RAILTEL
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RailTel/Sectt/21/SE/S-16 **Date: August 5, 2026**

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Scrip Symbol- RAILTEL	**Scrip Code- 543265**

Sub: Transcript of Analyst/Investor Conference Call held on Friday, 31st July 2026

Ref: Our letter of Even no. dated 28/07/2026 and 31/07/2026

Dear Sir/ Madam,

In reference to our above-referred communication regarding Analyst/Investor Conference Call, we are forwarding herewith the transcript (duly signed by CIRO) of the Analyst/Investor Conference Call held on Friday, 31st July, 2026, organised by M/s. P L Capital.

2. This is submitted for your information and record.

धन्यवाद,

रेलटेल कॉर्पोरेशन ऑफ इंडिया लिमिटेड के लिए

JASMEET SINGH MARWAH

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Date: 2026.08.05 17:32:43 +05'30'

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।

"RailTel Corporation of India Limited
Q1 & FY27 Earnings Conference Call"
July 31, 2026

MANAGEMENT: MR. SANJAI KUMAR – CHAIRMAN AND MANAGING DIRECTOR – RAILTEL CORPORATION OF INDIA LIMITED
MR. V. RAMA MANOHARA RAO – DIRECTOR, FINANCE – RAILTEL CORPORATION OF INDIA LIMITED
MR. MANOJ TANDON – DIRECTOR, PROJECT, OPERATIONS AND MAINTENANCE – RAILTEL CORPORATION OF INDIA LIMITED
MR. YASHPAL SINGH TOMAR – DIRECTOR, NETWORK PLANNING AND MARKETING – RAILTEL CORPORATION OF INDIA LIMITED

MODERATOR: MR. VISHAL PERIWAL – PL CAPITAL GROUP

रेलटेल कॉर्पोरेशन ऑफ इंडिया लि. भारत सरकार का एक उपक्रम नई दिल्ली New Delhi A Govt. of India Undertaking RailTel Corporation of India Ltd.

Moderator: Ladies and gentlemen, good day, and welcome to the Q1 FY27 Earnings Conference Call of RailTel Corporation of India Limited hosted by PL Capital. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone.

I now hand the conference over to Mr. Vishal Periwal from PL Capital India. Thank you, and over to you, Mr. Periwal.

Vishal Periwal: Yes. Thanks, Danish, and a warm welcome to everyone for joining in for the RailTel Corporation quarter one financial year '27 results discussion. From the RailTel team side, we have Mr. Sanjai Kumar, CMD, sir; then Mr. V. Rama Manohara Rao, Director Finance; Mr. Manoj Tandon, Director Projects, Operations & Maintenance; and along with him is Mr. Yashpal Singh Tomar, Director, Network Planning and Marketing. As usual, we'll have a brief from Sanjai sir on the gone by results, and then we'll have a Q&A. Yes.

Thank you, and over to you, sir.

Sanjai Kumar: Thank you, Vishalji. A very good morning to all. It gives me great pleasure to interact with you on the company's performance in the backdrop of Q1 financial results of FY27, which were declared by the company on 30th July 2026. The company had a strong start to the financial year 2026-'27, having achieved operating revenue of INR893 crores in Q1 of FY27 as against INR744 crores in Q1 of FY26, registering the year-on-year growth of 20%.

The Telecom segment contributed INR361 crores and Project segment contributed INR532 crores in company's operating turnover. The total revenue for Q1 FY '26-'27 was INR910 crores as compared to INR758 crores in Q1 of FY26. The company registered 12% growth in its profit before tax and exceptional items, which is INR96 crores for the quarter ending 30th June 2026 as compared to INR86 crores during the same period of previous year.

The profit before tax and profit after tax for Q1 FY '26-'27 was INR89 crores and INR66 crores, respectively, which is almost the same as in Q1 of previous year. Orders received during quarter ending 30th June 2026 was to the tune of INR1,688 crores as against total orders received during quarter ending 30th June 2025 of INR721 crores.

The company has robust order book position of INR11,747 crores as on date. I'm happy to inform you that the CAG has offered nil comments on the annual financial statements of FY '25-'26. We remain committed to pursuing growth and creating value for our esteemed investors. We thank our investors for their trust in our company, which we are committed to uphold. Thank you. Jai Hind.

Moderator: Thank you. Ladies and gentlemen, we will now begin with the question-and-answer session. First question comes from the line of Sanjesh with ICICI Securities.

Sanjesh: Just wanted to get the breakup first on the 3 segments, which is NLD, ISP and IP-1.

