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Date: November 24, 2021



<p>लिस्टिंग विभाग नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड 'एक्सचेंज प्लाजा', सी-1, ब्लॉक जी, बांद्रा - कुर्ला कॉम्प्लेक्स, बांद्रा (ई), मुंबई - 400 051</p> <p>Listing Department, National Stock Exchange of India Limited 'Exchange Plaza', C-1, Block G, Bandra - Kurla Complex, Bandra (E), Mumbai - 400051</p>	<p>कॉर्पोरेट संबंध विभाग, बीएसई लिमिटेड, रोटुंडा बिल्डिंग, पी जे टावर्स, दलाल स्ट्रीट, किला, मुंबई - 400 001</p> <p>Corporate Relationship Department, BSE Limited, Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai - 400 001</p>
<p>Scrip Symbol- RAILTEL</p>	<p>Scrip Code- 543265</p>

Sub: Outcome of Analyst/Investor Conference.

Dear Sir/Madam,

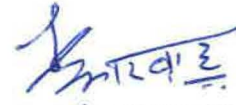
In reference to our previous communication dated 10th November, 2021 regarding Analyst/Investor Conference Call, we are forwarding herewith the transcript (duly signed by CIRO) of the Conference Call held on 15th November, 2021, organised by M/s. IDBI Capital Markets & Securities Limited.

2. This is submitted for your information and record.

धन्यवाद,

रेलटेल कॉर्पोरेशन ऑफ इंडिया लिमिटेड के लिए




24/11/2021
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) वरिष्ठ प्रबंधक/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)

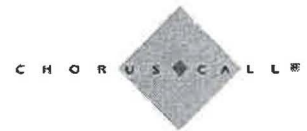
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“Railtel Corporation of India Limited Q2 FY-22
Earnings Conference Call”

November 15, 2021



MANAGEMENT: SHRI PUNEET CHAWLA – CHAIRMAN & MANAGING
DIRECTOR
SHRI SANJAY KUMAR – DIRECTOR (NETWORK
PLANNING & MARKETING)
SHRI ANAND KUMAR SINGH – DIRECTOR (FINANCE) &
CFO

MODERATOR: MR. VISHAL PERIWAL – IDBI CAPITAL





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Moderator: Ladies and gentlemen, good day and welcome to the Q2 FY22 Earnings Conference Call of Railtel Corporation hosted by IDBI Capital Market and Services 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. Thank you and over to you Mr. Periwal.

Vishal Periwal: Yes, thanks Jacob. Good afternoon everyone. Welcome to the post result investment interaction with the Railtel Corporation management. I would like to thank the management for giving us this opportunity to host the call and from the management we have with us today Shree Punit Chawla – Chairman and Managing Director, Shree Sanjay Kumar – Director of Network Planning and Marketing, Shree Anand Kumar Singh – Director (Finance) and CFO. As usual, like you know, we will have a brief overview from field research on the business and then we will open it for Q&A. Yes Sir, over to you.

Puneet Chawla: Good afternoon everybody. I am very happy to interact with you on the company's good performance in the backdrop of Q2 results for FY22 which were declared by the company on 11th November 2021.

Total consolidated income for H1 FY22 stood at Rs. 696 crores against Rs. 554 crores in the corresponding period of previous year, this being an increase of 26% year-on-year. EBIT for H1 FY22 stood at Rs. 119 crores and PAT at Rs. 89 crores which was higher by 92% and 94% respectively on year-on-year basis.

The consolidated revenue registered a growth by 17% quarter-on-quarter, year-on-year growth in revenue from operations for Q2 of FY22 has been 27% in comparison to corresponding period of the previous year. Railtel on a consolidated basis posted profit before tax of Rs. 91 crores in Q2 of FY22 against Rs. 28 crores in Q1 of FY22, and profit after tax of Rs. 68 crores in Q2 against Rs. 21 crores in Q1 of FY22, thereby registering a substantial growth in both EBIT and PAT, both on quarter-on-quarter basis and year-on-year basis.

