



RailTel/Sectt/21/SE/S-16

Date: August 8, 2024

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
Listing Department, National Stock Exchange of India Limited 'Exchange Plaza', C-1, Block G, Bandra - Kurla Complex, Bandra (E), Mumbai - 400051	Corporate Relationship Department, BSE Limited, Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai - 400 001
Scrip Symbol- RAILTEL	Scrip Code- 543265

Sub: Transcript of Analyst/Investor Conference Call held on Friday, 2nd August, 2024.

Ref: Our Letter of even no. dated July 30 2024, July 31 2024 and August 2, 2024.

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 Friday, 2nd August, 2024, 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)

CIN : L64202DL2000GOI107905

Registered & Corporate Office : Plate-A, 6th Floor, Office Block-2, East Kidwai Nagar, New Delhi-110023,
T : +91 11 22900615, F : +91 11 22900699
Website : www.railtelindia.com



“RailTel Corporation of India Limited
Q1 FY’25 Post Results Earnings Conference Call”

August 02, 2024



MANAGEMENT: **MR. SANJAI KUMAR – CHAIRMAN AND MANAGING DIRECTOR – RAILTEL CORPORATION OF INDIA LIMITED**
MR. V. RAMA MANOHAR RAO – DIRECTOR FINANCE – RAILTEL CORPORATION OF INDIA LIMITED
MR. MANOJ TANDON – DIRECTOR PROJECT O&M – RAILTEL CORPORATION OF INDIA LIMITED
MR. YASHPAL SINGH TOMAR – DIRECTOR NETWORK PLANNING & MARKETING – RAILTEL CORPORATION OF INDIA LIMITED
MR. K. MANOHAR RAJA – PRINCIPAL EXECUTIVE DIRECTOR, SOUTHERN REGION – RAILTEL CORPORATION OF INDIA LIMITED

MODERATOR: **MR. VISHAL PERIWAL – ANTIQUE STOCK BROKING**



Moderator: Ladies and gentlemen, good day, and welcome to Q1 FY '25 Post Results Earnings Call of RailTel Corporation of India Limited, hosted by Antique Stock Broking. As a reminder, all participant lines will be in the 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vishal Periwal. Thank you, and over to you, Mr. Periwal.

Vishal Periwal: Yes. Thanks. So welcome, everyone, for the post-result call of RailTel Corp. And the management team of RailTel Corporation is led by Sanjai Kumar-ji, who is the Chairman & Managing Director; V. Rama Manohara Rao Ji, Director Finance; Mr. Manoj Tandon Ji, Director Projects, Operations & Maintenance; and Yashpal Singh Tomar Ji, who is the Director, Network Planning & Marketing. So as usual, we'll have a brief overview from Sanjai Sir on gone by quarter, and then we'll have a Q&A session.

Yes, sir. Over to you.

Sanjai Kumar: Very good afternoon to all. It gives me a great pleasure to interact with you on the Company's performance in the backdrop of Q1 financial results for FY '25, which were declared by the Company on 1st August 2024. I'm happy to share with you that our Principal Executive Director, Southern Region, Shri K. Manohar Raja is also available today with us in this call.

The Company achieved operating revenue of INR558 crores in Q1 of FY '25 as against INR468 crores in Q1 of FY '24, registering the year-on-year growth of 19%. The telecom segment contributed INR328 crores and project segment contributed INR 230 crores in Company's operating turnover, registering a growth of 12% and 31% year-on-year basis, respectively.

As regards the total revenue, the year-on-year growth of 20% with INR578 crores in Q1 of FY '25 as compared to INR483 crores in Q1 of FY '24. The profit before tax in Q1 of FY '25 is INR67 crores as against INR51 crores in Q1 of FY '24, registering a growth -- year-on-year growth of 31%.

