhpur, Delhi and Bangalore and the average maintenance cost will be 4%, so now if you multiply 120x120 it is approximately Rs.15000 Crores is the cost of the production and the maintenance cost 120x120x35 years at the rate of 4% it will be around Rs.20000 Crores, so the total order will be Rs.36000 Crores, Rs.37000 Crores out of which RVNL has got a share of 25%. As per the MoU and the shareholder agreement, RVNL has got a share of 25% and if you multiple this 36000x125 so our share will be Rs.8700 Crores to Rs.9000 Crores. This is the rough figure and the timeline is that the first prototype is required to be manufactured within two years and the second prototype within two months after that and subsequently 12 in first year, 18 in next year and 25 in subsequent years and these Vande Bharat trains will be manufactured at Latur and Latur was a factory which was basically maintained by RVNL only and it was inaugurated two years back during December 25, 2021. So with the history of the Latur workshop and the order breakup of this Vande Bharat trainsets and all the realization of revenue will take place, we above guidance is the roadmap.

**Dixit Doshi:** Okay, so now obviously as you mentioned that Rs.30000 Crores of order we have went through the bidding process, so all the orders which we must have received in last six to eight months, those will be at the planning stage or a designing stage, so considering all that what kind of execution we expect in FY2024 and 2025?

**Rajesh Prasad:** Let us go to the first project which we have taken. The Indore metro which we got the two packages in the month of October and November, so last year we had a turnover of Rs.500 Crores in FY2022-2023 and during this FY2023-2024 again Rs.500 plus Crores we are going to have the turnover and the project is as per the time to do so we are getting the revenue out of this project and the project is likely to be completed by June 2024 and we are also happy to inform that six kilometers of the stations are getting basically we are going to have the trial in the month of October, the civil engineering construction has been handed over for the system and track work and if it happens then it will become the fastest metro in the country, so what I wanted to tell you is that the project should be brought in the beginning, they have already started giving the results and the outcome, so this is about the first Indian project and the first overseas project was Maldives and again during this financial year we are going to have more than Rs.500 Crores of turnover and in fact I am happy to say that we have already done inclination of more than Rs.5 lakhs in last two and half month, it is an extraordinary performance. So coming back to your question about whether we are getting the revenue order of this project or not, so the projects which we have got earlier, they have already started giving the results and it is getting reflected in our revenue.

**Pradeep Gaur:** I will add further to what Mr. Rajesh Prasad mentioned, so basically I think your main point was what will be our topline in 2024-2025, so the present orders as Mr. Rajesh Prasad mentioned is around Rs.65000 Crores and definitely we have got another one-and-a-half years before we further add the orders and to execute also. The way we are going, we are targeting that at least we should have at any point of time order book of Rs.75000 Crores to one lakh Crore. So I am sure the topline definitely Rs.20000 Crores like last year Rs.20200 Crores and this year also definitely will exceed it. So, I think best part is even after railways orders getting slightly dried up we will continue with the positive growth may not be with the CAGR of 27% and all what we had to think that may take one or two years to reach even that, so I am sure the way we are getting the orders, the way we are performing as Mr. Rajesh Prasad mentioned about Indore Metro, now Chennai Metro another Rs.5000 Crores, Rs.6000 Crores work which we have already started and other places different metros even in highways plus Vande Bharat is also now on a very smooth path because after share purchase agreement, shareholders and everything is settled now, because initially there were few bumps, so we have got over it. So I am sure topline will be maintained in a very positive manner.

**Dixit Doshi:** Okay and one last question on the other income, so last year on a console level our other income was almost Rs.1000 Crores and even this quarter it is almost Rs.280 Crores, so what are the major contribution of this other income? How much would be the interest income on the cash, we must be holding and any other part of other income and also is there any interest income we are recording from KRCL?



**Sanjeeb Kumar:** Yes, other income is largely interest and some dividend from our subsidiary and we are having interest income from KRCL.

