

RailTel/Sectt/21/SE/S-16

Date: August 1, 2025

लिस्टिंग विभाग, नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड, 'एक्सचेंज प्लाजा', सी-1, ब्लॉक जी, बांद्रा - कुर्ला कॉम्प्लेक्स, बांद्रा (ई), मुंबई - 400 051 Listing Department, National Stock Exchange of India Limited 'Exchange Plaza', C-1, Block G, Bandra - Kurla Complex, Bandra (E), Mumbai - 400051 Scrip Symbol- RAILTEL	कॉर्पोरेट संबंध विभाग, बीएसई लिमिटेड, रोटुंडा बिल्डिंग, पी जे टावर्स, दलाल स्ट्रीट, किला, मुंबई - 400 001 Corporate Relationship Department, BSE Limited, Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai - 400 001 Scrip Code- 543265
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**Sub: Outcome of Analyst/Investor Conference Call held on Tuesday, 29th July 2025
- Transcript.**

Ref: Our Letter of Even no. dated July 24, 2025 & July, 29 2025.

Dear Sir/Madam,

In reference to our above-referred communication regarding Analyst/Investor Conference Call, we are forwarding herewith the transcript (duly signed by CIRO) of the Analyst/Investor Conference Call held on Tuesday, 29th July 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 एवं 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 (रेल मंत्रालय) का उपक्रम
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“RailTel Corporation of India Limited
Q1 FY’26 Post Results Earnings Conference Call”
July 29, 2025



**MANAGEMENT: MR. SANJAI KUMAR – CHAIRMAN AND MANAGING
DIRECTOR – RAILTEL CORPORATION OF INDIA
LIMITED**
**MR. V. RAMA MANOHARA RAO – DIRECTOR/FINANCE
– RAILTEL CORPORATION OF INDIA LIMITED**
**MR. YASHPAL SINGH TOMAR – DIRECTOR/NETWORK
PLANNING AND MARKETING – RAILTEL
CORPORATION OF INDIA LIMITED**

MODERATOR: MR. VISHAL PERIHAL – ANTIQUE STOCK BROKING





Moderator:

Ladies and gentlemen, good day, and welcome to the Post Results Q1 FY'26 Earnings Conference 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 has been 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, Anushka, and I welcome all the participants and from investors and analyst community for the post results earnings call of RailTel Corporation of India Limited. And I'd also like to thank the management for giving us this opportunity. And the management team from RailTel is led by Sanjai Kumar sir, who is the Chairman and Managing Director; V Rama Manohara Rao sir, who is the Director of Finance; and Yashpal Singh Tomar sir, Director, Network Planning and Marketing. And apart from that, there are other members from the team also have joined the management.

As usual, we'll have a brief from the management on the gone by quarter, and then we'll have a Q&A session from the participants. Yes. Thank you, and over to you, Sanjai, sir.

Sanjai Kumar:

Thank you, Vishalji. Very good morning to all. It gives me great pleasure to interact with you on the company's performance in the backdrop of Q1 financial results of FY'26, which were declared by the company on 28th July 2025. The company had a strong start to our financial year 2025-'26, having achieved operating revenue of INR744 crores in Q1 of FY'26 as against INR558 crores in Q1 of FY'25, registering the Y-o-Y growth of 33%. The Telecom segment contributed INR335 crores and Project segment contributed to INR409 crores in the company's operating turnover.

As regards the total revenue, the year-on-year growth is 31% with INR758 crores in Q1 of FY'26 as compared to INR578 crores in Q1 of FY'25. The profit before tax PBT in Q1 of FY'26 is INR89 crores as against INR67 crores in Q1 of FY'25, registering Y-o-Y growth of 34%.

The profit after tax in Q1 of FY'26 is INR66 crores as against INR49 crores in Q1 of FY'25, registering year-on-year growth of 36%. Earnings per share in Q1 of FY'26 stands at INR2.06 as against INR1.52 of Q1 in FY'25, registering year-on-year growth of 36%.

Order booking during quarter ending 30.06.2025 was to the tune of INR721 crores as against total order booked during Q1 of FY 24-25 of INR218 crores. The company has robust order book position of INR7,197 crores as on date, out of which close to INR500 crores are related to Kavach projects. I'm happy to inform you that CAG has offered nil comments on annual financial results of FY 24-25. We remain committed to pursuing growth and creating value for our esteemed investors. We are also exploring opportunities in order to realize our true potential.