The profit after tax in Q1 of FY '25 is INR49 crores as against INR38 crores in Q1 of FY '24, registering a year-on-year growth of 29%. Earnings per share in Q1 of FY '25 stands INR1.52 against INR1.20 of Q1 in FY '24, registering a year-on-year growth of 27%. EBITDA margin before exceptional items for the Q1 of FY '25 is 21% as against previous quarter of 16%, registering a growth of 31% Q-on-Q. I'm happy to inform you that the CAG has offered nil comments on annual financial results of FY 23-24.

Thank you and over to you.

Moderator: Thank you. We will now begin the question-and-answer session. Anyone who wishes to ask question may press * and 1 on the telephone. If you wish to remove yourself from question que may press * and 2. Participants are requested to use handset while asking questions. Ladies and

Gentlemen, we will wait for a moment while question que assembled. The first question is from the line of Avnish Khara from Investec. Please go ahead.

Avnish Khara: Hi, good evening. Thank you for taking my question. My first question is on the weakness in project margins. We've got quite a few deal wins in the first quarter as well, but can you give me your project margin aspiration for the entire year, given the fact that Q4 was also quite weak in terms of margins?

Sanjai Kumar: So we can -- we are aspiring for the same 5% to 6% of the -- what we aspiring last year also. So we will continue to remain in that Range.

Avnish Khara: Okay. And how much of the project business will be contributed from railways?

Sanjai Kumar: So right now, project business from railways is, I think, around 20%.

Avnish Khara: And directionally, what kind of margins you will be present over there? Would they be higher than the project margins as a whole? Or will they be slightly less?

Sanjai Kumar: Yes. Yes, yes. This will be slightly higher. So this is average which I'm talking of. 5% to 6% is average.

Avnish Khara: Okay. Got it. And on the telecom side, can you give me the breakup of our NLD, ISP, and IP for the quarter?

Sanjai Kumar: So, on the telecom side, NLD, we had INR150 crores. And ISP, INR108 crores. And IP1 category, INR69 crores.

Avnish Khara: Got it. And this question is more long-term in nature. If I look at your return on capital, it is about 12.8% for FY '24 if I am not mistaken. I just wanted to understand from a maybe three-year perspective, what kind of return on capital targets do you have internally?

Sanjai Kumar: We will maintain the same. But otherwise, I think return on capital as a parameter, we are not measuring it. Because, see, it is not capital investment per se on year-on-year basis.

Avnish Khara: Right.

Sanjai Kumar: But whatever trend we are having last year, we will maintain this year also.

Avnish Khara: Got it. And there was an exceptional item in this quarter. What exactly was that?

Sanjai Kumar: There are routine exceptional items regarding the debtors or ECL only.

Avnish Khara: Got it. So, I will just take it as an ECL problem.

Sanjai Kumar: Yes.

Avnish Khara: That's it from my side. Thank you.

Sanjai Kumar: Thank you.



Moderator: Thank you. The next question is from the line of Sanjesh Jain from ICICI Securities. Please go ahead.

Sanjesh Jain: Yes. Good afternoon, sir.

Sanjai Kumar: Good afternoon, Sanjesh Ji.

Sanjesh Jain: Thank you, sir. Good afternoon. A couple of questions. First, on order book, what is our current order book?

Sanjai Kumar: Our current order book is around INR4,800 crores.

Sanjesh Jain: INR4,800 crores. And we'll still maintain that guidance of executing INR2,000 crores of project revenue in this year?

Sanjai Kumar: Yes, that is what we are expecting and anticipating.

Sanjesh Jain: Okay. Okay. Just again touching upon the margin here on the project business, which was unusually weak in this quarter. Can you help us understand why the margins were lower in this quarter?

Sanjai Kumar: See, first of all, I have been always repeating this that quarter for a company like RailTel is a very small time period, number one. Number two, because of this reason, so any business in such a small revenue, if it is with lower margin, which we got few orders during the last quarter of the last financial year, are still being implemented in this financial year also. So you must have seen even last financial year also, we had a very low project margin. So that is now getting averaged out. And overall, if you talk of financial year, we will certainly be there only 5% to 6% of the margin.