In Q2 FY22, telecom business contributed Rs. 266 crores against Rs. 231 crores in Q1 FY22 and project business contributed Rs. 93 crores against Rs. 76 crores in Q1, thereby registering a growth of 15% and 22% respectively in quarter-on-quarter. EBITDA for Q2 FY22 was Rs. 131 crores against Rs. 67 crores in Q1 FY22, thereby registering an increase of 96% quarter-on-quarter. EBITDA margin grew from 21% to 34.4% registering again an increase of 62% quarter-on-quarter. Core EBITDA grew from Rs. 58.38 crores to Rs. 108.5 crores, registering an increase of 86% quarter-on-quarter and core EBITDA margin increased from 19.03% to 30.27, showing an increase of 59.02% quarter-on-quarter.

Despite the weak market scenario, Railtel has been getting multiple orders and the current order books stand at Rs. 5000 cr. We have received orders of 626 crores in ICT space, out of 1108 crores worth of orders received since April 2021 alone. We are expanding into new areas of ICT





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in the fields of education, health sector, HMIS, artificial intelligence etc. We are also exploring new work avenues like tunnel radio communication for which already we have bagged projects at a cost of Rs. 138 crores and the technology we are using is the first to be used in the Indian Railways. Providing end-to-end solutions by executing connectivity, maintenance, Data Centre services and network operation centre projects for the defense sector and coal sectors. We are also working with National Forensic Science University for development of solutions in strategic sector.

We have also started exploring opportunity in the safe city space. We quoted in one Bangalore safe city tender, of course we could not be successful in that but then we have started entering into this field. We also intend to play a crucial role in village connectivity projects of department of telecommunications by using our 5000 rural broadband PoPs, we have provided wi-fi services on 6065 railway stations.

We have also registered as a PDOA for the PM-WANI project. Our 6065 wi-fi stations now are WANI compliant and we have already developed Railtel wi-fi application which is under validation with CDOT. For this, we have also signed an MOU with CDOT for delivering technologies on Make in India, technologies for our network expansion and delivering equipment to the end users under our rail wire programs.

Railtel intends to play a major role in modernizing train control systems by participation in the train collision avoidance system of the Indian Railways which has been sanctioned over around 35000 Route kilometers and which will be done on the backbone of a high-speed mobile communication corridor, which will be set up along the railway tracks on 4G or LTE technology. To achieve reduction in input cost of bandwidth, we are exploring setting up of cable landing stations. We also plan to set up 100 edge data centers in Tier-2 and Tier-3 cities on a Public private partnership model. Thus, this is the way forward and the result we achieved was despite the second wave of COVID in Q1 FY22 hitting us hard and the impact lingered on into Q2 also. In spite of this, the results of H1 which shows growth of 26% year-on-year are very encouraging.

I, on behalf of Railtel company, acknowledge the faith reposed by the investors and other stakeholders in the company and would like to reaffirm that in spite of challenges still being faced by the country in general and the economy in particular, the company is and will continue to strive to achieve higher benchmarks in the remaining part of the current financial year and in the years to come. Thank you.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Sanjay Jain from ICICI Securities. Please go ahead.

Sanjay Jain:

First on the telecom services, phenomenal growth, congratulations. Can you just explain what is driving this telecom services revenue? Is that the employees coming back to the office, partly retrieving the usage and the revenue or we have booked any large revenue this quarter, and what is the sustainable growth for the second half of this year? Will this number of 260 crores, can it go up further per quarter in the next two quarters of this fiscal year? That is my first question.





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Puneet Chawla:

The emphasis on digitalization today has gone up like it was never before. The stress on working from home, working from remote locations has taken the demand of the telecom services to next level. The broadband services which Railtel has, now in H1 they have grown by 57%. Now, this is basically due to people, students working from home, the demand and now once this phenomenon has started it will continue. Similarly, health sector, people are increasingly using tele consultations and these will continue to grow. Then, now the companies have started making their own private network which has taken the demand of national long distance to new level i.e., it has increased very much. In Q2, the demand as compared to Q1, our increase was higher by 15% in this sector and this will further grow. Already we are executing projects from coal subsidiaries, so our virtual private network which we will develop for them that will increase the revenue in the coming quarters. Thirdly, for the infrastructure provided, as I told you in my opening remarks, we are going to execute for Indian Railways, a high speed-communication corridor along the railway tracks which will serve their communications needs and their safety requirements. Now, this will entail setting up of towers at almost all the railway stations. Today, we have got 1100 towers. Now, we will be constructing around 5000 more towers. So, one tenancy will be used for the Railways, rest of the two tenancies will be used to give out space for the other telecom service providers which will be providing the 5G services in the near future. So, all the sectors are bound to show a growth in the coming quarters and next year.

