

RailTel/Sectt/21/SE/S-16

Date: May 25, 2023

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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<b>Scrip Symbol- RAILTEL</b>	<b>Scrip Code- 543265</b>

**Sub: Outcome of Analyst/Investor Conference Call held on Friday, 19<sup>th</sup> May, 2023 - Transcript.**

**Ref: Our Letter of even no. dated May 16, 2023 and May 19, 2023.**

Dear Sir/Madam,

In reference to our previous communication dated 16<sup>th</sup> May, 2023 regarding Analyst/Investor Conference Call, we are forwarding herewith the transcript (duly signed by CIRO) of the Analyst/Investor Conference Call held on Friday, 19<sup>th</sup> May, 2023, organised by M/s. IDBI Capital Markets & Securities 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)

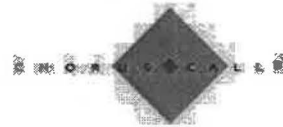
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# “RailTel Corporation of India Limited Q4 FY2023 Post Result Earnings Call”

May 19, 2023





*RailTel Corporation of India Limited*  
*May 19, 2023*

**ANALYST: MR. VISHAL PERIWAL – IDBI CAPITAL MARKETS & SECURITIES LIMITED**

**MANAGEMENT: MR. SANJAI KUMAR – CHAIRMAN AND MANAGING DIRECTOR – RAILTEL CORPORATION OF INDIA LIMITED**  
**SHRI V RAMA MANOHARA RAO – DIRECTOR (FINANCE) – RAILTEL CORPORATION OF INDIA LIMITED**  
**SHRI MANOJ TANDON – DIRECTOR (PROJECT OPERATION & MAINTENANCE) - RAILTEL CORPORATION OF INDIA LIMITED**  
**MR. HC BATRA– EXECUTIVE DIRECTOR (FINANCE) – RAILTEL CORPORATION OF INDIA LIMITED**



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**Moderator:** Ladies and gentlemen, good day and welcome to Q4 FY2023 Earnings Conference Call of the RailTel Corporation Limited. 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 “\*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Vishal Periwal from IDBI Capital. Thank you and over to you Sir!

**Vishal Periwal:** Thanks Seema. Good afternoon everyone. First I would like to thank the management of RailTel Corporation for giving us this opportunity to host their earnings call. I will introduce the management from the RailTel side. Today we have with us the CMD Sir Sanjai Kumar, Director (Finance) Shri V Rama Manohara Rao Ji, then we have Director (Project Operation & Maintenance) Shri Manoj Tandon Ji and then HC Batra, ED (Finance). As usual we will have a brief overview from the company on the gone by quarter and then we will have the lines open for Q&A. Yes Sir over to you!

**Company Speaker:** A very good morning to dear investors and all other stakeholders. It gives me great pleasure to interact with you on the company’s performance in the backdrop of Q4 audited results of the company as well as results of FY2022-2023, which were declared by the company on 17<sup>th</sup> May 2023. The company achieved milestone of over 2000 Crores total consolidated income during FY2022-2023 all-time high in the history of the company. The company achieved consolidated operating revenue of Rs.704 Crores for Q4 as against Rs.454 Crores in Q3 of FY2022-2023 registering the growth of 55% on quarter-on-quarter basis. Year-on-year growth in operating revenue for the fourth quarter of FY2023 has been 51% as compared to corresponding period of last year. For FY2022-2023 the company registered the growth of 27% in operating revenue with turnover of 1964 Crores as compared to 1548 Crores in the previous financial year. The telecom segment contributed Rs.1169 Crores and project segment contributed Rs.794 Crores in the company’s operating turnover. The profit before tax in fourth quarter of FY2022-2023 before exceptional items is Rs.67 Crores as against previous quarter corresponding profit of Rs.43 Crores registering an increase of 56% quarter-on-quarter basis.

