



A Navratna PSU

RailTel/Sectt/21/SE/S-16

Date: February 3, 2025

लिस्टिंग विभाग, नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड, 'एक्सचेंज प्लाजा', सी-1, ब्लॉक जी, बांद्रा - कुर्ला कॉम्प्लेक्स, बांद्रा (ई), मुंबई - 400 051	कॉर्पोरेट संबंध विभाग, बीएसई लिमिटेड, रोटुंडा बिल्डिंग, पी जे टावर्स, दलाल स्ट्रीट, किला, मुंबई - 400 001
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**Sub: Transcript of Analyst/Investor Conference Call held on Tuesday, 28<sup>th</sup> January 2025.**

**Ref:- Our Letter of even no. dated January 23, 2025 & January 28, 2025.**

Dear Sir/Madam,

In reference to our previous communication referred above regarding Analyst/Investor Conference Call, we are forwarding herewith the transcript of the Analyst/Investor Conference Call held on **Tuesday, 28<sup>th</sup> January 2025.**, organised by M/s. Antique Stock Broking Limited.

2. This is submitted for your information and record.

धन्यवाद,

रेलटेल कॉर्पोरेशन ऑफ इंडिया लिमिटेड के लिए

जे. एस. मारवाह  
कंपनी सचिव एव अनुपालन अधिकारी  
सदस्यता संख्या – एफ सी एस 8075

संलग्न: ऊपरोक्त अनुसार

वितरण:- 1) सहायक कंपनी सचिव को फाइल में रखने हेतु।

2) सहायक महाप्रबंधक/पी.आर.ओ.को वेबसाइट पर अपलोड करने हेतु।

रेलटेल कॉर्पोरेशन ऑफ इंडिया लिमिटेड (भारत सरकार का उपक्रम)  
RailTel Corporation of India Ltd. (A Government of India Undertaking)

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**“RailTel Corporation of India Limited Q3 FY '25  
Earnings Conference Call”  
January 28, 2025**



**MANAGEMENT:** **MR. SANJAY KUMAR – CHAIRMAN & MANAGING  
DIRECTOR**  
**MR. V. RAMA MANOHARA RAO – DIRECTOR, FINANCE**  
**MR. MANOJ TANDON – DIRECTOR, PROJECT OPERATIONS  
AND MAINTENANCE**  
**MR. HARISH PAWARIA – EXECUTIVE DIRECTOR,  
CORPORATE COORDINATION**  
**MR. HARISH BATRA – SPECIAL EXECUTIVE DIRECTOR,  
FINANCE**  
**MODERATOR:** **MR. VISHAL PERIWAL – ANTIQUE STOCK BROKING**





*RailTel Corporation of India Limited  
January 28, 2025*

**Moderator:** Ladies and gentlemen, good day and welcome to the Post-Results Q3 FY '25 Earnings Conference Call of RailTel Corporation of India Limited.

As a reminder, all participant lines will be in listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing the "\*", then "0" on your touch tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vishal Periwal from Antique Stock Broking. Thank you. And over to you, Sir.

**Vishal Periwal:** Yes. Thanks, Steve. Good morning, everyone, and welcome to the Post-Results Earnings Call with the management of RailTel Corporation.

From the Management Team we have with us Mr. V. Rama Manohara Rao ji – our Director Finance; Mr. Manoj Tandon ji – Director Project Operations and Maintenance; Mr. Harish Pawaria ji – ED (Corporate Coordination); and Mr. Harish Batra ji – who is Special ED (Finance).

So, as usual, we'll have a brief on the gone by quarter from sir, and then we will have lines open for everyone to ask questions. Yes, sir, over to you.

**V. Rama Manohara Rao:** Hello to all of you and a very warm good morning to all of you.

At the outset, I wish you all a very Happy 76th Republic Day. And it gives me great pleasure to interact with you all on RailTel's performance in the backdrop of Quarter 3 Financial Results for Financial Year '25, which were declared by the Company on 27th January, '25. The highlights are as follows.

The Company achieved operating revenue of Rs. 768 crores in Quarter 3 of Financial Year '25 as against Rs. 668 crores in Q3 of Financial Year '24, registering a year-on-year growth of 15%. The telecom segment contributed Rs. 338 crores and project segment contributed Rs. 430 crores in Company's operating turnover.