Sanjay Jain:

Fair enough, Sir. I got the point but can you just give us what was the growth for NLD, then internet service ISP and the infrastructure for this quarter on a YOY basis?

Puneet Chawla:

This quarter, it was, okay you want year-on-year basis? Okay.

Sanjay Jain:

Year on year basis for all the three segments.

Puneet Chawla:

Yes, year-on-year basis, of H1.

Sanjay Jain:

No, not H1, it is of Q2.

Puneet Chawla:

Yes, this was of H1 actually, if we see H1 it was ISP was 57%, IT was 26% and NDL was 5%. The Q2 figures as compared to last year, they have also shown an increase.

Sanjay Jain:

Not that is okay, H1 is good enough I will take it afterwards. Now, on the project business, we have an order book of 5000 crore. It was 4000 crore last quarter, so are we telling that after executing 100 crores we have added another 1000 so that means this quarter we had a gross addition of 1100 crores of order book. Is that understanding correct? And second one is...

Puneet Chawla:

1100 is in the first two quarters starting from April till now.

Sanjay Jain:

No, in the last quarter you told that order book is of 4000.

Puneet Chawla:

Rs.4000 cr. In the beginning of the F.Y..

Sanjay Jain:

Got it, got it, got it. And the second related question is despite having such a.....

Puneet Chawla:

Just a minute, 4000 when we had gone in for the IPO last year. At that time we have....





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- Sanjay Jain:** Okay, got it. Just on the execution side, despite having such a large order book and as you mentioned last time this order book is executed at a three years to four-year max, why the quarterly run rate on the project business is still only 100 crores?
- Puneet Chawla:** See, because the first two quarters, as I told you, that in the first quarter we were impacted badly by COVID but if you see in the next quarter we had improved, in the second quarter of the year we have improved as far as the project execution is concerned. First quarter was very very very bad, you all know that thing.
- Sanjay Jain:** No, even in the second quarter the revenue is only 92 crores.
- Puneet Chawla:** The total, Yes you are right. Second quarter was 93 or so...
- Sanjay Jain:** 92.7 crores, last quarter was 76 crores. The run rate looks significantly lower compared to a 5000-crore order book. If I say it is executable over four years that means on annual basis we should be doing 1250 crores of order execution?
- Puneet Chawla:** Yes, this is improving and that is how our overall turnover is also improving. Now, I expect much better execution of projects in these two, I mean, quarters and we will be expecting an overall growth of about 25%.
- Sanjay Jain:** Overall growth means at the company level is expected at 25% growth in the second half?
- Puneet Chawla:** Around, Yes around, I mean, complete for the full year.
- Sanjay Jain:** So, for the full year we will still achieve a 25% growth, that means second half is going to be substantially strong?
- Puneet Chawla:** Yes, second half will be substantially strong.
- Sanjay Jain:** Because in the first half....
- Puneet Chawla:** The project execution we will see an upward swing in these two quarters in the coming quarters.
- Sanjay Jain:** Got it, got it, got it. Second question is on the COD part, is it COD completely out or we will be rebidding for the new vendor to execute the COD project? How should we see the COD and the revenue of 60 crores we were anticipating in the concerned COD?
- Puneet Chawla:** Immediately, we will be going in for retendering this thing. This agency has failed but now we will be retendering and then again it will come up and who knows it may be more than this. Let us see.
- Sanjay Jain:** Sir, it will be done this fiscal year itself?
- Puneet Chawla:** Yes, we will be finalizing this agency within this year itself.
- Sanjay Jain:** Got it, got it. Some bookkeeping question, if you can just help us, one on the admin cost which was 6.2 crores this quarter you said that they were like ECL reversal of 15 crores. How should we see this because it has been quite volatile? What is the quarterly or an annual admin expenses we should look at?
- Puneet Chawla:** My Director Finance will answer this question. He is here only.





