No. RITES/SECY/NSE **Date: February 11, 2026**

To लिस्टिंग विभाग, नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड, 'एक्सचेंज प्लाजा', सी-1, ब्लॉक जी, बांद्रा- कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई – 400051 Listing Department, National Stock Exchange of India Limited, 'Exchange Plaza', C-1, Block G, Bandra - Kurla Complex, Bandra (E), Mumbai – 400051	To कॉर्पोरेट संबंध विभाग, बीएसई लिमिटेड, रोटुंडा बिल्डिंग, पी जे टावर्स, दलाल स्ट्रीट, फोर्ट, मुंबई - 400 001 Corporate Relationship Department, BSE Limited, Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai - 400 001
Symbol- RITES	**Scrip Code-** 541556

Sub: Transcript of the Investors Conference Call held on February 05, 2026

Ref: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/ Madam,

Please find enclosed herewith Transcript of the Conference call with analysts and investors held on February 05, 2026 to discuss the unaudited financial results of the Company for the quarter and nine months ended on December 31, 2025.

This is for your information and records.

Thanking You,

Yours sincerely,
For **RITES Limited**

Ashok Mishra
Digitally signed by Ashok Mishra
Date: 2026.02.11 16:48:42 +05'30'

Ashok Mishra
Company Secretary & Compliance Officer
Membership No.: F6411

RITES Limited
Q3 FY26 Results Conference Call

Event Date / Time: 05/02/2026, 1100 hrs.

CORPORATE PARTICIPANTS:

Mr. Rahul Mithal
Chairman & Managing Director

Dr. Deepak Tripathi
Director Technical and Director Projects (Additional Charge)

Mr. Krishna Gopal Agarwal
Director Finance & Chief Financial Officer

Moderator:

Good morning, ladies and gentlemen. Karthikeyan, moderator for this conference. Welcome to the conference call of RITES Limited to discuss its Q3 FY26 results. We have with us today Mr. Rahul Mithal, Chairman & Managing Director; Dr. Deepak Tripathi, Director Technical & Director Projects - Additional Charge; and Mr. Krishna Gopal Agarwal, Director of Finance and Chief Financial Officer.

At this moment, all participants are in listen-only mode. Later, we will conduct a question-and-answer session. At that time, if you have a question, please press * and 1 on your telephone keypad. Please note, this conference is being recorded. In the interest of time and fairness to all participants, you are requested to restrict yourself to one question per participant. If time permits, you may come back in the question queue.

Now, I would like to hand over the floor to Mr. Rahul Mithal, Chairman and Managing Director, RITES Limited. Thank you, and over to you, sir.

Rahul Mithal

Good morning, everyone. Let me start with giving the Safe Harbor statement. The presentation and the press release which we uploaded on our website and exchanges yesterday and discussions during the call today may have some forward-looking statements. These statements consider the environment we see as of today and obviously carry a risk in terms of uncertainty because of which the actual results could be different, and we do not undertake to update those statements periodically.

Let me give you an overall assessment of Q3, and then I'll leave the floor open for questions. So, our assessment is that we are very frankly on a roll. Our performance in Q3 is completely in-line in a steady and focused manner in all the points and the road map which we had identified when I had given my commentary at the end of H1. So, whether you take the first item in terms of maintaining one order a day, we got 140 plus orders totaling to about INR 1140 crores, an average of 1.5 orders a day. Second export, we said we'll target one export order a quarter, and we've got two this quarter totaling to about INR 350 crores. Third, targeting a INR 10,000 crore order book, we are already moving ahead. We are at an all-time high of INR 9,262 crore and definitely the way Q4 is going, we should be able to try and touch INR 10,000 crore by about Q1FY27.

Fourth, for a continuous sequential growth, whether it's the operating revenue or the EBITDA, there's a sequential growth of about 10%. And fifth, maintaining red lines of 20% EBITDA margin and 15% PAT margins, we are about 24% and 18% respectively. So, whether it is order inflow or execution of the young order book, as I said, we are on a roll, and we are poised to definitely achieve what we had given a guidance of a double-digit growth on an FY-to-FY basis as we really step on the gas in Q4FY26.

So those are my opening comments, and I leave the floor open for specific questions.

Moderator

Thank you, sir. Ladies and gentlemen, we begin the question-and-answer session. If you have a question, please press * and 1 on your telephone keypad. In the interest of time and fairness to all participants, you are requested to restrict yourself to one question per participant. If time permits, you may join back the question queue. We will wait for a moment while the question queue assembles. Ladies and gentleman, to ask a question please press * and 1 on your telephone keypad.

The first question comes from the line of Rehan Saiyyed from Trinetra Asset Managers. Please go ahead with your question.