**Dixit Doshi:** How much would be the interest income?

**Sanjeeb Kumar:** From KRCL, the total interest income would be around Rs.255 Crores or so in this quarter.

**Dixit Doshi:** No, I am asking only from KRCL.

**Sanjeeb Kumar:** KRCL interest for the quarter is still being computed, because they have not finalized the results, but it should be in the region of Rs.35 Crores to Rs.40 Crores for this quarter or little less.

**Dixit Doshi:** Sir, just one last point, I think we are recording this as an income, but we are not receiving the payment, is that the correct understanding?

**Sanjeeb Kumar:** We are receiving the payment, but not in full measure in a very small measure, yes, so far they are not receiving, but then we are in a situation in which will be receiving a large part.

**Dixit Doshi:** Do you see any risk of this money not coming that is why I am asking, because we are recording it as an income.

**Rajesh Prasad:** If you see the performance of the Krishnapatnam Rail Company Limited, the performance of the traffic has been extraordinary, in fact in FY2021, they transported in the whole financial year 2565 rakes which got increased to 3093 rakes in 2021-2022 and in 2022-2023 it became 5422 rakes, there was a jump of 75.30% and in Q1 also, the performance of this particular company, the traffic has gone up by 31%. So, one thing is there that the traffic has increased in this

particular system. We have commissioned two number of crossing stations. We are going to commission one bypass line in next two months' time that will further add the traffic and the efficiency of this SPV line, so what I wanted to tell you is that the traffic has suddenly gone up in KRCL, number one. Number two, there was arbitration which was going on the arguments have been over, the verbal arguments have been over by the arbitration, the honorable tribunal and the written argument is the last date of submission of the final written argument is August 28 and after that the tribunal will basically reserve the final judgement and award and we are very hopeful to get the award in positive manner, because in previous investor speech we had told about the dispute and the dispute was very simple that the terminal cost and then the portion and earning for a period they are agreeing and for some period they are not agreeing whereas it is a commercial agreement either they should agree full or they should not agree at all. So, the disputes are very clear cut and we are very confident that we will get positive rewards from the arbitration. So as far as the KRCL is concerned that in time to come, we are going to have good traffic, because the traffic position whatever we are having, it is very sound and it has already shown a lot of improvements in the past and the arbitration is also likely to be concluded and we are very confident because the dispute is a very simple and anybody can understand that what exactly are they disputes and whether it is stable or not stable.

**Pradeep Gaur:** Mr. Joshi, I will like to add few points as what Mr. Rajesh Prasad mentioned while completely agreeing to what he have told. So kindly appreciate one thing there was a change of ownership of the Krishnapatnam port between the original developers and Adani. So, in between we had some sort of normality time for this port, because

of the changeover, so neither the original developers nor the new one were in the think of the things in a proper manner, so that led to some downtrend and but now things are picked up and Mr. Rajesh Prasad mentioned about arbitration yes, logically it should be simple, but I can tell you notwithstanding even that we are today much more confident of getting this amount and the positive financial health of KRCL, because of the new owners firmly in pedal and doing a great job.

**Dixit Doshi:** Okay. That is it from my side. Thank you.

**Moderator:** Thank you. Next question is from the line of Nikhil Abhyankar from ICICI Securities. Please go ahead.

**Nikhil Abhyankar:** Thank you sir. Thanks for the opportunity. So my first question is regarding railway tendering opportunity, so how has it been in Q1 and where do you think it will go as we go along in this year?

**Rajesh Prasad:** Can you repeat the question again?

**Nikhil Abhyankar:** Railway tendering activity, how has it been in Q1 and what is the opportunity size in FY2024?

**Pradeep Gaur:** May I request you to slightly be louder because voice was not very clear, but once you repeated we have understood it.

**Rajesh Prasad:** As I said in the beginning that we started bidding less than two years back and it is totally a new field and just for the sake of numbers we have participated in the bids to the extent of 175, 173 to be precise and the total amount of bid was around Rs.96000 Crores and we have been awarded or we have become L1 to the extent of more than Rs.30000 Crores, so this is the quite substantial and really

remarkable that government PSU molded itself and then went into the market and from the market Rs.30000 Crores of orders we have taken. Now coming back to your question that in FY2023-2024, how many bids we have participated, so the exact number was 44 and the total quantum was Rs.19000 Crores plus.

