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**REVIEW OF ANNUAL REPORT AND AUDITED ACCOUNTS OF RAILTEL  
CORPORATION LIMITED FOR THE YEAR 2013-14**

RailTel was formed as a Schedule 'A' Company under the Ministry of Railways in September, 2000 with the object inter alia of modernization of the train operation and Railway network by providing state of art communication infrastructure.

2. Apart from meeting Railway requirements, RailTel provides services to the Indian telecom market. The services includes internet bandwidth IP-VPN, MPLS, NGN based voice carriage services, co-location space to telecom operators like Airtel, TTSL /TTML, Aircel, MTS, Vodafone, Idea etc. Govt. organizations like NIC, Army, DRDO, BARC, etc, various PSUs like CWC, SPMCIL, TCIL etc. and Banks like RBI /IDRBT, SBI, Bank of Baroda, Central Bank, Dena Bank, ICICI etc. Railways' critical information systems like PRS, UTS, Railnet, Control communications etc are also being served through RailTel's network.

3. RailTel was provided with seed capital of Rs. 15 crores by the Ministry of Railways and its OFC assets were transferred to RailTel against equity capital. The present paid up capital of RailTel is Rs. 320 crores and the networth of the Company as at 31.3.2013 is Rs. 796 crores.

4. During the financial year 2013-14, RailTel continued its efforts to extend its reach by commissioning further Optical Fibre Cable and creating multiple of 10 G/ 2.5 G capacities network, besides IP-MPLS based Data Network. The OFC network has grown approx. 42,500 RKMs connecting over 4145 stations. RailTel commissioned its 1<sup>st</sup> Tier III data centre at Secunderabad which is India's 8<sup>th</sup> Tier III Data Centre. In addition, a Data Centre at Gurgaon (Haryana) has already been constructed with similar facilities. This shall help in providing value added services to enterprises and Govt. organizations.

5. RailTel continued to provide National Knowledge Network links during the financial year 2013-14. Till March, 2014, RailTel has provided 26 Core Links, 122 Distribution links and 391 Access links to operationalize the network. Under the NKN project, RailTel is slated to execute links worth Rs. 1200 crores by next year.

6. Department of Telecommunication under the Universal Service Obligation Fund Scheme (USOF) awarded the project of laying OFC in NE I and NE II (Mizoram, Tripura, Meghalaya under NE I and Arunachal Pradesh, Manipur and Nagaland under NE II). The network provided under the scheme shall be entitled for subsidy from DoT /USOF and will remain under ownership of RailTel.

7. RailTel was selected by Govt. of India to be one of the three implementers for the National Optical Fibre Network (NOFN) project sanctioned to connect all the Panchayats on broadband. Under the NOFN project, RailTel has been allotted 11 states - Tamil Nadu, Gujarat, Puducherry, Daman & Diu, Dadra & Nagar Haveli, Tripura, Meghalaya, Mizoram, Nagaland, Manipur and Arunachal Pradesh comprising of 36,000 panchayats. Total value of the project shall be about Rs. 2500 crores for RailTel. The survey work is in progress.

8. The financial results achieved during the year as compared to the previous year are given below:

(Rs. in crores)

Particulars	2013-14	2012-13
(i) Income	537.73	440.25
(ii) Operating Expenditure	284.06	208.83
(iii) Gross Profit	168.91	142.49
(iv) Profit after Tax	137.93	112.56
(v) Dividend paid	17.00	15.00
(vi) Gross Block	1078.40	983.45
(vii) Net worth	912.81	796.61

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