Rehan Saiyyed

Good morning to the team, and thanks for giving me the opportunity. So, like I want to understand how your sequential performance. So far you have seen that consultancy margin remains very healthy at 35.4%, but turnkey margin is significantly lower at 1.3%. So, as turnkey now constitutes 49% of the total order book, so what structural changes are being made to ensure that the overall consolidated PBT margin doesn't compress as this project scale up? This is my first question.

Rahul Mithal

So, as you see -- we have a blended revenue mix, and as you correctly said, there are two extremes of the margin. And we also have an export and leasing stream of revenue, which is somewhere midway. So, what we try and do now that we have a healthy order book, which is a good mix of all the streams of revenue. We definitely lay down our strategy in every quarter and definitely on an HY-to-HY or a complete FY basis, that we push the levers on the mix of the orders. We are executing today as we speak, more than 700 plus live orders across the country and beyond. As I said, we definitely fine-tuned that and iterate it continuously in the quarter, so that the red lines of 20% EBITDA margins, we are able to maintain.

Moderator

Thank you. Next question comes from the line of Raghav Maheswari from Kamayakya Wealth Management Private Limited. Please go ahead.

Raghav Maheswari

Good morning. Sir, my first question will be around the export margin, sir. On this quarter, we are seeing, as stated on the PPT, approximately 13.5% of margin you have highlighted. So sir, my question is, where do we -- since we have now begun ramping up exports, and we are seeing the order inflow for exports as well, so where do we see these margins stabilizing for export orders? And sir also, what kind of hindrances do you see going forward from here for our overall business?

Rahul Mithal

So, in terms of export stream of revenue, as I have highlighted earlier, for the first time, most of these orders were on a global tender competitive basis. So bulk of these orders and for the first time in our last five decades two major orders are on competitive basis. So definitely, the margins are tighter than the hitherto margins of -- historical margins of export. And the levels that you see now ,as the last two quarters, Q2 and Q3 export shipment and revenue booking have started, are the levels of margin in which it will settle down on a quarterly or a half-yearly basis.

And, in terms of constraints in export business, it's not really a constraint. We had realized this about two years back and revisited the entire export and international consultancy strategy that now for substantial growth in our RITES Videsh business, we have to get orders on a global competitive basis and not just rely on the line of credit funded projects.

So we are now in fact ended Q3 with an all-time high order book of our international business, which is at about INR 2,150 crores, which includes the export of about INR 1,700 crores and the other infrastructure consultancy and execution, etc. So, our RITES Videsh, while it’s not real a constraint, but yes, that's a watch out which we will do to keep on trying to reinvent ourselves, so that we get more and more international orders.

Raghav Maheswari

So, because of the exports orders, you saw revenue booking. Is it safe to assume that we'll see a significant top line expansion by -- in Q1 of FY27 onwards?

Rahul Mithal

Yes, for sure. So, whether it is export or whether it is the turnkey orders, as I pointed out, a bulk of our order, about 60% of our order book, nearly two third is very young. It's about a year or so old, whether these are the fresh export orders or fresh turnkey or even consultancy orders. So that's why the target that sequentially, will definitely continue growing in terms of top and bottom line. This is what we have seen Q3 versus Q2, and that trend will continue moving forward, both in terms in top and bottom lines.

Dixit Doshi

Yeah, thanks for the opportunity. So, I have a question regarding our export business only. As you've mentioned, we are at INR 1,700 crore order book as of Q3. I think the last month we received a $20 million order from Mozambique. So that is not included in this. So our order book would be INR 1,900 crore approximately as of today?

Rahul Mithal

Yes, very correct. This INR 1,700 is as of 31st December. This order of about INR 180 odd crores has come in Q4 in January. So that's not included in INR 1,700.

Dixit Doshi

Okay, thank you. So, inthis INR 1,900 crores, what would be the execution timeline for this? And you mentioned that now since we are getting these orders through competitive bidding, so earlier what we used to do, say, 25% kind of margin in export, now I think this 12% to 13% would be more sustainable. Is it fair to understand?

Rahul Mithal

Yes, sir. Assessment is very correct. And in terms of timelines, you see, this is a mixture of locomotives and coaches orders, mix of different orders. Well, on an average, they have an execution timelines of about two to three years depending on locomotives sometimes have larger timeline. But, on an average I would say anything between two to three years. And you're correct, that this is the level of margins which will stabilize over a period of time, since most of them, including this most recent order of Mozambique, which we got in Q4, that's also on a competitive basis.

Shreyans Mehta:

Yeah, thanks for the opportunity. Sir, you guided for closer to 15% PAT margin, wherein if I look at the nine-month number, we are closer to say, upwards of 18% - 19%. So, is it that we are guiding conservatively or probably we would see some margin degradation going forward?