Sanjesh Jain: Got it.

Sanjai Kumar: That is what I want to -- so there's no specific reason contributing to that.

V. Rama Manohar Rao: Around 25% of the revenue is from lower-margin projects in this quarter.

Sanjesh Jain: How do you expect the competitive intensity when it comes to...

Moderator: Sir, sorry to interrupt, sir.

Sanjai Kumar: Your voice is not...

Sanjesh Jain: Can you hear now?

Moderator: Yes, sir.

Sanjai Kumar: No -- yes, yes.

Sanjesh Jain: Thank you. What is the anticipation on the competitive intensity as far as the KAVACH and LTE rollout goes? Because I think market is very excited of this opportunity. Many people are

preparing for bidding. Can there be a situation where the competitive intensity could be very steep as far as the LTE rollout and the KAVACH goes?

Sanjai Kumar: The competition, I think, is almost the same, but RailTel finds itself in -- with have some competitive advantage, be being from railways, most of our cadres is drawn from railways, and we know the railways working. That is one. And second is we have already tied up with one OEM also, though its product is still under testing. And -- but despite that fact, we are ready for the participation in KAVACH tenders. Recently, some tenders have already been floated in South Central Railway, and we are preparing ourselves for the big participation. This is what KAVACH...

Sanjesh Jain: Without the quadrant products, right? This is the product...

Sanjai Kumar: Yes, of course. If -- the product is not yet ready. We have to look for alternate partners. And we are discussing with different partners also.

Sanjesh Jain: But they have the product ready and...

Sanjai Kumar: Yes, of course. Yes, yes, yes. They have it...

Sanjesh Jain: For them?

Sanjai Kumar: Sorry?

Sanjesh Jain: The POC with the railway has been done for this product?

Sanjai Kumar: Yes. Yes, yes. They are already under deployment in two of the sections.

Sanjesh Jain: Okay. Got it. My second question is on the Edge Data Center where we said that we are almost on the last stage of issuing the tender. Where are we in terms of issuing the tender on 100-odd Edge Data Center?

Sanjai Kumar: That is -- the partner has already been decided, and final agreements are also under finalization. Final terms and conditions under finalization, partner has already decided. And soon -- in fact, the partner has started doing site surveys also. So, soon, we will see that Edge Data Center rollout happening.

Sanjesh Jain: So, we have disclosed the name of the partner?

Sanjai Kumar: Yes, this is Techno Electric.

Sanjesh Jain: Okay. Okay.

Sanjai Kumar: Yes.

Sanjesh Jain: And what -- how will be the contract as in there will be an EPC contract, and this will be our own capex or this will be a BOT project like we will build the Edge Data Center and transfer it to railway? How will this Edge Data Center economics work?

रेलटेल
RAILTEL

RailTel Corporation of India Limited
August 02, 2024

Sanjai Kumar: No, neither of these two things is true. So, this is basically our partner is going to bring the investment.

Sanjesh Jain: Okay.

Sanjai Kumar: Yes. And it will be managed by RailTel, marketed jointly by both of us and the revenue will be shared among both of us.

Sanjesh Jain: So, what will be the revenue share for RailTel?

Sanjai Kumar: So, yes. So, there is a minimum guarantee and all those things will come out shortly. But those are already decided. So, once we sign the final agreement, we will, of course, disclose with you also. But it will be somewhere around, you can say, 12% to 13% RailTel will get because the – their investment is coming in and we will be the marketing and management partner for them.

Sanjesh Jain: 12% to 13% of the top-line. That is the right understanding?

Sanjai Kumar: Of course. Yes, yes. Yes, yes.

Sanjesh Jain: Got it. Got it. The next question is on the telecom services. What is the expectation for the revenue this year? We still continue our guide for the double-digit revenue growth for the full-year.