As we got the total revenue, year-on-year growth is 16% with Rs. 782 crores in Quarter 3 of Financial Year '25 as compared to Rs. 675 crores in Q3 of Financial Year '24.

The profit before tax in Q3 of FY '25 is Rs. 90 crores as against Rs. 84 crores in Q3 of the previous year with year-on-year growth of 6%. The profit after tax in Quarter 3 of Financial Year '25 is Rs. 65 crores as against Rs. 62 crores in Quarter 3 of Financial Year '24, registering a year-on-year growth of 5%.





*RailTel Corporation of India Limited  
January 28, 2025*

The Company achieved total income of Rs. 2,222 crores in nine months of this financial year against Rs. 1,770 crores during the corresponding previous year period, with growth of 26%.

Profit after tax during the nine months of Financial Year '25 is Rs. 186 crores as against Rs. 169 crores in the corresponding previous year period with growth of 10%. Earnings per share for nine months ending on 31st December, '24, stands at Rs. 5.81 against Rs. 5.26 during the corresponding period of the previous financial year.

Now, as regards some of the highlights to mention, I am pleased to inform you that RailTel has received excellent rating from DPE for the Financial Year '23-'24. RailTel is providing video surveillance at the eight major Maha Kumbh stations with video analytics and face recognition systems. And our order book is strong with the value of about Rs. 5,280 crores with opportunities looking up in railway signaling, smart city solutions, HMIS, data center and other areas.

And importantly, RailTel has inked a five-year strategic partnership with Microsoft to drive AI transformation in the public sector, to advance digital cloud and AI transformation in Indian Railways and public sector space. As part of this partnership, Microsoft will support RailTel in establishing an AI center of excellence, making RailTel an AI first organization and a leading system integrator partner. The partnership includes an organization-wide skilling initiative to train RailTel employees in the next generation digital cloud and AI technology through Microsoft's AI National Skill Initiative and Enterprise Skilling initiative. The two companies will co-develop AI solutions with Microsoft providing technical guidance on product roadmaps, and RailTel bringing public sector experience on board.

As we are in our '25th year of our journey in the service of the nation, our progress has been steady and impressive, with consistent growth in operational revenue and profits and we rededicate ourselves in the mission of making the Digital India stronger. We remain committed to pursuing growth and creating value for our esteemed investors. We are also exploring new opportunities in order to realize our true potential.

I thank you all for your trust and collective vision that drives the future of this Company. Thank you very much.

**Moderator:**

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Manish Ostwal from Nirmal Bang Securities. Please go ahead.

**Manish Ostwal:**

Thank you for the opportunity. My question first on the order inflow trend in the nine month versus last year of nine months, so what is the absolute order inflow for this year, can you give us the figure? And how do you see the growth in order inflow in the coming quarter and the next year?





RailTel Corporation of India Limited  
January 28, 2025

- V. Rama Manohara Rao:** The order book has been consistent, and it is very consistent in last nine months compared to previous nine months, it is of the order of Rs. 1,960 crores. And the previous financial year also it was around Rs. 1,900 crores. So, the total order book is around Rs. 5,280 crores. And last year Quarter 4 we had received very good orders, and we are also expecting the same trend in this financial year. And to be specific, in this Quarter 3, we received orders of around Rs. 790 crores.
- Manish Ostwal:** And the Rs. 1,900 crore in nine months, right sir?
- V. Rama Manohara Rao:** Rs. 1,960 crores in nine months, yes.
- Manish Ostwal:** And very similar to last year, right, sir?
- V. Rama Manohara Rao:** It's exactly almost similar to last year.
- Manish Ostwal:** The second question on the margin side, so overall blended margin has declined from 20% to 16.3% on nine months basis. So, when I look at the segmental reporting, the reason of the decrease is mainly because of the EPC margin has declined from 7% to 4%. If I am not wrong, you have guided the EPC margin around 5% to 6% kind of thing. So, any low margin work has been done in this quarter that's why the margin is 4%? What is your outlook in this line of business going ahead?
- V. Rama Manohara Rao:** As this question is often, raised, and I mean the management also has been responding, almost in similar manner I will respond now. It is a question of basket of projects in that particular quarter, which is contributing to the revenue. And if some of them are good margin projects, then it will be giving a better overall picture. But we try to maintain 5% to 6% overall guidance for the financial year because we are hoping that some of the profitable projects which are coming up in next that is Quarter 4 will make good the entire percentage.
- Manish Ostwal:** And the last question on the progress on the Railway Kavach program and it is a very big opportunity for us, so what is the progress on? Can you update us how things are moving? And when we see bid orders coming from that side?
- V. Rama Manohara Rao:** We are happy to inform our community, investor community and stakeholder community that we started participating in Kavach tenders in this Quarter 3. And many of the tenders, I mean almost we have bid around Rs. 400 crores to Rs. 450 crores worth tenders, and the results are awaited. I mean, tenders are being evaluated by the Ministry of Railways and various zones and division. So, I am not in a position to comment upon the end results, but I can assure you that we are in the right track, we have participated in around Rs. 400 crores to Rs. 500 crores worth tenders in Kavach and signaling.