For FY2022-2023 the company has posted total profit before exceptional items and tax of Rs.257 Crores as against Rs.231 Crores in previous financial year. Total profit after tax and exceptional items of FY2022-2023 stand at Rs.189 Crores as against previous year’s PAT of Rs.209 Crores. Earnings per share for this year stand at Rs.5.89. EBITDA for Q4 of FY2023 is Rs.144 Crores and the EBITDA margin is 20%. The company’s EBITDA margin for FY2022-2023 has been 20% as against previous year’s margin of 27%. A fall in EBITDA margin is partly due to competitive rates in projects business having lower margins also. Your company bagged many awards and recognitions in FY2023 including prestigious SAFA that is South Asian Federation of Accountants Certificate of Merit for integrated reporting in corporate governance disclosure 2021. Apart from Railways, RailTel is executing a number of projects in other sectors also like



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coal, defence, banking, education, health, smart city, etc. We continue to grow as a key player in the digital transformation journey of the country. We are now driving the biggest public Wi-Fi monetization programme also attempted in India in partnership with a reputed IT company by introducing many passenger friendly and infotainment services along with offering a canvas space for advertisers to excess masses. We now have expertise in the Aadhaar-based authentication services for impersonation control of candidates for competitive examinations including other similar opportunities and scaling up to expand this product line. We are glad to be associated with State Bank of India project which is one of the largest projects of providing last mile connectivity to banks on 4G LTE technology in India. Our retail broadband service called RailWire now has grown to 5.2 lakh subscribers across the country. We introduced many new value added services like bundled OTT plans, live OTT facilitating RailWire, FTP subscription on rail-based Wi-Fi network at railway station, IPTV services and so on. Though this is very highly competitive and low barrier market, we will continue to add more value added services and get deeper in Tier-2, Tier-3 areas. We offer Wi-Fi services to many universities and recently bagged a prestigious contract from ITPO Pragati Maidan Delhi to offer Wi-Fi services as service and broadband services for all events there. We are already implementing Delhi Safe City project and, Pondicherry Smart City project and Video Surveillance System (VSS) project at railway stations as brought to your notice during previous interactions. RailTel also bagged prestigious order recently from C-DAC for developing IT infrastructure for Greenfield data centers at New Delhi and Bengaluru. It will facilitate C-DAC in building up its capacity for secure big data enterprise applications. Your company has also other IT/ICT project orders including one from Bangalore Metro Rail Corporation Limited for revamping their existing IT infrastructure, Government of Bihar for establishing their electronic knowledge networks among others. We are also implementing communication projects namely five tunnel radio communication projects for Indian Railways and converged communication system over 230 stations in South Western Railway zone. Cyber security is a new area which offers lot of opportunities. We have strategically decided to enhance our capabilities to serve this market. Our expertise in implementing NIC e-Office project has earned us many fresh assignments from many Central Government and State Government departments. Your company has planned a capex investment of the order of Rs.200 Crores for network upgradation, augmentation of data centre capacity, automation activities among others for current financial year to further strengthen our vital infrastructure and capability. We increased network capacity by 10 times recently. Easing of international supply chain will facilitate our implementation of projects also. We are very conscious of maintaining good standards of corporate governance, deep-rooted values, best practices, transparency and integrity throughout the company. We are focused on our future growth constantly keeping pace with the changing IT and telecom scenario and reorienting our strategies to meet the challenges. The management always works for creating values for its investors and customers. We are always strengthened with the trust reposed by the investor in the company. I would like to assure all the stakeholders that the company will continue to work for



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the satisfaction of our valued customers and for achieving new milestones in times to come.  
Thank you.

**Moderator:** Thank you. We will now begin with the question and answer session. We take our first question from the line of Ms. Divya Daga from Vijit Global securities. Please go ahead.

**Divya Daga:** Hello Sir congratulations on such a great number and my first question is what is expected revenue with the deal of 3i Infotech this year and in the next two years, are you in talks for further deals and what is the revenue recognition model for that?

