Railtel Corporation of India Limited

(A Govt. of India Undertaking)

रेलटेल कार्पोरेशन ऑफ इण्डिया लिमिटेड

(भारत सरकार का उपक्रम)

रेलटेल
RAILTEL
A Government of India Undertaking

तृतीय वार्षिक रिपोर्ट
2002-2003

THIRD ANNUAL REPORT
2002-2003

MANAGEMENT TEAM

Board of Directors

1.	Shri S.C. Gupta	Chairman (w.e.f. 17.03.03)
2.	Shri Arvind Sharma	Chairman (up to 28.02.03)
3.	Shri R.C. Sharma	Managing Director (from 1.08.03)
4.	Shri A.K. Chopra	Managing Director (up to 31.07.03)
5.	Shri S. Balachandran	Director (upto 17.9.2003)
6.	Smt. Saroj Rajwade	Director (Finance)
7.	Shri Mahesh Mangal	Director (NPM)
8.	Shri B. Krishnakumar	Director (P,O &M) (w.e.f. 25.07.03)
9.	Shri Akhil Agarwal	Director (upto 22.08.03)
10.	Shri V.G. Ramesh Kumar	Director (w.e.f. 22.08.03)
11.	Shri A.K. Bhatnagar	Director (w.e.f. 17.9.2003)

Registered Office:

Room No.150-A,
Rail Bhavan, Raisina Road,
New Delhi - 110 001

Corporate Office

10th floor, Bank of Baroda Building,
16, Parliament Street,
New Delhi - 110001
Ph. 51501455, 23311994, fax 23311711
Email: info@railtelindia.com

Bankers

State Bank of India

Auditors

M/s B. Aggarwal & Co.,
Chartered Accountants,
16A/17, Ajmal Khan Road,
Karol Bagh,
New Delhi - 110 005

Regional Offices

1. General Manager
   Room No. 27 (2nd Floor)
   IRCOT Office Building
   (Behind Shankar market) New Delhi
   Tel.: +91-11-23412396

2. General Manager (South)
   Microwave Building, Rail Nilayam
   Secunderabad-500071
   Telefax: +91-40-27820429

3. General Manager (Eastern)
   3rd Floor, New Administrative Building
   Garden Reach (South Eastern Railway
   Office Campus) Kolkata
   Tel: + 91-33-24504988

4. General Manager (West)
   2nd Floor, Railway Station
   Churchgate, Mumbai.
   Telefax: +91-22-22071330

CHAIRMAN'S SPEECH

I welcome you all at this 3rd annual general meeting of your Company.

2. The annual accounts for the year ended 31st March, 2003 and the report of the Directors have already been circulated to you. I would just like to touch upon few of the achievements made by your Company during the year. But before that I would like to place on record our gratitude towards the Ministry of Railways for signing the Agreement with RailTel on 30th July, 2003 for use of Right of Way along the railway track and also for transfer of OFC related assets for commercial usage. As contemplated under the terms of such agreement, operation and maintenance strategy for these assets with the assistance of the Railways is under finalization now.

3. As you know, your Company had already obtained licences from the DoT for enabling itself to provide bandwidth, tower space, dark fibre etc. to third parties. During the financial year ended on 31st March, 2003, the Company had earned a gross receipt of Rs. 9.52 crores out of which a sum of Rs. 5.99 crores has been booked as gross revenue during the year and the remaining amount of Rs. 3.53 crores has been booked as advance from customers. Such gross income include interest income of Rs. 3.31 crores from Banks on placing by the Company its surplus funds. Further, during the current financial year, such revenue earnings upto August, 2003 have touched Rs. 4.98 crores from business operations against the targetted revenue of Rs. 54 crores for the entire year.

4. The Company is offering lease of bandwidth, dark fibre and space on microwave towers as its core business. It has carried business with customers like Bharti Cellular, BPL Mobile, Software Technology Park of India, Dishnet DSL, Tata Tele etc. The Company has already established its regional offices in the four regions at Delhi, Mumbai, Kolkatta and Secunderabad for the network operation and maintenance, marketing and customer relationship management.

5. As regards physical progress during 2002-03, the Company had been able to lay OFC on 9503 route KMs and commissioned electronics on 5073 route KMs. During the last five months of current financial year, further OFC has been laid on 2012 KMs and elecronics commissioned on 3581 KMs. With this, a total 21465 KMs OFC has so far been laid and 14436 KMs has been commissioned. Further commissioning of OFC is in process.

6. The first high speed long distance OFC network connecting three important points in south viz Bangalore, Chennai and Hyderabad and covering a route length of 1957 KMs was dedicated to the nation on 26th June, 2003. OFC links commissioned thereafter include links on Mumbai Pune (192 KMs) and New Delhi-Jaipur (309 KMs) sections.

7. With the OFC links commissioned so far, we have been able to connect 93 important cities and 1165 stations on OFC network against a target of 150 cities and 1500 stations, announced by the Hon'ble Minister of Railways in his Budget Speech.

8. During the preceding year, among other tenders, the tender for optical fibre equipment to create STM-16 (2.5 Gbps) backbone network for routes connecting metros and mini metros was awarded. But due to failure on the part of Contractor to meet the technical specifications, ascertained during type-testing of the equipment, the contract has been rescinded.During the current financial year, tenders for phase II & III to provide STM 16 back-bone are under finalization and the works to be awarded are likely to be completed in phased manner from February, 2004 to May, 2004. In the meantime, STM-4 system is being installed on 3370 KMs which is likely to be available by November, 2003. In

addition, the Company has also invited tenders to provide MPLS-IP backbone to provide broad based ISP and data infrastructure covering 40 important cities throughout the country. With this IP backbone, it will be possible to extend this kind of service at around 100 locations in the country.

9. It is also added that the Company's plan to provide extensive Internet/STD/ISD kiosks at stations have taken a shape. It has already got installed on 27th June, 2003 one such Internet Kiosk at platform no. 12 at New Delhi Railway station. The Company plans to install around 200 Internet Kiosks during the current financial year. Similarly, efforts are afoot to provide internet connectivity facility in the running trains. Trials runs were successfully completed in collaboration with a Canadian firm and an Indian firm recently.

10. RailTel had recently ordered a review of its business plan from M/s KPMG, a consulting firm in telecom sector. Their report has already been received and the recommendations made therein have been accepted. Important recommendations are

a. RailTel should go in for the business in IP-I/IP-II and ISP services immediately.
b. RailTel should venture in ILD business only after tieing up with any of the foreign carriers for ensuring minimum of 4.6% of incoming traffic by 2008.
c. RailTel may pend NLD business till such time the Regulatory Authorities permit carrier selection and facility less operators.
d. RailTel must focus to become an efficient infrastructure provider with a strong O&M team and thin marketing set up.