RailTel Corporation of India Limited  
January 28, 2025

- Manish Ostwal:** And what is the total value of the tender on the block by the Indian Railways? What is the total size?
- V. Rama Manohara Rao:** That will not be one single tender, it is across various railway zones and divisions. As and when the tenders are coming up, depending upon our suitability and other I mean parameters, we will keep on participating in the tenders.
- Moderator:** The next question is from the line of Sanjesh Jain from ICICI Securities. Please go ahead.
- Sanjesh Jain:** Thanks for taking my question and congratulation on the partnership with Microsoft. First question again followed --
- Moderator:** I am sorry to interrupt, Mr. Sanjesh, your voice is coming very low.
- Sanjesh Jain:** Is it good now?
- Moderator:** Yes, thank you. Please proceed.
- Sanjesh Jain:** Thank you. Good morning, sir. So, first question on the Kavach side, in last quarter call you mentioned that you are looking for other partner, because Quadrant product is yet to be approved. Now that we have applied for Rs. 400 crores to Rs. 500 crores worth of tender, whom have we partnered with this time?
- V. Rama Manohara Rao:** Good morning, Sanjesh. We have partnered with Quadrant only, and those approvals were in the final stages at that point in time, that's why we were not in a position to commit publicly. But as the days progressed, the approvals have come in time and then we participated along with Quadrant.
- Sanjesh Jain:** And Quadrant POI and everything is approved and that is exactly in line with the specification of Railways?
- V. Rama Manohara Rao:** Yes, yes.
- Sanjesh Jain:** Second on the LTE rollout, is there any progress on that side because I think Kavach and LTE will go hand in hand for the signaling, right?
- V. Rama Manohara Rao:** The LTE rollout, I think various zones and divisions, they have to float the tender. And recently we received I think one tender in South Central Railway for 523 route kilometers roll out for LTE & Signaling work, that is around Rs. 142 crores project. And remaining, we need to wait for the roll out of tenders by railways.
- Sanjesh Jain:** And the tendering is what, for putting out the network equipment and tower, overall, right?







RailTel Corporation of India Limited  
January 28, 2025

- V. Rama Manohara Rao:** Exactly.
- Sanjesh Jain:** And this will be managed by RailTel or it is a BoT, you build and transfer to them?
- V. Rama Manohara Rao:** No, it is a kind of EPC. And after that, the management part will be taken care by railways.
- Sanjesh Jain:** Even tower will be transferred to them?
- V. Rama Manohara Rao:** Yes, yes.
- Sanjesh Jain:** The second question on the telecom revenue, in last quarter also you reiterated that we expect to grow that by 10%, this quarter it appears to be muted. Any particular reason for that?
- V. Rama Manohara Rao:** See, always telecom growth has been a challenging task. We are actually aspiring to maintain 10%, and sometimes we may be ending at 8% to 10% kind of thing. As far as the growth is concerned, we are better compared to the previous financial year, but we are not reaching to the level of 10%, but that is subjected to the market conditions.
- Sanjesh Jain:** And this market condition is what, you are seeing more pricing pressure or spending from the customer is lower, where is the pressure coming from?
- V. Rama Manohara Rao:** In fact, the pricing pressure is one very strong pricing pressure.
- Sanjesh Jain:** And on the margin side, even railway telecom margin sequentially has fallen from 24.6% to 20.6%, almost 400 basis points lower. Any cost that has gone up significantly, which is driving this dip?
- V. Rama Manohara Rao:** Not exactly. And actually, this telecom stream, we are actually incorporating the data center revenue also. Data center, there has been a good amount of investment and then maintenance activities in recent past, so that could be one of the reasons.
- Sanjesh Jain:** Can you provide us the breakup of the revenue between NLD, ILD and IP1 for this quarter?
- V. Rama Manohara Rao:** You asked for the breakup of NLD, ISP, IP-1 in Quarter 3 Rs. 150 crores and ISP is Rs. 111 crores and IP1 is Rs. 75 crores.
- Sanjesh Jain:** And this depreciation jump sequential is also because of the data center which we incorporated in this quarter?
- V. Rama Manohara Rao:** No, no, depreciation is not on data center it is on telecom infrastructure.
- Sanjesh Jain:** And what we did in that side CAPEX, any particular CAPEX we did in this quarter?
- V. Rama Manohara Rao:** I didn't get you, could you come again?