Sanjai Kumar: Be -- for -- you are talking for telecom revenue?

Sanjesh Jain: Yes, telecom revenue.

Sanjai Kumar: So, we will be almost the same, 9% to 10%. Double digits...

Sanjesh Jain: 9% to 10%?

Sanjai Kumar: Yes.

Sanjesh Jain: Got it. Got it. One last question from my side before I join back the queue. On this ECL, earlier we used to report it under other expenses. Any reason why we are now reporting as an exceptional item? I thought it is a business-as-usual kind of a cost, right?

Sanjai Kumar: Mr. Batra, our GM Finance, will answer this question.

Harish Chandra Batra: The last two, three quarters, we are showing it as an exceptional item also.

Sanjesh Jain: I know. In Q4, also, I noticed we had this. But this is two quarter. Any reason why? Because I think provision for doubtful debt is a very much operational item. Any particular reason why we are following this practice? Any particular reason? Or it is just that you feel there is too much of volatility and you want to carve it out?

Harish Chandra Batra: Yes, of course. We wanted to show that our revenues and expenditures from the business income separately and from ECL separately to have more clarity on it.

Sanjesh Jain: But you could have showed it into operating cost as a different line item, right? Why as an exceptional item?

V. Rama Manohar Rao: This is not an operational business. It all depends upon the particular quarter's performance. In a particular quarter, if there is no exceptional item, I mean there is no ECL kind of scenario also possible. And that is why we are showing it as an exceptional item. Sometimes, quarter after quarter, ECL keeps repeating. Then you may try to feel that it is no more exceptional. But there may be scenarios in quarters where we don't get the ECL also.

Moderator: Hello, Mr. Sanjesh. Does that answer your question?

Sanjai Kumar: Mr. Sanjesh. Mr. Sanjesh, are you there?

Moderator: Hello.

Sanjai Kumar: I think he got disconnected.

Moderator: Yes, sir. I believe the line has been disconnected. The next question is from the line of Viraj Mithani from Jupiter Financial. Please go ahead.

Viraj Mithani: Yes. Good evening, sir, and congratulations on the outstanding numbers. My question is with KAVACH and Edge Data Centers all coming up in the coming quarters. Give me your guidance for FY '25 in terms of top-line and net margin?

Sanjai Kumar: The top-line will maintain the same, 25% to 30%. And -- you are talking of PAT?

Viraj Mithani: PAT, yes, sir.

Sanjai Kumar: So, PAT will also be 9% to 10%. We'll maintain the same numbers.

Viraj Mithani: Okay. Okay, sir. That's it from my side. Thank you and all the best.

Moderator: Thank you. The next question is from the line of Vishal Periwal from Antique Limited. Please go ahead.

Vishal Periwal: Yes, sir. Sir, few questions from my side. And -- so, what are the capex plans for this year?

Sanjai Kumar: It's INR250 crores.

Vishal Periwal: Okay. Got it. And I think in this quarter, sir, we have seen a sharp increase in IP1 revenues. On a Y-on-Y basis, maybe more than like 40%, 45%. So, any -- is there anything that has driven this or anything that you would like to give a color?

Sanjai Kumar: Yes. Actually, this IP1 includes data center business also. So, over the last previous year, there has been an increase in data center business. So, that is why you see this year-on-year growth.

Vishal Periwal: Okay. And will this number handy, sir? Out of the INR70-odd crores revenue in IP1, what is the data center contribution in this, if it is available?



V. Rama Manohar Rao: INR23 crores.

Sanjai Kumar: INR23 crores. INR23 crores.

Vishal Periwal: Okay. And the same period last year, the number could be how much, sir?

V. Rama Manohar Rao: INR10 crores.

Sanjai Kumar: INR10 crores.

Vishal Periwal: Okay. Okay. And maybe one last and then I'll come back in the queue. Sir, this order book of INR4,800 crores, do we have a split in railway and non-railway in this?