I thank you for your trust and collective vision for the future of this company. Thank you, Jai Hind.



Moderator:

We take the first question from the line of Vishal Periwal from Antique Stock Broking.

Vishal Periwal:

For the question queue assemble, I just thought to maybe like ask a few questions. First, I think, sir, we have done a pretty strong set of start for this particular year, doing a healthy 30% plus kind of revenue growth. And how exactly you are seeing things for the full year? I think we are already there like 1 more month in the quarter 2. So how things are and for the full year, how do you see things? Any color that can you provide, sir?

Sanjai Kumar:

So, if we talk of revenue overall year, we would take somewhere around 25% growth if we take overall year. Since the base number is growing, so the overall growth, I would take around 25%.

Vishal Periwal:

Right, sir. And I mean, I mean usually, we have already in this past release also we have said that it will be more like a single digit for the Telecom and high double digit for the projects. So, it's the same thing is expected to continue?

Sanjai Kumar:

Yes.

Vishal Periwal:

Right.

Sanjai Kumar:

Telecom, again, Telecom market is not, I would say, in India, it has been -- it has been a characteristic of Indian Telecom market. So, Telecom market growth is going to remain stunted. But the biggest advantage, which I always repeat, we being in the ICT and IT domain, Telecom market acts as a catalyst for many of our project business income.

So, I wouldn't say that it is not important. Directly, it may not be contributing -- it may not be seen directly to contributing to the top line. But this being part of our portfolio certainly assists and helps us in getting many IT, ICT projects.

Vishal Periwal:

Got it, sir. And in terms of our order inflow, we have seen a decent set of inflow. So, any particular sector which is driving it? That is number one. And second, any green shoots or any emerging sectors that you are seeing could drive our order inflow in times to come?

Sanjai Kumar:

See, we see we have started gaining momentum in getting railway projects recent quarters. And so, we see that now we are getting -- we started slow, but now we are getting good number of projects from railway tenders. Of course, those are not nomination. So, you must have seen that recently, we got another Kavach order also. So -- and a few tunnel communication projects already there with us, some signaling, auto signaling and EI work already we are doing.

So that is one sector where we are working. And many state government projects where we have been strong since beginning, we are getting good orders even now. Some Smart City projects may come to us. Like similarly, another third front is that international business.

We have started a very small beginning, and we hope that in the years to come, our international business, which will include not only IT and ICT Telecom, but railways also, is likely to be part of that. But it will take time because we are starting and starting international business requires, I think, different kind of efforts and energy. So, we are gaining experience in that.



- Vishal Periwal:** Right, sir. So, the key takeaway is, I mean, what I would gather is the railway order as a sector, which was a bit muted in maybe 6 months back. So, things are kind of picking up there. And within that, Kavach in plus signaling is something which is driving the traction. That's fair to understand?
- Sanjai Kumar:** Yes. At least in the short term, I can say yes.
- Vishal Periwal:** Got it. And in terms of pipeline on Kavach front, anything that you see here from the ministry that they want to award orders to this extent at least for next 6 months or 12 months? Anything on that front, sir?
- Sanjai Kumar:** See, this is very difficult for us as a bidder, as a service provider, it is very difficult for us. But these tenders are being floated by different zonal railways and units, and they are coming out with tenders as and when. I think now apart from tenders, there's focus on delivery also, implementation also. So, implementation also has to pick up.
- Moderator:** The next question is from the line of Karan Sanwal from Niveshaay.
- Karan Sanwal:** Congratulations on a good set of numbers and good start to the year. I have a couple of questions regarding Kavach, which the previous participant also touched upon. So, you said you have already highlighted that we have already won two orders for Kavach.
- So, I wanted to understand, like how is the execution on that part? What are the timeline for execution? And are we starting to do the groundwork right now? Or is it would be done maybe a few quarters down the line, if you could highlight?
- Sanjai Kumar:** So, these projects are, of course, engineering intensive and you have to work along the track every kilometer. So, these will be going up to, say, 27 -- 2027, 2026-27, mostly the executions will happen. And some part of it may also be there in 2027-28 as well. So, these are long-term project execution time lines, 18 to 24 months.
- Karan Sanwal:** So you're talking about the execution of the order we have already won, right, the INR1,100 crores.
- Sanjai Kumar:** Yes, I'm talking about that only, yes.
- Karan Sanwal:** And have you bid for other Kavach projects lately? Or are we expecting any bid results maybe 1, 2 quarters down the line?
- Sanjai Kumar:** So, we have already -- there are a few tenders where we have participated bids. And wherever these bids are coming, there's no question that we will not bid, and we'll certainly try to win.
- Karan Sanwal:** Understood. And also, have we -- so we have already tied up with the OEM partner. So, wanted to understand how is the conversation with those partners? Like have they received a certificate to execute Kavach orders? Or how is the timeline over there, if you could highlight something on that part?





