RITES
THE INFRASTRUCTURE PEOPLE

आज़ादी का अमृत महोत्सव

राइट्स लिमिटेड
(भारत सरकार का प्रतिष्ठान)
RITES LIMITED
(Schedule 'A' Enterprise of Govt. of India)

No. RITES/SECY/NSE **दिनांक: नवंबर 13, 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

विषय: **निवेशकों/विश्लेषकों की बैठक के परिणाम -** 30 **सितंबर**, 2026 **को समाप्त तिमाही और छमाही के लिए अलेखापरीक्षित वित्तीय परिणामों पर चर्चा करने के लिए आयोजित कॉन्फ्रेंस कॉल का प्रतिलेख**

Subject: **Outcome of Investors/ Analysts Meet - Transcript of the Conference Call held to discuss Unaudited Financial Results for quarter and half year ended on September 30, 2026**

प्रिय महोदय/महोदया,
Dear Sir/ Madam,

भारतीय प्रतिभूति और विनिमय बोर्ड (सूचीबद्धता दायित्व एवं प्रकटीकरण अपेक्षाएँ) विनियम, 2015 तथा उनमें समय-समय पर किए गए संशोधनों के विनियम 30 के प्रावधानों के अनुसरण में, कृपया 30 सितंबर, 2026 को समाप्त तिमाही एवं छमाही के लिए कंपनी के अलेखापरीक्षित वित्तीय परिणामों पर चर्चा हेतु 5 नवंबर, 2026 को विश्लेषकों एवं निवेशकों के साथ आयोजित कॉन्फ्रेंस कॉल का प्रतिलेख संलग्न है।

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, and amendments thereof, please find enclosed herewith Transcript of the Conference call with analysts and investors held on November 5, 2026 to discuss the Unaudited Financial Results of the Company for the quarter and half year ended on September 30, 2026.

कृपया इसे रिकॉर्ड पर ले लें।
Kindly take the same on record.

आपको धन्यवाद।
Thanking You,

भवदीय /Yours sincerely,
राइट्स लिमिटेड के लिए/For RITES Limited
Nikhil Agarwal
Digitally signed by Nikhil Agarwal
Date: 2026.11.13 11:20:41 +05'30'
(निखिल अग्रवाल)/ Nikhil Agarwal
कंपनी सचिव और अनुपालन अधिकारी/ Company Secretary & Compliance Officer
सदस्यता संख्या / M. No. A42626

RITES Limited

Q2 FY27 & H1 FY27 Results Conference Call

Event Date/Time : 05/11/2026, 11:00 Hrs

CORPORATE PARTICIPANTS:

Mr. Rahul Mithal

Chairman & Managing Director

Dr. Deepak Tripathi

Director (Technical)

Mr. Krishna Gopal Agarwal

Director (Finance) & Chief Financial Officer

Moderator

Good morning, ladies and gentlemen. I am Kartikeyan, moderator for this conference. Welcome to the conference call of RITES Limited to discuss its Q2 FY27 and H1 FY27 results. We have with us today, Mr. Rahul Mithal, Chairman and Managing Director; Dr.Deepak Tripathi, Director (Technical); Mr. Krishna Gopal Agarwal, Director of Finance and Chief Financial Officer; and Mr. Prem Singh Meena, Director (Projects).

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, and 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.

At the outset, I would like to just correct Kartikeyan, Director (Projects), Mr. Meena, has not been able to join due to some exigency. The other directors are here and the company secretary.

Let me give the opening summary on our perception of the Q2 results. The performance has been muted, and an analysis of it shows that it is primarily due to two to three important revenue milestones sliding marginally by a few days (10-15 days) into Q3. So that has affected both the top line and the bottom line, then that has had an impact both on YoY, both Q2 as well as H1 to H1.

But the way the execution has been planned, we are quite reassured and confident that the guidance which we had given at the beginning of the FY and reiterated at the end of Q1, that remains on track. So, that's the broad overview, and I'll get into details as we proceed ahead with the detailed questions.

Moderator

Thank you, sir. Ladies and gentlemen, now, 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. Time permits, you may

join back the question queue. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question is from the line of Gaurav Giridhar, an individual investor. Please go ahead.

