

RVNL/SECY/STEX/2023

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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 Limited</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 10.11.2023 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.

**Link:**

[https://rvnl.org/RVNL\\_cms/uploads/boardmeeting/Transcript\\_10\\_Nov\\_2023.pdf](https://rvnl.org/RVNL_cms/uploads/boardmeeting/Transcript_10_Nov_2023.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 Q2 FY-24 Earnings Conference Call”

**November 10, 2023**



**MANAGEMENT:**            **MR. PRADEEP GAUR – CMD, RAIL VIKAS NIGAM LIMITED**  
**MR. RAJESH PRASAD – DIRECTOR, OPERATIONS, RAIL VIKAS NIGAM LIMITED**  
**MR. SANJEEB KUMAR – DIRECTOR, FINANCE, RAIL VIKAS NIGAM LIMITED**

**MODERATORS:**           **MR. VISHAL PERIWAL – IDBI CAPITAL**

**Moderator:** Ladies and gentlemen good day and welcome to the Rail Vikas Nigam Limited Q2 FY24 Earnings Conference Call hosted by IDBI Capital.

Please note that this call is of 45 minutes. Comments made during this call may include forward-looking statements that are subject to risks and uncertainties and that actual results may differ easily from these forward-looking statements. 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 you sir.

**Vishal Periwal:** Thanks Rico. Good afternoon, everyone. Apologies for the slight delay in the call. First of all, wish you all the investors, analysts and RVNL Management Team Happy Dhanteras, Happy Diwali and a prosperous New Year ahead.

I welcome you all for The Post Result Interaction with the Management of RVNL. From the management team we have with us, Mr. Pradeep Gaur Ji– CMD, Mr. Rajesh Prasad Ji – Director of Operations, Mr. Sanjeeb Kumar Ji – Director of Finance.

As usual we'll have a small brief from the management on the business and then we'll have a line open for Q&A. Over to you.

**Rajesh Prasad:** So, basically, it is a PSU under Ministry of Railways and earlier it was mandated for implementation of the railway infrastructures. Now we are executing all kinds of infrastructures and not limited to India. So, in the past we were executing more than 30% of all the railway infrastructures. We got the Mini-Ratna status in 2013 and now we have become

Navratna. From 1<sup>st</sup> May 2023. We have commissioned more than 15,500 km of the railway infrastructures and there is a rating given by the Department of Public Enterprises every year and we have been given the rating of excellence for the last 12 years. The CARE rating has been given, we have received the CARE rating and it is AAA with outlook stable.

We are involved in the complete project lifecycle that is right from the concept to commissioning and we have completed and commissioned more than 140 projects on behalf of Ministry of Railways and handed over back to the Ministry of Railways for operations. We have also been mandated to constitute project specific SPVs and accordingly we have commissioned 5 number of special purpose vehicles and they have already started paying the revenues. As on date we have got the orders from the market which is to the extent of (+32,000) crores. The first 6 months the results have been that the turnover has gone up by (+8%), the profit after tax, the bottom line has gone up by 21%. For the first time in the history of RVNL that in first 6 months it has crossed the mark of 10,000 crores. Since we have started bidding in the project, the basket comprises of the different kinds of projects which includes even in the marine sector, the metro segments and then even the irrigation and the municipality section also.

This is the brief of RVNL and we have got few SPVs, special purpose vehicles, Kutch Rail Company, Krishnapatnam Rail Company, Baruch Dahej, Haridaspur, Angul Sukinda and these all SPVs have been commissioned and they have generated revenue to the extent of 1,06,000 crores for the railways. In terms of the loading by these SPVs ever since they have been commissioned it is more than 840 million tons. We have been contributing a lot through this PPP model and we are the pioneer in constituting and making these special purpose vehicles. We have been also involved in executing the turnkey projects and we have commissioned around 17 number of workshops where we purchase

wagons, will be manufactured, maintained and in time to come you can see that these are being utilized fulfilling the requirement of Atmanirbhar Bharat. So, this is just a brief about RVNL and now we are ready for the questions.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. Our first question is from the line of Rohit from Antique.

**Rohit:** If you could touch upon the current order backlog because how far we are from the target of 75 to 1,00,000 crore as identified in the past, which are the big moving ticket items that you are looking for that will be really helpful?

