







RailTel/Sectt/21/SE/S-16 Date: November 02, 2023

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

Sub: Outcome of Analyst/Investor Conference Call held on Friday, October 27, 2023 - Transcript.

Ref: Our Letter of even no. dated October 23, 2023 and October 27, 2023.

Dear Sir/Madam,

In reference to our previous communication dated October 23, 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, October 27, 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

संलग्नः ऊपरोक्त अनुसार

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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

Q2 FY '24 Earnings Conference Call"

October 27, 2023







MANAGEMENT:

Mr. Sanjai Kumar – Chairman and Managing Director – RailTel Corporation of India Limited

Mr. V. Rama Manohar Rao – Director Finance – RailTel Corporation of India Limited

MR. MANOJ TANDON – DIRECTOR OF PROJECTS, OPERATIONS AND MAINTENANCE – RAILTEL CORPORATION OF INDIA LIMITED

MR. YASHPAL SINGH TOMAR - DIRECTOR / NETWORK PLANNING & MARKETING - RAILTEL CORPORATION OF INDIA LIMITED

MODERATOR:

MR. VISHAL PERIWAL - IDBI CAPITAL



Moderator:

Ladies and gentlemen, good day and welcome to the RaiTtel Corporation of India Limited Q2 FY24 Post Result Earnings Conference Call hosted by IDBI Capital Markets and Securities 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 this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this call is being recorded.

I now hand over the conference to Mr. Vishal Periwal from IDBI Capital Markets and Securities Limited. Thank you and over to you, sir.

Vishal Periwal:

Yes, thanks, [Arshia]. Good afternoon, everyone. Welcome to the post-result earning call with the management of RailTel Corporation. First of all, I'd like to thank the management for giving us this opportunity to host the Earnings Call. And from the management team, today we have with us Shri. Sanjai Kumar, Chairman and Managing Director, Shri. V. Rama Manohar Rao, Director of Finance, Shri. Manoj Tandon, Director of Projects, Operations and Maintenance, and Shri. H.C. Batra, GM of Finance. And as usual, we'll have a brief overview from the management and then we'll have the line open for Q&A. Yes, sir, over to you.

Sanjai Kumar:

Namaskar. A very good afternoon to you all. It gives me great pleasure to interact with you once again on the company's performance in the backdrop of quarter 2 limited review financial results of the company, which were declared by the company on 26th October, 2023.

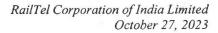
The company has declared an interim dividend of INR1 per share also. The company achieved total income of INR1,096 crores during first half of financial year 2023-24. For the first time, the company surpassed the mark of INR1,000 crores of revenue in H1. The company achieved total revenue of INR613 crores for Q2, as against INR483 crores in Q1 of FY24 and INR440 crores in Q2 of the last year, registering a growth of 27% on Q-on-Q and 39% on year-on-year basis.

The operating revenue of the company in Q2 is INR599 crores, as against INR468 crores in Q1 of FY24 and INR429 crores in Q2 of the last year, registering a growth of 28% on Q-on-Q basis and 40% on year-on-year basis. The telecom segment contributed INR308 crores and project segment contributed INR291 crores in company's operating turnover. The profit before tax in Q2 of FY24 is INR90 crores, as against INR51 crores in Q1 of FY24, registering a growth of 76% on Q-on-Q.

The company posted profit after tax in Q2 of FY24 is INR68 crores, as against INR38 crores in Q1 of FY24, registering a growth of 79% on Q-on-Q. EBITDA for Q2 of FY24 is INR128 crores and EBITDA margin is 21% against Q1 results of Q-on-Q of FY24 of INR88 crores with EBITDA margin of 18%. With the robust order book exceeding INR5100 plus crores, bolstered by new orders worth INR1,400 crores this year itself, we are poised for continued growth.

I am immensely proud to share RailTel played a pivotal role as an integrated telecom and cybersecurity solution provider for the recently held G20 Summit. It was a great success and it was applauded by the media and all government agencies and participants in the summit.

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Today also we are providing similar connectivity for India Mobile Congress which is again happening in ITPO campus, Pragati Maidan in Delhi. At RailTel, transparency, integrity and efficiency are the cornerstones of our operations. We deeply value the trust of our investors and stakeholders.