11. The management plans to seek funds towards equity from the proposed joint venture partner(s) particularly the PSUs of DoT and Railways. The Company had signed a Memorandum of Understanding with BSNL in early July, 2003 in respect of areas of mutual cooperation in utilization of their synergies/ infrastructure and services to explore new business opportunities. The request to MTNL for equity participation is being discussed at ministerial level.

12. It is to be noted that over the last around two years, there has been a very substantial investment in telecom infrastructure sector. In addition to the normal projects from BSNL and MTNL, there had been a high level of construction activity by private operators. Our (being a part of Indian Railway's network) contribution as potential infrastructure provider has been recognized and well received in the industry. Considering the fact that the overall market continues to expand, it is expected that next two years also would show growth driven by plans of the basic and long distance operators. The opportunities are very bright for RailTel to capture 5 to 15% portion of this growth in various sectors of business in the next five years by 2007-08. Projections of earnings as per KPMG business plan have been pegged at Rs. 1238 crores at the end of 5 years period with a cumulative capital expenditue (CAPEX) by 2008 of Rs. 1144 crores.

13. I, on behalf of the Board, express my sincere thanks to the Ministry of Railways and the Railway Board for their continued support and encouragement to the Company and also to IRFC for providing financial support. I also wish to place on record appreciation of services rendered by my predecessor Mr. Arvind Sharma and by Shri A.K. Chopra, the then Managing Director of the Company for their valuable contribution.

14. With these words, I propose that the annual accounts for the year ended 31st March, 2003 together with the reports thereon may be considered and adopted.

S.C. Gupta
Chairman

Note: This does not purport to form part of the proceedings of the AGM.

DIRECTORS' REPORT

The Directors have pleasure in presenting their third annual report together with the annual accounts of the Company for the year ended 31st March, 2003.

PROJECT

2.1 During the year under report, 9,503 Rkm of Optical Fibre Cable (OFC) was laid and 5073 Rkm of OFC systems was commissioned. As on 31.03.03, cumulative OFC laid was 19,453 Rkm and cumulative OFC systems commissioned was 10,855 Rkm.

2.2 During first quarter of current financial year, 1,423 Rkm of OFC has been laid and 2,648 Rkm of OFC systems have been commissioned.

2.3 The Company is executing OFC laying works on 2,215 Rkms while works on 5274 Rkm are being executed by Railway as deposit work of RailTel. Out of 2215 Rkm, OFC has been laid on 1844 Rkm and out of 5274 Rkms of deposit works, OFC has been laid on 4562 Rkm as on 30.06.2003

2.4 The tender for optical fibre equipment to create STM-16 (2.5 Gbps) **backbone** network for routes connecting metros and mini metros was awarded in the previous year. But due to failure on the part of the contractor in fulfilling its obligations under the contract, the Company had rescinded the contract.. The Company has invited fresh tenders covering 22,000 RKms connecting four metros, mini metros and other important cities. These electronics are likely to be commissioned in a phased manner from February, 2004 to May, 2004 for marketing of bandwidth and other services.

2.5 Tender for short haul has been awarded for **access network** to provide bandwidth of 155 Mbps/ 622 Mbps covering 411 stations on 3200 Rkm and more than 2200 Rkms has been commissioned and selling of services on this network in southern region had started.

2.6 Another tender for creating MPLS based IP network connecting 38 important cities has been opened on 23.06.2003 and is under evaluation. This is likely to be ready by January, 2004 and the Company would be able to offer internet and VPN services in the last quarter of the current financial year.

OPERATIONAL AND FINANCIAL RESULTS

3.1 The Directors are pleased to inform you that your Company has successfully conducted trials for provision of broadband internet on running trains for the first time in the world. The trials were carried out between Tughlakabad and Faridabad Stations of Northern Railway from April 15 to 26, 2003.

3.2 Further, on 26th June, 2003, RailTel has commissioned first long distance Optical Fibre Cable network between Bangalore-Secunderabad, Secunderabad- Vijayawada-Chennai and Chennai-Renigunta-Gooty covering a distance of 1957 Kms.

3.3 The Company has also commissioned its first Cyber Café on the Railway Platform at New Delhi christened as "Cybre Express" on 27th June, 2003. This would facilitate web browsing, internet telephony and video conferencing. The Cyber Café has been powered by a broadband internet connectivity of 256 kbps. Based on the feedback of the users, the Company intends to extend this activity to over 200 important stations in the country during the current financial year.

3.4 The Company had earlier got permission from its administrative Ministry to use Railways' right of way for the purpose of establishing OFC network, to market surplus capacity available in OFC links and microwave network and to lease microwave tower space.

3.5 The Company had already started earning on sale of bandwidth and on lease of tower space etc.

Hon'ble Ministers of Railways inaugurating Cybre Cafe on the Railway Platform at New Delhi.

During the year under report, the Company had earned a gross income of Rs. 9.52 crores out of which as sum of Rs. 5.99 crores has been booked as gross revenue during the year, the remaining amount has been treated advance from customers, pending receipt of balance payment. Such gross income include interest income of Rs 3.31 crores from Banks on placing by the Company its surplus funds. The Company had incurred capital expenditure of Rs. 139 crores on the OFC laying and installation of equipment. The administrative and establishment expense including interest on capital were Rs. 15.52 crores; major charge being interest on account of loan amounting to Rs. 10.81 crores at the end of the year. The net loss incurred was Rs. 1.38 crores.

3.6 The Company has availed of loan from Indian Railways Finance Corporation Ltd. (IRFC) and the total loan availed so far amount to Rs. 150 crores out of the total sanctioned amount of Rs. 200 crores for meeting in part of the cost of its project. The Ministry had already issued orders that the IRFC may consider conversion of 50% of the sanctioned amount of loan of Rs. 200 crores into equity. The modalities and the actual timings of investment may be decided by the Board of IRFC in consultation with our Company.

3.7 The Company established regional offices at Mumbai, Secunderabad, New Delhi and Kolkatta. The Company had been marketing the surplus capacities available with the Indian Railways. It had placed different capacities of bandwidth and leased dark fibres with its customers including Bharti Cellular Ltd., Global Tele Systems, Idea Cellular, Bharati Telesonic, Dishnet DSL, Tata Tele, and Hughes Telecom etc. The Company had also leased tower space to various customers.

3.8 In accordance with the directions from the Cabinet, the Company had initiated dialogues with the PSUs of DoT for their induction as prospective joint venture partner(s) While MoU has been signed with BSNL for furthering business prospective using each others strength but without equity participation, the MTNL has not yet accepted the proposal of equity participation. This issue has again been taken up at ministerial level with the MTNL.