RailTel Corporation of India Limited  
January 28, 2025

- Sanjesh Jain:** Is there a reason why there is a sharp jump in depreciation, if you see, there is a 8.4% quarter-on-quarter growth in the depreciation. What led to this increase in the depreciation number?
- Harish Batra:** During the year Rs. 156 crores CAPEX is there, that has the impact.
- V. Rama Manohara Rao:** No, depreciation they are asking.
- Harish Batra:** Yes, the CAPEX during the year as well as during the last year.
- V. Rama Manohara Rao:** I think the CAPEX, I mean I will ask my Special ED to answer this specific.
- Harish Batra:** Yes. Good morning.
- Sanjesh Jain:** Good morning, sir.
- Harish Batra:** During the year we have incurred Rs. 156 crores CAPEX, so the impact of the additional CAPEX during this year as well as during the last quarter of the financial year.
- Sanjesh Jain:** And out of the CAPEX, how much is data center sir?
- Harish Batra:** Data center is during this year Rs. 56 crores we have.
- V. Rama Manohara Rao:** In nine months it is Rs. 56 crores, Quarter 3, Rs. 30 crores.
- Sanjesh Jain:** And this is for the larger data center, not that Edge Data Center which we are doing?
- V. Rama Manohara Rao:** No, existing data centers we have at Gurgaon and Secunderabad, for them.
- Sanjesh Jain:** Got it, that's quite clear. And for Q4, generally we have a very large execution on the project business, that will sustain, right?
- V. Rama Manohara Rao:** Yes, it will be sustained, yes. And we are hopeful of sustaining that, yes.
- Moderator:** The next question is from the line of Rohan Vora from Envision Capital. Please go ahead.
- Rohan Vora:** Sir, just in continuation to the last questions on Kavach, while we've already applied for Rs. 400 crores, Rs. 450 crores, as you mentioned. So, what would be our total addressable market in the entire Kavach program? Any ballpark numbers on that? What are the Kavach lined up for us in the pipeline for FY' 26? Thank you.
- V. Rama Manohara Rao:** See, Kavach roll out is in the hands of the Indian Railways. I mean, how they are spacing the CAPEX next coming two to three years is their internal understanding, we will not be having any clue. But as per general understanding, it is around Rs. 7,000 crores to Rs. 8,000 crores of Kavach







RailTel Corporation of India Limited  
January 28, 2025

rollout in the next coming three to four years kind of thing. And the coming Financial Year '26 in the sense now I mentioned about Rs. 400 crores to Rs. 450 crores tender we have participated, and they are under evaluation. Once they are evaluated, in case the letter of awards are received, they might be in the last quarter of this financial year. So, this will go into the execution mode in Financial Year '26. So, it all depends upon the kind of winning what we are going to achieve in this, I mean, the tendering activity. We are hopeful, in addition to this Rs. 400 crores to Rs. 450 crores, we may be expecting to participate in another Rs. 500 crores in the next financial year also. So, thereby our order book, we are looking up, I mean participation into the tenders will be around Rs. 1,000 crores in the next coming one year horizon. So, the execution mode will depend upon how much we are going to win in these tenders.