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- Anand Kumar Singh:** ECL reversal of 14 crores in the second quarter it is from the rationalization of the calculation of the ECL. Our debtors as on 31st March 2021 was 886 crores, balance of debtors out of 886 cr. as on date stands at around 516 crores. We are in the process of realizing our debtors also and due to the COVID impact, the payment position from the clients was a bit tight but we are actively pursuing for realization and going forward with the rationalization the calculation of ECL we do not see any substantial increase in the ECL positioning.
- Sanjay Singh:** So, what should be the steady state admin expenses, 23 crores? 20 crores per quarter admin cost?
- Anand Kumar Singh:** Admin cost 20 Cr., Yes.
- Puneet Chawla:** Yes, 20 crores per quarter.
- Anand Kumar Singh:** Yes, around that figure, yes.
- Sanjay Jain:** And why was other income so high this quarter, 22.6 crore?
- Anand Kumar Singh:** See with the reversal, there was a negative in the expenditure side, as per presentation aspect any negative on the presentation has been taken to other income, so that negative portion in the second quarter was taken to the other income.
- Sanjay Jain:** So, this reversal of ECL was taken to the other income?
- Anand Kumar Singh:** After reversal, the administrative and other expenses came on a negative figure.
- Sanjay Jain:** Correct.
- Anand Kumar Singh:** So that figure was added to the other income because as per the presentation requirement we cannot show negative in the expenditure side.
- Sanjay Jain:** Oh, got it, got it, got it. And there is a considerable increase in the working capital in the first. If I look at the cash flows, there is 200 crores of working capital outflow out of which there is a financial non-current asset which has taken out close to 140 crore. Can you just explain what is the nature of that outflow? Cash flow, cash flow. Change in the working capital?
- Anand Kumar Singh:** I will come back on this after some time. You can proceed.
- Sanjay Jain:** One last question on the CAPEX side. We have done 60 crores in the first half. The CAPEX spend. How should we see the CAPEX spend for the full year?
- Anand Kumar Singh:** Yes, for the full year also it will be the same, I mean more so we can be around 120 to 125 for the full year.
- Sanjay Jain:** And where are you spending these 100 to 125 crore?
- Anand Kumar Singh:** On building up of our network, expansion of the network, and on our data center.
- Sanjay Jain:** Data center and the network. Got it. One last question from my side. I will come back in the queue for further. Why there was a lower margin, EBIT margin in the project business, it was a mid-single digit?





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- Anand Kumar Singh:** The lower margin in the project business was certainly due to the transition of the COD, COD income so they have not made the payments and we only recognized around 1.53 crores of COD profit in Q2 against 15 crores which was recognized in Q1.
- Sanjay Jain:** No, but even then, if I do not take it the margin is only 5.7%. It does not come in revenue; it does not come in EBIT. But why is the margin of the reported number lower?
- Anand Kumar Singh:** See if I look at it this way....
- Sanjay Jain:** Is there any reversal this quarter?
- Anand Kumar Singh:** No, you see the project profit actually is 5.7 as you say because the COD impact is again to the bottom line, so since there was no COD income in the second quarter it was only to the tune of 1.53 it has showed an impact.
- Sanjay Jain:** I got that Anand sir, I am just saying if you remove that, last quarter it was 22%. I am not looking at 22% but the steady straight margin I thought was somewhere around 10%, right?
- Anand Kumar Singh:** The margin from Railway is around 8.5%,. Due to the slow progress in the first quarter, we hope to see this percentage profit increasing going forward.
- Moderator:** The next question is from the line of Urmil Shah from Haitong Securities. Please go ahead.
- Urmil Shah:** Sir, just a follow up on the COD project. So, if we expect the tendering and awarding to the new service provider to be completed by end of this financial year, what should be the timeline wherein we should be expecting it to be operationalized and you know we booking revenue and earnings for the same?
- Puneet Chawla:** No, from next financial year onwards, from Q1 onwards because as soon as we award the contract he is supposed to pay.
- Urmil Shah:** Sir and you mentioned that the COD project can potentially have an upside from you know about 63 crore of annual run rate which was in the earlier project. So, what are the kind of changes etc., we plan to bring in in the project so that it can you know provide you know a better realization than the previous tender?
- Puneet Chawla:** Not much substantial changes but then since it is a thing which will be basically revolutionary and I mean people should be excited about it. I expect that we should get a good response.
- Urmil Shah:** So largely because at the marketplace, you know, the impact of the pandemic reducing that should help us you know do well?
- Puneet Chawla:** Yes, that should help us.
- Urmil Shah:** Sir, and if I look at the 57% YOY growth you have shown in ISP, if we have to break it down between you know the subscriber growth and ARPU it would be good if you could help us understand that?





