



Rail Vikas Nigam Limited

16th September, 2023



India's Best Performing and Most Customer Centric PMS

Rail Vikas Nigam Ltd (RVNL), established in 2003 by the Government of India, is a dynamic organization at the forefront of India's railway infrastructure development. This publicly-owned company is entrusted with the vital task of executing a diverse array of rail projects, ensuring the nation's rail network remains robust, efficient, and prepared for future transportation needs. RVNL operates under the aegis of the Ministry of Railways and plays a pivotal role in enhancing the country's rail infrastructure.

About RVNL

RVNL specializes in a multitude of railway infrastructure projects, encompassing new lines, doubling of existing routes, gauge conversions, railway electrification, construction of major bridges, workshops, production units, and revenue-sharing agreements with Indian Railways. These endeavors collectively contribute to the expansion and modernization of India's railway network, facilitating smoother, safer, and more efficient transportation across the nation.

RVNL specializes in a wide range of railway infrastructure projects, including:

- **New Lines:** Expanding the railway network by creating new routes for seamless transportation.

- **Doubling:** Adding extra lines to reduce congestion on existing routes.

- **Gauge Conversion:** Upgrading meter gauge lines to broad gauge for improved connectivity.

- **Railway Electrification:** Electrifying rail networks, both existing and new, for sustainability.

- **Metropolitan Transport Projects:** Initiating metro and suburban rail systems in major cities.

- **Workshops:** Establishing facilities for rolling stock repair and production.

- **Diverse Projects:** Engaging in various initiatives such as traffic facilities, railway safety enhancements, electrification, and bridge construction.

Project Accomplishments

RVNL has successfully completed 120 projects, demonstrating its unwavering commitment to delivering high-quality rail infrastructure solutions. Currently, the company is actively engaged in implementing 72 projects, further bolstering its reputation for excellence in execution. In addition to its impressive track record, RVNL boasts a substantial order book exceeding Rs. 65,000 crores, reflecting the trust placed in the company's capabilities..

Global Expansion

Beyond India's borders, RVNL has expanded its horizons, securing contracts from international entities. This global outreach showcases RVNL's transition from local railway infrastructure development to becoming a significant player in global railway infrastructure, contributing to connectivity and progress worldwide.

Stock Data	
CMP	171
52 Week High/Low	199/32.8
Face Value	10
Market Cap (In Crs)	35,643
Enterprise Value (In Crs)	40,148
NSE	RVNL
BSE	542649
Bloomberg	RVNL:IN
Sector	Railways

Shareholding Pattern (in %)		
	JUN 23	MAR 23
Promoter	72.84	78.20
FII	3.10	1.75
DII	5.44	5.75
Public	18.62	14.30

Price Performance (in%)			
(%)	1M	6M	1Yr
Nifty 50	3.31	17.81	11.52
RVNL	12.29	206.47	397.05

Key Ratios	
P/E	24.4
P/S	1.68
P/B	4.79
Debt To Equity	0.88
ROE	20.8%
ROCE	17.8%
ROA	7.38%
Dividend Yield	1.23%

Q1 FY 24 Result Update

Q1 FY24 Result Comparison (In Rs Cr)					
	Q1 FY24	Q4 FY23	Q1 FY23	QOQ	YOY
Sales	5571.57	5719.83	4640.75	(2.5%)	20%
Operating Profit	349	374	281	(6%)	24.19%
EBT	487	496	373	(1.8%)	30.56%
Net Profit	343	359	298	(4.4%)	15%
EPS	1.65	1.72	1.43	(4.4%)	15%

Result Highlights

Rail Vikas Nigam Limited (RVNL) has unveiled its Q1FY24 financial results, demonstrating robust performance. The company recorded a substantial 15% year-on-year surge in its consolidated net profits, reaching ₹343 crore in Q1, compared to ₹297.6 crore in the corresponding quarter of the previous fiscal year. Furthermore, RVNL reported a remarkable 20% year-on-year growth in revenue from operations, amounting to ₹4,640.7 crore during Q1FY24, as opposed to ₹5,571.5 crore in Q1FY23.