**Company Speaker:** So this deal with the 3i Infotech is regarding Wi-Fi monetization as I have told already that we have provided them a canvas space for the advertisers so that advertisers keep their advertisements. There is a minimum guarantee of Rs.14 Crores per annum and over and above. If they have revenue, they have to share 40% of their revenue with us with the minimum guarantee of Rs.14 Crores; so whichever is higher they will share. So this year maybe another three months they will be launching their services-for monetization part, but their payment period has already started. The minimum guarantees they have to start paying now. I believe you are satisfied with the answer.

**Divya Daga:** Basically I was asking that what is the expected revenue we are expecting in this financial year from 3i?

**Company Speaker:** Any Wi-Fi system globally has not been a profitable business. This is the first time it is happening. Because we have a very large ecosystem of Wi-Fi where 17000 APs are installed all over the country and the space will be opened to so many footfalls, so this is first time we will be doing it and we are expecting a good result but still it depends upon the execution. So we are working on to it and in another three months, we will see the result. It has been finalized through open tender. I would not like to comment any number now, but yes minimum guarantee is there. So this year, at least we may not be expecting anything big. Depending upon the success of this experiment, may be, next year onwards, we can say something about it.

**Divya Daga:** When the revenue will start coming, how we will recognize that it will come in other income or in the topline?

**Company Speaker:** It is operating income.

**Divya Daga:** My second question is; In Q2 FY2023 concall, you said that especially around 50 Crores from Data Centers, are we on it or is there any change?

**Company Speaker:** We will be certainly increasing these services and numbers will be more. This year, we have done 52 Crores and present year we are expecting somewhere around 100 Crores.



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**Divya Daga:** Can you give me what services you are providing and how is the model and everything about data centers?

**Company Speaker:** So data centers; basically there are different type of services like pure colocation services which now we are not very much keen to expand upon. Then we are providing core computing facilities so that basically we host the applications in our machines that is the virtual machines you can call them and then there are security added services, then application as a service also like we are providing e-office, hospital management information system the application as service is also there.

**Divya Daga:** So as you say that it is on asset-light model what is that exactly?

**Company Speaker:** Asset-light model means, I would say basically the money which we have put in this data center activity is not very high because these are applications, the customer just can come and then start using our services. Whenever demand comes, we can immediately start getting these services like Aadhaar authentication service which is service being provided out of our data center. So we are already having a system platform available with us and customers start using it immediately. There is no time taken in providing this service.

**Divya Daga:** Is it like annual subscription?

**Company Speaker:** No it is not annual subscription, it is based on usage, Aadhaar based authentication services are usage based. Suppose this year, we have conducted complete JEE exams, it was conducted through our Aadhaar authentication biometric services and so whenever the exam is conducted, they are using it and paying it basically for per user.

**Divya Daga:** What is the revenue recognition model?

**Company Speaker:** There are different models. Aadhaar authentication for instance; but they are continuously application posted so that will be annual income coming to us; then there will be applications which are provided by us that is also depending upon the license based or how many concurrent users are there, those kind of terms and conditions are there, so there are various models and these models are continuously evolving, there is no single model of revenue earning.

**Moderator:** We take the next question from the line of Vignesh Iyer from Sequent Investments. Please go ahead.

**Vignesh Iyer:** Congratulations Sir on strong set of numbers. So I remember in the Q2 call you have guided that for the project side of it Q1 and Q2 could be slower so just to understand keeping that in mind would we see some progress Y-O-Y when it comes to project business in Q1, Q2 or it would be more or less flattish?



