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## REVIEW OF ANNUAL REPORT AND AUDITED ACCOUNTS OF RAILTEL CORPORATION OF INDIA LIMITED FOR THE FINANCIAL YEAR 2014-15

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 the 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, Data Centre services, Railwire services and Tele Presence (TPaaS).

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 on 31.3.2015 is Rs. 1,004 crore.

4. During the financial year 2014-15, 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. 44,279 RKMs connecting over 600 cities & 4000 towns including rural areas. The works on another 6500 RKMs are in various stage of execution. During the year, RailTel commissioned its 2<sup>nd</sup> Tier III data centre at Gurgaon. With availability of similar tier-III Data Centre commissioned last year at Secunderabad, now RailTel can also provide Disaster Recovery services to its customers. The Data Centre facility, in addition to co-location requirements will facilitate in providing various value added services to enterprises and Govt. organizations.

5. RailTel continued to provide National Knowledge Network links during the financial year 2014-15. Till March, 2015, RailTel has provided 26 Core Links, 124 Distribution links and 434 Access links to operationalize the network.

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). During the year, RailTel completed all nodes of Tripura. Till March, 2015, approximately 480 RKMs of OFC has been laid down in Tripura, 76 RKMs in Mizoram, 272 RKMs in Meghalaya under NE-I and 98 RKMs in Nagaland & 106 RKMs in Arunachal Pradesh under NE-II.

7. RailTel was selected by Govt. of India to be one of the three implementing agencies for the National Optical Fibre Network (NOFN) project sanctioned to connect all the Panchayats on broadband. The project has now been rechristened as 'BharatNet'. RailTel has been allocated work consisting of 36000 Gram Panchayats in 11 states comprising NE states (Tripura, Meghalaya, Mizoram, Nagaland, Manipur and Arunachal Pradesh), Tamil Nadu, Gujarat, Puducherry, Daman & Diu, Dadra & Nagar Haveli. Total value of the project shall be about Rs. 2500 crores for RailTel. RailTel has laid 3074 RKMs of duct and 1056 RKMs of OFC under the project.

8. During the year, RailTel has been mandated by Railways to provide Wi-Fi facility at A1 & A category stations comprising of about 400 stations in the country. RailTel has already

commissioned Wi-Fi facility at Bangalore, New Delhi, Chennai, & Goa. However, RailTel facilitates provisioning of Wi-Fi at 6 more stations in Agra, Ahmedabad, Varanasi, Howrah, CST/Mumbai & Secunderabad using one of the Telecom operator's services as a limited period model. In addition, RailTel & DMRC (Delhi Metro) signed an MoU for providing Wi-Fi facilities in five metro stations namely Rajiv Chowk Station, Kashmere Gate Station, Vishwavidyalaya Station, Central Secretariat Station, HauzKhas Station.

9. The customers of RailTel are telecom operators like Airtel, TTSL/TTML, Aircel, MTS, Vodafone, Idea, etc., Govt. organisation like NIC, Army, DRDO, BARC, DDA etc., various PSUs like CWC, SPMCIL, TCIL, AAI 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 Communication, etc are also being served through RailTel's network.

10. In compliance with the CVC's recommendation, this year RailTel has adopted Integrity Pact (IP) and signed MOU with Transparency International. RailTel has appointed Independent External Monitor (IEM) as a watchdog for smooth functioning of the IP program. All tenders valuing more than Rs.15 crores are covered under Integrity Pact.

11. As a key step towards paperless working and transparency, RailTel has already implemented ERP across all its departments on pan India basis. Implementation of ERP benefited RailTel in streamlining of its processes and strengthening of its project execution. Besides this, ERP is facilitating the management to look for an overall picture of the organisation in the form of MIS for a review as may be required from time to time.

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

	(Rs. in crore)	
<b>Particulars</b>	<b>2014-15</b>	<b>2013-14</b>
(i) Income	554	538
(ii) Operating Expenditure	298	284
(iii) Gross Profit	166	169
(iv) Profit after Tax	121	138
(v) Dividend paid	17	17
(vi) Gross Block	1236	1078
(vii) Net worth	1004	913

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