**Rajesh Prasad:** Basically, if you see the order book, earlier we started bidding in the year 2021 and the first bid which we got was in the month of September and October. Today we are having the orders from the bidding which is approximately 32,350 crores and Railways order book was around 35,000 crores. So, it is roughly 67,000 to 70,000 crores. We do not escalate and update the order book every day or every month, but this is the approximate order book. We had an ambitious target to achieve the order book of 1,00,000 crores. We have been doing the turnover of around 20,000 crores. Last year it was 20,381 crores and in first 6 months this year it has just 10,000 crores for the first time. So, we anticipate that the top line will grow with some lesser rates. But the bottom line has grown by around 15% to 20%.

Regarding the question of the different kind of baskets, we have got the proven track record of the railway projects and now the preferred segments have been the metro projects, the high-speed projects, the Janki projects and now we have entered into the manufacturing also. We are going to have all kinds of the infrastructure projects and it will not remain limited to the India. Regarding the bigger projects, the biggest project which we are executing today is the Karnaprayag-Rishikesh

project. There we are constructing the total length is around 125 km, out of which 84% is basically tunnels and in last 3 years 125 km tunnels including the escape and the other safety tunnels have been executed by RVNL. So, this is the landmark project which we are planning to commission by December, 2025. Then the metro projects, the first metro project which we took from the building from Indore, so 6.6 km trials were conducted in September, 2023. So, within one year and few months 4-5 months, the trial was conducted successfully. This has become the fastest metro construction in the history of the country. So, it is a great landmark and margin wise, the profit wise we had reached almost to the same level slightly better than the margin which we used to get on the nomination basis. One of the bigger projects is Maldives projects where we had the order of around 1,600 crores. In last 5 months we had done a reclamation of around 20 hectares, around 11 lakh MQ of dredging. So, these are some of the important projects and the projects of interest which I thought I should tell you.

**Rohit:**

I really appreciate those comments. My question is more to do with the revised railway policy. That is essentially we are doing away with the nomination clause and we are looking more for competitive bidding. In that context how big is the railway opportunity we can foresee? Because we don't see that number being talked about in a big way, especially the big-ticket projects something like (+5000) crores kind of railway projects. Will it go into a conventional bidding route or on a nomination route? What is the outlook over there?

**Rajesh Prasad:**

Yesterday only we had decided to participate in two number of bids of the eastern dedicated freight corridor which is now being executed by the Zonal Railways, Central Railway costing around 2,000 crores. The opportunities are there. In the railway segment, we have got the proven track record. But since we are in the competition mode, we will participate in the different modes and we will try to capture the projects from the railway sector as well as the other sectors.

**Rohit:** The identification of big-ticket projects that is from NRP perspective or some other infrastructure pipeline perspective.

**Pradeep Gaur:** Mr. Rohit I will just add to what my colleague Mr. Rajesh Prasad has mentioned. Sorry I have to interject in between. The basic issue is as you said because of this railway policy, earlier also we used to get comparatively a very less percentage of the overall projects of railways on nomination basis and then 80% to 85% of the projects were being executed by zonal Railways. So, our share in the overall project was around 10% to 15% not more than that. So, as the investment in the infrastructure railways grow, definitely that percentage even by bidding will be able to maintain something like that. But the positive point is, now we are going beyond railways also. So, we are looking at a portfolio where the share of railways will be maybe 30% to 35% and 65% will be beyond railways because we are seeing even more opportunities outside the railways. And if I may say so, even after being in railway sector the ease of execution is much better in various infrastructure as compared to even railways. So, with the kind of expertise and all that, we'll be able to deliver not only railway projects but beyond that as Mr. Rajesh Prasad has already mentioned about the examples of Maldives and Indore metro. So, we have proven our caliber there, what I want to say is the opportunities for us definitely if railway infrastructure grows that also will increase our pie in the whole thing.

**Rohit:** My second question was on one of the big-ticket projects that we were looking out for is the Kyrgyzstan project. I understand what the DPR submission has done, the government is assessing it. Could you throw more color on it? Like what is the realistic timeline in which...