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- Company Speaker:** I have been saying this again and again because we are a small company and a quarter for a company of our size is a small period, quarter-on-quarter there may not be true indications, I would say, but still we are having a good order book with us so we expect that good numbers will come in Q1, Q2 also.
- Vignesh Iyer:** Could you tell me what is the size of the order book as on March 31, 2023 and what would be the expected time of execution for the same?
- Company Speaker:** I really do not remember, but right now we have 4500 plus Crores order book as on date.
- Vignesh Iyer:** Just one last question if I could squeeze; can you give me what is the ARPU for RailWire as of now in Q4?
- Company Speaker:** It is around Rs.550.
- Vignesh Iyer:** Thanks. I will get back in the queue Sir. Thank you.
- Moderator:** We take the next question from the line of Pratap Maliwal from Mount Intra Finance Private Limited. Please go ahead.
- Pratap Maliwal:** Thanks for taking my question. We have had a good increase in revenue this quarter so I just wanted to ask how much of this was from the VSS order that we were supposed to collect in Q4?
- Company Speaker:** It is around Rs.85 Crores.
- Pratap Maliwal:** So our total collection was supposed to be in the range of 400 Crores so are they going to be to the next year as well the VSS?
- Company Speaker:** Yes this year we will be executing major chunk of VSS.
- Pratap Maliwal:** Out of the 400 Crores order, how much have we done till now?
- Company Speaker:** Till now, maybe around 150 including this previous one also.
- Pratap Maliwal:** 150 Crores done and I just wanted some idea on the VSS order so we are doing the project for the railway stations; is there a separate order for VSS in coaches for next year that we may get, is that a separate order?
- Company Speaker:** No, that is a separate order but that order we are not counting now because there is rethink going on in the Ministry of Railways as how to execute this surveillance system in coaches. See coaches are bodies wherein there are many devices already fitted, so we are working on nitty-





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gritties of that, so that you might have seen in the news also maybe on the portal also that we have right now kept this tender on hold. Right now, we are not counting that order.

**Pratap Maliwal:** Understand, Sir. Thank you and just wanted to understand that going forward can we get some kind of idea as to what may be margin level at EBIT level we intend to keep either on an overall basis or project basis, any colour on that?

**Company Speaker:** If you talk of project, we would try to keep the range of 6 to 7%.

**Pratap Maliwal:** Because, I think currently, we are at slightly lower level of Q4 so what would drive that increase?

**Company Speaker:** There are multiple factors. Number one is the selection of projects where we are going. So we generally select projects where there is an element of telecom, there is an element of data center and then there is an element of IT applications and all that. So generally we prefer projects where these two elements are also present and then these two elements help us keeping our margins higher.

**Pratap Maliwal:** I am sorry, telecom margin would be in the range of the usual 19 to 20%, is that right?

**Company Speaker:** Yes. Telecom EBITDA margins are already 33% for the last financial year.

**Pratap Maliwal:** Sure Sir. Thank you for taking my question.

**Moderator:** Thank you Sir. We take the next question from the line of Shubham Shukla from Voyager Capital. Please go ahead.

**Shubham Shukla:** Hi good afternoon everyone. So my first question is around the margin; so on a telecom sector like, if you could give breakup of margins from project work and telecom work?

**Company Speaker:** For quarter or for the year?

**Shubham Shukla:** Both actually.

**Company Speaker:** We talk of EBITDA margins for telecom services for the quarter gone by, it was 29% and for project it was 4%.

**Shubham Shukla:** Yearly?

**Company Speaker:** Yearly, it was 33% for telecom and 5% for the project.



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- Shubham Shukla:** Second would be on the order book we currently have 4500 Crores worth of order book as far as I can remember we had a similar range of order book in Q2 so like we did not see any growth there?
- Company Speaker:** Like, last four to five months, we have received new orders of around 1000 Crores. There has been implementation that is why you have seen that Q4 result and handsome growth in project in some also. Orders have been coming and implementing and then new orders getting added so that is a continuous process.
- Shubham Shukla:** So, this current order book; does it provide any visibility for revenues if you could say like a year or two revenue visibility?
- Company Speaker:** This year, I see a project income of around 1500 Crores.
- Shubham Shukla:** Any future guidance if you could provide for next year?
- Company Speaker:** For this year you are asking?
- Shubham Shukla:** For FY2024.
- Company Speaker:** Somewhere around 2000 to 2500.
- Shubham Shukla:** The revenue we will be having, is it?
- Company Speaker:** Should be. We are working towards that.
- Shubham Shukla:** Thank you so much, good luck.
- Company Speaker:** I am talking of 2024-2025.
- Shubham Shukla:** 2400 to 2500 right?
- Company Speaker:** No, I am talking of financial year 2024-2025; for FY2023-2024, it is 1500.
- Shubham Shukla:** For FY2023-2024 is 1500, for 2024-2025 it should be somewhere around what?
- Company Speaker:** 2000 to 2500 for project income.
- Shubham Shukla:** Thank you so much and good luck.
- Moderator:** Thank you Sir. We take the next question from the line of Amit Kumar from Determined Investments. Please go ahead.