Sequentially, RVNL's net profit dipped by 4%, totaling ₹359.3 crore in the quarter ending March 2023. Similarly, the revenue from operations witnessed a 2% decline, amounting to ₹5,719.9 crore in Q4FY23.

On a standalone basis, RVNL achieved a notable 17% increase in net profit, rising from ₹283 crore in Q1FY23 to ₹333.5 crore during the period under review. Concurrently, revenue from operations in standalone terms surged by 17% to ₹5,446.2 crore during the same period.

The company's Earnings Per Share (EPS) also exhibited growth, climbing from ₹1.43 in the corresponding quarter of the previous year to ₹1.65 in the period under review. In standalone terms, the EPS increased from ₹1.36 in Q1FY23 to ₹1.60 in the quarter ending June 2023, showcasing RVNL's strong financial performance.

Navratna Status: A Milestone for RVNL

RVNL is primarily dedicated to spearheading the planning and execution of railway infrastructure projects. Established in 2003 as a public sector entity under the Ministry of Railways, RVNL occupies a pivotal role in modernizing and expanding India's railway network, thereby boosting connectivity, efficiency, and safety.

A significant development on the horizon is the recent announcement by the Ministry of Railways, bestowing Navratna status upon RVNL. This prestigious elevation in status heralds an era of increased authority, enhanced operational autonomy, and greater financial independence for RVNL. These transformative changes are poised to play a pivotal role in propelling the company forward, particularly as it embarks on expanding its influence beyond domestic railway projects into the realm of international ventures.

Concall Highlights

Financial Performance:

- RVNL achieved remarkable Q1 FY2024 growth, with record-breaking turnover and profit after tax.
- Successful OFS-2 (Offer for Sale) garnered around Rs. 1,365 crores in revenue, reflecting strong investor interest.

Order Book:

- RVNL's robust order book surpasses Rs. 65,000 crores, emphasizing its strategic focus on railway, metro, and international projects.
- The company confidently targets an order book range between Rs. 75,000 crores and Rs. 1 lakh crores, while securing bids worth over Rs. 30,000 crores in railway tendering opportunities.

Exploring Opportunities:

- Active exploration in electronic interlocking and diversification of project portfolio.
- Pending project approvals in Kyrgyzstan and ongoing arbitration with Krishnapatnam Rail Company Limited expected to enhance project diversity.
- Commitment to quadrupling railway lines and supporting local vendors to strengthen rail connectivity.

Margins and Financing:

- Anticipated profit margin improvement upon successful project execution.
- Focus on securing secure financing, favoring LOP (Letter of Permit) and ADB (Asian Development Bank)-funded projects for sustainable growth.

Revenue Breakup:

Q1 FY2024 revenue diversification, with Rs. 838 crores from metro projects and Rs. 3,941 crores from non-metro projects, showcasing project management proficiency across sectors.

Other Highlights:

- Other income primarily comprises interest income from cash balances and trade receivables, reflecting sound financial management.
- Proactive approach to sourcing raw materials for Vande Bharat orders without relying on Russian components.
- Preparedness to bid for and execute incoming orders to solidify RVNL's leadership in railway infrastructure.
- Outstanding receivables from KRCL (Konkan Railway Corporation Limited) approximately Rs. 1,450 crores, reflecting RVNL's commitment to effective receivables management.
- Government's successful Offer for Sale (OFS) reduces its stake to 72.84%, affirming confidence in RVNL's growth potential.