Rahul Mithal

Good morning, Shreyans. You see, the Q3 has given good margin because the mix in revenue, and if you see carefully, it's more of consultancy and export vis-a-vis turnkey. So, what I had said was that 15% is our red line in terms of PAT margins and 20% is our red line in terms of EBITDA margin. So, it will be fair, not really realistic to take one quarter to be an indicator. But yes, definitely it will be above 15% and above 20% on an average six-monthly or an annual basis.

Shreyans Mehta

Got it, sir. And then how should we look at export contribution in FY27?

Rahul Mithal

So export, the order book is now INR 1,700 crore as of 31st December and another about INR 180 crores, which we got in January. So, I think, as I mentioned, about two to three years execution time you could see an average output. Definitely, now there's no looking back every quarter. That gap that we had of about two years of literally zero, pulling down the overall top and bottom line, now every quarter you would only see an upward swing.

Shreyans Mehta

Got it. I have a couple of more questions. I'll join back in the queue. Thank you and all the best.

Manan Poladia

Hi, sir. Congrats on a good quarter. Thanks for the opportunity. One question on the order book side. We've seen that there's a big delta quarter. The quarter, if you look at competition and nomination, I think it's jumped from 56 to 61. Just curious if you can give some color on like why the big jump and should we expect it to be this way? Secondly, just some color on what specific projects are you still getting under nomination considering the competition in the consultancy space as well?

Rahul Mithal

So, you see, in fact the fresh order inflow in competitive business is literally more than two-third or roughly 70% plus. That breakup of 61 is basically the existing order book breakup. It is the breakup of the order book of INR 6139 crore. But in terms of fresh order inflow, it is literally about two-third or about 70% on.

So most of the orders we are getting, whether it is across sectors, whether it's domestic or international -- including, as I said, this recent export order also, are on competitive basis. By nomination would mean primarily maybe few orders which are there in some MOU or in terms of some agreement, either with some PSU or some central or state government. And that too primarily in terms of, let's say, our skill, which has been there and working with them for long, those are some of the agreements which we still managed to get it on nomination. But primarily, I would say that most of our trend, every quarter, the fresh inflow contribution of competition in fresh order inflow is getting higher.

Manan Poladia

But would you say that the nomination orders that you are getting had significantly higher margin than your competition orders, or would there not be that good of a choice?

Rahul Mithal

No, not really. In fact, to the contrary, what has happened is that even the few orders that we are getting on nomination, because of the bulk of the orders and the margins being lower in competition -- competitive orders, even those clients are revisiting the nomination and the agreements, etc., and having hard-nosed negotiations to lower the margin. So that's why, whether it's a competition or a nomination, the overall scenario is that now you have to work on a broad higher competition, tough lower margins kind of scenario.

Moderator

Thank you. Ladies and gentlemen, you are requested to restrict yourself to one question per participant. And if time permits, you may join back the question queue.

The next question comes from the line of Viraj Mithai from Jupiter Financial.

Viraj Mithai

Thank you for the opportunity. My question is, you mentioned the word disruptive growth in the result. Can you give some color on that? That's a very strong word to mention.

Rahul Mithal

Yes Viraj, and we say it with a full sense of responsibility that FY27 is going to be a year of disruptive growth. You see, as you've been watching and many of your colleagues and peers have been watching our performance, and every quarter the road map which we have been saying, you see 'FY 24-25 was a year of consolidation. It was the year of bottom growth. I mean the bottom of the barrel and then we consolidated, revisited, started getting orders. FY 25-26, I had forecast will be a year of growth vis-a-vis FY 24-25, so we are aiming for a double-digit growth.

But since, as you see, the order book has been an all-time high and growing steadily. And these orders are now started generating revenue in every quarter sequentially, whether they are export orders or whether they are turnkey orders or consultancy orders. So, definitely, we are poised now to extract the maximum from these orders, and that's why Q4FY26, Q1FY27 onwards, even more, Q3FY26 has been higher than Q2FY26 in all parameters. So that's why we see FY27 being pitched as a year of disruptive growth. And I repeat, that that is because that is in all parameters we see, firing on all cylinders to be able to make good the slide that we had, and especially in ’24, ‘25.

Viraj Mithai

So, does it mean you’ll be going upwards of 20% in terms of revenue?

Rahul Mithal

Well, it may be premature and kind of speculative to give numbers right now. But definitely, you can see the way things are moving on all our order book, four streams of revenue, that we will definitely aspire to be not just a year of growth, but a year of disruptive growth.

Viraj Mithai

And the quality assurance business is back, sir? Can we assume that?

Rahul Mithal

Yes, it's definitely back. It's coming back to the level that it was, where it was, but we had hit the bottom on FY23-24, where the competition had just kicked in. So, this year we are trying to after a gap of one and a half years. After revisiting and restructuring the entire business, we are coming back to that levels that we -- when we got the bottom of the barrel in FY23-24.