Sanjai Kumar: Once again, can you come in?

Vishal Periwal: Sir, order book of...

Sanjai Kumar: Yes. Yes. So, this is around 22% is railway, and remaining is non-railway.

Vishal Periwal: Okay. Got it. Got it, sir. Sure, sir.

Sanjai Kumar: Yes.

Vishal Periwal: I'll come back in the queue for more.

Sanjai Kumar: Okay. Thank you.

Moderator: Thank you. The next question is from the line of Rupali Gunjekar, an individual investor. Please go ahead.

Rupali Gunjekar: Hello.

Sanjai Kumar: Hello.

Rupali Gunjekar: This quarter-on-quarter basis, I would like to understand there is -- it can be seen that project work services are declining more than 50%. So, can you throw some color on it?

Sanjai Kumar: So, if you were listening to me in a previous investor's question, I mentioned that this is a seasonal pattern. In Q1, generally, there is a low growth on projects because of government financial year also starting. And this year especially, this was -- in fact, elections were there in this quarter. So, that is the major reason. Otherwise, also, Q4 is always heavy and Q1 is the lightest one. So, there is nothing specific behind it.

Rupali Gunjekar: Okay. And in case of this-Edge Data Center, like in the last call, you mentioned that you will be targeting for linguistic statewide areas. So, may I know what is the status?

Sanjai Kumar: I don't remember any such thing on linguistic things. But I think I would have said that it can be spread over the country maybe. But there is nothing of that sort.



- Rupali Gunjekar:** Mm-hmm. So, is it...
- Sanjai Kumar:** Just a minute. Just a minute. But otherwise, our PED, Southern Region, Mr. Manohar Raja would like to throw some light on this.
- K. Manohar Raja:** Yes. Actually -- good afternoon. The idea was that these Edge Data Centers will serve hyperlocal content for the populations around it. And that can be considered in a way as linguistic or hyperlocal content. That was the idea of the Edge Data Center business. And our market trend also indicates that will be the trend.
- Rupali Gunjekar:** Okay. So, I mean, is there any progress in that or it is still in plan?
- K. Manohar Raja:** No, we are -- I mean, the -- there are -- from the execution side, plans are on the way. And for marketing also, we have had some early discussions with prospective users. I'd still say it's in planning stage.
- Rupali Gunjekar:** Any specific geographical location you are starting with?
- Sanjai Kumar:** These are spread over the country. There are 100 locations, and all along the railway track locations. Most of the divisional headquarters, Tier 2, Tier 3 towns are the locations where these 100, 200 Data Center -- Edge Data Centers will be located. So, there is no specific geographical area which is not covered or left out. Only thing, they are along the railway track.
- Rupali Gunjekar:** Okay. And for the -- are the KAVACH tenders open?
- Sanjai Kumar:** KAVACH tenders have been invited, which are yet to be submitted. Few KAVACH tenders only have been invited in South Central Area.
- Rupali Gunjekar:** Okay. Okay. Understood. Thank you.
- Sanjai Kumar:** Thank you.
- Moderator:** Thank you. The next question is from the line of Avnish Khara from Investec. Please go ahead.
- Avnish Khara:** Hi. Thanks for the follow-up. My first question is on the Edge Data Centers. If your investment is coming from the partner and you are getting a 12% to 13% revenue share, then ideally your ROCs will be significantly higher than the console company ROCs, right? Is that a fair way to think about it?
- Sanjai Kumar:** See, the management and marketing will be handled by us. And connectivity, of course, we will get that as extra. But see, our management -- these Edge Data Centers will be managed by our in-house teams. So, I will not say that there will not be any expenses. And there is, there is no capital investment. So, ROC, if you see, ROC is, I think, the wrong parameter which we can refer to for this kind of business.
- Avnish Khara:** Got it. And on the KAVACH, over a five-year period, do you think that there is a potential that this will be rolled out across the entire country?