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- Puneet Chawla:** See, subscriber growth has been basically if I compare it with last year, H1 of last year, to this year, I mean it will be about 75% growth and ARPU is around Rs. 500. Our subscribers stands at 4.22 lakhs.
- Urmil Shah:** Sir, and we had talked about you know expanding our network, the in-city network, so that we can drive more growth in the ISP side. If you could give an update and the roadmap for the same for FY22 that would be helpful.
- Puneet Chawla:** Yes, we are already in the process of doing that. Wherever we are feeling congestion is there or wherever demand for services has increased, so then we are basically going in for modernization and expansion of the network. As I told earlier, as we have already spent 60 crores in the first half of the year and in the full year around 125 crores CAPEX we are likely to spend on these services, modernization, and expansion of services.
- Urmil Shah:** Sure. Sir, maybe I will try rephrasing the question. So, if we look at the 75% growth which we are seeing, how much they would have come within the existing network and how much would or you know is it all from the existing network and the benefit of network addition is yet to come in?
- Puneet Chawla:** Yes, benefit of network addition is certainly yet to come in because these subscribers we could not have joined if we had no capacities. Now, we are building capacities, in fact doubling our capacity or increasing them multifold times for which we are already in the advanced stage of finalizing our tenders, so this will further we want to grow by 20 times in the next two years' time because we, as I told you, we are already having a lot of scope, a lot of demand. Department of Telecommunication is talking to us. They want us to provide broadband services to the villages, near the railway stations which will be very convenient for us to extend and then we are also in talks with them for providing these services in some states, two states. So, anticipating all this we are expanding and modernizing our network.
- Urmil Shah:** Sure. Sir, my last question is on the train anticollision system project. What is the update and how reasonable it would be to expect some awarding of the project to happen by end of this year?
- Puneet Chawla:** Yes, end of the year, I mean, we should be able to get one or two sections awarded and we should be able to get one or two sections by the end of the year, and that is what I am expecting. One section will roughly be around 200 crores, so by the end of the year I expect that one to two sections we will get, and then this will continue in the further years to come because this is a project which Indian Railways has to complete in the next coming five to six years or so. The 35000 Km what they have sanctioned.
- Urmil Shah:** Sure. Sir, and should we expect ramp up of this project overall, not for us but on an overall basis if the rollout of 35000 km of high-speed network is expected to be completed in let us say you know 10 years or so, when is that we should expect the ramp up to see a strong momentum because....