Gaurav Giridhar

Good morning, sir. Thank you for giving me the opportunity. I'd just like to ask that how would be the margins going forward? Will they be, you know, on a growth trajectory? Will they be on the same level? How would it be?

Rahul Mithal

Morning, Gaurav. So, if you see the margins for Q2 and also if you see the margins on an H1, we are the EBITDA margins on a console basis are at 22% and 17% on the PAT margin, which as we have been giving the red lines for EBITDA margin on 18-20% and PAT margins for about 15-16%. These red lines, we are very confident that even on a quarterly basis, on a half-yearly basis, and an annual basis, we will not breach in any way.

However, on a particular quarter, based on the blend, because as you see, in this quarter itself, there has been a substantial contribution of the turnkey segment. YoY, there's an increase in about INR 70 crores in turnkey, whereas export, there's a dip of INR 60 crores. There was zero booking of export in this quarter.

So, the blend change will, in fact, impact the margins. But on an overall, this is the level, by and large, on an annual basis that we'll remain on, especially in the second half as the export delivery picks up pace; it will be slightly higher margins compared to obviously the turnkey segment.

Gaurav Giridhar

Okay. Thank you so much. I'll come back in queue.

Rahul Mithal

Thanks.

Moderator

Thank you. Ladies and gentlemen, if you have a question, please press * and 1 on your telephone keypad. We have the next question from the line of Mr. Vishal Periwal from PL Capital. Please go ahead.

Vishal Periwal

Yes. Thanks for the opportunity. Sir, a brief has been provided in the presentation that the delivery for the Bangladesh coaches has begun. So, I think it is mentioned one rake is already delivered. In terms of more numbers, can you provide, like, in this quarter, how many are expected? And then at Q4, I mean, what sort of number do we expect to make in this order?

Rahul Mithal

So, yes, Vishal, morning. As I mentioned, this first rake -- being the first rake, it required a lot of final checks, inspection by third party, etc. So, while we were targeting it at Q2, it slid by about 10-12 days. And in fact, that has had an impact both on the top line and the commensurate bottom line of Q2. But once the first rake has gone and it is now being put into service there very shortly in Bangladesh. So the learning experience for both us and Bangladesh Railway will expedite the production for the subsequent rakes.

I foresee that regular basis, while in the second quarter -- I mean, the Q3, the second rake would near completion. But again, revenue booking, as you know, in export happens in final dispatch. So, I would -- while the efforts are on, but I think the deliveries of these subsequent rakes would happen Q4 onwards. And whether it is about two rakes or three rakes, we will try and fine tune. And by the end of this quarter, we'll get a better picture, but definitely, at least about two rakes minimum in Q3/ Q4.

Vishal Periwal

Okay. So, we have total 10 rakes, one is delivered, another two in the remaining part of financial year and then seven will go to FY28. Is that fair to understand?

Rahul Mithal

Yes, very much so. In fact, the balance seven rakes will pick up pace very soon after the second rake onwards because, when the design and the manufacturing and the acceptance will get streamlined, so, the seven rakes, definitely, they have to contractually also get finished in the next FY. So, the pace of picking up the third, fourth rake onwards will be very much faster.

Vishal Periwal

Sure, sir. I think this is very helpful. Maybe a similar thing, if you can provide on Mozambique, that will be a lead, sir. I'll come back in the queue for more, sir.

Rahul Mithal

Sure.

Moderator

Thank you. Ladies and gentlemen, if you have a question, please press * and 1 on your telephone keypad. We have follow-up question from Gaurav Giridhar, an individual investor. Please go ahead.

Gaurav Giridhar

Thank you so much for the opportunity again. Sir, I would just like to know the effects of the recent 8th Pay Commission on our goods, how would it backtrack?

Rahul Mithal

Yes. Gaurav, I'm glad you raised this point. This is a very important hit that we have to account for and- the provisioning will start from the Q4. We have already done the calculations, trying to fine tune it based on the last pay revision, which happened in 2017. And based on this, this is equivalent to like for the CDA pay scale, it will be 8th Pay Commission. For PSUs, for the IDA pay scale, it will be 3rd Pay Commission. And it is effective from 1st January 2027. So, the provisioning as part of good governance has to be started from Q4. It's quite a substantial amount.