Status of Agreement

A comprehensive agreement defining relationship between Indian Railways and RailTel has been signed on 30th July, 2003. The agreement provides for use of transferred OFC related assets of Railways by RailTel, exclusive right of way facility along the railway track for RailTel for entire Indian Railways, use of land and other assets, maintenance of assets and revenue sharing between them. This superceded the earlier MoU between RailTel and Railways wherein RailTel was authorized to market the surplus capacity available in the existing OFC network of the Railways.

EMPLOYMENT OF WOMEN, USE OF OFFICIAL LANGUAGE AND OTHERS:

4.1 There is adequate representation of women employment in the Company. The guidelines of the Official Languages Act are being followed by the Company. The Annual Report is also concurrently published in Hindi.

Signing of MOU between BSNL and Railtel in the presence of Hon'ble Ministers.

PARTICULARS OF EMPLOYEES U/S 217 (2A):

5.1 During the year under report, no employee of the Company was in receipt of remuneration of Rs.2.0 lacs per month or Rs.24.0 lacs per annum and hence the particulars of such employee to be disclosed under section 217 (2A) of the Companies Act, 1956 and Companies (particulars of employee) Rules 1975 as amended from time to time are not attached.

PARTICULARS RELATING TO CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION ETC.:

5.2 The Company has not earned any foreign exchange during the year under report. However, the Company incurred expenditure in foreign currency to the extent of Rs.25.38 lakhs during the year. The Company is presently engaged in providing of telecom services and as such the provisions of Section 217(1) (e) of the Companies Act, 1956 are not applicable.

Railtel's Participiations in exhibition 'Convergence India

DIRECTORS RESPONSIBILITY STATEMENT:

5.3 In terms of the provisions of Section 217(2AA) of the Companies Act, 1956 as amended, your Directors confirm as under:

a) that in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;

b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for prevention and detecting fraud and other irregularities; and

d) that the Directors had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE:

6.1 The Company is conscious of the concept and the principles underlying the corporate governance. As a part of good governance, the Company has been taking steps to implement such concepts. The Board has already constituted an Audit Committee and so far three meetings had been held by such Committee.

AUDITORS:

7.1 The Comptroller and Auditors General of India have re-appointed M/s. B. Aggarwal & Co., Chartered Accountants as Auditors for the year ended 31st March, 2003. In terms of the authorization given by the members in their last annual general meeting, the Board had already considered and approved payment of audit fee of Rs.25,000/- to them. Similarly, the approval of the shareholders is solicited for authorizing the Board for fixation of remuneration payable to the statutory auditors for the year 2003 – 2004 as and when appointed.

DIRECTORATE :

8.1 Shri Arvind Sharma superannuated from the services of the Ministry of Railways on 28th February, 2003 and in his place, Shri S.C. Gupta, Member (Electrical) Railway Board and ex-officio Secretary to the Govt. of India has been appointed as Chairman of the Company.

8.2. Shri A.K. Chopra who took over the responsibility of the Managing Director of the Company on full time basis w.e.f. 8th November, 2002 also superannuated from service on 31st July, 2003. Further, functional Directors namely Smt. Saroj Rajware and Shri Mahesh Mangal joined the Company in their capacities as the Director (Finance) and the Director (Network Planning & Marketing) w.e.f. 7th April, 2003 and 20th May, 2003 respectively. In addition, Shri B. Krishnakumar has joined as Director (Projects and O&M) w.e.f. 25.7.03.

8.3 The Board placed on record its appreciation of the services rendered by the Shri Arvind Sharma and Shri A.K. Chopra during their association with the Company.

ACKNOWLEDGEMENTS

9.1 The Board express its gratitude towards Indian Railways and the IRFC in extending all cooperation and financial support respectively to the Company. The Company is also thankful to the CAG, the statutory auditors and the bankers for their valued contribution. The Board places on record its appreciation of the services rendered by all the employees of the Company including the part time officials from Railways. The Board also expresses its gratitude to the valued customers of the Company for their kind patronage.

For and on behalf of the Board

(S.C. Gupta)
Chairman

Place: New Delhi
Dated: 31.07.2003

B.Aggarwal & Co.
Chartered Accountants

Auditor's Report to the Members of
RAILTEL CORPORATION OF INDIA LIMITED

We have audited the attached Balance Sheet of M/s RAILTEL CORPORATION OF INDIA LIMITED (hereinafter referred to as the 'Company') as at March 31, 2003 and also the Profit and Loss Account of the company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our Audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides reasonable basis for our opinion.

As required by the Manufacturing & other Companies (Auditor's Report) Order, 1988 issued by the Central Government in terms of section 227 (4A) of the Companies Act, 1956 we annex thereto a statement on the matters specified in paragraph 4 & 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) In our opinion, proper Books of Accounts as required by Law have been kept by the Company, so far as appears from our examination of the books (and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.);

c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the Books of Account;

d) In our opinion the Balance Sheet and Profit and Loss Account comply with the accounting standard referred to in sub-section (3c) of section 211 of the Companies Act, 1956 to the extent they are applicable to the company;

e) According to the information and explanation given to us, no person appointed as a director in the company during the year under audit was disqualified from being appointed as a director at the date of his appointment under clause (g) of section (i) of section 274 of the Act.;

f) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit & Loss Account read together with the notes thereon, given a true and fair view:

   i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2003 and:

   ii) In the case of the Profit & Loss Account of loss for the year ended on that date.

For B.AGGARWAL & CO.
Chartered Accountants

Place : New Delhi
Date : 31 July 2003

(KAPIL AGGARWAL)
PARTNER

ANNEXURE TO THE AUDITORS' REPORT

REFERRED TO IN PARAGRAPH '1' OF OUR REPORT OF EVEN DATE ON THE ACCOUNT OF M/s. RAILTEL CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED ON THAT DATE

1) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The Fixed Assets have been physically verified by the management during the year. No material discrepancies were noticed on verification.

2) None of the fixed assets have been revalued during the year.

3) To the best of our knowledge and according to the information and explanation given to us, physical verification has been conducted by the management at reasonable intervals in respect of finished goods, stores, spare parts and raw materials.

4) To the best of our knowledge and according to the information and explanations given to us, the company has not taken/ given any loans, secured or unsecured from / to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and / or from / to the companies under the same management as defined under section 370 (1B) of the Companies Act, 1956, where the rate of interest and other terms and conditions of such loans are prima facie prejudicial to the interest of the company.

5) As explained to us, there were no discrepancies noticed on physical verification of stocks as compared to book records and the same have been properly dealt with in the books of accounts.

6) In respect of advances in the nature of loans given by the Company to employees and others, the parties are repaying the principal amounts as stipulated and are also regular in the payment of interest, where charged.

7) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of stores, raw material including components, plant & machinery, equipment and other assets.

8) The Company has not accepted any deposits within the meaning of section 58 A of the Companies Act, 1956.

9) To the best of our knowledge, there is no scrap.