Parimal Mithani

Sir, I just wanted to know, in REMCL business, with Indian Railways electrification coming almost 99% completion, how do you see the business going up? Because I think we reported good numbers in the REMCL. And for the first time, we have order book in REMCL.

Rahul Mithal

Yes. So, good thing about RMCL is that, it is definitely banking on the increased electrification and the increased traffic, so it is getting increased consultancy and that is contributing to the revenue and the profitability. It's been doing very well, sequentially growing, YoY growing, operating at about 50% plus PAT margins.

The other thing is also that it is working on -- it has again finalized another 1,000 megawatt RTC tender, which is a third one. So now we have done 3 tenders totaling to 2,500 MW. And each of these tenders that we finalize requires huge amount of effort, and we get the consultancy fee from that. So that's another thing which got finalized in quarter three, a 1,000 megawatt RTC round the clock tender, so which also gave us consultancy fee.
REMCL is also now exploring and already started getting orders of consultancy in other streams of renewable energy, building up on its experience of 10 plus years. It is also exploring avenues for international consultancy in renewables. So, all the four fronts, REMCL is growing. That's why you can see a growth in both the revenue, profitability, and the order book.

Parimal Mithani

So this INR 120 Cr. is for the consultancy part of the business of REMCL, which is independent?

Rahul Mithal

Yes, it's a combination of all..

Yash Jain

Sir, I just wanted to know more about the competition in the consultancy segment. So, is there any specific sector where we are facing a lot of competition or any sector which we have backed out to save margins?

Rahul Mithal

You see, we have 13 different verticals, so all areas of infrastructure, except oil and natural gas. And each of these sectors have different levels of competition, different category, and different types of competitors, some international, some domestic, some international competitors will set up shop here. And definitely, depending on the competition size, the levels of margins of competition are different in different verticals. So, it's not that we have stepped out, out of any of the verticals. We are getting orders in each of these verticals. We got 143 orders in quarter three at a strike rate of 1.5 orders per day.

So yes, only thing that we are very clear is, that we don't compromise beyond a point in our bidding, to be able to overall have very, very tight margins. Because as I said, our overall blend, we have targeted of keeping 20% plus EBITDA margins.

Anand B

Yeah. So, regarding the execution tenure of these export orders versus the Mozambique order of locomotives, and a couple of other orders from Ntokoto Rail Holdings, African Rail Company, Talis Logistics in South Africa, can you just tell me the status of the execution timeline of these orders?

Rahul Mithal

Yes. Anand, so as far as the Mozambique order is concerned, it was about 10 locomotives, out of which two got shipped out in Q2 , two in Q3. And that is the uniqueness of the export business, that the revenue gets booked only when the shipping bill is made. So even if the locomotive is made, reaches the port, but we recognize the revenue and actually the shipping bill is made. So, two plus two, four have gone out of these -- out of these 10. And we are hoping and targeting that at least minimum of four more should definitely go in Q4. So, these are on track, and we expect to complete the order of 10 locomotives ideally definitely latest by Q1FY27, if not by end of Q4 or early Q1.

And the other orders are there. One is the most recent order of five locomotives which we got. That was an order for Mozambique. The other order which we have got, a series of orders, those are for the in-service locomotives, which is the in-service diesel locomotives, which are spare in Indian Railway due to electrification. We are converting them to the cape gauge, which is a smaller gauge in Africa, about 11 countries, and we have got orders, different orders totaling to about 30 locomotives.
This is a developmental initiative. We have got the designs approved. The manufacturing of the first two locomotives has started. And definitely, we should be able to move them in the early FY26-27. And once these two go and run the proving trials there, the production of the balanced locomotives will be much quicker, because these are the first two converted locomotives from broad gauge to cape gauge that will be shipped out.

Anand B

Okay. You mentioned that you're expecting to complete within FY26 in the previous quarter. So would you still stick to a timeline or?

Rahul Mithal

No. as I said, this is for the Mozambique 10 locomotives new order. We are still targeting. As I said, four have gone, at least four more definitely in Q4FY26. The last two -- because they go in lots of two. The shipment happens in the lots of two. So maybe we will try and pull it up to end of Q$FY26, but it may slide to Q1FY27 latest in terms of actual shipment, etc.

Anand B

You were referring to the rest -- the other export orders, the Ntokoto Rail Holdings, African Rail and Talis Logistics.

Rahul Mithal

That's what I said, those locomotives are all -- the order of 30 locomotives are different orders. They are all in-service locomotives converted from broad gauge to cape gauge. And the first two of those are under production, and they will definitely be shipped out by early Q1FY27. And once they reach there and they go through the prototype trials and get the prototype approvals from the African Railways, then the balance would be shipped out. And subsequently, the production will start.