We are still working out the exact numbers based on the last trend, which was there and considering our strength has increased quite substantially in the last 10 years. This provisioning will start from Q4 and will continue then on a regular basis on every quarter, till even the final commission results, I mean, the recommendations are approved.

Gaurav Giridhar

Thank you so much for the information. It’s quite useful, thanks.

Moderator

Thank you. Ladies and gentlemen, if you have a question, please press * and 1 on your telephone keypad. Next question comes from the line of Lakshmi Narayanan G. K. from Ksema Wealth Private Limited. Please go ahead.

Lakshmi Narayanan G. K.

Thank you for the opportunity. Sir, could you just give a list of the export orders which are yet to be delivered, sir?

Rahul Mithal

Yeah, morning. So, as I think one of your -- I think Vishal had asked, the Bangladesh order, I had given the details about nine rakes are left, which is about 182 coaches. 18 coaches went in the first rake. And the major order which is pending is the FY, that is the ICVL Mozambique of five locomotives.

So, these are the major bulk orders. And as you said, we are trying to start in a short compressed time because this is a recent order, but still we are stepping up, trying to start the deliveries of the Mozambique locomotives, at least take the first locomotive in Q4. Major export of rolling stock orders.

Besides, there are orders for the development that we did for conversion of the in-service diesel locomotives to Cape Gauge and Standard Gauge. Those are also there, but those are in bits and portions of two locos, four locos, etc. And those are more of developmental orders, which may have a little longer lead time because as the first trial development locos goes and get approved, then the other locos start progressing.

Lakshmi Narayanan G. K.

Understood, sir.

Moderator

The next question comes from the line of Aryan Shetty from Lennox Capital. Please go ahead.

Aryan Shetty

Hi. Thank you for giving the opportunity. So, I wanted to ask, is the FY27 growth guidance still realistic? Because H1 revenue grew about 5% and Q2 only about 1.5% against the guidance that you have given of

a double-digit growth rate this entire year. So, to get there, I think you would have to grow about 14-15% in the remaining quarters. So are we still confident about that growth in FY27, or will it be shifted to FY28?

Rahul Mithal

Yeah. Go ahead. Am I audible now? Yes. I think we lost. There's some technical glitch in there.

Aryan Shetty

Okay. So, I was asking that if FY27 growth guidance is realistic. So, if we look at H1 revenue, it grew about 5%, and Q2 only grew about 1.5% against the double-digit growth guidance that you have given for this entire year. So, to go there, I think H2 revenue would have to grow at about 14-15%. So, are we still confident about that growth in FY27? Or some of it would be shifted to FY28?

Rahul Mithal

No, I'm glad you asked that question because at the outset, as I said, some of the milestones slid by a few, the revenue realization split by about 10-15 days into Q3. But the way we have looked at the planning for H2, we seem quite confident, especially you see in export of rolling stock, the revenue gets booked on a lumpy basis when the entire set gets delivered. But we are still quite confident that the guidance that we maintained of a top line double digit growth on a console basis, operating revenue, we are on track for that.

Aryan Shetty

Okay. And just a follow-up on this. How much of the growth do we expect from exports versus turnkey work?

Rahul Mithal

So, both will step up. In fact, the Q2 as well as H1, if you see, the export booking was zero and turnkey was a substantial amount, INR 100 crores plus YoY, H1 to H1. So, as I had mentioned in my previous interactions, the turnkey order book is also young. And that is why the execution has started picking up pace. These are all bulk of these turnkey orders of INR 4,500 crores or about 12 to 18 months old.

So, they will definitely pick up pace even more in H2 and export having the first rake having gone will pick up pace. So H2, that's why we are confident that contribution from both export and turnkey will see a

substantial growth vis-a-vis H1, and that's why we are on track to see that the top line has a double-digit growth YoY.

Aryan Shetty

Okay. Thank you so much and all the best.