Sanjai Kumar: So this quarter IP-1 is INR27 crores, ISP is INR112 crores, NLD is INR144 crores.

Sanjesh Jain: And what was the contribution of railway in the total order book?

Sanjai Kumar: You are talking of railway segment in the order book?

Sanjesh Jain: Correct.

Sanjai Kumar: So that is around 23%, 23.5% exactly, if I say.

Sanjesh Jain: Got it. Got it. Now I want to understand on the Kavach, where are we in terms of the execution for the 2 orders we did? And how about the this year, how many tenders are we expecting from that segment?

Sanjai Kumar: So yes, actually, Kavach orders are -- I've been repeating this. Kavach orders are long gestation and generally will take 30 to 35 months. And there's a lot of outdoor work is involved. So outdoor work is in progress in 2 orders of East Central Railway and WCR, we have initiated our work because this was latest work, which was West Central Railway.

So outdoor work in East Central Railway is in advanced stage. The approval of RDSO, if we see about it, is underway and is likely to happen any time now, may be next month. Drawing preparations have also started. So things are going on in the right context. I would say we are there.

And if you ask about Kavach tenders, so we are not seeing many Kavach tenders in this current financial year because the existing Kavach tenders, which are already awarded are under execution.

And it is in development, I would say, and many more improvements might come based on experience. So may be that may be the reason, but we don't really know railways to decide when they come out with the new tenders. So I can't comment exactly on that aspect.

Sanjesh Jain: And once we are now doing some outdoor work and drawing and all this, when should we expect revenue recognition to happen for us?

Sanjai Kumar: I think this year, we should book revenue out of Kavach orders.

Sanjesh Jain: Okay. We should start booking from this year itself.

Sanjai Kumar: Yes.

Sanjesh Jain: Got it. Got it. Second on the telecom side, both NLD and ISP, NLD on a Y-o-Y basis, we have declined. Last year, same quarter, we were INR151 crores. This year, we are INR144 crores in NLD. What's happening in NLD? Why the growth remains to be muted? In fact, this quarter, we have turned negative. Any particular reason you think?

Sanjai Kumar: So I would -- what I would say that normally Q1, we are expecting the renewals. Generally, government -- our telecom customers are mostly government. This year, somehow the renewals, those services are continuing. So renewals are expected and that is why we are seeing that we could not book the revenue. That is the major reason.

Otherwise, there is no -- as I shared with you even in my last call also that we are doing good in NLD segment. We have got a couple of new good customers like Air Force and I would say there's one private operator also. Starlink is now our customer. So growth is happening, and there is no worry for any of us regarding this thing. National Knowledge Network is one business segment where the NIC has decentralized the PO ordering.

So individual institutes are now in the process of placing orders, but they have requested not to discontinue the services because the services are being used. So those are the major reasons, I would say. But otherwise, there is no -- nothing to worry in NLD segment.

Sanjesh Jain: So once the renewals happen, we start booking the revenue. That's the way to look.

Sanjai Kumar: Of course. Yes.

Sanjesh Jain: We don't book it on an accrual basis? Now that they are taking services, we book revenue that...

Sanjai Kumar: We book on accrual basis, but then POs have to be there.

Sanjesh Jain: Okay. Okay. Once the POs are there...

Sanjai Kumar: We may not. Yes. Yes.

Sanjesh Jain: Got it. And on the ISP segment, RailWire, where are we competition intensity high, people moving to FWA, that what is capturing the lower growth in ISP for us?

Sanjai Kumar: No, ISP, if you see the number, we have grown. Today, we are 6.23 lakhs subscribers in Railwire. So we have added almost 50,000 subscribers if we see from the previous year at the same time today. If you see -- so we have added customers -- subscribers. But of course, as you said, that segment is very heated.

The ARPU is continuously under pressure. But then we are trying to do some other things like ITPO is very good subscriber for our business in ISP segment where we are getting good business every year. So somehow we have to be in the market and then we have to like fight with -- in broadband segment, yes, there is a lot of heat.

Sanjesh Jain: Are we seeing demand for our cable considering that there is so much of data center buildup happening, which require a lot of terrestrial fiber, and we are very well placed there. Are we seeing the private player coming to us asking for the cable capacity? Are we seeing any sign there? Or it's largely as of now, the government demand, what we are looking at?

Sanjai Kumar: No, no. Private players, fiber demand is there. So they are asking for that fiber. And we having independent and completely different right of way, our demand will always be there. So we are working in that direction how to invite investment in that kind of scenario because we don't want to put a lot of capital expenditure.