We remain committed to pursuing growth, diversification and creating value for our esteemed investors. We are continuously making efforts to make our partnership model stronger and stronger every day. We are also exploring new opportunities wherever we see new potential.

Now at the end of my small speech, I thank you for your trust, your dedication and your collective vision for the future of this company. Thank you. Jai Hind.

Moderator:

Thank you, sir. We will now begin the question and answer session. The first question is from the line of Ms. Divya Daga from Vijit Global. Please go ahead, ma'am.

Divya Daga:

Hello, sir. First of all, congratulations for good set of numbers. I have a few questions related to data centers. So my first question is, what is the potential revenue you are seeing from data center segment and what is the progress on triple P models related to Noida data center?

Sanjai Kumar:

Okay. Yes. So the data center potential right now, we are growing slowly and we are getting a lot of orders from government departments for the e-governance applications. So right now we are INR50 crores to INR60 crores sort of number earning from data center.

And we anticipate that this segment, we should be closing somewhere around a growth of 30% to 40% in this sector. On PPP Noida data center project, so we are likely to come out with the RFP very shortly, maybe in 15 to 20 days. And then we see the response of the potential investors and we are hopeful that we get a good response on this.

Divya Daga:

Okay, sir. So the data center, especially the Edge one, is this just for government or are we targeting a private organization as well?

Sanjai Kumar:

So it is open to all type of users, including OTT players and other private users also. Government is of course, would be there, including RailWire.

Divya Daga:

Okay. So do we have any other player than Government right now?

Sanjai Kumar:

So you're talking about edge data center? Are you talking about?

Divya Daga:

Any other data center? Any data center services?

Sanjai Kumar:

No. So we have actually partnered with the application service providers who have hosted their services in our data center and then they are also providing services to government sector. So basically we are partners with private, but mostly the customer is the government.

Divya Daga:

Okay. So I have last question. First of all, the status of Edge data center, we targeted for a hundred and what is the count right now? And in that, I have a question related to order book and broadband connection. What are their numbers and what are the additions in this course?

A



So Edge data center, the RFP is already floated and we are likely to close it in another maybe two months. It is already in the process and regarding the order book, as I already told you, during my address, it is around INR5,100 crores as on date. Then regarding subscriber added during this quarter is around 25,000 in RailWire.

Divya Daga:

And total broadband connection at right now?

Sanjai Kumar:

Roughly around 5.6 lakhs.

Divya Daga:

Okay. Thank you so much, sir.

Sanjai Kumar:

Yes. Thank you.

Moderator:

Thank you. The next question is from the line of Mr. Bala Murali Krishna from Oman Investment Advisors. Please go ahead, sir.

Bala Murali Krishna:

Could you give an update on this Kavach part? We are supposed to tag with one OEM after getting the approval from RDSO. Is there any update on that?

Sanjai Kumar:

So as on date, there is nothing new on that, but we have in fact spoken to a couple of Kavach OEMs and there is one more change in that. Now new Kavach applications will be implemented with LTE only, whereas the earlier one was not with LTE. So there is going to be some time before the tenders are out and we expect another three to four months before the tenders will be floated by the railways.

So this is an update. And LTE part, we are already working with the OEMs that how can it be implemented. We now are setting up a center of excellence also for Kavach with LTE, wherein we will be collaborating with the industry to work out solutions.

Bala Murali Krishna:

So, sir, by introducing this LTE, so we are anticipating around the 4.000, 5,000, so the opportunity for RailTel in this Kavach wallet. So what could be the opportunity if we include LTE also?

Sanjai Kumar:

LTE, I think I have already given an anticipation number last time also that we should be having around 4,000 to 6,000, which you have already said. And we may optimize and bring it to even INR10,000 crores to INR12,000 crores kind of business over next five to six years. So that we still are hopeful of getting, but the tenders have to come out. And this is going to take time because this is not a matured technology. So there will be continuous evolution.

Bala Murali Krishna:

Okay, sir. And one more on the telecom side, there is some uptick in margins. So what contributed for this uptick and going forward how we can put the margin trajectory in telecom sector?

Sanjai Kumar:

You're talking of, just a minute, can you please repeat your question?

Bala Murali Krishna:

In the telecom segment, there is some increasing improvement in the margins. So what is the reason for this improvement and going forward how we can see this telecom segment margins?

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So our EBIT is around 24% right now. And you're talking of Wi-Fi or telecom business?