Sanjai Kumar:

Those certifications are, of course, lengthy and very detailed because it is related to safety. And right now, we see that we are going in the right -- at the right pace in the right direction. And therefore, we don't see any challenge on that front. But certification is yet to happen. It is underway.

But there's a lot of field work is required, which is going to take time, like laying off cables, say, about 1,000 kilometers of cable, many towers have to be erected, many drawings and those have to be approved with the railways. So that work is going to take time. So, this certification will not substantially going to -- is not going to affect our actual progress. This will happen in parallel.

Karan Sanwal:

So maybe -- so our scope of work may already have been started in some sort of way or I imagine, right?

Sanjai Kumar:

Yes, we have all started on field, yes.

Karan Sanwal:

Okay. And also...

Sanjai Kumar:

That's how things have happened.

Karan Sanwal:

Okay. Understood. What is the approximate proportion of revenue of those projects flowing to us, maybe an approximate percentage, if you could highlight?

Sanjai Kumar:

I told you those are close to INR500 crores. Exact figures, I don't remember both the Kavach orders put together. So that is what -- this year, we might clock some revenue, but majority of revenue should come next year from these projects.

Karan Sanwal:

Understood. One last question. So, we -- from what we understand, we record the entire revenue of Kavach, and then maybe a proportion of expenses that is subcontracted is highlighted in the expense portion, right? Or we only record our portion of revenue?

Sanjai Kumar:

No, no. This is total revenue.

Karan Sanwal:

Okay. Understood. So, we would be adding the subcontracting charges to the OEM for the equipment that they provide is what -- is what...

Sanjai Kumar:

In orders it includes everything. Order includes complete supply chain.

Karan Sanwal:

Correct, correct.

Sanjai Kumar:

It never excludes anything. Yes.

Karan Sanwal:

So, our portion would be around 60%, 70%, maybe 50%, 60% of the revenue of those orders?

Sanjai Kumar:

No, no. Revenue is completely with us. It is going to add to our turnover only.

Karan Sanwal:

Okay. Understood, understood.

Sanjai Kumar:

Yes, yes.





Moderator: The next question is from the line of Mohit Mishra from ICICI Securities.

Mohit Mishra: Yes. Sir, I had a couple of small questions. Can you -- in the Telecom services, can you give the breakup of NLD, ISP and IP revenue for the quarter?

Sanjai Kumar: Yes, sure. So, if we talk of NLD, it is INR151 crores. ISP is INR108 crores, which includes about INR84 crores from RailWire and INR24 crores from IP. And remaining about INR51 crores -- sorry?

Mohit Mishra: Could you repeat the ISP one?

Sanjai Kumar: INR108 crores.

Mohit Mishra: Okay, okay.

Sanjai Kumar: And about INR51 crores is from data center-related business and others.

Mohit Mishra: Okay, sir. Got it. And secondly, sir, I'm sorry, but I missed the order book number in your opening remarks. Could you please repeat that number?

Sanjai Kumar: Order book number is INR7,197 crores.

Mohit Mishra: And -- what percentage of that would be railways?

Sanjai Kumar: It is around 30%, 31%.

Moderator: The next question is from the line of Vishal Periwal from Antique Stock Broking.

Vishal Periwal: So on ECL, usually, we do provisions in our P&L. So, anything that we have done for quarter 1 of this year, sir?

Sanjai Kumar: There is reversal in this quarter, INR3 crores, I think.

Vishal Periwal: Okay. Got it. So, there is no -- any one-off -- no major one-off there? It's numbers are recurring in sort of nature?