- Rohan Vora:** And sir, while we have a partner on this, so what would be our share of the revenue if we win and if we start executing?
- V. Rama Manohara Rao:** They are our partners, and RailTel is forefronting, and they are our OEM partners with us.
- Rohan Vora:** So, we will be booking the entire revenue, and the components will be bought out, would that be the right assumption?
- V. Rama Manohara Rao:** Yes.
- Rohan Vora:** And what would be the percentage of bought out components?
- V. Rama Manohara Rao:** That also depends on the respective tendering part, because it all depends upon, in a particular tender in how many stations they are rolling out and what is the component of the equipment and what is the integration part in respect to stations. So, it all bundles we can say around, equipment will be around 50% to 60% kind of thing, and roll out part will be -- so roll out part is our stake basically, RailTel's prerogative. We are experts in that area.
- Rohan Vora:** So, the 40% to 50% of rollout is where we have expertise?
- V. Rama Manohara Rao:** Yes. And the remaining is equipment, which is OEMs equipment, yes.
- Rohan Vora:** And sir, just if I may, the last question, will the margins be in line with our normal business in this?
- V. Rama Manohara Rao:** Yes, they are in the same range, say around 8% to 10% kind of thing.
- Moderator:** The next question is from the line of Harshit Nagpal from Yes Securities. Please go ahead.
- Harshit Nagpal:** Just wanted to know the division for the order book between railways and non-railways.





RailTel Corporation of India Limited  
January 28, 2025

- V. Rama Manohara Rao:** Order book for railways is around, I mean, total order book is Rs. 5,280 crores, about that, and in that 28% is from railways, around Rs. 1,484 crores.
- Harshit Nagpal:** Right. And what would be the division for the project work services between railways and non-railways for this quarter?
- V. Rama Manohara Rao:** Railways contribution is around Rs. 393 crores, around 18% on our turnover.
- Harshit Nagpal:** And sir, we were talking about revenue projection of Rs. 3,300 crores for the year FY '25, are we still on track for that or do we see that getting lower?
- V. Rama Manohara Rao:** Could you repeat the question, it was not clear?
- Harshit Nagpal:** I said, the revenue projections for the FY '25 was Rs. 3,300 crores, so are we on track for that or do we think it's going to be lesser than that?
- V. Rama Manohara Rao:** No, we are on track.
- Harshit Nagpal:** And sir the order book division for tender and non-tender, if you could please give that too.
- V. Rama Manohara Rao:** That is also, I mean, tender is around 72% and 28% on nomination.
- Harshit Nagpal:** The next question is on Edge data centers, we were talking about 8% to 10% margin and we will roll out around 102 data centers in the next one and a half, two years. Is there a particular number that we have rolled out or are we still in progress with it on how many data centers?
- V. Rama Manohara Rao:** Yes, actually we have identified for immediate execution implementation around 20 locations. And in all those 20 locations various activities like site survey and the feasibility reports, etc., they are on cards now, right now they are going on. And few of them are reaching a maturity of finality where we will be, along with the partner, we will be in a position to approach for certifications. So, to roll out the data center, we need uptime certification, which gives Tier 3 certification kind of. We are going to apply for Tier 3 data center certifications. So, they also will take some time to, I mean, assess, and then finally give the certifications, which will make the data center ready to go into business mode. So, these are all actually taking slightly, I mean, they are all at different locations, etc., and a lot of coordination is involved. So, initial level it is taking longer time than expected, so we are now actively working on around 20 sites.
- Harshit Nagpal:** And sir, we are not CAPEX heavy, in the sense we will be running the data center and maintaining it, right, that's what we are going to? And the other partner is going to set it up?
- V. Rama Manohara Rao:** Yes, you are right.