Vishal Periwal

Thanks for the opportunity. Sir, on our turnkey segment, I think we have been reporting good order inflow and order book buildup is also there. But in terms of execution, I mean like, not seeing a similar sort of optimism. So can you give some colors, where exactly things are? Are they slow moving orders which are impacting the execution out there? Any color that you can provide, sir?

Rahul Mithal

You see this turnkey order book of about INR 4,500 crores, about 65% of it is about a year now, a year old. And as I had indicated in last H1and Q2, that we -- these are now in the stages where all the designs have been approved, the execution agencies are in place and the execution at the ground level will start, and we will see a sequential growth. And that's what, if you see Q3 vis-a-vis Q2, there's an upward tick of about INR 60 crores in turnkey execution. And now most of them are now in the situation where moving forward, Q4 you will see definitely a double-digit, uptick vis-a-vis Q3, etc.

So all of these turnkey orders, because most of these have a timeframe of about three to four years. And by the end of first year onwards by the, you know the 12th to 18th month period, that's when they actually start booking revenue in terms of actual physical execution and the revenue realization happening. So, the upward tick of about 60 odd crores has already happened, Q3 vis-a-vis Q2. And every sequential quarter, there will be a substantial growth in contribution from the turnkey segment.

Vishal Periwal

Sure, sir. That's helpful. And I think you did mention good year in FY27. So is it fair to say probably the good -- I mean, like you know, in terms of execution, it will start in Q4 onwards? Because you did mention turnkey will have good numbers also, and others will follow. So, is that fair to say, quarter four onwards, we'll have a decent jump in the revenue growth?

Rahul Mithal

Yes, definitely. So quarter four, whether it is the export execution or the turnkey execution, quarter four, we are poised to be much higher than quarter three. So that our overall FY26 is definitely on a double digit, aiming to have a double-digit growth in revenue vis-a-vis quarter – vis-a-vis FY25. And definitely, Q4 being more than Q3, that gives us the confidence that sequentially this growth will see FY27 being definitely of a much higher level of growth vis-a-vis FY26.

Uttam Srimal

Good morning, sir. Thanks for the opportunity. Sir, if you see in nine months, as far as the export is concerned, so we have done a revenue of INR 126 crores. So now sir, what would be our guidance for quarter four in terms of export revenue? And for that sir, once we ramp up this export revenue, so can we -- can our margin will also be increased from 13.4% to 15% once, or there will be some operating leverage benefit once we ramp up the export orders going forward?

Rahul Mithal

So, in terms of Q4 revenue, you see this nine month, this revenue which has been there is about four locomotives, about INR 120 odd crores. And as I said, definitely, we will be able to ship out four more locomotives in Q4. So at least a step up of another about INR 120 crores minimum export revenue should be there in quarter four. And we are also moving forward, we will see with the other locomotives and the Bangladesh coach order in the coming quarters, in the coming FY. It should definitely start execution and contributing to revenue.

As far as the margin question you asked regarding the export stream of revenue, especially which is around about 13%, this as I have said, that most of these orders are on competitive basis. And this is the broad range where on an annual or a half yearly basis, the export margin would settle down. A particular quarter may not be a right indication, but this is a broad range where on an average basis, the export margins would settle down.

Manan Poladia

Hi, sir. Thanks for the opportunity again. So, my question with respect to your turnkey business, clearly your execution has picked up this quarter and like you're saying, next quarter as well. Curious if we will close somewhere around the 600 - 650 mark this year. And if you could guide a range for the next year as well as with the PBIT margin, I think that would be great, sir. Thank you.

Rahul Mithal

So, in terms of turnkey, the indication, what we are seeing in terms of execution of the INR 4,500 crore order book, is that we are aiming for at least double-digit growth in turnkey, in Q4 vis-a-vis Q3, and we will try and touch the last year overall annual levels of turnkey contribution. Because you see, if you compare with last year, in certain quarters the turnkey revenues were high, because those were the contribution from the earlier older orders, and now in Q3, Q4 onwards, the contribution of turnkey revenues from the new younger orders.

So, on an annual basis, this would be the comparison. But moving forward, Q4FY26, Q1FY27, and Q2FY27, etc., every quarter the contribution from the turnkey segment should gradually have a sequential -- we target about a sequential growth of about double digit. In terms of overall margin, the turnkey has a lowest contribution margin. But as I said, then we plan strategically, in every quarter, execution of the various streams of revenue, so that an overall mix of ideal margin of above 20% we are able to ensure.

Manan Poladia

Just a quick follow-up on that. I think last couple of quarters since you had a higher mix of consultancy, our margins have trended closer to the 23% - 24% mark than the guided range. Next year, since we see turnkey going back up, 20% is the number that we should pick?

Rahul Mithal

Yes, for sure. That's why I've been saying that on an annual basis our red line is 20% EBITDA margins. And we will try and definitely maintain that on an half yearly or an annual basis, with balance between all streams of revenue, export, consultancy, turnkey, etc.