**Pradeep Gaur:** We continue to be extremely hopeful and there is some internal financial closure and some issues are going on. It has nothing to do with RVNL. RVNL has done its due diligence and already submitted to them. In fact, we are also equally concerned that why it is getting delayed. And we are

in continuous touch with the Government of Kyrgyzstan. So, I cannot give you immediately a particular date but I can assure you that we are pursuing it very vigorously and we hope to, even last week we had a detailed VC on this with them and they have again assured us that this is in final stage. Of course, what they are telling in final stage is going on for last 2 to 3 months but sometimes the wheels in the government don't move as we expect. So, we continue to be extremely hopeful and hopefully sooner than later.

**Moderator:** Our next question is from the line of Nita Mohta from Credint Info Edge.

**Nita Mohta:** Basically, we were asking that you had hinted that the margins will remain the same whereas for this quarter results, what we are seeing is that it has gone down below even your EBITDA level. If we see it has gone five quarters below that level. So, post getting so many orders could you let us know that what has led to this kind of a performance in this quarter itself or is it one of a kind?

**Rajesh Prasad:** This first 6 months the gross margin if you see, it has increased from 563 crores to 607 crores. I'm talking about the gross margin and the gross margin upon turnover, it has increased with respect to the 5.77% of the whole financial year of FY22-23. But it has gone down by 0.04%. The gross margin upon turnover has been 5.86%. What has happened is that there are various factors these margins. One is the margin which we get from the projects which we execute on behalf of Ministry of Railways, the margin which we get from the building projects, the interest which we get which we parked in the banks and the other financial institutions then we get the dividends. So, this year this first 6 months the dividend from the Kutch Rail Company has gone down, has not been there because of the fact that they had executed in doubling and the electrification project costing around 3,700 crores with the internal resources which has done a lot of value addition and in longer term and



in time to come we can see that it will change the dynamics. We are going to have more traffic in that Kutch Rail Company Limited, number one. Then the O&M cost, the electrification cost vis-à-vis the diesel traction cost, it is almost half now. The entire section is the electrified. So, what I wanted to tell you is the very less margin which you are saying the very less number that is 5.9% to 5.86%. The dividend is basically contributing, that contribution we do not get in the first 6 months from the Kutch Rail Company.

**Nita Mohta:** My bookkeeping question to you was that, in next 1 year do you see this margin as you were expecting it to go to a double digit sooner than later?

**Rajesh Prasad:** Earlier the projects were assigned on the nomination basis. Then the margins were fixed. But now the projects which we are taking from the market, while we are doing the bidding, we do the risk analysis and we allocate the risk factors also. The aim is also to get the order book and we are keeping sufficient margins available. I can tell you the first two projects of Indore Metro which we got in the month of September-October, the margin is more than what we are getting from the nomination basis. Similarly, the first overseas projects which we are executing in Maldives, there the margin is also more than the projects which we used to get from the nomination basis. So, overall what I can say you is that there would be some projects where the margins would be less but there will definitely be some projects where the margin will be 10% which you are telling, it is only the time, and these projects are challenging. We'll have to execute in a challenging mode, and we will make sure that the margins are available at least whatever we are getting from the nomination basis.

**Nita Mohta:** In the last conclusion you had hinted at exports increasing as a percentage of your revenue. So, with this Maldives project and the others that you were hinting at, how can you rate the percentage of success on

the bidding and the getting of the orders? Can you just quantify that as a percentage term?

**Rajesh Prasad:** Can you please tell again?

**Nita Mohta:** The bidding and the getting of the orders between that, can you just quantify the percentage wise that how much have you bid and how much did you get out of it?

**Pradeep Gaur:** The strike rate is around 35% to 40% depending on this thing. So, like this year we have bid, exact figures I do not know but we had reviewed it just a few days back. So, it was around 40% is our strike rate. Suppose we quote for 100, we got in this particular year around 40.

**Nita Mohta:** So, would it be comfortable to guess that you will be having a 35% to 40% market share on an overall blended basis?

**Pradeep Gaur:** Yes, you can say so but depends on how many projects we will bid because we are not bidding for 100% whatever is coming. So, we are doing a due diligence on which are the projects to be bid and which are not to be bid because we have our strengths in particular areas where we are very keen on bidding. There are some areas where we are not comfortable we are not bidding. But what I can say is I will not speak of market share but what I can say is whatever we'll be bidding we will work to it that our strike rate remains around 35% to 40%.

**Nita Mohta:** And out of your 70,000 crores order book that you said, so how much of it is from domestic and how much is from exports?