Sanjai Kumar: Yes.

Vishal Periwal: Got it. And sir, order book, which you mentioned, what will be the share of Kavach in this, sir, the INR7,200-odd crores order book?

Sanjai Kumar: Exact numbers, I'll have to find out. It's close to INR500 crores. I think somewhat less than that.

Vishal Periwal: Okay. Usually, sir, like in the previous presentation, we have given a further breakup of order book. Then they'll be...

Sanjai Kumar: Your voice, can you please repeat?

Vishal Periwal: Is this better now?





Sanjai Kumar:

Yes.

Vishal Periwal:

Yes. Sorry for that audio. Sir, in our previous presentation, we have given a breakup of the order book that is between railways and other sectors. So, if one has to understand from a margin profile point of view, which segment give us the highest margin and then maybe like which is kind of where the competition is pretty high, which gives a low margin. So, can you give some color on that order book profile from a margin point of view?

Sanjai Kumar:

I can give some clue whatever I have understanding. So, railways projects generally are -- they are good margin projects with us. But otherwise, in general, IT projects, margins are really very difficult to have. We are -- certainly this quarter, we have slightly bettered ourselves, made our position better.

We have, I think, 5.28% margin in projects. Otherwise, generally, 4% to 5% is the margin. If we talk of sector specific, it is not -- it is very difficult to figure out one section -- sector against the other sector. So, it is mix, I would say.

Vishal Periwal:

Okay. And typically, I think from a number of players who are bidding, say, in Indian Railway project and then ICT, what will be the difference, sir? How many players bid in the railway projects and how many in the ICT typical project, sir?

Sanjai Kumar:

Again, this is plays sector-to--sector...

V. Rama Rao:

And it's -- if I can add, I think it's very difficult to generalize that way, Vishalji. It all depends upon the project and its -- I mean, various other aspects and location in which this project is how tough it is. So, there are many other parameters on which the competition prevents.

Vishal Periwal:

Got it, sir. And in terms of data centers, I think one is like -- I mean, like in coming months and quarter, can we have a separate line segment in our Telecom just to see how the traction? That is one. And second, I mean, can you give some color where we are right now? Any targets or plan that we have, one for our own data center and second is the Edge that is there -- Edge data center, sir?

Sanjai Kumar:

Edge, so if you talk of data centers, so data center-related income, we are certainly growing comfortably around 15% to 20%, we take overall. But there are one-offs also which might -- because numbers are small, we are growing in this segment. So that is why we have not created a separate line segment now.

Once it becomes a substantial number, certainly, we will make it. Now, if we talk of Edge data centers, so Edge data centers, we have -- we should clock some numbers this year. I think last conference, I told you around INR10 crores. And so, I stay with that number if we talk of Edge data center.

Vishal Periwal:

Okay. Okay. And in terms of our own data centers, sir, what is the capacity right now? And how do you see this going in this year and next year? And any plan around that?





Sanjai Kumar:

So, our own data center, which is -- see, even these data centers are our own data centers. There's only -- it is not -- I would say that, this is not debt per se, but they are not the technology partners. The ownership of these data centers remain with us. Turnover is also coming to us. These data centers are required because those existing data centers are almost working at the close to capacity.

So that is why we require this. We are also likely to start something with third-party data centers only as far as the infra -- passive infra. So that line of segment is also likely to start this financial year.

As you know that we have made some MoUs with third-party data center infra service, only passive infra services will be taken from them. So data center, we see that this year is going to be really, I would say, we would be embarking on a new journey. And in next financial year, these results would be certainly visible.

Vishal Periwal:

Right, sir, right. And so if one understand, so one is the Edge data center where I mean, like we have a revenue share sort of model. And then there is another -- I mean, will the model be similar to revenue share? Or how exactly it is structured?

Sanjai Kumar:

So see, it is -- it won't be appropriate to share all those models because we are flexible. Whatever suits to the benefit of RailTel, we will have that flexibility. It may be revenue share. It may be leasing passive infra from them depending upon the circumstances and the need of the project, which we would be doing. We are not going to stick with one single line of this thing.

Vishal Periwal:

Got it, sir. And in terms of megawatt, any plans that we have, sir? I mean, like in terms of what megawatt.