Rahul Mithal

Thank you.

Moderator

Thank you. The next question comes from the line of Priyankar Sarkar from Square 64 Capital Advisors LLP. Please go ahead.

Priyankar Sarkar

Good morning, sir. Hope I'm audible.

Rahul Mithal

Yes, Priyankar, go ahead.

Priyankar Sarkar

The first question is what is the sustainable growth rate that we can achieve in our consultancy segment? Because what I see that over the last, let's say, longer term of five-year horizon, right, we have grown in single digit, mid-single digit. So, is there a possibility of accelerating that? Or this is how it is going to be sustainable going forward next two to three years?

Rahul Mithal

I'm glad you asked that question, Priyankar. In fact, you see the consultancy has been, as you correctly said, in two to three years, in about single digit growth. There has been a shift in a huge amount from nomination to consultancy and all -- nomination to competitive bidding in all elements of our consultancy

revenue, whether it is quality assurance, whether it is project consultancy, whether it is international consultancy.

So having stabilized in the order inflow on a competitive basis, our fresh order inflow is about 70% plus on a competitive basis in all our segments of consultancy. I am quite confident that while an upper double digit may be a difficult target right away, but on a near future, we definitely are able to see at least touching a double-digit growth in overall consultancy revenue.

Priyankar Sarkar

Right, sir. That's good to hear. Second, sir, can you throw some light of -- I know, you have given the EBITDA margin guidance in the past also --

Rahul Mithal

Priyankar, I request you to come back in a queue for the second question, please. Thank you.

Priyankar Sarkar

Sure. I'll do that.

Rahul Mithal

Thank you.

Moderator

Thank you, sir. Next, we have a follow-up question from Vishal Periwal from PL Capital. Please go ahead.

Vishal Periwal

Yes. Thanks for the follow-up. Sir, regarding Mozambique also, can you provide some clarity? And a follow-up is that, like in export we have Bangladesh, Mozambique and there's one more South Africa. So similarly, if you can provide some clear -- when the third order will enter into execution or revenue booking stage for us?

Rahul Mithal

Yes. So, Vishal, the two main orders in export of rolling stock are the Bangladesh and the Mozambique five locomotives, about INR 150 crores. So that the five locomotives, as I said, while it is a recent order and we have substantial time available as per the contractual conditions, but we are stepping up on the -- Vishal, am I audible?

Vishal Periwal

Yes, sir. Yes.

Rahul Mithal

Yeah, I think some tech glitch. So, the first locomotive, we are directly aiming that it gets ready by Q4. And we are quite confident that seems to be on track as of now. And we will definitely aim that we finish the order latest by H1 of the coming FY. That's the outermost limit.

So, with this, I think these five locomotives will be delivered well above before their targeted time. Bangladesh have already given the details. These are the two main orders. The other orders of Africa, South Africa, and other countries in Africa are the in-service developmental loco that we have converted them from broad gauge to Cape gauge. In fact, two locomotives are ready, and they will be shipped out in the coming months because these are the first trial developmental locomotives.

And these are a number of orders which have clubbed into about 20 odd locomotives of different geographies in the African Continent. So, they will be spread over a period of time being a developmental order. But once these developmental prototype locomotives reach there and stabilize, by next year, this will become a steady flow of locomotives, both in delivery as well as getting further orders because this is a developmental effort made by us.

Vishal Periwal

Sure, sir. I think this is helpful. I'll come back in the queue, sir. Thank you very much, sir.

Moderator

Thank you. We have the next question from the line of Nemish Sundar from Elara Capital. Please go ahead.

Nemish Sundar

Yes. Hi, sir. Thank you for the opportunity, and congratulations on a good set of numbers. Could you just throw some light on the Sri Lanka export order also? Like, how would you be -- from when would you commence the delivery? And how would it vary across quarter?

Rahul Mithal

Right now, as of last this Monday, we have been only declared L1, and being an important event and a substantial value, we declared it to be exchanged. It's about $ 41,000,000 about INR 400 crores. We are hopeful that soon it should get converted into a formal LOA.

