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## REVIEW OF ANNUAL REPORT AND AUDITED ACCOUNTS OF RAILTEL CORPORATION OF INDIA LIMITED (RAILTEL) FOR THE YEAR 2016-17

RailTel was formed as a Schedule A Company under the Ministry of Railways in September, 2000 with the objective inter alia of facilitating Railways in 'expeditious' modernizing of train operation, safety systems and network by providing state of the art communication infrastructure.

2. RailTel was provided with seed capital of Rs. 15 crore 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 crore and the networth of the Company as at 31.3.2017 is Rs. 1,157 crore.

3. RailTel has exclusive seamless Right of Way (ROW) alongwith 63,000 KM of railway track passing through 7000 stations across the country. Using this ROW, RailTel has so far laid laid 47536 RKMs of Optical Fibre Cable (OFC) and OFC lit is 44496 RKMs till March 31, 2017. Works on another 6700 KMs are in various stages of execution.

4. RailTel is creating Point of Presence (PoPs) at every Railway station enroute which are spaced at 8-10 KMs. At all the stations are deployed Synchronous Transport Module (STM)-1/4 (155/625 Mbps) primarily to meet Railways requirement. The distribution layer network of STM-64/16(10 G/2.5G) spaced at 40-60 KMs is deployed to connect important towns /cities of the country. Presently this network is available at over 600 cities in multiple rings of STM 64/16. Further, RailTel has also provided n x 10G capacities on its Core network using Dense Wavelength Division Multiplexing (DWDM) at over 25500 Route Kilometers (RKM) across 85 cities to provide Giga capacities capable to provide upto 800 G.

5. RailTel has also already commissioned its 2<sup>nd</sup> Tier III data centre at Gurugram. With availability of similar Tier-III Data Centre commissioned at Secunderabad, now RailTel is also providing Disaster Recovery services to its customers. The Data Centre facility, in addition to co-location requirements is facilitating in providing various value added services to enterprises and Govt. organizations.

6. RailTel continued to provide National Knowledge Network links during the financial year 2016-17.

7. 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 and the work in other states is advanced stage of completion.

8. RailTel was also 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. The project has now been rechristened as 'BharatNet'. RailTel has already signed an MoU with BBNL to work in 11 states with 8678 Panchayats allotted under Phase I. The work is already in progress in Gujarat and North East. As of March, 2017, 17,256 KMs of duct has been laid covering nearly 86% of Gram Panchayats (GPs) and 12135 KM of optic fibre has been laid to cover 64% of the GPs.

9. During the year, RailTel has been mandated by Railways to provide Wi-Fi facility at A1 & A category stations at about 400 stations in the country. RailTel has already commissioned Wi-Fi facility at 190 stations upto August 2017.

10. RailTel was also one of the major contributors to the overall organization and participation in the Rail VikasShivir – a historic brainstorming and idea generation camp organized by the Ministry of Railways which was facilitated by RailTel's telepresence services across 117 locations of Indian Railways. Hon'ble Prime Minister of India addressed railwaymen at 117 locations across India from PMO, New Delhi on the first day of this Shivir in November, 2016.

11. The customers of RailTel are telecom operators, NIC, Defence and other Govt. Departments, Business and Private Enterprises, etc. Besides, all Railway communication requirements are met by RailTel.

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

Rs. in crore

Particulars	2016-17	2015-16
(i) Income	899	642
(ii) Operating Expenditure	591	367
(iii) Operating Profit	192*	194
(iv) Profit after Tax	129	104
(v) Dividend paid	51.53	42
(vi) Gross Block	1,531	1,431
(vii) Net worth	1,157	1,058

\*reduction is due to increase in tax liability on expiry of tax benefit u/s 80IA.