Maybe we partner with someone who is sharing best revenue with us and then maybe then we can come out that kind of arrangement. As you have seen in data center also, we have a good partnership. And so that kind of model we are working out. Of course, demand is there and they want us to be there because most other players are along the road.

Sanjesh Jain: Correct, correct. Because there's a lot of demand for fiber, right? And we have good ROW. We have presence deeper in the market. That gives an advantage. How do we -- by when...

Sanjai Kumar: Certainly, it will come, but it will take time. And of course, the demands are there, they also may not require so fast. But of course, demand is coming -- started coming, and we will certainly be there to meet those demands in the due course of time.

Sanjesh Jain: Got it, sir. Got it. So from a project perspective, out of this INR11,000-odd crores of order book we have, how much we intend to book in this year?

Sanjai Kumar: I think we are expecting close to minimum, maybe INR30,00 crores -- INR3,500 crores of project income should be booked in this quarter. We will try certainly for best, but that is where we have certainty.

Sanjesh Jain: No, sorry, INR30,00 crores...

Sanjai Kumar: INR3,500 crores maybe.

Sanjesh Jain: INR3,500 crores, you mean?

Sanjai Kumar: Yes, INR3,500 crores.

Sanjesh Jain: INR3,500 crores of revenue order in FY27?

Sanjai Kumar: That is our anticipated projected revenue looking forward.

Sanjesh Jain: And margin, you are looking at to be at 4% to 5% range. That's the range.

Sanjai Kumar: I think margin, if you see, we have improved margins in this quarter in Project business.

Sanjesh Jain: Sequentially?

Sanjai Kumar: Yes. We are continuously on the hunt for looking -- yes, looking for better projects, better margin projects.

Sanjesh Jain: Got it. And Kavach will have better margin than this or Kavach will be in the same range only?

Sanjai Kumar: No, no. Kavach will be certainly better than this.

Sanjesh Jain: Better than this, right?

Sanjai Kumar: Slightly better than.

Sanjesh Jain: So we maintain the outlook what we gave last quarter that we will grow at 25% of revenue.

Sanjai Kumar: Yes. Yes. I've always been saying that in a company of small size like RailTel, quarterly results have to be seen with a lot of study and many times our investors may not be, so we have to. Actually, you have very good understanding.

So we are very much satisfied with our performance. And a small here or there, maybe like expected ECL, suppose, if I say. So ECL can easily affect our quarterly results. But if you see our overall annual results, we are sure that RailTel is going to do a good performance.

Sanjesh Jain: No, no, that certainly small numbers for a small company brings a lot of volatility. We do appreciate that.

Sanjai Kumar: We have most of the projects are government projects. So payment delays, of course, happens but we are sure that those payments are going to come. But then we made our ECL policy to make it more transparent that things. By the way, the things are happening.

Sanjesh Jain: I certainly appreciate that, sir. And one last question. Last quarter also, there was a sharp jump in the receivables from the Telecom segment. Have we started getting that or that kind of an elevated number can remain even for this year?

Sanjai Kumar: So last quarter, there was some -- yes, so those -- actually some revisions are happening. Mostly those belong to railways. So some revisions and estimates are happening. Those will come. There's no issue. That was, of course, one-off event. You rightly observed it.

Moderator: Our next question comes from the line of Bala Murali Krishna with Oman Investment Advisors.

Bala Murali Krishna: I just joined the call maybe I would have missed something about the Kavach part. We are partnered with Quadrant Future for Kavach and approval for them is still pending any. Do you have any idea when we can have some update on that so that we can start recognizing revenue?

Sanjai Kumar: Let me first clarify that due to Kavach approval, our projects are not getting delayed, point number one. Point number two, your concern is right but the progress is very good and the final testing are underway and approvals are likely to be there any time, may be this month itself, we are expecting.

Since these are the latest Kavach entrants, so there are many modifications are being included, incorporated in this latest Kavach OEM based on the experience of the previous approved OEMs experiences in the field. So that is why some time is, of course, being taken, but it will happen now.

Bala Murali Krishna: Okay. I think earlier we had an indication that even the other OEMs should approach RailTel for this IT integration, and we can get some revenue from that point of view also. Is it happening, sir? Is there any alternative that other OEMs are doing as of now, sir?

Sanjai Kumar: See I will not comment on this question right now. But of course, if required sometime in the future, I'll comment on. Right now, we are open. We are never closed. Whoever gives us best commercial for bidding and participating in the tender we are open.