The delivery as per the contractual requirement is 12 months from opening of the LC. So that, again, is a tight delivery schedule, and we have already started preparatory planning for it. But as soon as the LOA comes shortly and the LC formalities are finished, we will try and deliver it within the 12 months. There's a five sets of PMUs of seven coaches each.

Nemish Sundar

Okay. Thanks, sir. I will get back in the queue.

Rahul Mithal

Thank you.

Moderator

Thank you. We have the next question from the line of Meghal Patil from ANB Capital. Please go ahead.

Meghal Patil

Yeah. Sir, I just wanted to know if there's any update on the JV that we have signed with NICC. Like, what work are we actually going to bid for, and when do we expect the first overseas order from it?

Rahul Mithal

No. In fact, as we gave our declaration yesterday, as of now, that JV is not materializing. This was in advanced rate of negotiation. But as of now, it is not materializing. So, let's see. It's on hold right now.

Meghal Patil

Okay, thank you. Sir, I had one more question. Sir, the contract staff has grown quite a bit, like, by around 500 in a year, and our regular staff is falling. And so turnkey work now is nearly half our order book, and it is growing at, like, more than 60% while consultancy work is flat. Sir, so, I just wanted to know that over the next three to five years, do we see RITES mainly as a consultancy or as a project execution company? And how will we sustain EBITDA margins if our mix shifts?

Rahul Mithal

So, the two elements to your question. One is that in terms of the employee strength, the regular employee strength is in fact not dropping. There has been a fresh induction of about nearly 100 regular employees, which equalize the large number of superannuation, which happened in about 15 to 18 months because RITES being incorporated in 1974, there was a huge induction in 1980-90.

So, these are the people who are super in -- this is a peak of superannuation annuation in these three, four years. So, the net strength of regular employees with this heavy induction has been same, it has not decreased. The contract employees has been substantially also increased because these are based on the projects deployment. As we have touched an all-time high order book in the last one, one and a half years and maintained fresh order inflow of one plus order a day now, each of these projects require also deployment of a mixture of both regular employees and project-based employees.

In terms of turnkey, we are not an EPC company, we are not a construction company, as I've reiterated several times. Even the turnkey order that we have about INR 4,500 crores, none of them are EPC contracts. These are all cost plus turnkey, where primarily our role is the same as a pure consultancy contract of a PMC.

The only methodology difference is the accountal, whether some of the clients like educational institution and hospitals, etc., prefer that the entire revenue and order book flows through our P&L. For example, if our fee is INR 5, instead of the order value being INR 5, it is INR 105. So that's the only difference. So, we remain -- we are and we will remain only a consultancy company. It's only a question of the accountal. And obviously, because the denominator becomes large in a turnkey order, it shows in lesser margin.

Meghal Patil

Sir, but still it will impact us on --

Rahul Mithal

Ma’am, you can come back in the queue for your follow-up question.

Meghal Patil

Sure. Not a problem.

Moderator

Ladies and gentlemen, if you have a question, please press * and 1 on your telephone keypad.

Next, we have a follow-up question from Priyankar Sarkar from Square 64 Capital Advisors LLP. Please go ahead.

Priyankar Sarkar

Sure. Thanks. Sir, you have already guided us for the margin bottoming out around 20 odd percent. But would you be able to give us a sense of is this the bottom? Can we ever get back to the 25% plus EBITDA margin? Because, sir, I have been a shareholder of your company for more than five years. And over the years, right, the margins have just kept on going down and down. That's because of the mix change, which I have also reiterated, right? All of us can see that. But would it be fair to say that margin category can get back to 25% plus over the next three, four years? Or are we structurally down to that 20% margin level? I just wanted to get your thoughts on this, please.

Rahul Mithal

No, Priyankar, I'm glad that you asked this, you're correct. You've been following the company for five plus years. The margin reduction is not just on the blend mix. It is also because if you see the breakup of the order book five years back and see the breakup of the order book now in terms of nomination and competitive, there is a complete reversal.

So as of 30th September, which you must have seen in our presentation, it is about 60% plus on competitive and about 37% on nomination. And this is the order book. The fresh order inflow is about 70% plus on competitive and only about 30 odd percent in 2027, (27% -28%) on nomination.