10) To the best of our knowledge and according to the information and explanations given to us, the company has a reasonable internal audit system commensurate with its size and nature of its business.

11) The Company is not required to maintain cost records as prescribed under section 209(1)(d) of the Companies Act, 1956.

12) To the best of our knowledge and according to the information and explanation given to us, there are no undisputed amounts payable in respect of Income - Tax, Wealth - Tax, Customs Duty, and Excise Duty outstanding as at March 31, 2003 for a period of more than six months from the date of becoming payable.

13) According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenues account, other than those payable under contractual obligations or in accordance with generally accepted business practices.

14) The Company is not a Sick Industrial Company within the meaning of clause (o) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

For B.AGGARWAL & CO.
Chartered Accountants

(KAPIL AGGARWAL)
PARTNER

Place : New Delhi
Date : 31 July 2003

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956, ON THE ACCOUNTS OF RAILTEL CORPORATION OF INDIA LIMITED, NEW DELHI, FOR THE YEAR ENDED 31ST MARCH 2003

I have to state that the Comptroller and Auditor General of India has no comments upon or supplement to the Auditors' Report under Section 619 (4) of the Companies Act, 1956, on the accounts of RailTel Corporation of India Limited, New Delhi for the year ended 31st March 2003.

Sd/-
(Revathi Bedi)
Principal Director of Commercial Audit and
Ex-officio Member Audit Board-III,
New Delhi

Place: New Delhi
Dated: 8 September 2003

REVIEW OF ACCOUNTS OF RAILTEL CORPORATION OF INDIA LIMITED, NEW DELHI FOR THE YEAR ENDED 31ST MARCH 2003 BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

Note: This Review of Accounts has been prepared without taking into account qualifications contained in the Statutory Auditors Report.

1. FINANCIAL POSITION:

The table below summarises the financial position of the company under broad heading for the last three years:

Rupees in Crore

	2000-01	2001-02	2002-03
	(26/9/2000 to 31/3/2001)		
Liabilities:			
(a) Paid up capital			
(i) Government	15.00	15.00	15.00
(ii) Others	0.00	0.00	0.00
(b) Reserves & Surplus			
(i) Free Reserve & Surplus	0.16	0.00	0.00
(c) Borrowings			
(i)Foreign Currency Loans	0.00	0.00	0.00
(ii)Others	0.00	100.00	150.00
(iii)Interest accrued and due	0.00	0.00	0.00
(d)(i)Current liabilities & Provisions	0.16	19.49	58.49
Total	**15.32**	**134.49**	**223.49**
Assets:-			
(e)Gross Block	0.04	0.09	11.44
(f)Less: Depreciation	0.00	0.01	0.57
(g) **Net Block**	0.04	0.08	10.87

(h)	Capital Work in Progress (including advances for capital expenditure)	0.00	42.60	141.24
(i)	Investments	0.00	0.00	0.00
(j)	Current Assets loans & advances	13.22	90.00	68.62
(k)	Misc Expenses	2.06	1.60	1.40
(l)	Accumulated Loss	0.00	0.21	1.36
	Total:	**15.32**	**134.49**	**223.49**
(m)	Working Capital (j- d (i) -c(iii)	13.06	70.51	10.13
(n)	Capital Employed (g+m)	13.10	70.59	21.00
(o)	Net worth [a+b (i) -k -l]	13.10	13.19	12.24
(p)	Net worth per Rupee of paid up Capital	0.87	0.88	0.82

2. SOURCES AND UTILISATION OF FUNDS:

Funds amounting to Rs. 110.38 Crore from internal and external sources were realised and utilised during the year as detailed below:-

Source of Funds		**Rupees in Crore**
(a)	Increase in borrowings	50.00
(b)	Decrease in working capital	60.38
	Total:	**110.38**

Utilisation of Funds

(a)	Funds lost in operation		
	(i)Loss	1.15	
	(ii)Less: Depreciation	0.55	
	(iii)Less: Misc Expenses	0.20	0.40
(b)	Increase in Fixed assets		11.35
(c)	Increase in capital work in progress		98.63
	Total:		**110.38**

3. WORKING RESULTS:

The working results of the Company for the last three years ending 31st March, 2003 are given below

		Rs in Crore		
		2000-01	2001-02	2002-03
		(26/9/2000 to 31/3/2001)		
(i)	Operating income	0.00	0.03	2.34
(ii)	Other or Misc. Income	0.27	2.82	3.65
(iii)	Profit before tax and prior period adjustments	0.27	-0.37	-1.15
(iv)	Prior period Adjustment i.e. short/excess provision of Income Tax	0.00	0.00	0.00
(v)	Profit before tax	0.27	-0.37	-1.15
(vi)	Provision for Taxation	0.11	0.00	0.00
(vii)	Profit after tax	0.16	-0.37	-1.15

4. RATIO ANALYSIS

Some important ratios on the financial health and working of the Company at the end of last three years ending 31st March, 2003 are as under:

		2000-01	2001-02	2002-03
		(29/9/2000 to 31/3/2001)		
A.	Liquidity Ratio			
	Current Ratio [j/d (i) +c (vi)]	82.63	4.62	1.17
B.	Debt equity ratio	0.00	6.67	10.00
	Long term debt equity [c (i to iii)/a)]			
C.	Profitability Ratios (In percentage)			
	(a) Profit before tax to			
	(i) Capital employed	2.06	0.00	0.00
	(ii) Net worth	2.06	0.00	0.00
	(iii) Operating Income	0.00	0.00	0.00
	(b) Profit after tax to Equity Capital	1.07	0.00	0.00
	(c) Earning per share of Rs. 10/- each			
	(in Rupees)	0.11	0.00	0.00

5. SUNDRY DEBTORS

The Sundry Debtors and Sales in the last three years ended 31st March, 2003 were as follows:

Rupees in Crore

As on 31st March	Sundry Debtors			Operating Income during the Year	Percentage of Sundry Debtors
	Considered good	Considered doubtful	Total to Sale		
2000-01	—	—	—	—	—
2001-02	—	—	—	—	—
2002-03	0.01	—	0.10	2.34	4.27

The agewise breakup of Sundry Debtors at the end of 31st March 2003 is as under:

Debtors outstanding	Rupees in crore
Less than 6 months	0.10
6 months to 1 years	0
1 years to 3 years	0
More than 3 years	0
Total	**0.10**

Sd/-
Revathi Bedi
Principal Director of Commercial Audit
and Ex-officio Member Audit Board III
New Delhi