**Nikhil Abhyankar:** Understood and what is the pipeline in the next nine months?

**Rajesh Prasad:** What our CMD sir has just now said that one of the mission area of RVNL is that we should have an order book of Rs.75000 Crores to Rs.1 lakhs Crores, so we are doing the expenditure every month and at the same time we are getting new work. So, the idea is that at any point of time, we should have the order book of Rs.75000 Crores to Rs.1 Lakh Crores, today it is Rs.65000 Crores and accordingly we can work out what kind of orders we are going to have. We are eyeing a lot of projects in the metro segments, overseas projects and of course the railway projects are the preferred projects and we are participating depending upon the kind of projects and the complexity and the various factors and for the overseas projects, we are also looking basically the reference of the funding arrangement.

**Nikhil Abhyankar:** Okay, specifically regarding the electronic interlocking and covers opportunity, so do you see any orders in this year from these two segments?

**Rajesh Prasad:** We are participating in the tenders which are basically related to the civil engineering, electrical, SMP, mechanical, mechanical means Vande Bharat. In the SMP segments, we have specifically participated in 34 number of tenders and we have bagged Rs.3373 Crores of projects. Regarding the covers part, yes we have not

participated in it, but we are eyeing a lot of projects which are related to the safety and covers etc., in time to come.

**Nikhil Abhyankar:** Okay, sure sir. I guess Adani ports is quadrupling the railway line from Mundra till Gandhi Nagar and they are building from Sawantwadi to Pandharpur, so will we also take up such project of quadrupling the railway line in coming years?

**Rajesh Prasad:** Presently we are not doing it, but since the nomination is stopped so whatever project which we are getting from the railways, we will have to participate through the bidding and if such projects come to the tendering process from the Ministry of Railway we would be keen to participate in those tenders also.

**Nikhil Abhyankar:** Understood and just final question sir. We have achieved with Metrowagonmash, on major component of Vande Bharat orders will be some motors and all these things, but given the Russian origin of Metrowagonmash made with large players like ABB Siemens would not be willing to provide all these raw materials to Metrowagonmash, so how are we placed in terms of raw material sourcing and vendor development?

**Pradeep Gaur:** Okay. I have got this question. As far as this is concerned, first and foremost I can tell you that nothing is going to come from Russia. Supply chain is available in India or in some one or two other places, but not from Russia, so TMH or Metrowagonmash, there will be no Russian component. It will be completely driven from the present supply chain whatever is already taking place for Vande Bharat being manufactured in ICF, so that is not an issue. If you can kindly specify anything else you would like to know on this.

**Nikhil Abhyankar:** Sir, major MNC like say ABB and Siemens you might have to source your raw materials from them for these orders, but there might be a chance that they might not supply to this JV, because of the Russian origin of Metrowagonmash.

**Pradeep Gaur:** Yes.

**Nikhil Abhyankar:** In that way, how are we placed in terms of developing local vendors or how are we trying to tackle this problem?

**Rajesh Prasad:** You are right, so the main two components are there. There may depend on Alstom or any other agency. One is propulsion system, another is the braking system which may have to get from Germany or U.S. These are the two main things, so in that case we are already in touch with Alstom, Siemens and everyone. There are very, very comfortable in dealing with RVNL. So what will happen that SPV will put this responsibility to RVNL and RVNL will tie up with them. So once the purchase order has been made by RVNL, they have absolutely no problem in supplying to us.

**Nikhil Abhyankar:** Okay, so basically Rs.8000 Crores worth of order book that we have from this JV, is mainly regarding all these things is not it?