So, once you are competing on getting orders on a competitive basis, whether in domestic or international or in exports. The Bangladesh export order was our first export order in 50 years on a global competitive tender basis. The Mozambique orders, both the Mozambique orders and the Sri Lanka, which we are L1, these are global competitive orders.

So, with that trend now being there, the possibility of coming back to the margins of 25% plus EBITDA margins, which were there five years back, that is not a possibility at all. What we are doing strategically

and we are keeping a very close watch that the red line, as I said, of 20% and 15% PAT margins, that in no way should be breached.

Priyankar Sarkar

Thank you, sir. Thanks for the clarity.

Moderator

Thank you. Ladies and gentlemen, if you have a question, please press * and 1 on your telephone keypad. Next, we have a follow-up question from Nemish Sundar from Elara Capital. Please go ahead.

Nemish Sundar

Yeah. Thank you for the follow-up, sir. My question was on the quality assurance segment. Can you just throw some light on how was the performance during the quarter and how is it expected for the remaining part of the year?

Rahul Mithal

Yes. The quality assurance vertical is a classic example of I was explaining to Priyankar just before you, of a change, as you are aware, from the nomination to the competitive mode. And you have seen in the last two years, this has hugely recovered, not only in terms of the revenue, but in terms of the profitability.

In fact, this quarter, there has been a growth of about 15% plus YoY on its contribution in the revenue to the consultancy revenue. So, the quality assurance in terms of its expansion, both in the Indian Railway and non-Indian Railway clients, to give you an example, we are doing the inspection of as varied items as items for these renewable energy, items which are software like PCs and tablets, etc. In any case, safety inspection of items like axles, rails, etc.

And also, we've got the recent orders for AI based tools including inspection of rails. So, quality assurance, there is a huge, huge revival, and this trend is going to continue. We have come out of the, you know, the business reengineering that we did for our quality assurance vertical.

Nemish Sundar

Okay. Thanks, sir. I'll get back in the queue.

Moderator

Thank you. Next, we have a follow-up question from Aryan Shetty from Lennox Capital. Please go ahead.

Aryan Shetty

Hi, sir. Sir, I wanted to understand what new are we doing in REMC. You've talked about renewable energy consulting and overseas work for REMCL. So, have any of those orders come through yet? And by when could they be meaningful?

Rahul Mithal

Yes. REMCL is progressing on line of the diversification. In fact, just yesterday, we signed our MOU under this Renewable Energy Conference that has been happening in New Delhi, with the global ISA, International Solar Alliance, which opens up the opportunities for international consultancy by REMCL. We have already started tapping opportunities and giving EOIs.

In terms of consultancy in renewables and net zero, etc., we've already got about 7-8 orders in the last six months, an order book of roughly about INR 10 crores. And this is a recent development. So, these will start generate -- some of it has already started generating revenue in Q2. But by the end of this FY, next FY, this will be a substantial contribution in terms of the top and bottom line.

So, both in terms of diversification in the domestic and in terms of the international consultancy in REMCL, the green shoots have already started showing. And in fact, as I said, Q2, it has already started generating revenue.

Aryan Shetty

Okay. Thank you.

Moderator

Thank you. Ladies and gentlemen, if you have a question, please press * and 1 on your telephone keypad.

Again, we have a follow-up question from Nemish Sundar from Elara Capital. Please go ahead.

Nemish Sundar

Yeah. Thanks for the follow-up. Sir, it’s just on macro, but are you seeing any slowdown in awarding of any rail tenders or like this year because of the elevated crude prices and the overall trends, you expect that the railway budget this year could see any constraints in being fully deployed?

Rahul Mithal

Well, as far as we are concerned, we still continue to get a large number of orders on our various verticals doing railway consultancy, whether it is alignment studies for fresh corridors, whether passenger or freight, whether it is the design of bridges, tunnels, or whether it is the quality assurance, etc.

So, we are, in fact, recently also, this quarter also, we've got our rail infra vertical has got orders. And even in this one month, we have got some fresh orders. So, as far as we are concerned, all our verticals are getting orders from the rail sector. Our rail infra vertical is getting orders.