Place: New Delhi
Date: 8 September, 2003

Annual Accounts for the Year ended 31st March, 2003

BALANCE SHEET AS AT MARCH 31, 2003

PARTICULARS	Schedule		As on 31.03.2003		As on 31.03.2002
			Amount (Rs.)		
SOURCES OF FUNDS					
Shareholder's Funds	1		150,000,070		150,000,070
Reserves & Surplus	2		—		—
Loan Fund	3		1,500,000,000		1,000,000,000
TOTAL (Rs.)			1,650,000,070		1,150,000,070
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block		114,491,481		917,035	
Less: Depreciation		5,686,967		136,434	
Net Block	4	108,804,514		780,601	
Capital Work-in-Progress	5	1,400,022,471		320,938,109	
Advances for Capital Expenditure	6	12,353,913	1,521,180,898	105,100,000	426,818,710
Current Assets, Loans & Advances	7				
Cash & Bank Balances		672,885,284		892,544,098	
Sundry Debtors		972,096		—	
Other Current Assets		2,063,769		1,640,248	
Loans & Advances		10,288,409		5,765,673	
		686,209,558		899,950,019	
Less : Current Liabilities & Provisions	8				
Current Liabilities		584,902,290		194,837,357	
Provisions		91,825		23,621	
		584,994,115		194,860,978	
Net Current Assets			101,215,443		705,089,041
Miscellaneous Expenditure	9				
(To the extent not written off or adjusted)					
Preliminary Expenditure			12,010,291		16,013,721
Deferred Revenue expenditure			1,954,638		—
Profit & Loss Account			13,638,800		2,078,598
TOTAL (Rs.)			1,650,000,070		1,150,000,070
Accounting Policies	13				
Notes on Accounts	14				

Schedules 1-14 attached form an integral part of accounts

As per our report of even date
For B. AGGARWAL & CO.
Chartered Accountants

(KAPIL AGGARWAL)
Partner

Place : New Delhi
Date : 31 July , 2003

A K Chopra
Managing Director

Saroj Rajware
Director (Finance)

S C Hans
Company Secretary

Profit & Loss Account for the year ended on 31.03.2003

PARTICULARS			For the year ended on 31.03.2003	Amount (Rs.)	For the Year ended on 31.03.2002
INCOME					
Sales Revenue (Tower Space)		5,527,633		126,912	
Sales Revenue (Bandwidth)		17,914,619		199,423	
Interest Income from Banks		33,161,128		26,856,115	
(TDS Receivable : Rs. 74,53,034/- Previous Year Rs. 48,88,234/-)					
Prior Period Adjustments		4,198		–	
Other Incomes		3,320,146		1,336,947	
		59,927,724		**28,519,397**	
Less :					
Incidental income during construction period transferred to capital work-in-progress	12 A	34,068,735	25,858,989	28,144,776	374,621
EXPENDITURE					
Employee's Remuneration & Benefits	10	12,671,111		1,926,205	
Administrative Expenses	11	24,964,345		6,431,566	
Interest on Loan		108,095,890		26,823,288	
Preliminary Expenses written off		4,003,430		4,003,430	
Depreciation		5,551,684		136,434	
		155,286,460		39,320,923	
Less : Incidental expenditure during construction period transferred to capital work-in-progress	12 B	117,867,269	37,419,191	35,257,832	4,063,091
Net Profit/Loss before tax			(11,560,202)		(3,688,470)
Less: Provision for Income Tax			-		-
Net Profit/Loss after tax			(11,560,202)		(3,688,470)
Transferred to Reserves & Surplus (to the extent of previous years balance)			-		**1,609,872**
Loss brought forward from previous year			**(2,078,598)**		-
Balance transferred to Miscellaneous Expenditure			**(13,638,800)**		**(2,078,598)**
Accounting Policies	13				
Notes on Accounts	14				

Schedules 1 to 14 attached form integral part of accounts

As per our report of even date

For B. AGGARWAL & CO.
Chartered Accountants

A K Chopra
Managing Director

Saroj Rajware
Director (Finance)

(KAPIL AGGARWAL)
(Partner)

S C Hans
Company Secretary

Place : New Delhi
Date: 31 July 2003

SHAREHOLDER'S FUNDS

SCHEDULE 1

PARTICULARS	As on 31.03.2003	Amount (Rs.)	As on 31.03.2002
SHARE CAPITAL			
Authorised Capital			
1,00,00,00,000 Equity shares of Rs. 10/- each	10,00,00,00,000		10,00,00,00,000
Issued, Subscribed & Paid up Capital			
1,50,00,007 Equity shares of Rs. 10/- each	150,000,070		150,000,070
TOTAL (Rs.)	150,000,070		150,000,070

RESERVES & SURPLUS

SCHEDULE 2

PARTICULARS	As on 31.03.2003	Amount (Rs.)	As on 31.03.2002
Profit & Loss Account	—		1,609,872
Loss for the Current Year	—		1,609,872
TOTAL	—		—

LOAN FUNDS

SCHEDULE 3

PARTICULARS	As on 31.03.2003	Amount (Rs.)	As on 31.03.2002
Secured Loans	—		—
Unsecured Loans			
Loan from Indian Railway Finance Corporation Limited	1,500,000,000		1,000,000,000
TOTAL	1,500,000,000		1,000,000,000
Loans due for repayment within one year	NIL		NIL

FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01-04-2002	ADDITION DURING THE YEAR	SALE/ADJUSTMENT DURING THE YEAR	TOTAL AS ON 31-03-2003	UP TO 31-03-2002	FOR THE YEAR	ADJUSTMENT DURING THE YEAR	TOTALS AS ON 31-03-2003	AS ON 31-03-2003	AS ON 31-03-2002
A. FIXED ASSETS										
COMPUTER	608,468	3,110,911	–	3,719,379	86,870	270,762	–	357,632	3,361,747	521,598
FURNITURE & FIXTURE	79,691	1,874,629	–	1,954,320	17,962	782,995	–	800,957	1,153,363	61,729
AIRCONDITIONERS	–	1,408,272	–	1,408,272	–	33,455	–	33,455	1,374,817	–
ELECTRICAL EQUIPMENTS	–	28,200	–	28,200	–	28,200	–	28,200	–	–
OFC & RELATED ASSETS	–	52,657,400	–	52,657,400	–	2,048,950	–	2,048,950	50,608,450	–
HDPE PIPES	–	9,326,800	–	9,326,800	–	362,915	–	362,915	8,963,885	–
TELECOM & RADIO EQUIPMENTS	–	42,633,200	–	42,633,200	–	1,658,899	–	1,658,899	40,974,301	–
OFFICE EQUIPMENTS	228,876	1,562,116	(27,082)	1,763,910	31,602	165,508	(1,151)	195,959	1,567,951	197,274
B. CAPITAL EXPENDITURE ON ASSETS NOT OWNED BY COMPANY	–	1,000,000	–	1,000,000	–	200,000	–	200,000	800,000	–
TOTAL A & B	917,035	113,601,528	(27,082)	114,491,481	136,434	5,551,684	(1,151)	5,686,967	108,804,515	780,601
PREVIOUS YEAR	421,945	495,090	–	917,035	–	136,434	–	136,434	780,601	421,945