- Sanjai Kumar:** I think your line is slightly noisy. So, not -- many times I have paid a lot of attention.
- Avnish Khara:** Just, just give me a second. Hello. Is it more clear now?
- Sanjai Kumar:** Yes, it is better.
- Avnish Khara:** Awesome. Sir, I just wanted to understand that on the KAVACH, over a five-year time horizon, is it possible that there is enough potential in this to be rolled out across the entire country?
- Sanjai Kumar:** Yes. Yes, there is.
- Avnish Khara:** And how much -- not from an annual perspective, but on a cumulative five-year period, what would be the TAM for this?
- Sanjai Kumar:** So, RailTel is targeting a number of around INR5,000 crores to INR6,000 crores of business from this over next five -- four to five years.
- Avnish Khara:** But, sir, my question is that what would it be -- what would your market share be over a five-year period? If it's -- if you are targeting INR5,000 crores, then...
- Sanjai Kumar:** It would be around 25%, you can say, 20% to 25%.
- Avnish Khara:** So, it's about a INR20,000 crores to INR25,000 crores market. Is that a fair assumption?
- Sanjai Kumar:** You can say it.
- Sanjai Kumar:** You are asking....
- V. Rama Manohar Rao:** See, time depends upon how much tenders the Indian Railways is going to roll out. At this point in time, we will not be having any specific number to mention it and own it. So we are -- normally speaking, I mean, Indian Railways is going to spend INR2.5 lakh crores per annum on entire Indian Railway modernization work and other work. Out of that, the next five years, an estimation, this is again a simple estimation, is around INR1 lakh crores is the amount that Indian Railways is going to invest in signaling and telecom modernization works. So, if you want to use the word TAM, that could be the word TAM of INR1 lakh crores over a period of -- it is spreading. We don't know that spread also because it is again a highly guesswork at what time and how effectively, efficiently, the rollout is going to happen. It all depends.
- Avnish Khara:** Right.
- Avnish Khara:** Got it. Sir, I'll just clarify why this question is coming up in my head. So, let's say that it's a INR20,000 crores TAM over a five-year period. And you have a one-fourth market share, which is about a fourth of INR25,000 crores, which is INR6,000 crores.

Now, if you are going on with an OEM, then about, I would assume that 40% to 50% revenue share would be with that OEM as well, right? So, only half would be coming to you. Then if you are guiding for INR5,000 crores to INR6,000 crores of revenue over a five-year period, that would ideally mean that you are gunning for INR10,000 crores to INR12,000 crores and therefore a 50% plus market share.

Sanjai Kumar: No. So, this is a system integrated -- integration business. So, OEM is behind me. He is a supplier to me.

Avnish Khara: So then you won't have an...

Sanjai Kumar: Yes.

Avnish Khara: You won't have a revenue-sharing agreement with the OEM. Everything will flow into your books.

Sanjai Kumar: Yes, yes.

Avnish Khara: Okay. Okay. Got it. But then you won't have to -- I mean, you will have to be spending about -- let's assume you are getting INR100 crores in a year on KAVACH, then how much would you have to pay the OEM in an ideal situation? 30%, 40%?

Sanjai Kumar: All those things are very specific and will depend on the bids and competition and the way the KAVACH gets maturing in different phases. So, those are very -- I think, will be very early questions to answer right now. But certainly, our margin from such business will be somewhere around 8% to 10%.

Avnish Khara: Got it.

Sanjai Kumar: That is what we think about.

Avnish Khara: Understood. Thank you. This was very helpful. That's it from my side.

Sanjai Kumar: Okay. Thank you.

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

Parimal Mithani: Thank you. Thanks for the opportunity. Sir, I just wanted to know what is the RailWire progress in the current quarter, any updates...