Nemish Sundar

Okay. Thank you so much, sir, and all the best.

Rahul Mithal

Thank you.

Moderator

Thank you. Ladies and gentlemen, if you have a question, please press * and 1 on your telephone keypad.

Next, we have a follow-up question from Parimal Mithani from Credential Investments. Please go ahead.

Parimal Mithani

Hello. Good morning.

Rahul Mithal

Morning, Parimal. Go ahead.

Parimal Mithani

Yes. Sir, I just wanted to know in terms of turnkey, I know we have costless business model, but are we still going to pursue more turnkey? Because the order book is mostly brought it with turnkey. So, how do you go from here? Can you just highlight that?

Rahul Mithal

No. So, see, as a business model, we are not really -- that's not something which is our business model. In fact, many of these turnkey, which you see of INR 4,500 crores, as I explained, our scope of work is totally of consultancy. At the time of signing the agreement in terms of accountal, etc., many clients prefer to convert it into a complete flow of the order or revenue through our P&L. So, in terms of our specifically pursuing that as a business model, as I said, that's not our business model. We are not an EPC or a construction company.

So, the scope of work -- and this is in the rail infra and building verticals where and primarily, a bulk of it is in the building vertical, which you will see the breakup of those orders. They are educational institutions and some hospitals. So that is basically the accountal method.

Parimal Mithani

Okay, sir. You mentioned in the call, you know, regarding the JVs and all of it, they've signed couple of years or last three to four since we've been tracking the company, but lot of them are not seeing any fruitification or, you know, so what is the -- where are we stuck with? Or is there some afterthought that did not -- the JV is not in the right place, basically?

Rahul Mithal

No. As far as we are concerned, we today have only one subsidiary, REMCL and one JV with SAIL, SAIL Kulti (SRBWIPL), and both are doing extremely well. The one which I mentioned, that was a new initiative, NICC, which has not been materializing as incorporation of a new JV. And the other one was a project-based RITES Africa JV, which was there for quite some time. And now that we have processed for its closure because that project for quite some time, there were no fresh induction of projects. So, we don't have any, many JVs or subsidiaries. There are only two that I mentioned, REMCL and SAIL Kulti.

Parimal Mithani

No, sir. My point is in terms of concept we had with DMV in terms of consultancy. And is there any -- in terms of – we're tied up with a global company called DMV for consultancy business. So, is there any fruitification to that or what is the status?

Rahul Mithal

No. So, to those -- let's be clear. They are not JVs. These are partners for MOUs, which is done for various business initiatives. And this is for part of our quality assurance business, and we are working with them in the quality assurance vertical. So, we have a large number of entities, both domestic and international, who complement and supplement our strength for various verticals. We have 13 different verticals, but we don't have any incorporated JVs or subsidiaries except these two, REMCL and SAIL Kulti. And as I said, right now, which is under closure.

Parimal Mithani

Okay, sir. Thank you and all the best.

Moderator

Thank you. Ladies and gentlemen, if you have a question, please press * and 1 on your telephone keypad.

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. Thank you very much. And I'm glad that the key elements were covered by each of the questions which were asked. And this is just to reiterate, which I said at the outset, that while the performance of Q2 has been muted, but I don't see any major reason to deviate from the overall guidance for the year, which if I summarize again, was a double-digit growth on the top line. And even with the blend mix as well as the provision, which will be a substantial amount for the pay commission to be done in Q4.

Despite that substantial hit, we will definitely try and see to surpass the profits. So, the bottom line of the last year and the margins being, as I said, EBITDA margins on a console basis, red lines of 18-20% and PAT margin of 15-16% and definitely continuing at the rate of one order a day and targeting INR 10,000 crore order book. So, this guidance, which I had given at the beginning of the FY and reiterated at the end of Q1, all of these, we are on track for this current FY. And I'm sure the subsequent two quarters in H2 will see faster and better execution so as to be able to adhere to this guidance. Thank you. Thank you very much.

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.

Rahul Mithal

Thank you.

-End-

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