CAPITAL WORK IN PROGRESS

SCHEDULE 5

PARTICULARS		As on 31.03.2003	Amount (Rs.)	As on 31.03.2002
OFC Laying Works by Railways against Deposit Works	863,778,078	–	169,302,862	–
Other OFC Laying Works	445,332,803	1,309,110,881	144,522,191	313,825,053
Add				
Net Incidental Expenditure brought forward from last year	7,113,056			
Incidental expenditure during construction period(Schedule 12B)	117,867,269		35,257,832	
	124,980,325			
Less				
Incidental Income during construction period (Schedule 12A)	34,068,735	90,911,590	28,144,776	7,113,056
TOTAL		**1,400,022,471**		**320,938,109**

SCHEDULE 6

ADVANCE FOR CAPITAL EXPENDITURE

PARTICULARS		As on 31.03.2003	Amount (Rs.)	As on 31.03.2002
Unsecured Considered Good				
–covered by Bank Guarantees	1,439,965		–	
–others	10,913,948	12,353,913	105,100,000	105,100,000
TOTAL (Rs.)		**12,353,913**		**105,100,000**

CURRENT ASSETS, LOANS & ADVANCES

SCHEDULE 7

PARTICULARS		As on 31.03.2003	Amount (Rs.)	As on 31.03.2002
CURRENT ASSETS				
Cash and Bank Balances				
Cash & Cheques in hand	43,576,411		992,500	
Imprest Balances	54,758		19,361	
Funds in Transit	5,427,837		-	
Balances with Scheduled Banks				
Current account	2,048,065		1,391,597	
Term Deposit	621,778,213	672,885,284	890,140,640	892,544,098
(includes Rs. 2 crores pledged with SBI against Bank Guarantees)				
Accrued Interest on Term deposits		2,063,769		1,640,248
SUNDRY DEBTORS				
(Unsecured considered good)				
Debts outstanding for period exceeding six months	- -	-	-	-
Others	972,096	972,096	-	-
LOANS & ADVANCES				
Employee's Loans and Advances	265,150		1,019	
(unsecured considered good)				
Other Loan & Advances	2,570,225		284,310	
Income Tax Deducted at Source	7,453,034	10,288,409	5,480,344	5,765,673
TOTAL Rs.		**686,209,558**		**899,950,019**

Due from Directors and Officers of the company	*Max. Amt. 2002-2003*	*Max. Amt. 2001-2002*		
Directors	*NIL*	*NIL*	*NIL*	*NIL*
Officers	*NIL*	*NIL*	*NIL*	*NIL*

CURRENT LIABILITIES AND PROVISIONS

SCHEDULE 8

PARTICULARS		As on 31.03.2003	Amount (Rs.)	As on 31.03.2002
CURRENT LIABILITIES				
Sundry Creditors				
- For capital expenditure	367,426,371		166,420,091	
- For others	51,974,489		1,460,985	
	419,400,860		167,881,076	
Deposits & Other advances	1,131,020		6,401,720	
Book Overdraft	78,587,732		13,090,679	
Other Liabilities	85,782,678	584,902,290	7,463,882	194,837,357
PROVISIONS				
Provision for Income Tax	–		–	
Provision for Gratuity	33,754		23,621	
Provision for leave salary contribution	58,071	91,825	–	23,621
TOTAL		**584,994,115**		**194,860,978**

MISCELLANEOUS EXPENDITURE

SCHEDULE 9

PARTICULARS		As on 31.03.2003	Amount (Rs.)	As on 31.03.2002
Deferred Revenue expenditure		1,954,638		–
Preliminary Expenses	16,013,721		20,017,151	
(To the extent not written off or adjusted)				
Amount written off during the year	4,003,430		4,003,430	
		12,010,291		16,013,721
TOTAL (Rs.)		13,964,929		16,013,721

EMPLOYEES REMUNERATION & BENEFITS

SCHEDULE 10

PARTICULARS	As on 31.03.2003	Amount (Rs.)	As on 31.03.2002
Salary and Wages	9,574,744		1,492,960
Employer Contribution to Provident Fund and Other Charges	60,142		37,457
Lease Charges	1,238,156		167,332
Foreign Service Contribution	1,294,774		204,835
Gartuity	24,684		9,070
Leave Salary Contribution	43,520		14,551
Medical Expences	435,091		–
TOTAL	**12,671,111**		**1,926,205**

ADMINISTRATIVE EXPENSES — SCHEDULE 11

PARTICULARS		As on 31.03.2003	Amount (Rs.)	As on 31.03.2002
Tour & Travel Expenses		5,163,000		138,198
Office Expenses		3,139,443		206,906
Conveyance Expenses		323,591		5,084
Advertisement, Publicity & Business Promotion		571,722		2,241,788
Auditor's Remuneration				
- Audit Fee	26,250		26,250.00	
- Other Services	–	26,250	–	26,250
Licence fee & USO Fund contribution		2,546,248		
Rent, Rates & Taxes		5,842,199		55,883
Vehicle Hiring Expenses		2,666,142		421,684
Bank charges		537,583		2,962,220
Professional Consultancy Fees		393,880		182,119
Communication expenses		1,476,828		146,671
Book & Periodicals		28,737		9,563
Furnishing expenses		1,135,061		–
Computer software expenses		276,180		–
Loss on sale of Fixed Assets		21,931		–
Exchange loss		372		–
Miscllaneous expenses		815,179		35,200
TOTAL		**24,964,345**		**6,431,566**

INCIDENTAL INCOME DURING CONSTRUCTION PERIOD — SCHEDULE 12-A

PARTICULARS	As on 31.03.2003	Amount (Rs.)	As on 31.03.2002
Interest Income	33,161,128		26,826,720
Other Income	907,607		1,318,056
TOTAL	**34,068,735**		**28,144,776**

INCIDENTAL EXPENDITURE DURING CONSTRUCTION PERIOD — SCHEDULE 12-B

PARTICULARS	As on 31.03.2003	Amount (Rs.)	As on 31.03.2002
Salary & Wages	4,122,526		1,453,843
Employer Contribution for PF and other Charges	–		37,416
Lease Charges	424,373		167,149
Foreign Service Contribution	327,066		204,611
Medical Expenses	54,742		–
Leave salary contribution	–		9,060
Gartuity	–		14,535
Tour & Travel Expenses	3,593,652		137,908
Office Expenses	12,221		206,637
Conveyance Expenses	167,347		5,078
Advertisement Expenses	–		2,189,390
Auditor's Remuneration			
–Audit Fee	–	26,221	–
–Other Services	–	–	26,221
Rent,Rates & Taxes	–		55,822
Vehicle Hiring Expenses	733,423		421,022
Bank Charges	–		2,958,977
Professional Consultancy Fees	–		181,920
Communication Expenses	281,798		146,473
Books & periodicals	5,236		9,552
Interest on IRFC Loan	108,095,890		26,823,288
Depreciation	–		136,285
Miscellaneous Expenses	48,995		35,161
TOTAL	**117,867,269**		**35,257,832**

SIGNIFICANT ACCOUNTING POLICIES

SCHEDULE 13

1. General

The Financial Statements have generally been prepared as a going concern on the basis of accrual method of accounting in accordance with generally accepted accounting principles, practices and applicable accounting standards.