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- Amit Kumar:** Yes good afternoon team. Just a quick question on this, you know Wi-Fi monetization you mentioned 14 Crores minimum guarantee amount; I was just wondering the Wi-Fi that you maintain across stations on Indian Railways, what would be the operating expense on an annual basis of sort of managing the infrastructure broadly.
- Company Speaker:** If you talk of maintaining, it will be around 10 to 12 Crores.
- Amit Kumar:** Marginal profitability.
- Company Speaker:** Actually we are pooling resources. There are people who are working on our network along the railway track which is 61000 kilometers; so there are resources and the same resources are pooled for this. So we actually do not dedicatedly provide any manpower for that, there is a small internet bandwidth expansion which is continuously coming down as a cost to us because of international and national scenario in this market.
- Amit Kumar:** Got it and Sir just one question on your RDN and content on delivery COD plans previously, any sort of update on these contracts; also when can we expect any sort of action on these fronts?
- Company Speaker:** I think, during last interaction also I mentioned that RDN and COD both are being given fresh thought in the Ministry of Railways and that is why we have not included these two projects in our order book also. Now we are awaiting further instructions from Ministry; so they are not there in our radar right now.
- Amit Kumar:** Alright, that is it from mine.
- Moderator:** Thank you Sir. The next question is from the line of Dhvani Shah from Investec. Please go ahead.
- Dhvani Shah:** So first of all just needed the breakup on NLD, IP1, and ISP within the telecom if you can give it on an annual basis?
- Company Speaker:** For the financial year gone by we have total IP1 income of 215 Crores, ISP income of 380 Crores out of which RailWire is 318 Crores and NLD is 569 Crores.
- Dhvani Shah:** Also if I understand the project business could ramp up and of that you said the VSS was almost 85 Crores so VSS was supposed to come in at higher margins of almost 8% so have we started executing your change in strategy you all mentioned last quarter saying that coming forward project will be at a lower margin given that your focus will be more on volume and is that also why you have called out almost being 100 Crores for the next year and that would say that essentially the run rate that you saw in Q4 will continue going forward?



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- Company Speaker:** Summarize your question.
- Dhvani Shah:** I am asking that the margins that you all saw in project business were at 4.3% this time and VSS project was mentioned would be almost 8% that was almost 85 Crores of incremental revenue this time in the project business so are the other projects at lower margins?
- Company Speaker:** No, actually I would say that around 4% point something last quarter, so there was some project opportunity we got with lower margin and that of course affected us in that, but now we will be slightly cautious because there are many projects-there is no dearth of projects and we will be slightly selective in bidding for projects where margins are certainly better, so that we continue to remain in 6 to 7% bracket.
- Dhvani Shah:** I just wanted to understand the other expenses for the quarter come down to 103 million from 300 million last quarter can you just explain that difference, where there any one-off?
- Company Speaker:** Good morning. It is primarily because of ECL in the last quarter ECL provision which is not there in Q4.
- Moderator:** We take the next question from the line of Nitin Gandhi from KIFS trade Capital. Please go ahead Sir.
- Nitin Gandhi:** So we are increasing network by almost 10 times and you have certain projects so can you share how is the project average execution time out of your order book of 4500 Crores and how we are spanning out because three or four times network capacity utilization in next one or two years?
- Company Speaker:** That would be two separate questions. So project is not directly related to any network capacity prices???, somewhere it may be utilized but if you talk of project business so out of this say 4500 Crores we are expecting that around 1500 Crores income we will be booking this current financial year.
- Nitin Gandhi:** That I got it, you said for two years we have expected but I am seeking average duration.
- Company Speaker:** There are projects which are going up to 8 years also, one year the implementation or one-and-a-half years for implementation and then one year or two years of warranty and then another five years for maintenance also. There are projects with three years and then after three years they are getting renewed also, then five years also there are projects, but implementation is generally one, one and half year.
- Nitin Gandhi:** So out of 4500, how much is O&M related?