Sanjai Kumar: So RailWire was stagnant, I would say, this quarter. Majorly, I believe, this is because of elections. People were mostly at home and the users and maybe summer holidays were also there. So, that was also a seasonal pattern. So, this was almost at the same place. We did not -- we hardly grew. But we are taking some more aggressive actions to accelerate RailWire growth in the coming quarters.

Parimal Mithani: Okay. And the user base is same as March quarter, sir?


रेलटेल
RAILTEL

RailTel Corporation of India Limited
August 02, 2024

Sanjai Kumar: Almost there.

Parimal Mithani: Okay. And, sir, in terms of the guidance that you gave earlier, you are guiding between INR3,500 crores with the same PAT margins, right, sir, if it's possible?

Sanjai Kumar: INR3,500 crores?

Parimal Mithani: For the entire year, you are guiding for growth of 20% to 25%, right, sir?

Sanjai Kumar: Yes, 25% to 30%.

V. Rama Manohar Rao: This is the guidance we are actually giving.

Sanjai Kumar: Yes. Yes.

Parimal Mithani: So, broadly, we should do INR3,500 crores to INR3,600 crores of revenue current year, right?

Sanjai Kumar: Not exactly. But yes, we will certainly -- we may aspire to having INR4,000 crores. But right now, I can say that 25% to 30% is our revenue guidance.

Parimal Mithani: And, sir, can you give us an order pipeline? How do you see it going ahead from now?

Sanjai Kumar: So, see, we are working in other diversified areas also, other than railways. So, railway signaling should be one major area which will bring revenue this year. We are also targeting some foreign business. And we are continuously working on those lines. Then Edge Data Centers, of course, will not bring revenue this year. But next year onwards, Edge Data Centers should bring some more revenue. Then we are building -- we are working on some different -- new types of projects also, like OTT. We are making for -- Prasar Bharati, and Puducherry Smart City should also get completed this year.

V. Rama Manohar Rao: Signaling works...

Sanjai Kumar: So signaling works, of course. I don't. So these are the areas which will be new revenue adding this year.

Parimal Mithani: Okay, sir. Sir, thanks for information. Thank you. All the best.

Sanjai Kumar: Thank you.

Moderator: Thank you. The next question is from the line of Shashi Agarwal, an individual investor. Please go ahead.

Shashi Agarwal: Sir, good afternoon, and thank you for the opportunity. I actually wanted to have some more detail on the rollout of these Edge Data Centers. And, basically, since, this will involve a lot of capex from your partner, so I want to just understand have you -- like have insured the -- I mean, are the funds in place and whether the execution will be on time? And since -- this could be a good revenue opportunity for RailTel?



- Sanjai Kumar:** Yes. So, yes. See, we think that this year we should have five to 10 Edge Data Centers by the end of this year. But then next year we expect that things will be --after we see the experience and then things should be more smooth next year.
- Shashi Agarwal:** Okay, sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Rupali Gunjekar, an individual investor. Please go ahead.
- Rupali Gunjekar:** Thank you for giving me again opportunity to ask. In case of KAVACH, I just want to understand, is LTE required with KAVACH?
- Sanjai Kumar:** Yes. So your -- to your question, the answer is no as well as yes. The present KAVACH, which is right now being deployed is without LTE, but then the next standard, which is -- for which we are actually preparing ourselves also, will be with LTE. So, ultimately, it will be with LTE only.
- Rupali Gunjekar:** Okay. So RailTel will be applying with LTE only, right?
- Sanjai Kumar:** I think to begin with, I would say in few tenders, we may have to go without LTE with the VHF option also.
- Rupali Gunjekar:** Okay. And...
- Sanjai Kumar:** So, right now, the technology is not yet ready, but it is under development. But you can say maybe a year from now, the solution is complete with LTE also. Then by the time LTE will also be there in place -- basically, the rollout of LTE in major trunk routes will be there.
- Rupali Gunjekar:** So the LTE work is going on right now?
- Sanjai Kumar:** No. Tenders are still -- they are invited and we are participating in those tenders also.
- Rupali Gunjekar:** Okay. So the -- for LTE, we need to apply separately.
- Sanjai Kumar:** So Railways have floated tenders for Delhi-Mumbai and Delhi-Kolkata routes and those tenders are still open and we will be participating in those tenders.
- Rupali Gunjekar:** These tenders are for LTE?
- Sanjai Kumar:** Yes.
- Rupali Gunjekar:** Okay. Okay. Understood. Thank you.
- Sanjai Kumar:** Thanks.
- Moderator:** The next question is from the line of Vishal Periwal from Antique Limited. Please go ahead.
- Vishal Periwal:** Yes. So, sir, thanks for the follow-up. Sir, in terms of data -- the Edge Data Centers, one is in terms of -- like if one has to see the timelines, one is the tie-up or probably the -- with the Techno Electric which you mentioned, it's parallelly happening. But apart from that, setting up an infra,