Bala Murali Krishna: Okay, sir. Lastly, on the margin front, historically, we have 18%, 19% margins. Since last two years, we are at 15%. Being the project revenue is going ahead of the Telecom, the margins are partially down, sir. Do you think this 15% margins range will continue? Or is there any possibility in the coming maybe two, three years, four years down the line to get some uptick in the margins?

Sanjai Kumar: See, I always emphasize on this point. We are actually a group of 2 companies in one company. One is Telecom and the other is Project business. So we are maintaining our margins between 4% to 5% in project. And telecom margins, of course, almost they are already in the range where they were -- they used to be. So this is a simple mathematics. If you plus the 2 margins, you will see the mathematics.

If project business certainly which is going because of digitalization requirements of our country, so IT projects will certainly be there, and telecom requirements will be there, but then because of continuous pressure on prices in telecom and telecom becoming something like, I would say, it's like now basic requirement, infrastructure requirement, which earlier used to -- not used to be there. And when some asset becomes -- some requirement becomes infrastructure kind of requirement, its growth is always subdued by the pricing pressures.

So that's why telecom we will see -- but one point I want to make it clear here because we being telecom company, we are getting a lot of project businesses and now we are very much in the data center business, where we have focused in future years, which will certainly be growing. We have a lot of expectation from data center business segment.

So we are on the right course. We are diversifying our businesses wherever we require. And I don't see that there is any challenge for RailTel as a business ongoing concern. I would say that investors need not to worry.

Bala Murali Krishna: Okay, sir. Understood. Thank you a lot of explanation. My question is that, so I understood the Telecom has a constant margins and Project business we are having 5%-6% margin. In future, in the upcoming [inaudible 0:21:56] and upcoming, if you take any future projects, do you have any plan to uptake this Project margin from 5%-6% to 6%-7% kind of thing? That is the question.

And second is, as we were talking about this data centers business segment. So what is the contribution as of, and how do you see this one contributing the ramp up thing in the coming four, five years? Those are my last two. Thank you.

Sanjai Kumar: Okay. So that's what I tried to explain because Project margin generally, if you see in the industry, many project organizations, their margins are 2%, 3%, or 4%. Very few even operate in 4% to 5%. So we will strive to remain in this range. And of course, once its share in the overall revenue will increase, there will be pressure.

If you see it on overall basis, the margins will be seen as declining, actually, which is actually not. It is because of some mathematics. Our Project business segment is continuously in the same margin range. Our Telecom margins are also in the same margin. But when club together, it is seen as declining, which is not the truth if you see the 2 segments separately.

The next question is on your data center. So data center, we have a lot of expectations. Next, maybe '27, '28 financial year, we should be touching around INR500 crores of revenue from this business segment. We'll certainly be touching this year around INR300 crores or maybe around that, somewhere more or less in that range.

And the way the global scenario in cybersecurity, sovereignty and in Government of India is also thinking in that direction. So we are expecting good business in data center segment. So I think that is what I want to say in this.

Moderator: Our next question comes from the line of Vishal Periwal with PL India.

Vishal Periwal: Sir, first is on the -- in terms of our profit and loss account, so there is an exceptional P&L loss that we book it. So this time though, the numbers are small, but this is pertaining what line item for us?

Sanjai Kumar: See, these are based on some basically, I would say, historicity of the debtors based on when the aging of debtors increase, we are counting it in ECL, but this is only provisional. And none of the accounts are doubtful. We get all the payments. So some payment if it's getting delayed after, say, 1 year and then 2-year periodicity, we are bringing it into the ECL account just for the sake of transparency. But then none of the accounts are doubtful.

So there is nothing to worry. These are all routine and payments come and then as our revenues are increasing, so naturally, the ECL size and the debtor size is also increasing. We are focusing now very concentrated on the debtors also so that our ECL position is also improved.

Vishal Periwal: Okay. And so when you say ECL, so it is noncash only, that is fair to understand?

Sanjai Kumar: Yes, it is noncash.

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

Sanjai Kumar: And that is why the profit this year, you see that profit has been very flat. But if you not consider ECL, which is actually noncash and it's notional . So we are even growing in profit also.

Vishal Periwal: Right, right. Because I think in the same period last year, it was a gain. And this year, it is that loss. So that's why -- I mean the profit...

Sanjai Kumar: No, nothing. It can get reversed as soon as we receive those payments.

Vishal Periwal: And second, in terms of our Project side, what is the international order that is there in the Project? And any color can be provided how has been the share incremental opportunities that we are seeing in the international sector?