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- Company Speaker:** Out of this 4500, O&M would be Rs. 500 Crores or so. We have not really worked out on this, but I guess because those are smaller amounts, generally 3 to 4% kind of numbers per annum kind of.
- Nitin Gandhi:** Right; and now regarding network, if you can share something?
- Company Speaker:** Majority are basically one to two years, majority of the numbers are getting converted into revenue in each areas and remaining 15% maybe depending upon the number of years they are going so 10 to 15% or so.
- Moderator:** Thank you Sir. We take the next question from the line of Mr. Vishal Periwal from IDBI Capital. Please go ahead Sir.
- Vishal Periwal:** Yes Sir thanks for the opportunity. A couple of data point if I can ask what is the RailWire subscriber base currently with us?
- Company Speaker:** It is 5.21 lakh.
- Vishal Periwal:** If you have this number ready for FY2022 for comparison Sir?
- Company Speaker:** 4.63 lacs.
- Vishal Periwal:** Then, for maybe a full year basis project side, if you can give a breakup of revenue between railway and non-railway?
- Company Speaker:** Railway, for this year gone by, it was 155 Crores and other project was 619 Crores.
- Vishal Periwal:** Non-railway 619?
- Company Speaker:** 619.
- Vishal Periwal:** Just one clarification- then if non-railway piece is increasing for us, so any reason that the margins are subdued for us?
- Company Speaker:** Because there were projects which were given to us on nomination basis and there were healthy margins of 8-8.5% with us and outside projects. Even now in railways also we are getting orders by bid and nothing on nomination. So, then of course when you are in competition, margins are decided by the competition not by nomination. So there is an effect of competition. Certainly you are seeing that in other projects. This year we have only 13 to 14% income from railways including telecom income.



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- Vishal Periwal:** Like-to-like basis Sir between railway and non-railway for a particular project will it be fair to say that now given a competition in non-railway side, railway gives us better margin vis-à-vis non-railway?
- Company Speaker:** Even railway is now a competition for us as we have to get the any work through competition only. So I do not see any difference but those projects like video surveillance, it is already going on, so of course, there will be better margins. We are already executing.
- Vishal Periwal:** Then the 1500 Crores topline that we are expecting for FY2024 the margin expectation is in the range of 5% that is what you said right Sir just a clarification?
- Company Speaker:** Yes, prior to that six to seven, five of course is assured I can say.
- Vishal Periwal:** On the telecom I think can you guide in a similar way how exactly you are seeing things for the next year on the margins and the topline front because may be parallel question to that like we mentioned we have expanded the capacity?
- Company Speaker:** Telecom margins were slightly dipping you might have seen because of some of our fibers were getting older and we have not decided to replace them as we are continuing with that fibre and repairing it. So there is some maintenance expenditure going on without going in for capex. This is already over, but we are continuing with the same asset so there is some increase in the opex ??? on optical fibre maintenance and that is how this year we see that there is slight dip in the telecom margin.
- Vishal Periwal:** How do we see things in next year Sir in terms of margins?
- Company Speaker:** Maybe more or less at the same level; this year we had EBITDA margin of 33% in comparison to last year of 35%.
- Vishal Periwal:** Maybe I will try to understand in detail with you Sir Offline and one last question from my side and then I will come in the queue. The 10 times the network expansion that has happened that is along the railway track the optic fibre which is there, which side of the business that you are saying?
- Company Speaker:** Earlier, our network was based on 10G system, now it is 100G system, so straightaway we have multiplied by 10, so we have good amount of capacity available with us.
- Vishal Periwal:** Sure Sir. Thanks a lot. I will come back in the queue.
- Moderator:** We take the next question from the line of Richa Shah, individual investor. Please go ahead.