2. Fixed Assets

Fixed Assets are stated at historical cost and all directly attributable expenses relating to the assets are allocated to the respective asset heads.

3. Capital Work-in-Progress

a) Expenses incidental to construction of various assets are being apportioned on prorata basis to particular assets.

b) Corporate office expenses directly attributable to construction for the year are allocated to the regions for apportionment to capital work in progress of the respective regions on pro-rata basis.

c) In respect of supply cum erection contracts, the value of supplies received at site and accepted, is treated as capital works in progress.

d) Deposit work contracts are accounted for on the basis of statement of account received from executing agencies / technical assessment of the work executed.

e) Income directly identifiable with capital work in progress are adjusted against the cost of different works on pro-rata basis.

4. Borrowing Costs

Borrowing costs attributable to fixed assets during their construction are capitalized as part of the cost of such assets. Such borrowing costs are apportioned on the average of capital work in progress during the year.

5. Income recognition

a) Income from lease, renting or sale of end-to-end bandwidth, hire charges for tower space and accommodation, internet & other service charges are accounted for on proportionate basis over the lease / contract period after the activation of connection.

b) Other income including interest income on deposits with banks are accounted for on accrual basis.

c) Dues recovered from customers which may be payable to Railways have been considered as liability pending finalisation of agreement with Railways in this regard.

6. Other Expenditure

a) Depreciation is charged as per straight line method on fixed assets of the Company at the rates notified under Schedule XIV of the Companies Act, 1956.

b) Assets purchased for value of less than Rs. 5000/- or of written down values of Rs. 5000/ - or less at the beginning of the year are depreciated at 100%.

c) Expenses common to operation and construction activities are allocated to the Profit & Loss Account and incidental expenditure during construction in proportion to the income earned and accretion to capital work-in-progress.

7. Miscellaneous Expenditure

a) Preliminary expenses incurred towards incorporation of the Company are to be written off to the Profit & Loss account over a period of five years from the date of commencement of commercial operations.

b) Corporate office furnishing expenses are deferred over a period of three years i.e the period for which building is taken on rent.

8. **Deferred Tax**

Deferred Tax assets and liabilities are measured using the tax rates and tax laws that have been announced up to the balance sheet date. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences between the taxable income and accounting income. The effect of tax rate change is considered in the profit & loss account of the respective year of change.

9. **Retirement Benefits**

The liability for retirement benefits of the employees in respect of gratuity and leave encashment is accounted for annually on the basis of actuarial valuation.

SCHEDULE 14

Notes on Accounts

1. Contingent Liabilities include:

   a. Claims against the Company not acknowledged as debts of Rs. 597 Lakhs. (Previous Year Rs. 5 Lakh)

   b. Counter Guarantees to Bank for Bank Guarantees of Rs. 100 crores.

2. Estimated amounts of contracts remaining to be executed on capital account as certified by the management and not provided for is Rs.120.91 crores (previous Year Rs. 79.79 crores).

3. In terms of the Memorandum of Understanding (MoU) between the Ministry of Railways and the Corporation dated 7th December, 2001, certain understandings were arrived at, to be formalized by way of an agreement within a period of six months unless the MoU were extended with mutual consent. The Corporation has been permitted to use the facilities and been given ROW (Right of Way) for laying the infrastructure and market the surplus capacity assets. As the transfer of assets is yet to take place for want of finalization of the modalities for transfer of assets and the agreement and continued use of those assets by the Railways. No effects of MoU have been taken into account.

4. Balances shown under advances and creditors are subject to confirmation/reconciliation and consequential adjustment, if any.

5. In the opinion of the management, the value of current assets, loans and advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

6. The Company has incurred certain expenses amounting to Rs 22,31,434/- of capital nature on improvement and increasing the capacity of OFC assets, to be handed over by the Railways (as already mentioned in note no 3 above). These expenses have been treated as part of Capital work in progress pending final capitalization.

7. There is no outstanding balance of small scale industries of more than Rs. 1 lakh lying for more than thirty days as on 31.03.2003.

8. Due to the policy of providing depreciation @ 100% on assets costing up to Rs. 5,000/- and assets whose written down value is up to Rs. 5,000/-, the depreciation charged to Profit & Loss account is greater by Rs. 9,25,183.00 (Previous year Rs. 46,006/-)

9. Employee's remuneration and benefits does not include the remuneration and benefits of the whole time directors, except for the Managing Director as the same are borne by the Railways.

Total remuneration and benefits paid to the Managing Director during the year are as per following:

	Amount(Rs)	
Particulars	**2002-03**	**2001-02**
Remuneration	2,01,178	Nil
Others	1,09,683	Nil

10.Auditor's Remuneration includes,

	Current Year	**Previous Year**
Audit Fee	Rs. 25,000/-	Rs. 25,000/-
Service Tax	Rs. 1,250/-	Rs. 1250/-
	Rs. 26,250/-	Rs. 26,250/-

11. The Company has not created Deferred Tax assets as a matter of prudence in terms of Accounting Standard (AS 22) on Accounting of taxes on income issued by the Institute of Chartered Accountants of India, as the company has only unabsorbed losses till now and there are no reserves & surplus till 31.03.2003.

12. The Company has formalized revenue recognition by raising sales invoices in the month of March 2003. Therefore the liability for service tax assessment, if any, will be created at the time of assessment.

13. Additional information pursuant to Schedule VI of the Companies Act, 1956 is as follows:

    a. Licensed and Installed Capacity: Not Applicable.

    b. Quantitative information in respect of Gross Income derived from services rendered or supplied:

	Amount (Rs.)	
	Current Year	**Previous Year**
i. Income from renting of space including tower	75,36,514	1,43,089
ii. Sales revenue from end-to-end bandwidth	1,79,14,619	1,99,423
c. Value of import calculated on CIF basis		
i. Capital Goods	NIL	NIL
ii. Spare Parts	NIL	NIL
d. Expenditure in foreign currency		
i. Professional and consultancy fee	NIL	NIL
ii. Others	25,38,094	NIL
e. Value of Components, stores and spare parts consumed (imported and indigenous)	NIL	NIL
f. Earning in Foreign Exchange	NIL	NIL

14. Comparative figures for the previous year have been rearranged and regrouped wherever necessary.

15. Figures have been rounded off to the nearest rupee.

16. Schedules 1 to 14 form an integral part of the Balance Sheet and Profit & Loss Accounts.

As per our report of even date.