Bala Murali Krishna:

Telecom

Sanjai Kumar:

Overall, we are maintaining around 24% and we hope that we will continue with that. There may be small aberration here or there, but we are continuously trying to basically shift higher to our own network. So that will certainly will give us some boost. Secondly, we are also now penalizing our last mile service providers with penalties on SLA accounts. So that reduces our expenses also.

Moderator:

Thank you. The next question is from the line of Mr. Sanjesh Jain from ICICI Securities. Please go ahead, sir.

Sanjesh Jain:

Yes, good afternoon, sir. Thanks for taking the question. First, again on the telecom services, this quarter around the revenue growth was just 4.7%. I think the anticipation of the revenue growth in this segment was 10% to 12%. Is there any one-off or any reason you can elaborate for the slower revenue growth in this quarter?

Sanjai Kumar:

There's no one-off. But there is certainly price pressure on telecom side is there. Overall, even country is growing at NLD segment. Country is also growing at around 5 to 6% only. And 5G storage is also not getting backed faster as was anticipated. And it's going to take time because 5G use cases are not coming up the way expected.

But yes, in future, when the 5G story gets through, the revenue growth in telecom segments will happen. Because teleos were expected to have more number of towers co-located with us. But that kind of momentum is yet to come. We are continuously in touch with teleos who will take our tower co-location. That would have given certainly a flip to our telecom growth and margin as well.

Sanjesh Jain:

So is it fair to assume that until the 5G pickup shows up, the revenue growth will be in a midsingle digit for the telecom services?

Sanjai Kumar:

No, I still expect that our overall telecom revenue will grow at around 10% to 12%.

Sanjesh Jain:

Okay. But this quarter, it was significant...

Sanjai Kumar:

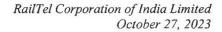
This quarter, yes. It seems to be muted because of the tariff. There was a pressure on tariff from the customer side, coming customers.

Sanjesh Jain:

In that case, that will continue for the full year, right, whatever the renegotiation has happened...

Sanjai Kumar:

So tariff decision once in a year. Generally, it happens in the beginning of the quarter. But this time, it happened in the middle of the year. But still, I see that the growth of the telecom side will happen. We are also basically finding new ways how to maintain this growth momentum of 10% to 12%. And we are sure, we are tweaking our tariffs. We are even dark fiber and tower colocations.





We have revised our tariffs so that the – because of the prices in telecom industries have been lowest in the world. And after 5G coming in, the pressure of capital expenditure on telecos has increased even more. So then we have to support them with the reduced tariffs. Otherwise, they might crumble. So that is the thing. So I think it should remain there. 10% to 12% growth guidance should continue. Overall, a period of year, annual, if we see some longer period time.

Sanjesh Jain:

Got it. And on the margin, last year also, this Q2 was, I think, reasonably high in terms of margin. And then it tapers off. This time, you believe it is different and margin should stabilize at these levels? As you said, you have some cost-driven measure? And a related question to that, you said that you are shifting some of the traffic from off-net to on-net. But that will also involve a capex, right? Because we need to lay the fiber. We would have gone to somebody else because we don't have established fiber there. So should we look at capex in that sense?

Sanjai Kumar:

See, capex we have been doing. But due to COVID, the capex thing got delayed. So we had to hire some capacities from other vendors also to provide the SLA compliance. Now, as our network has come up, so we are basically now rehiring those capacities. So that is also resulting in some efficiency.

Sanjesh Jain:

So how much have you spent in this year and what is the plan for the full year from the capex side?

Sanjai Kumar:

Capex side, we are contemplating around INR180 crores. Of course, not completely on the network side. We are adding to data center, laying some OFC also, and that power bank and all that. So roughly around INR180 crores.

Sanjesh Jain:

Now, if I recall very properly what we spoke earlier, we said that the margins in telecom business has structurally come down because our fiber, which have now become old, have seen an increased repair and maintenance. Is there change in that commentary? I think, we have reduced our margin guidance earlier. I don't think, we have spent significantly on replacing the fiber...

Sanjai Kumar:

If you recall the older numbers, our margins used to be in 30% plus. Now, that correction has already taken place and we will continue with that kind of activity. But that is not a new factor now at this point of time. That we have already taken care of.

Sanjesh Jain:

More kind of EBIT margin should continue for the rest of the year. Will that be a fair assumption?

