

Research Report

Rail Vikas Nigam Ltd.



Prepared By-

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About

Rail Vikas Nigam Ltd was Incorporated in 2003 by the Govt. of India, it is engaged in the business of implementing various types of Rail infrastructure projects assigned by MoR including doubling, gauge conversion, new lines, railway electrification, major bridges, workshops, Production Units and sharing of freight revenue with Railways as per the concession agreement entered into with Ministry of Railway.

Key Business

Rail Infrastructure Projects
doubling (including 3rd/4th lines)
gauge conversion
new lines
railway electrification
major bridges
workshops and production units

Synopsis of Financials

- RVNL has achieved all time highest turnover during the year 2022-23. The Company recorded total income of Rs.21285.51 crore compared to Rs. 20190.97 crore in the previous year
- Profit after tax for the year 2022-23 is Rs 1267.97 crore as against Rs. 1087.35 crore in the previous year.
- Company has earned a turnover of Rs 20281.57 crore as against Rs. 19381.71 crore of previous year with percentage showing an increase of 4.64%

Source: Company Annual Report

Stock data (as 29th May 2024)

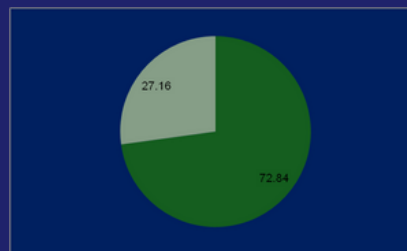
Nifty Price : 376.40
52 week High (in Rs.) : 399.90
52 week Low (in Rs.) : 110.60
Market Cap. (in Crore) : 78,480.16
NSE Code : RVNL

Stock data



-NIFTY50
- RVNL

Shareholding Pattern (March 2024)



-PUBLIC GROUP
-PROMOTER GROUP

Financial Summary

Particulars	March 2024	March 2023	March 2022
Sales	21,733	20,282	19,382
Sales Growth %	7.15%	4.64%	25.83%
Expenses	20,386	19,037	18,200
Operating Profit	1,346	1,244	1,182
OPM %	6%	6%	6%
Profit after tax	1,463	1,268	1,087
EPS in Rs	7.02	6.08	5.22

Quarterly Results

Particular	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Sales	4,909	5,011	5,721	5,446	4,910	4,676	6,701
Expenses	4,593	4,736	5,349	5,099	4,613	4,430	6,246
Operating Profit	316	275	372	348	297	246	455
OPM %	6%	5%	7%	6%	6%	5%	7%
Other Income	218	284	261	280	296	326	279
Interest	131	147	146	146	133	139	151
Depreciation	5	6	6	5	6	5	4
Profit before tax	398	406	482	477	455	429	579
Tax %	25%	16%	28%	30%	19%	24%	25%
Net Profit	299	341	345	334	370	326	433

Source: Screener

Key Ratios

S. No.	Name of Ratio	Formula	2022-23	2021-22	Variation over FY 2021-22 (%)	Remarks
1	Debtor Turnover (No of Days)	Trade Receivable X 365 / Operating Turnover	17	18	5.55	-
2	Inventory Turnover	-	NA	NA	-	Not applicable as Company does not carry any inventory
3	Interest Coverage Ratio	-	NA	NA	-	Not applicable as there is no liability on RVNL to serve the debt.
4	Current Ratio	Current Assets / Current Liabilities	2.02	2.07	-2.11	-
5	Debt Equity Ratio	Long term debt / Equity	0.99	1.17	-15.55	-
6	Operating Profit Margin (%)	PBT / Operating Turnover	8.11	7.25	11.86	-
7	Net Profit Margin (%) (PAT / Total Revenue)	PAT/ Total Revenue	5.95	5.38	10.59	-
8	Return on Net Worth (%)	PAT/ Avg.Net Worth	20.94	20.52	2.05	-