Shreyans Mehta

Thank you for the follow-up. So, my question is pertaining to our consultancy segment. So, if you see in terms of order book or revenues, it's largely in that 3% to 5% growth range. So, any plans to scale this up, say, at least what export orders are or probably you know in -- probably that 10% to 15% mark over the next, say, two to three years, how should one look at the consulting fee segment in terms of order book and revenues?

Rahul Mithal

Shreyans, you see, in consultancy, that is the sector where the highest level of competition is there in terms of fresh order inflow. So, if I say that 70% odd today is the ratio overall in our fresh order inflows in a competitive basis, the larger percentage is in terms of the consultancy order. And that's why you see a smaller bump in terms of the revenue growth or the profitability, the profit -- actual profit growth.

But having said that, since we are constantly trying to get more and more orders at a strike rate as I said of one plus order a day, and the consultancy order book is growing. Yes, you're correct that it is at a rate of about 5% odd. But definitely, it will -- we are trying that, and we feel that as we expand more and more, including international orders, we've had a number of bids in international orders also, we feel that we will aim to try and touch 10% odd in terms of growth in consultancy.

Shreyans Mehta

Got it. So and sir, if I can just add one more question. To previous participant you said, next year we'll be giving out a few -- rolling out a few export orders, and the first batch would be on a trial basis. So, what would be the time lag between the -- when we get the confirmation? So what I'm trying to understand is, could there be a case where they are taking more time, and because of that, our revenues from exports could be postponed towards FY28?

Rahul Mithal

Not really, because now strategically, the INR 1,700 crore order book that we have in export, plus the INR 180 odd crore, which you recently got in January, so about INR 1,900 odd crore. That also has the coach, Bangladesh coach order of about INR 900 crores, which definitely the shipment will start in the coming

FY. So, it's a varied mix. Plus this Mozambique order which we have got, this is of new locomotives, which is similar to the locomotives, which we are currently exporting, the old order of 10 locomotives.

So, there is a mix of all types of stock in our export order book. So, we are definitely going to be able to not get bogged down by -- if by chance there is any delay in one -- this approval of this particular type of new developmental order. I don't see -- so that is the key strategy. That dip that you saw about two years back, subsequently for about two years in export revenue contribution, I don't foresee happening, that happening again now.

Parimal Mithani

So, in terms of the budget, there has been increased allocation in terms of the neighboring countries, in terms of capital assets by Ministry of External Affairs]? Do you think it will benefit us in the long run since we have presence in all these areas?

Rahul Mithal

Yes, definitely. In fact, all the allocation, whether it is in the infra-domestic sectors, highways, railways, MRTS, city development, urban infra-ports, waterways, and international, all these areas, these freight corridors, these high-speed corridors, the mineral corridors, each one of these has already our presence. And in fact, in our international business, which we call RITES Videsh, at Q3 end we have an order book of INR 2,150 crores, which includes the INR1,700 crores of export. So, which is an all time high ever, which is the highest ever RITES Videsh order book, which RITES has had.

So, this is an uptick in our international business also. So, whether it is the domestic or the international, all aspects in this budget allocation are definitely going to be useful for us, and we're going to leverage that.

Viraj Mithai

Yes, sir. I wanted to ask, like, do we still maintain the one consecutive order target a day?

Rahul Mithal

Oh yes, Viraj. We have maintained that steadily. In fact, quarter three, we have got 143 orders, which is a strike rate of 1.5. So, now successively for about seven, now eighth quarter, we have been able to maintain a strike rate of one order a calendar day.

Viraj Mithai

And sir, do we maintain -- intend to maintain our dividend policy for 95% payout in the going forward also?

Rahul Mithal

Yes, for sure. We maintained that in Q3, and as I have been reiterating in every quarter, our business strategy is very clear and transparent, and we don't like to bring any surprises. So, our broad policy of giving a high dividend payout would definitely be maintained.

Harshid Kapadiya

Yeah. Hi. Thanks for the opportunity and good set of numbers. Good to see growth coming back and margins also sustaining. Congrats on that. Just a few -- one question from my side. On the consultancy side, sir, could you break the revenue in terms of how much has been from the QA and non-QA in terms of consultancy? That’s one question.

Rahul Mithal

Good morning, Harshid. So, thank you. You see, I can only tell you broad numbers in QA. QA, the levels which we were at FY23-24, the year when the competition -- competitive orders stuck in, and there were four players besides -- I mean, three more besides us. This year, the way nine months have gone, we will -- and the way we have planned Q4, we will definitely, after an entire, reinventing the whole business, taking on new clients, varied clients, including some international order, we will come back to that level after the first time in terms of the revenue where we started in FY23-24. So that's a huge, huge recovery.