Sanjai Kumar: International orders, if I talk about, so one business we are already executing in Ethiopia, which is around INR18 crores. It is a small bucket right now. All other orders we have already booked the revenue is already booked like supply of some laptops, some Bhisham cubes are also supplying. like these cubes, these are the emergency medical kits being supplied by Ministry of External Affairs to various countries in friendly manner in the friendly gesture by Honorable

Prime Minister in the time of crisis in those countries. So that is also -- but these are very small numbers.

So we are expecting to enter this market cautiously and slowly. We are working out something in Uzbekistan. We are trying, we are bidding in the tenders also. Sri Lanka, we participated, but somehow we didn't get it. Vietnam also, we are trying something. Ethiopia, we have now a project office and one project director is posted there. The work has started in Ethiopia data center project.

Vishal Periwal: Okay. Got it. And in terms of data center, though, you we did clarify, I mean it's looking pretty healthy in terms of revenue looking also INR300-odd crores this year and then moving to INR500-odd crores. So operationally, in terms of -- I mean, like megawatt, what all we are commissioning any operational aspects can be provided, sir?

Sanjai Kumar: This year, we are expecting by May 2027, 10-megawatt facility should be commissioned in Noida. That was the first target. Maybe even earlier maybe a month early than May 2027. So next year, we will have this 10 megawatt data centre. Two edge data centers are already commissioned, Mumbai and Gurgaon.

They are small capacity data centers. We are also expanding but very marginal capacity of 500 kilowatt in Hyderabad. Noida, we will operational very small capacity in the same place because requirement is there. That is also 500 kilowatt. So these all small additions, whatever we can do.

But then we have tie-up with Anant Raj, Adani and a few other facilities we have visited. Those data centers, we are taking from them on lease and then we are getting empanelment in name of RailTel. So our data center is the first priority today for us, and we are working very consciously, expeditiously to make our presence in this segment.

Vishal Periwal: Okay. Okay. But sir, from a business point of view, when we are putting our data centers, so we are providing the services. But when we, say, do a tie-up with Anant Raj, Adani, then how the business changes vis-a-vis owning the asset and growth.

Sanjai Kumar: They are the passive infrastructure we have taken there. But data center services as such will be ours. They are the passive infrastructure that where we are taking from them.

Moderator: A follow-up question comes from the line of Sanjesh with ICICI Securities.

Sanjesh Jain: Sir, just to clarify on this data center piece, when you say that you are taking passive infrastructure from the -- some of the passive players, we are actually providing the cloud services, right? We are putting our own server and then we are selling the capacity on the server. We are not actually renting the data center, correct?

Sanjai Kumar: No, no. Yes, you are right.

Sanjesh Jain: So we are providing the managed and the cloud services. We are not actually providing the data center service there.

Sanjai Kumar: We are providing managed services, yes.

Sanjesh Jain: We have provided managed services, that's the right way to put it out.

Sanjai Kumar: Data center, we have our own and we have -- we are taking on lease also from others like these 2 players and then operation becomes us.

Sanjesh Jain: Correct. And then we do the managed services. We set up our own servers and then we lease it. Are we planning to go into the GPUs as well? Or we are right now only on the normal?

Sanjai Kumar: We are in the process. And you will see something in news. We are working very hard on this.

Sanjesh Jain: For the AI services?

Sanjai Kumar: Yes, yes. AI also, we have started working. We are working on a project which is likely to come from railways on their AI requirement. So we are also working in AI. You rightly pointed out this fact that AI also we have entered and we are working on a few use cases.

Sanjesh Jain: Got it. So we will be building SLMs or the SLMs will belong to the railways?

Sanjai Kumar: See, it is up to the customer. If they want to retain, these will be certainly SLMs, not the LLMs. And so it depends. We are in discussion. It would be too premature to say anything.

But even if it is there, so because railway use cases will not be usable anywhere else. Indian Railways is a different organization. It's very complex structure. So those use cases may not be used elsewhere.

Sanjesh Jain: Got it. So it will be...

Sanjai Kumar: And they will be completely air-gapped. Air gapped-system, not the public cloud, not those kind of things.

Moderator: Thank you. As there are no further questions from the participant, I would like to hand the conference over to the management for the closing remarks. Thank you, and over to you, team.

Sanjai Kumar: Once again, thank you, all the investors who have participated in our investors' call. That is all I want to say. Thank you very much.

Moderator: Thank you so much, sir. Ladies and gentlemen, on behalf of PL Capital, thank you for joining us, and you may now disconnect your lines.

रेलटेल कॉर्पोरेशन ऑफ इण्डिया लि. भारत सरकार का एक उपक्रम नई दिल्ली New Delhi A Govt. of India Undertaking RailTel Corporation of India Ltd.

5/8/26