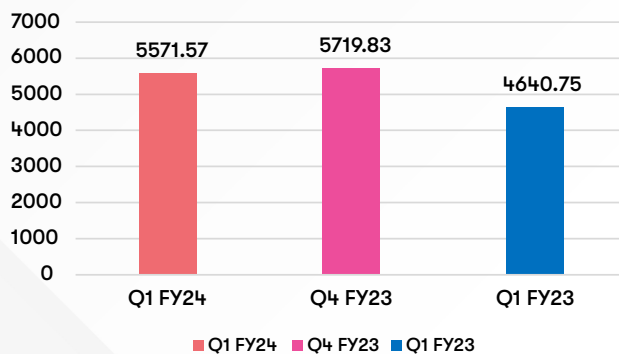
Overall, Q1 FY2024 results exhibit impressive growth, with a 17% increase in turnover to Rs. 5,446 crores and a 17.8% increase in profit after tax to Rs. 334 crores. RVNL's strategic initiatives and robust order book position the company for strong execution in the coming fiscal years, with projects acquired in the last six to eight months already contributing to revenue growth, notably the promising Indore metro project, reaffirming RVNL's reputation for successful project delivery.

Operational Snapshot

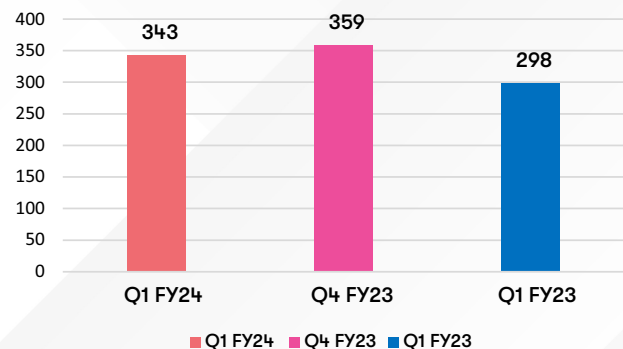


Story Through Charts

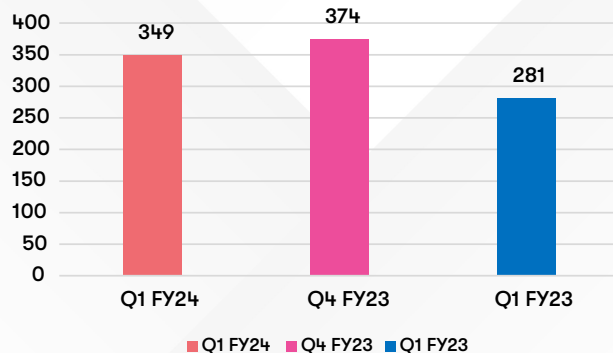
Revenue (In Cr)



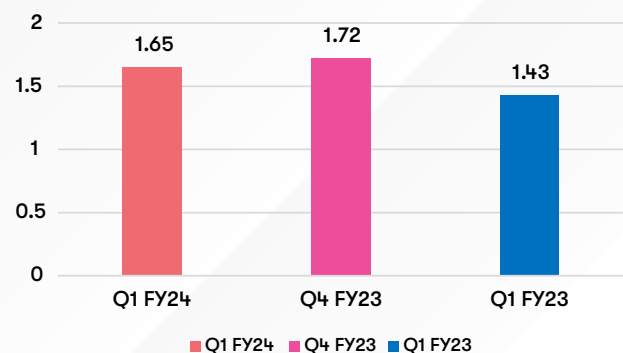
PAT (In Cr)



Operating Profit (In Cr)



EPS (In Cr)



Technical Outlook



RVNL has given a strong run with a constant change in fundamental and sectoral rerating. It is forming a flag and pole structure and has given a breakout and it now retesting, reversal from current levels will open 250 plus levels in this counter. Massive volume accumulation in this counter adds strength to the structure.

Weekly RSI are trading above 70 indicating massive strength in the buying.

10 Days Moving Average > 20 Days Moving Average > 50 Days Moving Average > 100 Days Moving Average > 200 Days Moving Average indicates a strong sustainable buying in this counter.

Moving Averages Days	Simple Moving Average	Exponential Moving Average
5	170.65	168.25
10	161.25	160.95
20	143.60	150.05
50	132.25	136.20
100	126.55	123
200	98.50	102

Pivot Levels : FIBONACCI

R1 165.95	Pivot 157.08	S1 148.22
R2 171.42		S2 142.75
R3 180.28		S3 133.88

Relative Strength Index (RSI)

	Daily	Weekly
	66.40	76.82

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