Obviously, the bottom-line contribution from QA will not be there, but we will definitely come back to that level. And by next year you will see a double-digit growth in terms of the QA contribution to my consultancy.

Yash Jain

Thank you for the follow-up question, sir. Can you just throw some light on the working capital requirements in the export segment, especially after the competitive orders we are getting?

Rahul Mithal

There is hardly any working capital requirement. Most of it, we covered by advance. Also, our orders are structured like that. And it is very, very minimal, and in fact, it's a very staggered requirement. So, that's why we -- that's very minimal and insignificant.

Anand B

Yeah, thanks for the follow-up question. So, can you just tell me what would be your, you know, expected breakup in terms of revenue breakup between consultancy, especially from turnkey, export and leasing for FY27 and FY28? Some [indiscernible 00:43:41].

Rahul Mithal

So, the FY27, a breakup of between all the segments right now would be to -- I mean, speculative to be able to give you. But definitely, on an average basis, you see our business strategy has been that consultancy and export, because export also we count as a kind of a type of consultancy business, and that's what our -- we are a consultancy company. So, consultancy and export combined would definitely be in the range of about 70% odd, which has been our broad business strategy.

And on an annual basis -- if you look at quarter basis, sometimes they tend to get deviated from that because of the -- one particular stream contributing more. But on an annual basis, consultancy plus export would contribute about 70% odd, and the leasing in about 5% odd and the balance from about turnkey. So that's broadly what is our business strategy, which we try to achieve on an annual basis.

Raghav Maheswari

Yeah. Thanks for the opportunity again. Sir, just one small question. So we have a good order book or I don't know, a high order book over INR 9,000 crores. I just wanted to understand, how much of the order book we are booking, like, in terms of revenue? How much of the revenue booking in terms of percentage for, let's say, for each quarter? So like, in terms of percentage, can you -- if you can guide?

Rahul Mithal

No. It's not really. You see, this order is a combination of four streams of revenue, which we have of our business. So consultancy is INR 2,750 crores, export is INR 1,700 crores, turnkey is INR 4,500 crores and balance leasing and REMCL is about INR 300 crores. So each one of these, and these total add up to about 700 plus orders, which total up to this INR 9,262 crores.

Now each of these orders, they have definitely different timeframes. Like in consultancy some are studies, which could be a six-month, nine-month study. Some are project management consultancy, which are a percentage of the infrastructure getting created. So they have a timeframe of about three to three and half years. And export, again as I said, have about two to two-and-half years.

Leasing, again, some are long-term leasing contracts, some are about two-year leasing contracts. So, to put one number as an average would not give a correct picture. But what you should definitely see is the overall revenue trend, and overall revenue, nine month, if you compare vis-a-vis YoY, in terms of profitability, there's about 10% growth. And that's what the guidance, you will try and see FY-to-FY to see our top line and EBITDA trying to reach at least a double-digit minimum.

Harshid Kapadiya

Yeah. Thanks for the opportunity again. Just wanted to check on the turnkey construction side. Since sir, from last three quarters, the revenue is continuously declining only, and our order book is increasing. So where are we in that cycle where we will see the growth coming? Will it be Q4 or do you think it will be next year?

Rahul Mithal

So Harshid, in terms of the total turnkey, yes, it is declining. But, as I said, many of these orders were the last phase of the earlier order book. And the new order book of about 65% of INR 4,500 crores is about a year of plus old, and if you see, these orders have now started giving contribution. So, if you see sequentially, there's a growth in INR 60 crores in turnkey. So, it would not give a correct picture if you compare YoY. If you compare sequentially, there's a growth in turnkey in INR 60 crores as these young orders have started giving revenue. And definitely, Q4 will be definitely minimum 10% higher than Q3 in terms of turnkey.

So, every passing quarter, these turnkey projects now are in those timeframe between the 12 to 18 month timeframe, where the work has started on the ground level and the revenue booking has started. So, every quarter sequentially, you will see growth in the turnkey contributions. The realistic picture will be to see a sequential growth, because the YoY will not really give a very clear picture in terms of comparison. That was an older order book finishing, and this is a new order book kicking in.

Harshid Kapadiya

Understood, sir. I have one more question. I'll just ask you after. Thank you.

Vishal Periwal

Yes, sir. Thanks for the follow-up. Sir, even on the turnkey segment, sir, even if we do QoQ 10% sort of growth, I think YoY things still will be weak. I think they will decline 5% - 6%. So, probably it looks like the execution is picking up, but the real -- I mean, the benefit of execution could happen in quarter one of next year. Is that's fair to understand?

Rahul Mithal

Yes, you're correct. Your assessment is very correct, because YoY definitely will be down. If you compare FY26 with FY25, it will be definitely down. As I said, because there's a gap of few quarters between the old order book winding up and the new order book kicking in. But as I said, the aim is to increase sequentially as much as possible, so that when you compare maybe H2 this year with H1 and H2 next year, those would give you a better comparison in terms of sequential growth.