**Pradeep Gaur:** Actually, we do not do any exports per se. As of now we have only one project in exhibition stage beyond our country that is in Maldives, its value is around 1,600 crores. So, with the variation and all it may go even up to 2,000 crores. So, that is the project as of now which is this thing. But I take this opportunity to inform that we are trying to have our

footprint in Middle East and Africa, and we are going in a very strong way. There are a lot of very promising projects are coming up, particularly railway projects in Africa, in Botswana, South Africa and other countries. We have established our office there. Similarly, we have established our offices in Oman and UAE. So, in time to come, you can see lot of our fair share of the projects coming from these areas and parallelly we are trying to look towards Vietnam because Vietnam is going for railway expansion in a big way. So, that will be one of our focus areas. But we are not averse to even participating in projects beyond railway, like Maldives is entirely a project which was nowhere even in the area of our expertise. But still we have gone there and performed there.

**Moderator:** Next question is from the line of Ketan Jain from Spark Capital.

**Ketan Jain:** I would like to know what would be a bid pipeline like what are the projects we've bid for recently and what are the projects we're looking to bid for?

**Rajesh Prasad:** I had said in the beginning that the railway infrastructure structures where we have got the proven record that becomes our area where we would prefer to execute. Metro segments, this is a highly technical segment, and we are technically very competent to execute these kinds of projects and we have proved this for the Indore metro. So, the metro segment is another segment where we are very comfortable. We have entered into the electrical distribution and transmission systems, even the Municipality in Ahmedabad and in the metro segments the complete project lifecycle, project different kind of like the systems, the track, the depot, the electrical system, then the complete civil engineering construction. So, the metro segments, the railway infrastructures, then all kinds of infrastructures.

**Ketan Jain:** I was asking is there anything specific projects which are you looking to bid for currently in the pipeline?

**Rajesh Prasad:** I said just now in the beginning that yesterday only we were thinking. We have already decided to participate in two tenders costing around 2,000 crores for the DFCC, Dedicated Freight Corridor of Eastern sector from the Gomu to Somnagar. We have been working, we are basically seeing all the kinds of the tenders which are coming up and then we conduct internal meetings. We have got a bidding cell, then we do the prebuild engineering, sometimes internally, sometimes engaging some consultants and accordingly we work out the dynamics. Recently we have got three projects awarded in Western Railway and in Central Railway. We are bidding for railway projects as well as projects beyond that. I'm sure in time to come we'll have a reasonably big order book to execute projects, both railways and non-railways.

**Ketan Jain:** My last question is about roads segment. Are we looking to bid for roads and what is your view on NHAI awarding in the next two quarters?

**Rajesh Prasad:** The road segment is another preferred segment because up to the formation level, the railway embankments and the road embankment is same. In fact, the railway infrastructure projects are much more complicated. And the NHAI we have got two models; one is the basically EPC model and the other is the HAM model. HAM model, we have participated in few tenders. We have also got the orders and for the EPC also we have got few orders. The projects are challenging because sometimes it is at very remote location. For example, the Varanasi to Kolkata the 6 laning project, it is basically falling in the moist area. The land acquisition is an issue, the encroachments, the appointed dates. Sometimes yes the projects get delayed but we are executing. We have been getting orders from NHAI and this will again remain one of the preferred segments for RVNL in time to come.

**Moderator:** Next question is from the line of Indrajit Chakravorty from Script Trading.

**Indrajit Chakravorty:** My question is that I read, that recently the railways is proposing to expand the current—not expand but widen the current—freight corridor and they have earmarked something like 4,00,000 crores for this purpose. So, do you have any information regarding it and can you please update on that?

**Rajesh Prasad:** Yes, presently there are two corridors, Eastern and the Western which are in the implementation phase and which have almost been implemented in next 6 months to 1 year entire project will be completed and commissioned. Now the next phase, they have already started planning and executing. Some DPRs have been prepared for the various corridors and they have handed over this for execution by the zonal railways. Accordingly, few tenders have come up and we are participating in those tenders of the DFCCIL. So, yes, in time to come you will see that large number of tenders coming up for the DFC corridors in the various parts of talking.

**Rajesh Prasad:** 4,00,000 crores to widen from Calcutta to Delhi and stuff. The certain corridors will be expanded like widened so that it becomes very easy. You are talking about the DFFC corridor? I really don't know the technical term for that.