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**Richa Shah:** Thank you for giving this opportunity. Sir I just wanted to understand now see we have a topline of almost 2000 Crores and in that we have straight receivables of almost 1000 and 1050 Crores so I wanted to know what are the number of days of receivable and from this 1050 Crores how many are older than six months?

**Company Speaker:** Older than six months?.

**Richa Shah:** Yes, from 1050 Crores of trade receivable.

**Company Speaker:** Just give us some more time so that you can ask new questions. In the meantime, we will get these numbers for you.

**Richa Shah:** So my second question is- just wanted to know how many subscribers have been added in RailWire in Q4 and in FY2023?

**Company Speaker:** If you see the number added- so there were new numbers and there was some churning out also but net subscribers added were around 52000 that is the net addition.

**Richa Shah:** 52000 for the full year?

**Company Speaker:** For the full year.

**Richa Shah:** For the quarter Sir for Q4?

**Company Speaker:** Roughly 7000.

**Richa Shah:** So just the trade receivables if you can just get back to me on that.

**Company Speaker:** So less than year, the number is already there with me this is 700 Crores and remaining is more than a year, roughly around 400 Crores.

**Richa Shah:** I wanted to know more than 6 months is how much.

**Company Speaker:** This number I think right now is not available, we will get back to you maybe.

**Richa Shah:** What are the receivable days that we currently have?

**Company Speaker:** 1020.

**Richa Shah:** That would be the receivable numbers, I want to know receivable days, the debtor days?



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**Company Speaker:** So that is 191 for the year gone by, now it is 192 for the year gone by but see actually this 192 number which you are seeing since our project income has gone up so what is happening in project income where many projects we take with our partners and there is receivables as well as payables also so it actually does not affect our cash flows because we pay only when our payments are made by the customers. So these numbers are swelling because of this reason because project income has increased substantially you have seen in our account statements also so that is the major reason and there are project milestones also some project is going on for maybe 1-1/2 years so there are various milestones when these payments are due but they have to be shown as per in their standards so that is the reason.

**Moderator:** We move on the next question from the line of Shubham Shukla from Voyager Capital. Please go ahead.

**Shubham Shukla:** Hi once again. So if I can recall the last statement on your margin from telecom sector so you said that we are incurring some minor fibre maintenance and if these are minor maintenance then why EBITDA margins falling from 35% to 30% because for minor maintenance as you say it, but the drop in margin is quite significant so does that justify?

**Company Speaker:** Only 2%, 33% I am saying, it is not 13.

**Shubham Shukla:** I did not get it.

**Company Speaker:** From 35% to 33% not 13%.

**Shubham Shukla:** If you could provide revenue visibility for telecom for next two years?

**Company Speaker:** So revenue visibility for this year from telecom business; we are eyeing a number of 1300 to 1400.

**Shubham Shukla:** For FY2024?

**Company Speaker:** Yes.

**Shubham Shukla:** For FY2025?

**Company Speaker:** For FY2025- because revenue in telecom business by capacity wise it is growing but since prices are continuously under pressure in market, you know telecom market, so the numbers are not commensurate with the services we are providing, so again I can get the number of 1600 to 1700 for the next year.

**Shubham Shukla:** Margins on this project work would be similar to like 6-7% assuming for next two years?





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- Company Speaker:** 6 to 7% is what we are striving to get with a minimum of somewhere close to 5%.
- Shubham Shukla:** Thank you so much. That is it from my side.
- Moderator:** We take the next follow up question from the line of Dhvani Shah from Investec. Please go ahead.
- Dhvani Shah:** Thank you for giving this opportunity again. Just wanted you to get some colour on telecom business and those sectors if you can give some colour on NLD performance?
- Company Speaker:** You want the numbers from these individual services from telecom?
- Dhvani Shah:** Just some colour on how they are going forward to grow.
- (Note: There was some audio disruption at this stage & hence this question Couldn't be answered)**
- Moderator:** We take the next followup question from the line of Pratap Maliwal from Mount Intra Finance. Please go ahead Sir.
- Pratap Maliwal:** Hi thanks for taking my question again. I just wanted to confirm one data point that you provided that out of our total income this year FY2024 we are expecting a total railway income to be 30 to 40% did you say or did I guess that correct?
- Company Speaker:** I did not mention about this number, 13% for 2022-2023 but I did not say anything about 2023-2024.
- Pratap Maliwal:** I think you said that in the coming year that the percentage of revenue we expect from railways including our telecom income what is the data point if I can just get that?
- Company Speaker:** You are asking anticipated income for 2023-2024?
- Pratap Maliwal:** From Railways what is the percentage of income that we expect from Railways?
- Company Speaker:** This year also maybe 15 to 20% total income.
- Pratap Maliwal:** Thank you.
- Moderator:** Thank you Sir. We take the next question from the line of Pranay Khandelwal from Alpha Invesco. Please go ahead with your question.