Source: Annual Report

Yearly Results

Particulars	March 2024	March 2023	March 2022
Equity Capital	2,085	2,085	2,085
Reserves	5,782	4,394	3,546
Borrowings	6,033	6,441	6,643
Other Liabilities	4,834	4,661	7,104
Total Liabilities	18,734	17,581	19,379
Fixed Assets	366	355	379
CWIP	94	1	1
Investments	1,611	1,187	1,163
Other Assets	16,663	16,039	17,835
Total Assets	18,734	17,581	19,379

Synopsis Quater Results

Con-Call May 24: Key Highlights

Business Performance:

- Achieved all-time high top line and bottom line in FY23-24.
- Secured first project in India through bidding - Indore Metro project.
- Secured first overseas project in Maldives through bidding.
- Earnings from these projects were more than 10%.
- Completed 12 projects in FY23-24, totaling 152 projects as of March 2024.
- Commissioned 243 kilometers of railway projects in March 2024, a record achievement.
- It has been given the status of Navratna.
- Rail Vikas Nigam Limited (RVNL) is a 21-year-old company.

Innovation Plans:

- NRP(National Rail Plan) aimed at creating development plan ahead of its demand by 2030.
- Vision 2024 aims at 100% electrification ,multitracking of congested routes,
- Upgradation of speed to 160 km/hr on certain routes
- 130 km/hr speed on golden quadrilateral
- Solar powered passenger coaches
- High speed and high capacity wagons

Business Development:

- Participated in 142 bids in FY23-24, totaling 286 bids submitted.
- Success rate in bidding projects is more than 20%.
- Submitted bids in international markets like Bangladesh, Maldives, Sri Lanka, UAE, Oman, Rwanda, Uzbekistan, Saudi Arabia, Nepal.
- Opened international offices in South Africa, Oman, UAE, and Maldives.
- Order book currently stands at around INR 85,000 crores.
- Aspirational target to maintain an order book of INR 75,000 crores to INR 1 lakh crores.