**Rajesh Prasad:** So, Ministry of Railway is having huge expansion program. They have made an NRP, National Rail Plan. In that particular National Rail plan whatever infrastructure is required by the year 2050 should be in place by 2030. So, in next 7 years you will be seeing large number of projects coming up. The idea behind this is that the present model share is approximately 26% which has to go up by 45% in the year 2015.

**Indrajit Chakravorty:** That means a huge opportunity for your company.

**Rajesh Prasad:** Yes. There is another concept of the logistic cost. The logistics market of the country is more than \$250 million. If you transport by road and if you transport by rail then the cost is almost half. The green transport system, basically railway is now 100% electrified. The modal share is equally important. If you see the logistic cost in the country, it is 16% of the GDP and in order to compete worldwide it has to come down to 10%. So, the Government of India has come out with a logistic policy 2022 and the modal share, the railway infrastructure that is why we are getting a lot of trust in implementation and commissioning of the railway infrastructure.

**Moderator:** Next question is from the line of Shivam Kumar Gupta, who is an investor.

**Shivam Kumar Gupta:** My question is regarding India Middle East-Europe Corridor project which was announced in G20 summit. What role RVNL can play in developing that project? Shed some light on that.

**Pradeep Gaur:** Actually, RVNL as far as that Middle East Corridor is concerned, so it will be by financing by different countries including India. So, definitely we are looking it as a huge opportunity for us because it is purely railway sector and that is what is our niche area. So, we are very upbeat about it.

**Moderator:** Next question is from the line of Vishal Periwal from IDBI Capital.

**Vishal Periwal:** I think in terms of our revenue target for this year, can you provide what is the MoU target and what are we targeting in terms of growth rates in FY24?

**Rajesh Prasad:** We had earlier said that the top line would grow marginally. But the bottom line I had said around 15%. So, last year we had a bottom line of 1,267 crores, so we expect to be around 1,400 crores. The top line we expect, this first 6 months we have crossed the 10,000 mark for the first time, so maybe (+21,000) crores.

**Vishal Periwal:** Will it be available with us, the data of the revenue that we have done in first half, what is the nomination and what is the bidding project that we have executed?

**Rajesh Prasad:** The projects which we had taken from the market, it is a very recent phenomenon. You'll have to appreciate that. So, the numbers which we are getting is only from Indore Metro, major portion is from Indore Metro, then the Maldives project and most of the projects are from the nomination basis. But in time to come, you will see the reflection from these projects which we have taken from the market and that will be getting reflected. So, the first 6 months the majority is from the Indore Metro and the Maldives project.

**Vishal Periwal:** In terms of balance sheet, we have done CAPEX in first half. And will it be possible to provide some detail in terms of investments in JV that we have done and plus at a standalone level there are CAPEX which we have done, capital advances which is there in cash flow? So, this is for what and which side of JV we have made this investment?

**Pradeep Gaur:** These JVs actually we have now different type of JVs. First is the JVs which were purely for railway projects where we had invested around 1,100 crores. Now we have lot of JVs which are for different purpose like manufacture of Vande Bharat, then different HAM projects and 1 or 2 JVs for projects which are not HAM but similar projects. So, as of now Mr. Rajesh Prasad my colleague will speak further on this.

**Rajesh Prasad:** As far as the typical railway infrastructure projects are concerned, we had ASRL Angul-Sukinda, Bharuch-Dahej, Haridaspur-Paradeep, Kach Rail and Krishnapatnam. So, these were the 5 SPVs which have been commissioned and they are in the operation stage. Then we have got the MMLPs. The concept of MMLP is that we had signed an MoU around 2 years back for 35 locations and 3 such MLLPs like Indore MMLP, Chennai and Bangalore. So, the SPVs have been the JV model. The JVs

have been created with the NHLML and the local state government agency and there the private participation is not there. Then we have formed Kinet Railway Solutions. Basically, there we have got, initially it was a subsidiary. Now we are holding 25% share in this and this particular SPV will be executing the Vande Bharat train Express. Then we have got the Shimla bypass, the JV. Then we have got the Kyrgyzindustry, Kyrgyz Rail, RVNL close Joint Stock company. So, we have got the large number of SPVs and JVs and the MMLPs are likely to take up shortly. Kinet Railway Solution has already taken up industry, the JV. CMD sir has just now said that we are in active discussion with the government there for moving forward. We have already submitted the DPR etc. So, these are some of the details of the SPVs and if you are having any observation against for any particular SPV then you can ask.