Sanjai Kumar:

Sorry?

Sanjesh Jain:

This 24% margin should sustain for the remaining six months?

Sanjai Kumar:

I hope so. I have no doubt.

Sanjesh Jain:

Okay, that is great. Second on the project business, what is leading to a spurt? Is it more of VSS getting delivered or which project is driving a higher growth in the project business for us this quarter?



We have a couple of good projects where margins are also good. We are making one data center for C-DAC, for Government of India, through C-DAC. That is one project. And VSS, of course, is one of the projects which is also getting rolled out. So, these two projects, of course, have contributed to projects.

Sanjesh Jain:

And what should be a realistic assumption of a project revenue for FY '24?

Sanjai Kumar:

I think, we remain committed to what we said last time around INR1,400 crores to INR1,500

crores.

Sanjesh Jain:

INR1,400 crores to INR1,500 crores. So, that looks achievable for this year?

Sanjai Kumar:

That is the best which we will be striving for.

Sanjesh Jain:

Okay. Got it. That is all from my side and thanks for answering all the questions and best of luck

for the coming quarter.

Sanjai Kumar:

Thank you, Sanjeshji.

Sanjesh Jain:

Thank you, sir.

Moderator:

Thank you. The next question is from the line of Mr. Viraj from Jupiter Financial. Please go

ahead, sir.

Viraj:

Yes. Good afternoon, sir. And congratulations on a good set of numbers.

Sanjai Kumar:

Thank you.

Viraj

My question, sir, is that this order book which we talked about INR 5000 crores, it should be

executable in how much time, would be?

Sanjai Kumar:

See, there are various components in this. There are some projects which are even 10 years.

There are some projects which are capital intensive. So, we will be spending and earning revenue

in shorter term. So, that actually that composition keeps changing. It's very dynamic.

And the kind of numbers we are sharing like INR1,400 crores to INR1,500 crores of project revenue this year, we have worked out from that number only. We have -- though we have not split it into future years, but mostly out of this INR1,500 crores, roughly INR3,000 crores to

INR3,500 crores would be kind of realizable in next two years to three years.

Viraj:

Okay. Sir, my next question is on Kavach only. What will be our opportunity size and what will

be our margins. Could you give some color on that?

Sanjai Kumar:

That's a difficult question now. Let us keep it pending for some more time.

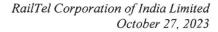
Viraj:

Okay. And what is our ARPU now with the RailWire subscriber moving up? Is ARPU also

moving up?

Sanjai Kumar:

Yes. We are maintaining the same number, INR550. Okay.





Virgi.

And, sir, this update on our venture with 3i Infotech, any further updates on that? How is it

progressing then?

Sanjai Kumar:

It's progressing well. And it has started now on field also. So, maybe another three months to six months, we should start getting more numbers and more revenues from this because all other preparations which were required are almost complete.

And what will be the revenue size kicking in any?

Sanjai Kumar:

Minimum revenue is the same, INR12 crores. But once we get good momentum from the advertisers, which now we have started seeing because this is, first of its kind in the world, in any Wi-Fi ecosystem. Sorry, it was INR14 crores, not INR12 crores.

Vinay:

Viraj:

Okay. And sir, guidance for the year, it would be closing this year with what? What revenue and be fair to assume, sir, net margin of 10% for the year?

Sanjai Kumar:

Yes, should be close to 10%.

Vinay:

And the revenue would be in what range, sir?

Sanjai Kumar:

20% to 25%. That's what the guidance we are working with, 20% to 25% kind of growth

guidance.

Vinay:

Okay. And my last question, how do you see the momentum year forward? Is the thing getting better for us? Because last time I met you, you were very optimistic about it, on cost?

Sanjai Kumar:

Regarding?

Vinay:

How's the next year onwards? Things are going better for us with the change in economy and...

Sanjai Kumar:

Certainly. Yes. We are very much optimistic and things are happening the way, we anticipated.

Vinay:

That's it from my side. Good luck to you, sir.

Sanjai Kumar:

Thank you. Thank you very much.

Moderator:

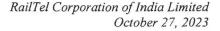
Thank you. The next question is from the line of Mr. Bala Murali Krishna from Oman Investment Advisors. Please go ahead, sir.