*RailTel Corporation of India Limited  
January 28, 2025*

- Harshit Nagpal:** And sir for Railwire too for this quarter, if you could?
- V. Rama Manohara Rao:** It is 496 to be specific.
- Harshit Nagpal:** Also sir, just a question on the margin. So, the top line is 8% to 10% of the Edge data center that we are going to get or that is the final margin for us on that one?
- V. Rama Manohara Rao:** See, last time also I think this question was asked. I mean, my CMD sir was mentioning that these are all contract-specific details which cannot be divulged, but it is in the range as per the market trends.
- Moderator:** The next question is from the line of Shubhang Kadhi from 3A Financial Services. Please go ahead.
- Shubhang Kadhi:** Last concall you gave a guidance of 30% year-on-year, are we still maintaining that?
- V. Rama Manohara Rao:** Yes, we are still maintaining that. Normally Quarter 4 will be slightly heavier compared to remaining quarters. And as of now, we maintain 26% growth rate year-on-year, so reaching 30% is not a challenge as per our understanding.
- Shubhang Kadhi:** And sir, I can see quarter-on-quarter your revenues have dropped, so is there any particular reason or was it just a one-off quarter?
- V. Rama Manohara Rao:** It is one-off quarter, there's no specific trend kind of thing or any big event kind of thing. See, when we are actually clocking consistently of the same range and then maintaining year-on-year 30%, quarter-on-quarter can be here and there, I mean, fluctuations depending upon various factors.
- Shubhang Kadhi:** Sir, the total order book you mentioned is over Rs. 5,000 crores, Rs. 5,280 crores to be exact. So, when can we expect this to hit the top line and how long?
- V. Rama Manohara Rao:** I mean, the guidance what we had given for projects is around Rs. 1,800 crores to Rs. 2,000 crores for this financial year. So, it would be of the same kind of burning of the order book resulting in turnover, it will be of the same order.
- Shubhang Kadhi:** So, it usually takes around one year to do Rs. 2,000 crores worth of order?
- V. Rama Manohara Rao:** Yes.
- Moderator:** The next question is from the line of Vishal Periwal from Antique Stock Broking. Please go ahead.
- Vishal Periwal:** Yes. Thanks for the opportunity, sir. In terms of order inflow for the project segment has been pretty robust, I think it's actually consistent number that we are doing. So, any particular sector





RailTel Corporation of India Limited  
January 28, 2025

where we are getting these traction or it is segregated across sectors? Any color will be helpful on that, sir.

**V. Rama Manohara Rao:** I have already mentioned to you that we are, I already mentioned that we are getting good, I mean, show up in signaling area, railways signaling. We have been actively participating. And as on date, our order book from signaling is around Rs. 330 crores. And data center is one area which we are actually actively working on, and various others, for example HMIS additional roll out within the railways is also another area. So, all these areas are contributing and new area which was not so significant in earlier years, earlier two to three years kind of thing is the signaling one which is looking up.

**Vishal Periwal:** Sir, in terms of work wise also, are we targeting anything outside India for railway in the project side, sir?

**V. Rama Manohara Rao:** We have been consistently making efforts to get some good orders on international business also. We are closely coordinating with the Ministry of External Affairs, they have been kind and then supporting the public sectors, including RailTel. And as of now, no order has been received, but we are within striking range. But not in signaling as of now, but various other system integration works right now.

**Vishal Periwal:** And will it be possible sir vis-a-vis domestic market, I mean, how the size differs when we do it in international market, the order quantum?

**V. Rama Manohara Rao:** See, in international market, to be specific, you are talking about signaling part, signaling, many of the railway PSUs are also active in that area, so that is one challenge. We need to coordinate with our own railway other PSUs who are doing signaling activities in other countries. And as far as this, for example, system integration works, we are hopeful of getting good orders. I think we are well within the striking range, we will be breaking the news as early.

**Vishal Periwal:** Just one last thing, more like a clarification, sir. So, there is a component of nomination in our order book, so is it fair to say the incrementally orders in the last two, three years that we would have got, so they are more like competitive bidding, these are like previous, I mean, before that these are like concluding or finishing those orders that's why we are in the book, is it fair to say?

**V. Rama Manohara Rao:** Yes, yes, fairly you can say that. So, I mean, major nomination works are only, I mean, contribution into the order book is around 28%. And these are all mainly the earlier works only. For example, video surveillance system on entire Indian railway rollout, that kind of projects are still going on. So, that is what you are also saying the same thing, yes.