**Vishal Periwal:**

No sir this is helpful, maybe one last question from my side on Vande Bharat. Two-part question, one is the order that we have already received. Can you give some timeline in terms of when we are supposed to submit the prototype and when the actual, we can start manufacturing Vande Bharat train? And second is in terms of opportunity size, how big you see and any timeline that you have received from Ministry of Railway in terms of these many sets will be coming in next twelve months 24 months. That will be helpful.

**Rajesh Prasad:**

So, this particular tender was for 120 number of train sets and the bid price was 120 crores per set. And these trains were also supposed to be comprehensive maintenance period. So, they were supposed to be maintained in three depots and the average cost of maintenance was 4% maintenance for 35 years and 4% per year per set. The roadmap was the submission of bank guarantee which has been done. Then execution of MCMA, that is the manufacturing cum maintenance agreement that has been done. Now the mockup is to be prepared a 3D model that how this rake will look like. Then first prototype will be 2 years after this MCMA. Second prototype will be 24 months plus 2 months and after these



prototypes are approved 12 in first year ,18 next year and 25 each after that. And the maintenance will be done at Bijwasan, Jothpur, Bijwasan is in Delhi only Jodhpur and Bangalore. So, some works are also required to be undertaken there. So, at this stage we can tell you that the execution of MCMA has been done, mock up is being prepared and then the prototype will be made at Latur the factory which we have constructed the Marathwada Rail Coach Factory.

**Pradeep Gaur:** I will just add to that. Presently things are going very smoothly. We have a working group with our partner that is TMH Russia and things are moving this way. So, prototypes although the time is 2 years but we want to compress it, so that earlier we start the production better it will be for us because that will lead to better cash flows also. So, both of us we and TMH are working very great synergy in this direction.

**Vishal Periwal:** And in terms of opportunity also.

**Pradeep Gaur:** So, that is a very important part and what you have asked is I'm so thankful to you for asking this. It opens up huge vista of opportunities for us because we want to have a very strong vertical for rolling stock. It can be appreciated that as of now RVNL was virtually Nil as far as rolling stock manufacturing is concerned. So, this opens up really please don't mind my going overboard on it but a flood of opportunities because lot of rolling stock manufacturing is going to come because as the system expands, like Indian Railways is trying to expand other railways are trying to expand. So, that will ultimately lead to huge expansion in the demand for manufacturing. So, like many countries are now realizing the importance of railways vis-a-vis road sector. Vietnam is trying to open, one Middle East is going to open one. And kindly appreciate some esteemed investor has asked just now before you, about the Middle east corridor. So, even that is rail based. We are very upbeat about it and I think it's the right time. It's an opportune time for us to

have got into this manufacturing. So, it is a game changer for us as far as opportunity is concerned.

**Vishal Periwal:** And in terms of new tenders in Vande Bharat will this happen after the prototype is submitted or parallelly we see that new tenders will come to the market?

**Pradeep Gaur:** The tenders will happen parallelly because we are going to have a big tender from Mumbai Metro and other even Indian railways. So, what has happened now, RVNL has got a huge visibility in this. That the fact that TMH has partnered with RVNL and RVNL being a public sector of Ministry of Railways, so it has given a huge market presence or market visibility for RVNL. So, we have been approached now by various companies like Siemens Alstom, like some Malaysian manufacturing. A lot of companies have shown interest to tie up with RVNL just by the fact that we were partner in this Vande Bharat Express. So, this will go parallelly. I can share, yesterday also we had a very detailed meeting with Siemens on this. Of course, Siemens have their own rolling stock. But we have told them that we have got alternatives to that. So, that we can do even more competitive bidding in this case. Because some of one or two companies in Malaysia, they are very cost competitive even compared to the West European companies.

**Pradeep Gaur:** Thank you.

**Pradeep Gaur:** Thank you so much and wish you a very Happy Diwali and Dhanteras.

**Moderator:** Thank you.

**Moderator:** Thank you. As there are no further questions, we would now like to close the call on behalf of IDBI Capital. Thank you for joining the call and you may now disconnect your lines.