**Rajesh Prasad:** Rs.8000 Crores is basically what has been divided is 25% of the total order.

**Nikhil Abhyankar:** Okay.

**Rajesh Prasad:** Things are changing, slowly and slowly Russians are finding that if they can be more and more through RVNL, so it will be better for the project, so we may end up more than Rs.8000 Crores, Rs.8000 Crores is a simple 25% of the total order. But because of this

situation as you rightfully mentioned, the scope of RVNL is bound to increase, because Russians are also feeling more and more comfortable dealing with various agencies through RVNL.

**Nikhil Abhyankar:** Okay, understood sir. Thank you and all the best.

**Moderator:** Thank you. Next question is from the line of Kaushal Kedia from Wallfort PMS. Please go ahead.

**Kaushal Kedia:** On the other income front, I just wanted to ask you, the interest is on some advances received or is the cash balance bid by the company over the years?

**Sanjeeb Kumar:** This is mainly on the cash balance bid by the company.

**Kaushal Kedia:** So how much would that be out of last year break of how much percent of that will it be on cash balance sir?

**Sanjeeb Kumar:** It would be around Rs.600 Crores to Rs.700 Crores for the last year, year ended March 31, so similarly it will be around 60% to 70% will be cash balances and trade receivables.

**Kaushal Kedia:** On the operation front, between the margins are very thin?

**Sanjeeb Kumar:** This question was not clear.

**Kaushal Kedia:** So, I think I was to remove the other income and just look at the operational income that means we operate on very thin margins, is that correct?

**Sanjeeb Kumar:** Comparatively yes.

**Kaushal Kedia:** Okay. Thank you.

**Sanjeeb Kumar:** But just I would like to supplement that was because we were constrained on nomination works the keys are set. Here you plan for a higher income and order book is changing, so this will change in future.

**Kaushal Kedia:** Once we execute the orders margins will improve potentially?

**Sanjeeb Kumar:** Potentially.

**Kaushal Kedia:** Thank you.

**Moderator:** Thank you. Next question is from the line of Smita Mohta from Kredent InfoEdge. Please go ahead.

**Smita Mohta:** I have a few simple questions. Can you just divide your order between rail and non-rail?

**Rajesh Prasad:** I do not have the breakup of the rail and the non-rail, but what I can say is that Rs.35000 Crores which is on the nomination basis that is 100% rail and then this Rs.30000 Crores, we have got the breakup of the department wise, the civil engineering will be around...

**Pradeep Gaur:** The rail will be only SMP as of now.

**Rajesh Prasad:** SMP and Metro segments...

**Pradeep Gaur:** Metro segment, you would like us to add in rail or metro, do you feel it should be separate?

**Smita Mohta:** Yes, it should be rail only.

**Rajesh Prasad:** Okay, Rs.30000 Crores, the breakup will be, the Vande Bharat will be around Rs.8800 Crores then the signalling in which is purely



railway that is around Rs.3000 Crores and the railways segment would be remaining is around Rs.18000 so out of Rs.18000 Crores Metro and Railway all together will be around Rs.8000 Crores, Rs.9000 Crores.

**Smita Mohta:** Got it sir. Second question sir, in your last concall you had mentioned that you would be getting a substantial order from the Kyrgyzstan Government, so have you received any update on the same?

**Rajesh Prasad:** If you recall we had signed a MoU in 2022 on May 30 regarding four projects which involved around 1000 kilometers and accordingly in December 2022 basically a company RVNL was formed in December 2022 and we have got prepared the DPR for the kara line these are 225 kilometers and 180 kilometers. The Kurdistan Government is examining the DPR, the model is that the RVNL will get a 9% management fee and their government is also arranging funds from the EPS capital, so if you see the complete project lifestyle, DPR, design, financing and execution, so we have basically concluded the construct and the DPR and once the DPR is approved and financing model is concluded then the project will be executed, but we are very hopeful in time to come. We have not got the letter for the execution, but the initial step like signing off MoU, forming of SPV then submission preparation of the DPR, submission of DPR and then the government is examining the DPR and the financing is also getting completed.