**Moderator:** The next question is from the line of Viraj from Jupiter Financial. Please go ahead.





RailTel Corporation of India Limited  
January 28, 2025

- Viraj:** Yes. Good morning, sir. I joined the call late, I just want a clarification that you said 26% top line growth, right, year-on-year, that's what the guidance you gave, right?
- V. Rama Manohara Rao:** Correct. That has been the achievement in the last nine months.
- Viraj:** So, 26% to 30% would be the growth range which could be taken for the analysis, correct?
- V. Rama Manohara Rao:** Yes, yes, correct.
- Viraj:** And sir, the net margins would be in the range of what, 10%, or will the margins improve going forward?
- V. Rama Manohara Rao:** Net margins always have been a, I mean, point of discussion. As we are growing in projects which are very competitive, and many of the public sector undertakings are also participating in very tough competition. So, we have been giving guidance of say around 9% to 10% growth, so it will be some somewhere around, but it will be slightly depending upon the basket of projects in that particular financial year, it could be around 8% to 10% growth.
- Viraj:** Sir, any update on Kavach would be?
- V. Rama Manohara Rao:** I have already mentioned Viraj, and it's good news that we started participating in tenders. And in Q3 Signaling and Kavach together are around Rs. 450 crores to Rs. 500 crores worth of tenders we have participated, and we are awaiting the final results from the railways, the tenders are getting evaluated.
- Viraj:** So, what will be your total addressable size in Kavach project would be?
- V. Rama Manohara Rao:** This also I have responded, and what I mentioned was that it all depends upon how the railway is rolling out the Kavach project. And across various zones and divisions they have their own plan of rolling out and outlay for the Kavach. So, in next coming three to four years we are expecting around Rs. 7,000 crores is the overall roll out from railways. But these figures are our understanding. And the actual thing will be known to internal railway system.
- Viraj:** So, our addressable market size would be Rs. 7,000 crores, right, as per our knowledge?
- V. Rama Manohara Rao:** Yes.
- Moderator:** Thank you. The next question is from the line of Vishal Periwal from Antique Stock Broking. Please go ahead.
- Vishal Periwal:** One clarification. If one has to understand the total bid pipeline that we have, do you compile any number that is there, like this is the bid pipeline that is there for us? And one parallel question to





RailTel Corporation of India Limited  
January 28, 2025

this is like, when in the third quarter we have won almost like Rs. 800 crores kind of orders, so what is the total bid amount that we have like placed orders for and we got eventually Rs. 800 odd crores orders? Just wanted to understand like how the wins are.

**V. Rama Manohara Rao:** Very interesting question, Vishal. I will tell you, it all depends, because internally we keep on mustering various tenders that are afloat across various industries and railways, etc., and that will be a big pool. But it all depends upon finding out partners, finding out right OEMs, and our eligibility criteria, our bid capacity at that particular point in time. There are so many parameters that go into that which finally make us do final bid. So, it is very difficult and this number is always dynamic on daily basis because so many new orders, new tenders keep floating, etc. So, that is a pipeline, as such this much we cannot say. But one thing I can mention is that, it could be somewhere around 4:1. If I participate in four tenders, if I get 25% winning rate also it is an extremely good marker. But that is not the case with many of the public sectors because everyone is competing for the same pie similar kind of projects. So, somewhere around 15% the winning rate, striking rate is a very good, decent marker. We are striving for that, this much I can say.

**Vishal Periwal:** Okay, sure sir. That's all from my side, sir. Thank you.

**V. Rama Manohara Rao:** Alright, Vishal, thank you. And once again to the organizers I just wanted to inform you that Mr. Sanjai Kumar Sir just reached office, he was on travel. He rushed from the airport to attend this call to wish you all. I will just hand over the call to Sanjai Kumar sir, our CMD.

**Sanjay Kumar:** Very good morning, everyone. I am sorry I could not attend this call from the beginning. But I am sure that our Director Finance must have satisfied all your queries. I wish you all a very Happy New Year since we are talking for the first time in this new calendar year. Thank you.

**Moderator:** Thank you. The next question is from the line of Parimal Mithani from Credential Investments. Please go ahead.

**Parimal Mithani:** Sir, I just wanted a clarification on Kavach basically. Did you say that Kavach will be bid by RailTel or it will be through your this JV with Quadrant, the contract? Can you just verify on that?

**V. Rama Manohara Rao:** We have a partnership with Quadrant, we have an understanding. They are our original equipment manufacturers, partnership is there with us. So, in the tenders we keep participating along with the Quadrant.

**Parimal Mithani:** So, in addition to the previous one of the analysts asked a question, the addressable for you alone will be Rs. 7,000 crores or sir it will be combined both Rs. 7,000 crores, just a clarification.

**V. Rama Manohara Rao:** No, this is the roll out by railways. We are expecting railway will roll out tenders say around Rs. 7,000 crores in next coming two to three years, that is our expectation.







RailTel Corporation of India Limited  
January 28, 2025

**V. Rama Manohara Rao:** Thank you so much.

**Moderator:** Thank you. As there are no further questions, with this we would now conclude the call. On behalf of Antique Stock Broking, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

*Handwritten signature*