For B. AGGARWAL & CO.
Chartered Accountants

(KAPIL AGGARWAL)
Partner
Date : 31 July , 2003
Place: New Delhi

A K Chopra
Managing Director

Saroj Rajware
Director (Finance)

S C Hans
Company Secretary

PART 4 OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE

I. Registration Details

State Code: 5 5

Registration No.: 1 0 7 9 0 5

Balance Sheet Date: 3 1 0 3 2 0 0 3

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue: NIL

Right Issue: NIL

Bonus Issue: NIL

Private Placements: NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities: 2 2 3 4 9 9 4

Total Assets: 2 2 3 4 9 9 4**

(** This includes Misc. Exp. and Profit & Loss A/c Dr. Balance)

Sources of Funds

Paid - Up Capital: 1 5 0 0 0 0

Share Application Money: NIL

Secured Loans: NIL

Reserves & Surplus: NIL

Unsecured Loans: 1 5 0 0 0 0 0

Application of Funds

Net Fixed Assets: 1 5 2 1 1 8 1*

Investment: NIL

(*includes CWIP & Advance for Capital Expenditure)

Net Current Assets: 1 0 1 2 1 5

Misc. Expenditure: 1 3 9 6 5

Accumulated Losses: 1 3 6 3 9

IV. Performance of Company (Amount in Rs. Thousand)

Turnover including other Incomes: 2 5 8 5 9

Total Expenditure: 3 7 4 1 9

Profit/Loss Before Tax: + − 1 1 5 6 0

Profit/Loss After Tax: + − 1 1 5 6 0

Earning Per Share in Rs.: NIL

Dividend Rate %: –

V. Genric Name of Three Principal Services of Company

Item Code No.: N A

Product Description: Rent from Tower Space

Item Code No.: N A

Product Description: Sale of Bandwidth

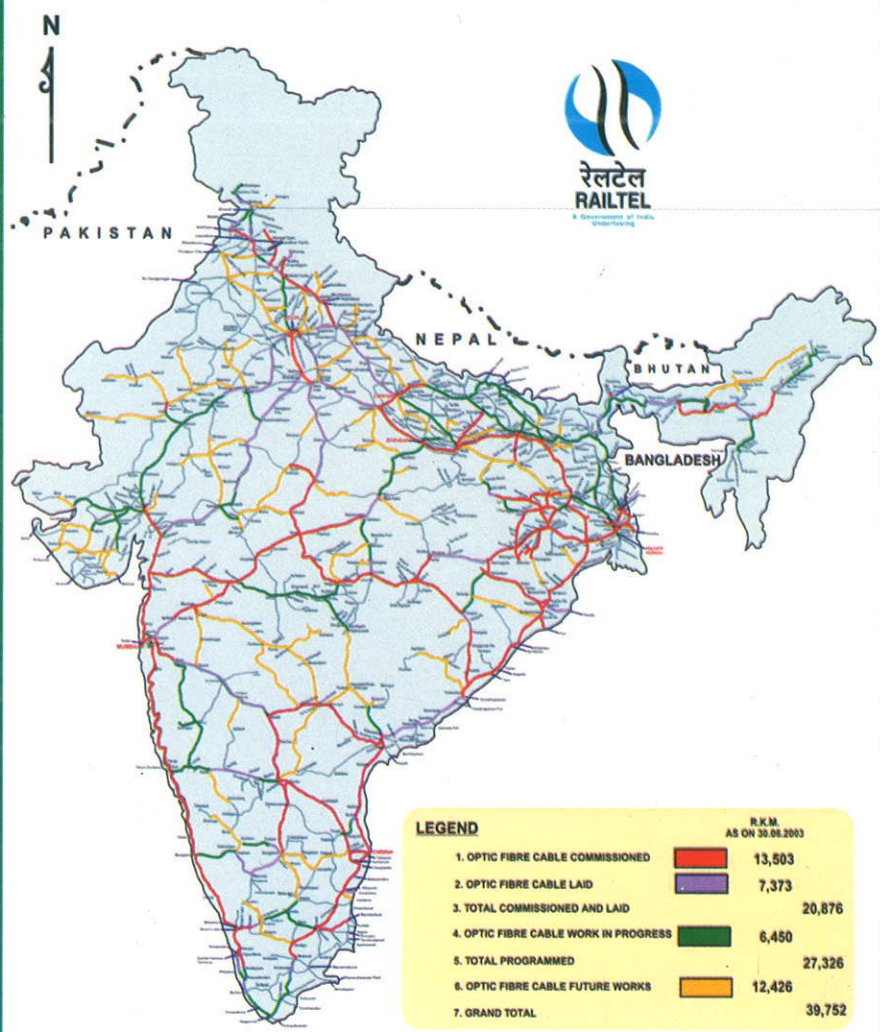
Item Code No.: N A

Product Description:

Director (Finance)

Optic Fibre Cable Network Of RailTel Corporation Of India Ltd.

STATUS OF OPTIC FIBRE CABLE NETWORK



SERVICES OFFERED BY RAILTEL

- Bandwidth
  (From 64 kbps to 155 mbps and 2.5 gbps)
- Tower Space for Antennae
  (600 towers available nationwide)
- Internet Service Provider
- Co-location Facilities
- Virtual Private Network
- National Long Distance
- International Long Distance

REGISTERED OFFICE:

Room No. 150-A, Rail Bhawan,
Raisina Road, New Delhi-110001

CORPORATE OFFICE :

10th Floor, Bank of Baroda Building
16 Sansad Marg, New Delhi -110001
Tel: +91-11-51501455 Fax: +91-11-23311711
Email: info@railtelindia.com

REGIONAL OFFICES :

General Manager (Northern Region)
Room No. 27 (2nd Floor)
IRCOT Office Building, Shivaji Bridge,
(Behind Shankar Market) New Delhi
Tel: +91-11-23411088/89 Fax : +91-11-23412396
Email: rajeshjain@railtelindia.com

General Manger (Southern Region)
Microwave Building, Rail Nilayam
Secunderabad - 500071
Telefax: +91-40-27820429
Email: aseshagirirao@railtelindia.com

General Manager (Eastern Region)
3rd Floor, New Administrative Building
Garden Reach (South Eastern Railway
Office Campus), Kolkata
Tel: +91-33-24504988
Email: jpsingh@railtelindia.com

General Manger (Western Region)
2nd Floor, Churchgate Railway Station
Churchgate, Mumbai
Telefax: +91-22-22071330
Email: rkbahuguna@railtelindia.com

APPARENT/2003