Sanjai Kumar:

Noida Data center, which where work has started already, Noida Data center, that is going to be ultimately to begin with, we'll have 5 megawatt in next 2 years. And then later on, we will upgrade it to 10 megawatts.

Vishal Periwal:

Okay. Got it, sir.

Sanjai Kumar:

But it already started there as 5 megawatt. Yes.

Vishal Periwal:

Okay. And in terms of Edge data center, sir, any megawatt target?

Sanjai Kumar:

Edge data centers will be a smaller one, say, around 0.2 kilowatt -- 0.2 megawatts, sorry. And this year, we might think maybe 4 or maybe 5 Edge data centers, we should be able to begin.

Vishal Periwal:

Okay. Got it. And maybe one last thing, sir. In terms of our capex plan, how do you see -- what we have done in this quarter? And how do you see the full year? And third, maybe parallel to that, like where exactly we are doing this capex, which segment we are doing this? Yes, that's all from my side.

Sanjai Kumar:

So this quarter, we have done around INR66 crores. And we have planned already for INR350 crores kind of capex for the whole of the year. Yes.





Vishal Periwal: And which segment we are doing the capex, sir?

Sanjai Kumar: Mostly, it is going to data center and Telecom, but there would be some smaller numbers like power plants, optical fiber, maybe some software. Generally, it is data center and Telecom equipment.

Vishal Periwal: Okay. And if one has to understand in terms of the maintenance and vis-a-vis where we are adding capacity, so how the split will be, sir, in the annual capex?

Sanjai Kumar: Maintenance will never come to capex. It is part of revenue expenditure. Maintenance is not part of capex.

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

Parimal Mithani: I just wanted to know the guidance for the year, if you can just tell us?

Sanjai Kumar: So it will be somewhere around 25% for the whole of the year.

Parimal Mithani: Okay. And will be maintaining the same margin, sir, for the year like time?

Sanjai Kumar: If we talk of margin range overall this thing so it will be around 11% to 12%.

Moderator: The next question is from the line of Rakesh Roy from Boring AMC?

Rakesh Roy: My first question regarding your INR500 crores Kavach order, sir. Sir, this order will execute by RailTel only or you have any JV or any other company to execute this order?

Sanjai Kumar: There is no JV as such, but there are, of course, partners.

Rakesh Roy: Okay. Yes.

Sanjai Kumar: See, we -- yes. OEM is a partner, and then there will be partners who will do the field activities like cabling and tower erection.

Rakesh Roy: Okay. Right, sir. Can you share the name of any company -- so last time I was reading about the company Future Tek, they are having MoU with your company is here to execute Kavach orders. So, can you highlight on this?

Sanjai Kumar: They are our OEM of Kavach equipment Quadrant Future Tek. You are right. and we have an MOU with them.

Rakesh Roy: Okay. And sir, lastly -- just you mentioned it takes time to get certification. So, what type of certification take time and how much is general take, sir?

Sanjai Kumar: I think you missed it. I have already answered this question very much in detail.

Rakesh Roy: Yes, I missed it, sir.





Sanjai Kumar:

This certification is done by railway organization because this is a safety item. And this is being deployed for the first time. This kind of equipment is indigenously developed by Indian company. And so once it is approved, then it will not require every time. Then afterwards, it will require only inspections. So that process is going on for all companies. It is not only our partner company, but it is for all five OEMs, whose one has already got that is SPL, but four others are under approval, yes.

Rakesh Roy:

Okay. Right, sir. And sir, this Kavach system is developed by in-house by RailTel or how is it, sir?

Sanjai Kumar:

No, it has been developed by Railway is a unit organization known as RDSO in collaboration with industry. So RailTel has not done anything to -- any contribution to this product development.

Moderator:

The next question is from the line of Karan Sanwal from Niveshaay.

Karan Sanwal:

Sir, just one query. Sir, do we have -- this exclusive tie-up only with, Quadrant that you just named, or would you be open to tie up with other OEMs for execution of Kavach?

Sanjai Kumar:

See, execution is a separate activity. As far as OEM for the supply of Kavach project, Quadrant is our exclusive partner. So, execution is being done by various other partners, yes.

Moderator:

As there are no further questions from the participants, thank you members of the management. Thank you everyone for joining. On behalf of Antique Stock Broking Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

Sanjai Kumar:

Thank you very much.