Vishal Periwal

Sure, sir. And maybe one last thing. On the Bangladesh order, whatever is happening country-to-country level and the relationships and all. So does this have any bearing in terms of our order execution? Second is recovery of the one-time dispatches has already commenced. So, any color that you can provide and that will be helpful to us and the market, sir?

Rahul Mithal

No. I think our order is safe. One is in terms of this an EIB-funded order. We have already received the advance, the six types of coaches which are there. Four types of coaches, the prototypes have already got approved and the production of the prototypes have started. We are targeting the first rake definitely by early next FY.

So, this 200 coaches, which is about 10 odd rakes, these are on track. And we don't see -- we're in very close -- the Bangladesh Railways in very urgent need of these coaches, and the funding is in place. As I said, the advance has already come in. So, I don't see any challenge whether in terms of executing this order or getting our money.

Anand B

Yes. Thanks for the opportunity. Just a follow-up from the previous question. I just asked about the Bangladesh order. So, in mentioning the presentation will be executed in 2029 only. So, since there's no urgent need of these coaches, so let's stick to that timeline only, and the execution in 2029 only? So there'll be no revenue realizations in the next year or anything of that sort?

Rahul Mithal

No, -- let me clarify. The Bangladesh order is 200 coaches, and the first rake of 20 coaches, we are definitely targeting to ship out in next FY. So, the execution of the Bangladesh order should definitely start from this coming FY27.

Anand B

Okay. So, early FY27 the first 20 coaches, and then rest of it in the next couple of years going forward, like that?

Rahul Mithal

Yes. So normally, we will be sending it in rakes of 20 coaches each. So as I said, the first rake of 20 coaches, we are trying to -- definitely things are on track. As I said, the prototype approvals have happened, and the -- now the production is going to start in a bulk way with the prototype also getting more fine-tuned. So, as I said, the early FY26-27, the first rake should start moving out and subsequently the other rakes in 20 coaches each.

Anand B

Okay. And they would be targeting towards the 2029 where the entire 200 coaches will be executed by that time line?

Rahul Mithal

Yes, Outer limit, so that's the contractual requirement, FY29. But as I said, we will try and see to optimize and maximize, expedite it to the extent possible. That's the outer limit as per the contractual agreement.

Harshid Kapadiya

Yeah, thanks. And sir, just wanted to check sir. I know you have spoken about the railway, but in a positive way. But if you look at some data points, like the increase in the construction of new lines as well as doubling of lines, in terms of value, we have seen a very decent growth, as in leaning anywhere between 10% to 20%, but in terms of kilometers, we have seen a decline. Okay, in terms of -- so just wanted to check. Is it right to assess? Maybe not from FY27 perspective, but probably we have reached a stage where the number of kilometer addition every year will not be that substantial. It's just that value is higher because of maybe commodities are valid to that extent. So probably maybe we are nearing an end to the rail construction cycle. Is that right, fair in assessment according to you?

Rahul Mithal

I don't agree with your assessment. If you see, the kind of the seven high speed corridors, the East-West freight corridor, the mineral corridors, each of these are the huge amounts of large kilometres. So each one of them, and for us as a consultant which has been associated with such corridors in the past, whether it is the DFC's, whether it is the current high speed two corridors, which we are doing the DPR, etc. So, we see each one of these as a huge opportunity for all our various activities that we do in terms of study, alignment studies, PMC, etc.

Harshid Kapadiya

Okay. And sir, on the seven high speed rail corridors which have been announced, have we done all seven of them, or are we involved in any one of them, sir?

Rahul Mithal

Currently we are doing two, DPR's for two, which have been -- which are in process for some time now.

Harshid Kapadiya

Okay, sir. Fair enough. Thank you very much and wishing you all the best, sir.

Rahul Mithal

Thank you.

Moderator

Thank you. As there are no further questions, I would like to hand over the call to the management for their closing comments.

Rahul Mithal

Thank you, all, and thank you for the avid interest and the questions which I got. As I say always, that it's a learning experience for my team and me also. As based on your questions, we revisit our strategies and see what better we can do.

As I said, we are the way -- it has been a satisfying quarter in terms of being able to move in a steady and focused manner in all the areas which we had and all the milestone and all the strategy points that we had laid down at the beginning of the FY and we had reiterated at the end of H1. So, we are poised to leverage and build up on that on Q4. And I assure you that we are, as I said, firing on all cylinders to be able to definitely surpass the previous FY and also create the sufficient ground for next FY to be a year of disruptive growth. Thank you.

Moderator

Thank you, sir. Thank you all for being a part of the conference call. If you need any further information or clarification, please e-mail at investors@rites.com. Ladies and gentlemen, this concludes your conference for today. Thank you.

-End-