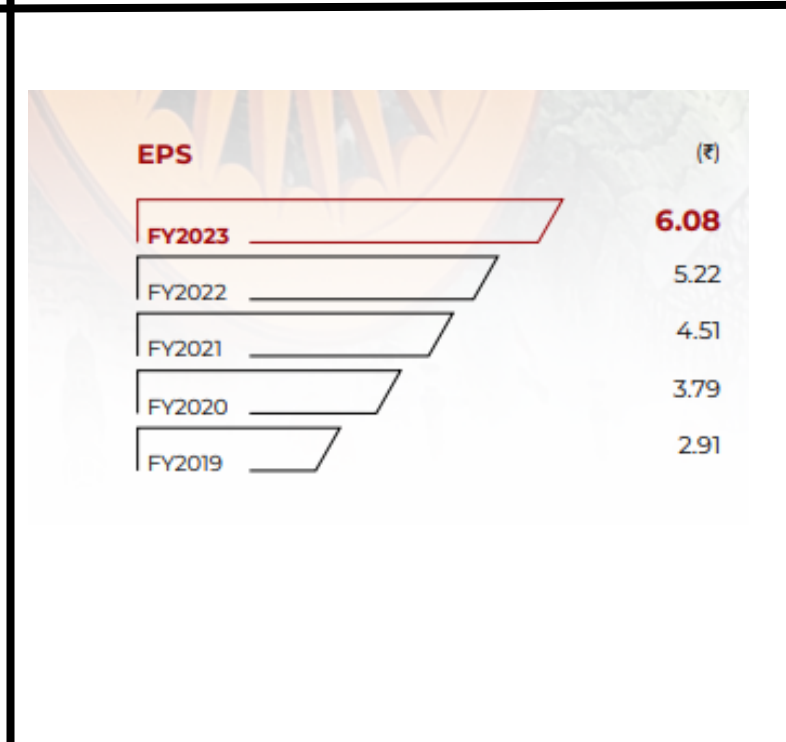
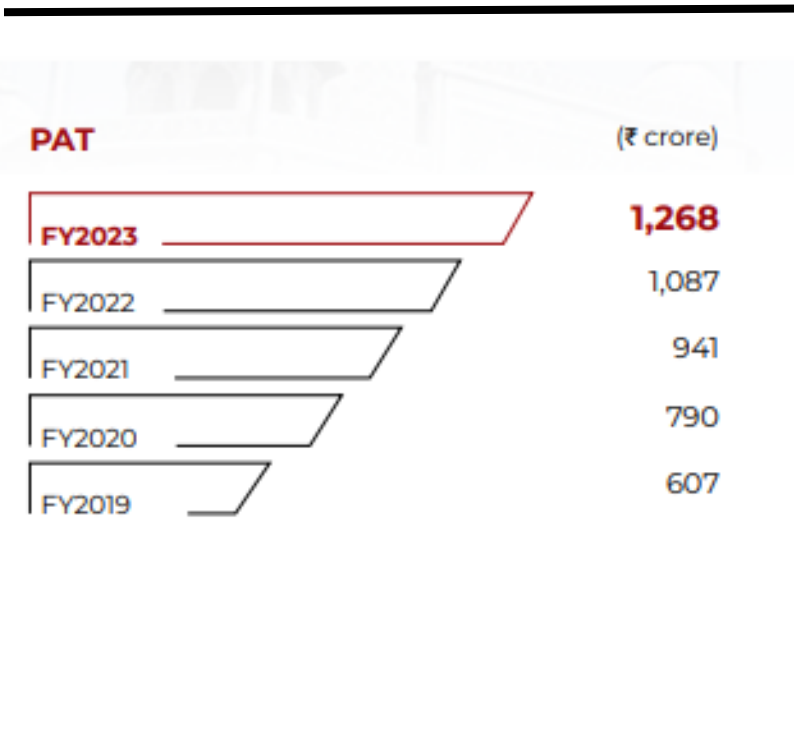