**Smita Mohta:** So how long do you think sir, can that take?

**Rajesh Prasad:** As far as RVNL is concerned, the initial requirement was preparation of the DPR, for the two stretches we have submitted the

DPR, those DPRs are getting examined by the government and they are also arranging some funds from some financing institutions and once it is concluded then we will go to the exchange and we will intimate to all concerned. So, the present status is this and if any further development takes place we will inform the stock exchanges to all the investors.

**Pradeep Gaur:** I will just add to what Mr. Rajesh Prasad mentioned, yes, we were expecting that it should fructify by this time, but the Government of Kyrgyzstan is taking its time to approve the detail project report. The financing is already tied up, so we hope that it should happen very soon maybe month or so, but yes it has exceeded the timeline what we thought by March, April will be through with it, but as you know sometimes wheels of government does not move as fast as we expect, but there is no obstacle to that except that normal time taking process of approving the details.

**Smita Mohta:** Understood. Sir, out the orders that you have received which you have mentioned in this quarter on bidding and nomination, can you divide it between domestic orders and international orders?

**Rajesh Prasad:** So far, the international order is Rs.1500 Crores plus for the Maldives and rest of the orders are the domestic orders, but a lot of foreign project are already there in the pipeline. We are focusing on the neighbouring countries like Bangladesh, Maldives, Sri Lanka, Mauritius, African continent, there is a assured funding like LOP, World Bank, ADB, AFTB and we are also thinking to participate in some of the projects in CPC model, so the overseas projects component is Rs.1500 Crores, but in time to come, we are trying to get more and more orders in that particular direction.

**Pradeep Gaur:** Just to add to what Mr. Rajesh Prasad mentioned, we had a lot of offers and all that about some foreign projects in Middle East and all that, but we are very circumspect about the funding part. We do not want to jump into something where there is even a risk of anything. First priority continuous to be lined up credit projects of the Government of India because that is the safest funding and equally safe funding is ADB funded projects, so that is why it is taking some time, but I can assure you that overseas project remains our focus, I mean pardon me for saying so but working conditions and margins are quite on a higher side in overseas projects, so that is an area of focus, but we do not want to risk projects unless financing part is very, very safe.

**Smita Mohta:** Got it. Sir, my last question is that you must have heard about Rs.32500 Crores rail order that the government has recently launched in which they are targeting 2339 kilometers of track and 4500 Vande Bharat train which can span over 2047. So, my question was that in this order book what percentage do you think can you bid for under this rail order of Rs.32500 Crores?

**Pradeep Gaur:** Nothing stops us from bidding even 100% because we will be qualified and everything, so there is no limit. We will deal with it as and when the tenders come, definitely, but there is no limit. We have capacity to execute whatever orders we receive and we will go for it, because that is our niche area that is our forte the railway project, so definitely it is an opportunity for us also to expand our orders.

**Smita Mohta:** Right and this money will be utilized for what purpose Sir?

**Rajesh Prasad:** That goes to the Ministry of Finance.

- Smita Mohta:** Which money?
- Pradeep Gaur:** You are talking of OFS money?
- Smita Mohta:** Yes, for sale that you just raised, this will be utilized for what purpose sir?
- Pradeep Gaur:** So that that goes to the kitty of the Government of India. It does not come to RVNL, because the ownership, this is the percentage ownership shared by government from this company.
- Smita Mohta:** Got it sir.
- Pradeep Gaur:** They will utilize it in the way they feel, but we have no role in it.
- Smita Mohta:** Got it sir. Do you plan to do any capex for any debt sir regarding the projects that are coming through as you said you feel the international as well as the domestic pipeline very strong?
- Pradeep Gaur:** Can you repeat again.
- Smita Mohta:** Do you think because of the domestic and international pipeline being strong as you mentioned will you be going in for any raising of any debt or capex?
- Pradeep Gaur:** Our preference will be for LOP projects, finance projects, but we are looking towards one project which is a project transcending Botswana and South Africa, there model of financing by us so that is one project we are trying to see, but again it will depend on the kind of returns and any risk elements and all this, but this is at expression of interest stage only, but otherwise our focus will be ADB funded or World Bank funded projects.