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- Puneet Chawla:** From next year, it will certainly be ramped up because this year Indian Railways has finalized this tender documents etc., the EPC documents, the conditions for that etc., so they have now standardized. They have now floated the tender for the first few sections and this process will now gain pace in the next coming year, next financial year.
- Urmil Shah:** Sir for 35000 km, the opportunity size is around 25000 crores, right?
- Puneet Chawla:** No, for 35000 km the total is 7000 or so, 8000 roughly, 7000 to 8000. That, of course, will depend upon how much is the prices at which the tender was finalized. Out of that, we should get something, I mean we should get quite something. We are well positioned for that.
- Moderator:** Thank you. The next question is from the line of Ganeshram Rajagopalan from Ksema Wealth.
- Ganeshram Rajagopalan:** Sir I just have a basic question I will start off with. As I am looking at your segment wise revenue and results and some telecom services on a standalone basis, it has jumped from about 230 crores to 265 crores, about 13% jump, but on the same revenue base your profits in your results has jumped from 39 crores to 69 crores, so that is about a 75% jump. So, in terms of margins, it has almost doubled, right? So, any explanation as to what is driving that and how you see that going forward?
- Puneet Chawla:** See, the telecom services which we offer around the existing network we do not have to invest much on that except our last mile what we have built it. So as somebody else also asked whether you had given the services on the existing network, so yes that is right. So, with the growth in demand, our existing network still has capacity on which we can build the new services and the last mile etc. we have to provide. So that is the reason.
- Ganeshram Rajagopalan:** So, just to clarify, I understand that you know you are able to generate more revenue out of the assets you know because of the increase in demand, so that explains the jump from 230 crores to 265 crores. My question is more about the profit you are making from this revenue, right? That has jumped up by you know it has jumped up by 75%, so the profit that you are extracting from this increased demand seems to have jumped up. So, in terms of margin expansion that has gone from 13% to 26% standalone basis. So, that is the part that I am not able to quite reconcile. If you could help me with that?
- Puneet Chawla:** See that is what I am saying. With the same existing resources, be it our manpower, be it our network, with an increase of delta x we are able to generate more.
- Ganeshram Rajagopalan:** That makes a lot more sense. So, going forward, we do think that this kind of margin is sustainable or do you think we could expect more expansion in that sense?
- Puneet Chawla:** This certainly is sustainable, like once we invest 125 crores in our expansion program, so this is sustainable, this growth is sustainable. The growth has to come. It is inescapable. With the thrust on digitization, this expansion has to come. This growth has to come.
- Ganeshram Rajagopalan:** So, this is just to understand more from a business sense. So, the second question is when we invest in the broadband towers across the railway network, right so the CAPEX is sanctioned sort of by the Railways and we sort of carry the asset on our balance sheet. Is that correct?





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- Puneet Chawla:** No, assets are given to us for maintenance and revenue what we get out of marketing that 7% we share with the Railways. We keep with us and spend on the maintenance and the upkeep of those assets.
- Ganeshram Rajagopalan:** Alright, alright. So, the actual asset and the CAPEX is not on our balance sheet. It is mainly on the Railways. It is more like sort of.....
- Puneet Chawla:** For new towers, CAPEX will be borne by them because Railways requires these new towers for the high-speed mobile communication corridors which they have to build. One tenancy will be used for the Railways, rest of the two tenancies we will give to other operators.
- Ganeshram Rajagopalan:** Sir. And this is just a housekeeping question that in the previous conference, all I think you had targeted about 2000 crores in revenue for this year and based on one of the previous answers you gave just a back of the envelop calculation 25% growth that you are expecting, that is about 1700 crores, so on the project front is everything looking strong or is there something that could reconcile that difference in expectation?
- Puneet Chawla:** I think we did not specifically say 2000. It was always 25% to 30% only. So, between 1700 to 1800 we are confident of achieving this year also.
- Moderator:** Thank you. The next question is from the line of Vishal Periwal from IDBI Capital. Please go ahead.
- Vishal Periwal:** So, in project businesses can you give clarity, like you know 5000 crore orders and key orders that we have in this segment that will be helpful?
- Puneet Chawla:** Key orders, 5000 which we already have.
- Vishal Periwal:** Yes, Sir. I mean you know key order of may be main orders that will drive the growth for this company.
- Puneet Chawla:** Main orders what we are going to execute are this CCTV project for the Railways which is about 1000 crores for the project on the stations. That is one big project. Then, we have got orders from the coal subsidiaries, which are around 700 crores as on date, out of which some portion we have already executed. Then, we have got orders from defense which are around 400 crores and then these tunnel communication orders 130 crores we have already got from various organizations including Railways and other public sector undertakings. So, these are some of the main projects which we are currently executing.
- Vishal Periwal:** On this train anticollision system, which you mentioned, so is this I mean like you know when you say 200 crore per section will be awarded....
- Puneet Chawla:** That is, I mean, you should not quote that it is 200, it can be more also. It can be a smaller section can be less also and just a ballpark figure what I have told you on the section.
- Vishal Periwal:** But this order is part of our order book or how one should see this?
- Puneet Chawla:** No, this is not part of the order book yet. This is I had just projected that we are eyeing some sections here and that is my projection.