can you just give color, like how exactly that will work? So we need to get them the space or probably they have to venture that out for themselves or how exactly it will work?

Sanjai Kumar: So as far as space is concerned, we are providing them space and network also is already available along the railway tracks. So this will be, basically, facilitated by us, and then, of course, marketing front is going to be there. RailTel is going to be the marketing front for them.

V. Rama Manohar Rao: And in fact, the Edge Data Centers are very small data centers kind of thing, where a 10x10 room or 12x12 room also would be good enough to start with, or sometimes even container-based data center also is possible. That way it is very easy to ramp up scenario provided the data demand is available in that location and other parameters are taken care of.

Vishal Periwal: Okay. And then with this -- are we -- have we -- are we supposed to share some revenue with the Indian Railways also for the Edge Data Center?

Sanjai Kumar: See, there is a separate arrangement with Indian Railways. So we take some space from them. We have to pay some lease charges to them. There is no revenue share arrangement with them.

Vishal Periwal: Okay. Okay. Got it. And maybe one last thing. In terms of KAVACH also, I think you did mention on the opportunity size that is there. But sir, if -- without quadrant -- maybe like -- that's one MOU that we already have. So without quadrant, can we have it more like tie-ups and venture into this KAVACH or...

Sanjai Kumar: Certainly, yes.

Vishal Periwal: Okay. Okay. Yes. Sure, sir. I'll just come back in the queue, sir. Thank you.

Sanjai Kumar: Thank you.

Moderator: Thank you. The next question is from the line of Rupali Gunjkar, an individual investor. Please go ahead.

Rupali Gunjkar: Just a last question. This VSS tender which we got through government, what is the status? Like, how much part of it has been already completed, and what part is remaining now?

Sanjai Kumar: Yes. So very good question you've asked. This VSS tender, so recently, STQC is a basically certifying agency from Government of India, they have come out with very clear guidelines, and whatever clouds were there and this project was getting delayed are now clear. So I believe now this project will be on the road. Basically, smooth commissioning of this project will happen now onwards. We expect this to happen maybe by the end of this year.

Rupali Gunjkar: So how much is being completed till now?

Sanjai Kumar: See, we have completed partly most of -- many of the things at maybe around the major station, if you say. It's around 300 stations -- major stations, it is completed. But because of the camera issue, which was there, it could not be commissioned in finality, in complete, I would say scope -- complete scope of the project. But now there is no issue pending. Issues were there which were revolved -- resolved by the Government of India and various certifying agencies because

of security reasons. So, again, I would say that this year this project should get -- should see the complete -- completion.

Rupali Gunjkar: Okay. Okay. Understood. Thank you.

Sanjai Kumar: Thank you.

Moderator: Thank you. Ladies and gentlemen, this is the last announcement for questions. A reminder to all the participants that you may press star and 1 to ask a question. Ladies and gentlemen as there are no further questions, we would close the call. Thanks for joining the call hosted by Antique Stock Broking. You may now disconnect your lines. Thank you.

H. Behl