Bala Krishna:

Thanks for the follow-up opportunity. Sir, regarding the RailWire incremental subscribers is very low on quarterly basis. So, is there any further future plans to improve the subscriber base?

Sanjai Kumar:

Yes, we are actually, see, this market is very hot, very cutthroat, and smaller players are many times playing spoiled sports. So, we are continuously. in fact, getting into the granularity of the business. And we are empowering our regional teams also to act so that the decision can be taken faster at their level. We are doing every effort, at least so, in this business. It's not only growth, but sustaining the numbers is also equally important.





So, I think that we would continue with our kind of numbers, at least this number. There would be some spike somewhere or here or there. But overall, I think we should remain in the market. And I don't see any decline. I would say, any change which is remarkable, I can say now. But yes, on an average, we'll continue with the same kind of growth, maybe a little here or there. The best part of the RailWire is there is no debt. We are getting everything in advance.

Bala Krishna:

Okay, I understood. Thanks for the explanation. And regarding the 3i Infotech, are we recognizing its revenue in this quarter or is it still yet to come?

Sanjai Kumar:

We have started recognizing revenue already.

Bala Krishna:

I think it's directly inside the bottom line. There is no investment in it.

Sanjai Kumar:

Yes.

Bala Krishna:

Okay, thank you. Thanks a lot.

Moderator:

Thank you. The next question is from the line of Ms. Dhvani Shah from Investec. Please go ahead, ma'am.

Dhyani Shah:

Yes, just a couple of questions. First, if you can give the breakup of NLD, ISP, and IP revenues in telecom?

Sanjai Kumar:

So, the breakup is NLD is INR147 crores, ISP is INR111 crores, IP1 is INR51 crores. Then railway projects and other projects put together is INR290 crores.

Dhvani Shah:

Another question was that you all have guided for EBIT margins of 5% to 6% in the project business for this year. And in this quarter, we've achieved around 8% EBIT. So, going forward, the margin should come off given that these new projects are coming at lower margins, is that assumption correct?

Sanjai Kumar:

See, this is an opportunity which decision you have to take at the moment when you see that the competition is high or low. So, sometimes we get good margins, sometimes we get even lower margins. But we feel that I'll continue with the same statement that we'll average out to around 5% to 6% on an average. The guidance will remain the same.

Dhvani Shah:

Understood. And your employee cost has come off a bit in the quarter. Will there be certain performance related payments coming in the next half of the year?

Sanjai Kumar:

Employee cost is almost the same. Maybe some perks here or there. Last time, it was INR52.37. Now, it is INR51.59. So, there may be some one-off expense. Otherwise, it is the same. There is no contributory factor which I can point out.

Dhvani Shah:

Okay. And just a last question on telecom. In Telecom Q2 is supposed to be seasonally stronger given you all have some invoicing. Did that stand true for this quarter? Or is there any shift in the invoicing? Because the revenues came in a little softer but the margins were higher. So, is there any shifting or how should we see this going forward?



I told you that there was some revision on tariff with some customers. So, that may be the only reason. There is no other reason as when I was answering to questions asked by other investors also. Otherwise, and then, yes, Wi-Fi income has also contributed to this. In the North-East region, there was some churn-out also during the last quarter because of unrest in Manipur and those areas which had affected to some extent. That was also one small contributor, you can say. But otherwise, there is no perceptible contributes.

Dhyani Shah:

Thank you so much.

Sanjai Kumar:

Thank you.

Moderator:

Thank you. The next question is from the line of Mr. Vishal from IDBI Capital Markets and Security Limited. Please go ahead, sir.

Vishal:

Yes, sir. Sir, a couple of questions from my side. First, as per the footnotes, we have mentioned that the ECL provision of roughly like INR10-odd crores, that is not required. So, the INR10 crores reversal has happened for this quarter or it is for which period, sir?

Sanjai Kumar:

Yes. See, we have further corrected, rather I would say a minor correction we have done. Earlier, we were taking three years for counting ECL. Now, we have corrected it to five years on a realistic basis because most of the projects, five years were more realistic. So, that correction has taken place. But otherwise, impact is not much. We have not taken any reversal during this quarter.

Vishal:

Okay. So, INR10 crores is for quarter 1, not for this quarter, right, sir?

Sanjai Kumar:

INR 10 crores is from quarter 2. So, it is quarter 2, we have not reversed, right?

Management:

No, we have not.