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- Vishal Periwal:** And you have given a color on the ARPU for the quarter at around Rs. 500. What was the number for, I mean, taking the first quarter of this year or maybe year-on-year number if you can give clarity? This is to get a perspective like you know how exactly the competitive intensity of the ARPUs in the internet side will be operational. Are they increasing or are they stable?
- Puneet Chawla:** They are decreasing somewhat. It was a bit more about 550 or so earlier, 575 about one to one and a half years back. That is, of course, it has come down a bit. But then it is compensated by the volumes. It was 575 when our subscribers were 1.2 lakhs. I mean, now it is 4.22 lakhs and we are further increasing that, targeting to increase by 20 times in two years' time. So, that of course probably will come down but that will be more than compensated by the increase in volumes. And to ensure that our input cost goes down, we have made some tie ups. We have signed an MOU with CDOT, so that we can deploy equipment at a lower cost, Make in India equipment and deploy them at a lower cost.
- Vishal Periwal:** Okay, and then a last thing from me. Some time back, ministry of Railways had issued an order you know where in the PSUs I mean like way of doing work which is like you know nomination way of doing work, it may not be there. Everything has to be competitive, bidding, and private players again they can be party to it. So, in this way then are we having any thought process like you know may be like you know going that we want to have a JD partner in a private side wherein you both can do bidding or you still feel like you know on a competitive basis you can bid and then further look for a vendor who can execute the work?
- Puneet Chawla:** See, it is like this. The circular you are talking about is for bidding between the public sector unit. That is for award of the project's, bidding amongst the public sector unit. It does not speak of the works which have been awarded to us on nomination and/or which cannot be awarded on nomination. It does not speak of that. It is just of the tendering between the companies, between the public sector companies. So, it is only I mean stopping that.
- Vishal Periwal:** Okay, so which means private players will be participating in the bid directly. Is it the correct understanding?
- Puneet Chawla:** Yes, they can participate in the bid which they decide not to give on nomination. That is still happening. That was happening also prior to this.
- Moderator:** Thank you. The next question is from the line of Urmil Shah from Haitong Securities. Please go ahead.
- Urmil Shah:** Sir, I just needed more clarity on the train anticollision system. I just pulled up the Q4 FY21, you know, earnings call and there we had indicated that you know that is likely to be a total opportunity of 25000 crores for 35000 you know route kilometers and now it appears to have come down to between 7000 to 10000 crores. If you could explain what has been the change, that would be helpful Sir?
- Puneet Chawla:** Change in the sense?





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- Urmil Shah:** Sir, what has resulted in the 25000-crore opportunity to come down to 7000 to 8000 crore? There would be you know some changes?
- Puneet Chawla:** No, 25000 crore is the total estimated cost of the project. So, I am saying that in the long run we will get something out of it. Out of the 25000, it will not happen in one year time or so, but we will get something out of it. That could be around 7000 or something like that which we should get something out of it.
- Urmil Shah:** So, did I understand it correct Sir? We potentially can get between 7000 to 8000 crores over the long term.
- Puneet Chawla:** Over the years to come, I mean with the project which should be I mean you can say 20% to 35% of the total thing.
- Urmil Shah:** The opportunity remains 25000 crore and potentially, I mean, nothing is 100% sure but potentially we can get 7000 to 8000 crores?
- Puneet Chawla:** Of course, not 100% sure but then something we should be able to get.
- Moderator:** Thank you. As there are no further questions, we would conclude the call. On behalf of IDBI Capital and Services Limited, we thank you for joining in this call. You may now disconnect your lines.



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