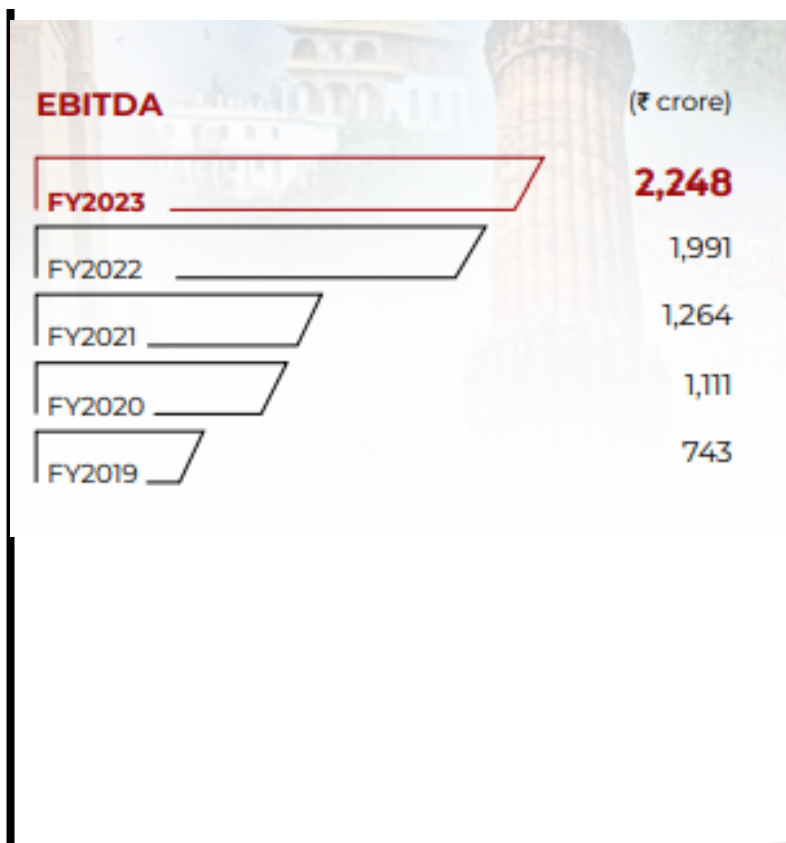
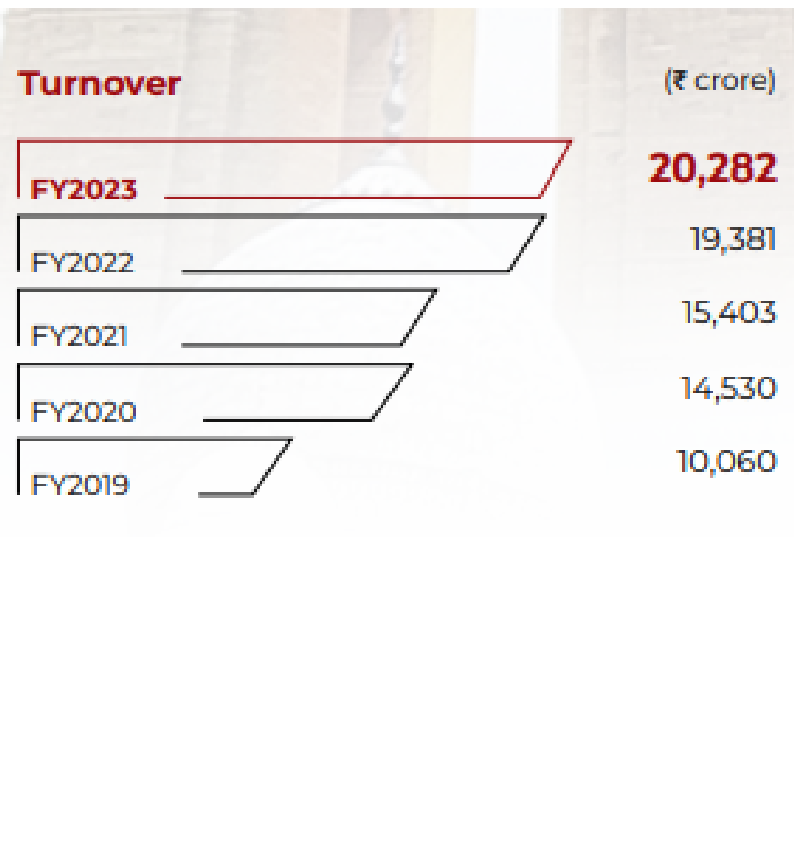
Projects and Opportunities:

- Executing projects like ABS provision in Jolarpatti Road Junction of Salem Division.
- Strong focus on capacity augmentation projects due to increased traffic loading projections.
- Looking forward to opportunities in the India Middle East Economic Corridor (IMEEC) project.
- No significant focus on railway electrification due to completion of more than 95% of electrification in India.

Future Guidance:

- RVNL Would be Expecting order inflow of around INR 20,000 to INR 25,000 crores in FY24-25.
- RVNL should Aim to maintain the order book at three to four times the annual turnover.
- RVNL should Transitioning from nomination basis to bidding projects for order inflow.
- RVNL Should Focus on maintaining a strong order book to support future growth and expansion.

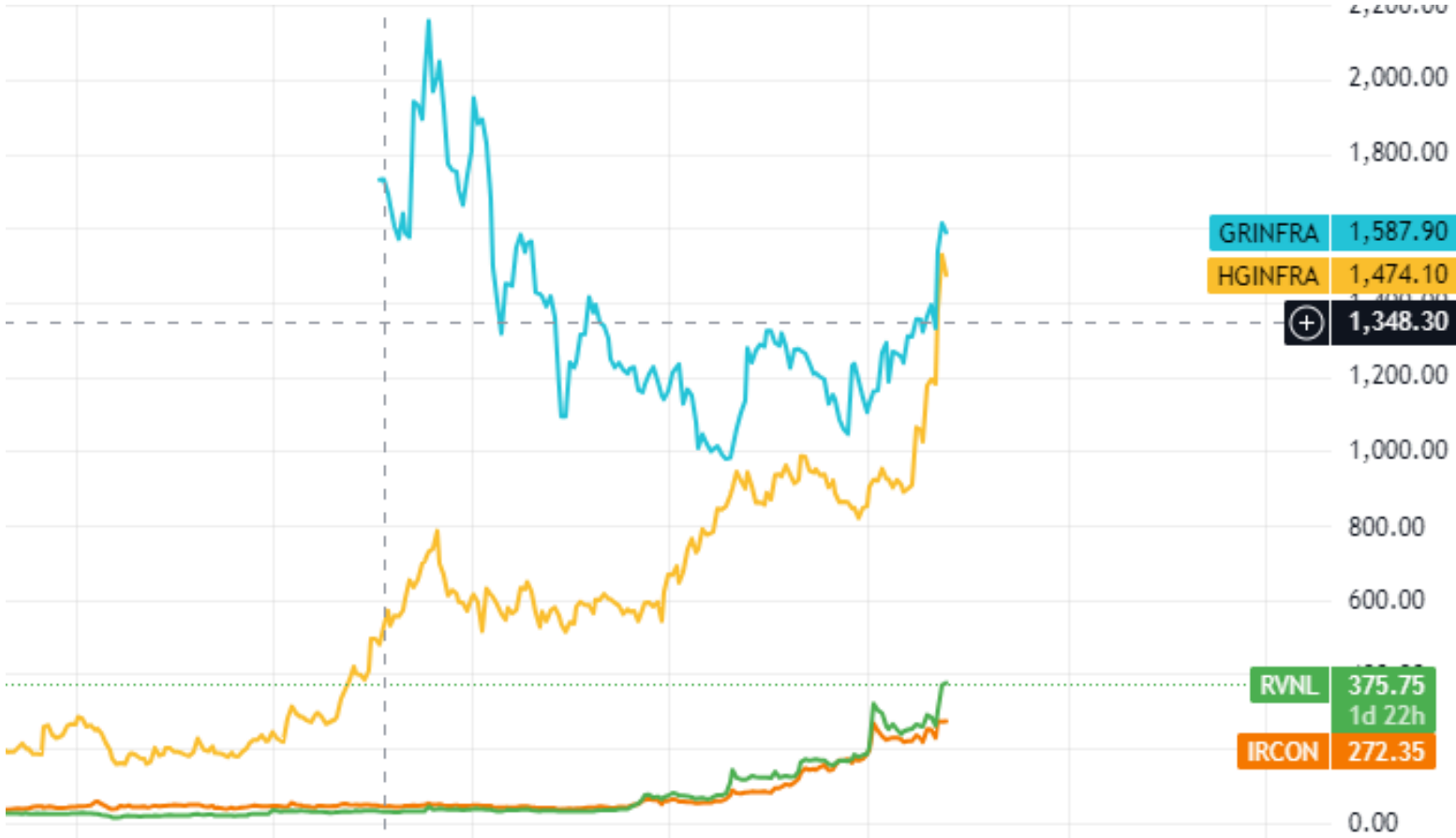
Revenue Highlights



Peer Comparison



Peer Stock Performance (5Y) Indexed



Source: Trading View

Peer Financial Performance

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
1.	Rail Vikas	375.50	53.50	78271.56	0.57	433.32	25.50	6700.69	17.12	18.70
3.	Ircon Intl.	272.30	27.50	25563.06	1.10	246.66	-3.83	3742.71	-1.00	18.54
4.	G R Infraproject	1575.50	13.16	15250.58	0.00	242.88	-25.01	2134.02	-2.64	21.62
6.	H.G. Infra Engg.	1481.60	18.36	9654.10	0.08	190.03	11.17	1708.26	11.26	24.08

Source: Screener

Final Outlook



RVNL: BUY | LTP: 376.4

RVNL Stock rose to 52 week high of 345.60 on January 23,2024 as it got project from south eastern railway and RVNL's Q4 consolidated net profit jumped 33.2% year-on-year to Rs 478 crore, as compared with Rs 359 crore over the same period last year.

BUY, HOLD for long term is advisable as the company has been showing all time high and promoter is government so there will be a very good scope as many projects like Vande Bharat, Tejas Express, Kolkata metro also is run by Rail Vikas Nigam ltd and this projects will be ever demanding and electrification, doubling is also looked by this company.