- Smita Mohta:** Okay. Thank you sir. That is all from my side. All the best.
- Moderator:** Thank you. Next question is from the line of Ash Shah from Elara Capital. Please go ahead.
- Ash Shah:** Thank you for the opportunity sir. So first question would be on the current order book of Rs.65000 Crores, how much portion of the order book is under execution right now? Is it completely under execution or there are certain projects where we are yet to start?
- Rajesh Prasad:** Once we get the project, it immediately goes to the execution stage, so we can say that Rs.65000 Crores project except the project which we have got the LOA last one or two months, remaining projects are already in the execution mode.
- Ash Shah:** Could you quantify, how much LOA are we received in the last one or two months, the value of that?
- Rajesh Prasad:** In FY2023-2024, we have participated in total 44 number of bids approximate cost was around Rs.19000 Crores and you wanted to know that how much we have won. That figure is not readily available, but yes we can tell you afterwards.
- Ash Shah:** Okay. Second question would be can you give us the sectoral breakup of revenue for Q1 FY2024 and FY2023, so how much did we book revenues from Railways? How much did we do it from metros or how much do we do it from highways something like that?
- Rajesh Prasad:** So, you want to have the breakup of the Q1 performance?
- Ash Shah:** Yes.

**Rajesh Prasad:** So, we have basically got the breakup in terms of the metro projects which we are executing on nomination basis and then the non-metro projects, so metro project is around is Rs.838 Crores, Rs.3941 Crores of non-metro projects.

**Ash Shah:** Okay. One last question would be how much is the outstanding from KRCL and how much have you received in FY2024?

**Rajesh Prasad:** Basically, it is a trade receivable. So you see one thing that the total cost of the project was around Rs.2400 Crores out of this around Rs.1600 Crores plus we had earlier received. So as on date it is Rs.1450 Crores which has got interest component of around Rs.790 Crores and during FY2023-2024 we have received around Rs.80 Crores.

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

**Sandeep Sutodiya:** Good evening everyone and congratulations on an excellent set of Q1 numbers. It is very heartening to see Q1 performance at this level which is usually one of the lowest of the four quarters. Now sir, coming to my first question is that the profitability that we have seen from the SPV has been reported I guess Rs.7 Crores or Rs.8 Crores, this is against Rs.168 Crores for the financial year 2022-2023. How do we see this going forward or do we see a substantial reduction in RVNL profit share from SPVs in the current financial year?

**Rajesh Prasad:** You please try to appreciate one thing that the Kutch Rail Company Limited. We have commissioned the entire section with the doubling with electrification and that has been done with the internal resources out of which Rs.1000 Crores was taken through the bank

loan and now with the electrification, the traction cost will become half. It is quite substantial this is number one and because of the doubling of the entire section, the number of the rakes with the double container will move more and more in time to come. It has provided connectivity to the DFC route so that will again basically it will augment the traffic, so basically the component from the SPV, the dividend path has gone down because in the Kutch Rail Company Limited, the money was utilized for the creation of the infrastructure which in long term will give the benefit, so the immediate benefit was not getting reflected in Q1 period, but we are 100% sure that in time to come, the traffic will further go up and the efficiency will go up, the operation and maintenance cost will go down, because the 100% electrification one of the mission area or the Ministry of Railway is that we should have 100% railway electrification and the duty of the railway electrification in this particular Kutch Rail Company that the traction cost will become just half, so the indirect cost and the direct cost both are getting reduced in time to come. The traffic basically it will go up in time to come and in time to come we will get the benefits out of this SPV line and the reason for not getting the dividend from the Kutch Rail was that we were utilizing this money to paying back the loans to the bank.

**Moderator:** Thank you. Due to time constraint with the management this was the last question and we will conclude the call now. On behalf of Rail Vikas Nigam Limited, thank you for joining us and you may now disconnect your lines.