Sanjai Kumar:

We have not reversed anything in quarter 2.

Vishal:

Okay, got it, sir. And second, sir, as per...

Sanjai Kumar:

Vishal, the ECL was INR10 crores in quarter 2 and quarter 1, it was INR16 crores. INR6 crores improvement.

Vishal:

Okay. So, for the first half, roughly INR26-odd crores in this particular financial year, right, sir?

Sanjai Kumar:

Yes.

Vishal:

Okay. Second, sir, capex, if we look at in first half, is a little bit on higher side for in the first half. So, how do you see this full year panning and will it be possible, like, where exactly this capex spending is happening in any colour that you can provide, sir?

Sanjai Kumar:

Again, the same, INR180 crores which we were targeting. So, fortunately, we have spent now in the first half, 130. So, another INR50 crores should be coming out. You want to break up? Yes.



Vishal Periwal:

No, no. So, basically, it is particularly coming only from telecom side and any particular?

Sanjai Kumar:

Telecom and data centre. Yes. And some other sector they complete power supply, then some OFC replacement, small quantities and all that.

Vishal Periwal:

Okay, okay. Got it. And you clarified that, your full year guidance for doing like 20% to 25% revenue growth. But, I mean, I was just doing some bit of working that if we do like 1400 to 1500 crore revenue in project side and maybe a steady state number of 5% to 10%, then our growth number could be more than 30 odd percent at a company level. So, I mean, are we conservative in guiding or how one should see that, sir?

Sanjai Kumar:

I won't comment much on this. But, yes, 20%-25% is what we are anticipating. Realistic.

Vishal Periwal:

Okay. Got it, sir. Right. Maybe one last thing from my side. I think you did just touched upon the modern train control system. So, for our set of vendors or equipment suppliers, so RDSO approval were pending. So, when do you see the timeline of getting that approval?

Sanjai Kumar:

See, OEMs have already got it. It's not that no approvals have come and we have spoken even a couple of those OEMs whose products have been approved by RDSO. But the challenge is now the requirement is that it should happen with LTE, which was not the case in the earlier tenders which are already under implementation. So, kind of -- that change will require some more time for new tenders to get floated.

So, that is why I told you initially also, earlier also, that this is a new technology and it will take some more time to mature. And that's why we are cautious. We don't want to indulge somewhere we get stuck. But we are certain that this technology is going to be there and it is going to mature. The kind of push given by Honourable Minister will certainly expedite the process. And not only that, we will be in position to export the technology as well.

Vishal Periwal:

Okay. So, in terms of our set of vendors, can you name like the three approvals which RDSO has given? I mean, like, who are they?

Sanjai Kumar:

HBL, Medha and Carnex. These are the three OEMs.

Vishal Periwal:

Okay.

Sanjai Kumar:

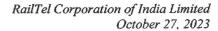
HBL, Medha and Carnex.

Vishal Periwal:

No, but these vendors, they already have tie-up with some system integrators. But for our I mean like, set of equipment side, anything that you think can get an approval or probably like, we can also eye for an opportunity when these tenders come?

Sanjai Kumar:

Till now, we were not active in this segment. But we being an organization with a good number of experienced signal and telecom engineers of railways working with us, I think there cannot be any other organization which can take such projects at faster pace because of our natural connection with railways. We come from railways. So, that is why that advantage certainly will accrue an upper hand vis-a-vis other system integrators.





So, once we decide and then we have already decided and we are already in discussion with these OEMs and the OEMs whose products have not been approved. And the new technology part which is LT portion is yet to come. We are sure that we should be getting a good share from this technology in railways.

Vishal Periwal:

Okay, sir. Maybe one last question from my side. So, any particular segment in railway capex that we are seeing a growth for us that we can capture? Maybe, RDN or earlier it was the content on demand anything that become?

Sanjai Kumar:

Not yet, not yet. We are targeting but not yet. We have not yet made it part of our bucket. We will certainly announce or do so whenever the time is right.

Vishal Periwal:

Okay, okay. Sure, sir.

Sanjai Kumar:

And certainly, a lot of potential.

Vishal Periwal:

Sure, sir. I will come back in the queue, sir.

Moderator:

Thank you. As there are no further questions. We would now like to conclude this earnings call.

On behalf of IDBI Capital Markets and Security Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

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Sanjai Kumar:

Thank you.