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- Pranay Khandelwal:** Hello Sir thank you for the opportunity and congratulations on a good set of numbers. I wanted to understand this one thing but if you look at the segmental performance that you have reported over there if we see the telecom EBIT margins is around 19 to 20% while you have been reiterating as it is 33%, Sir can you explain me why there is difference, how do we calculate the telecom margins from your side and what is the difference in segmental results?
- Company Speaker:** You are talking about EBIT margins, we are talking about EBITDA margins. EBITDA margin is 33%.
- Pranay Khandelwal:** So there comes a 13% difference from the depreciation itself?
- Company Speaker:** Yes of course.
- Pranay Khandelwal:** Thank you.
- Moderator:** Thank you Sir. The next question is from the line of Divya Daga from Vijit Global securities. Please go ahead.
- Divya Daga:** Sir my question is what is the overall order book and how much are we going to execute in this financial year?
- Company Speaker:** Our order book is roughly around 4500 Crores and this year we are targeting to get 1500 Crores numbers. Does that answer your question?
- Divya Daga:** Yes thank you.
- Moderator:** Thank you. The next question is from the line of Amit Kumar from Determined Investments. Please go ahead Sir.
- Amit Kumar:** Yes thank you again. Just one followup. I think we mentioned a number of 200 Crores for capex for this fiscal 2023-2024 if you can just break it down into maintenance and growth capex and across both of those any sort of major element that you want to highlight or the principal areas in which that capex is divided broadly?
- Company Speaker:** I also mentioned in my address also. Partly, it will go towards network upgradation further basically enhancing the capacity, when I say enhancing the capacity-it is basically adding to the existing system; we can increase the capacity up to 800G that is the maximum capacity we can go. So partly, it will go to that. Partly, it will go to the data center augmentation also and then we have already planned for large scale automation in our support system to increase our efficiency in productivity. So these are the major three segments we will be spending this.



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**Amit Kumar:** Sir will it be possible to please put some numbers to each one of these and what would be the maintenance capex also I just wanted to get a sense from that?

**Company Speaker:** Maintenance is never part of capex that is part of revenue expenditure.

**Amit Kumar:** In terms of these different pieces how does this 200 Crores roughly?

**Company Speaker:** You can say that roughly around 50 Crores was data center Rs.75 Crores each towards for network up gradation and automation.

**Amit Kumar:** Thank you.

**Moderator:** Thank you Sir. We take the next question from the line of Richa Shah. Please go ahead Madam.

**Richa Shah:** Hi Sir. I just wanted to understand you were telling me that you have paybles also because you worked for third party so just wanted what are you payable days?

**Company Speaker:** As I told you, suppose I have got a milestone from my customer which is due say three months from now, it depends on the payment from the customer and milestone as per the contract. You cannot say that this is the payment, so as soon as the money comes to us, we have terms and conditions with our partner that we have to immediately pay them back.

**Richa Shah:** Thank you Sir.

**Moderator:** Thank you. Ladies and gentlemen due to time constraint that was the last question. We will conclude this conference call. Thank you for logging in for the post results earning conference call of RailTel Corporation. You may disconnect your lines. On behalf of RailTel Corporation of India Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines.

*H.C. Batra*  
*24/5/2023*

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(CIRO)*