

**GOVERNMENT OF INDIA  
MINISTRY OF RAILWAYS  
RAILWAY BOARD**

2016/NFR/7/2/CoD

New Delhi, Dated: 29.06.2020.

**The General Manager  
All Zonal Railways**

**The Chief Commercial Manager(NFR)  
Northern Railway,  
Baroda House  
New Delhi**

**The Chairman cum Managing Director,  
RailTel Corporation of India Ltd.  
NBCC Building Office Tower-2 VIth Floor  
Plate-A, East Kidwai Nagar  
New Delhi 110023**

**Sub: Implementation of CoD by RailTel- Mechanism for payments to Railways**

Ref: (i) This office letter of even no. dated 11.07.19, 20.09.19, 15.10.19, 27.11.19 & 27.04.2020.

(ii) RailTel's letter No. RCIL/CO/2020/NTP/Rly Projects/COD Implementation/0101/Vol- dated 11.04.2020

It is advised that streaming Audio and video Digital Entertainment Content services are planned to be provided in 5867 Mail/Express and Suburban trains and video content services are planned on all wi-fi enabled Railway Stations. These shall be provided under Content on Demand (COD) project which has been entrusted to Railtel who have selected Digital Entertainment Services Provider (DESP) for implementation. The procedures to be followed by Railtel and IR in respect of the two components of earnings accruing to Railways from DESP are as follows:

- (i) **Minimum Guarantee** – IR share based on COD agreement works out to Rs. 31.5 cr p.a. RailTel will advise the amount due to the Railways on a quarterly basis, based on which PFA, Northern Railway will raise invoice on RailTel with GST as applicable on reverse charge mechanism. RailTel will release the payment within 15 days from the end of the previous quarter. In case RailTel fails to pay the Railways' share within the stipulated time then they shall be liable to pay an interest @2% for every month or part thereof, of delay. In this regard a statement of ZRs Minimum Guarantee share shall be sent in due course
- (ii) **Revenue Share** - Revenue share to IR shall be in the range of 10% to 45% depending upon the revenue slabs on a monthly basis. Zone-wise monthly accrual of revenue will be calculated and communicated by RailTel to PFA/Northern Railway (designated nodal Railway) on a monthly basis, based on which NR will raise a Tax Invoice to RailTel with GST on reverse charge mechanism as applicable on behalf of all Zonal Railways. RailTel shall make payments of Indian Railway's share to PFA/Northern Railway. On receipt of IR share from RailTel, PFA/NR will make the requisite reapportionment to the Zonal Railways respectively.

2. The apportionment over Zonal Railways will be done taking into account the ownership of trains (primary maintenance). The adjustments between the Railways shall be done through book adjustments. The amount receivable towards Minimum Guarantee Fee as well as Revenue Share will be subject to GST payment on Reverse Charge basis. Northern Railway will raise consolidated Fee Invoice towards Revenue share against RailTel. The statement should also contain Railway-wise share to be distributed to other Railways by Northern Railway from the amount so increased through book adjustments (issue of inter-railway transfer certificate).

3. Digital Entertainment Service Provider (DESP) shall develop necessary software to track revenue generation which shall be monitored by RailTel (Ref para 4 of LoA dated 14.01.2020 issued by RailTel to M/s Margo Network Pvt. Ltd which has also been forwarded to all GM/ZRs on 04.02.2020). This shall form the basis of revenue accountal.


4 Earnings from COD shall be accounted for under head Z-614 of sub head 610 Abstract "Z" Sundry earnings, in the monthly MCDO.

5. DESP shall prepare a statement of reconciliation for each quarter/each year.(ref para 3.2 of LoA dated 14.01.2020) Adjustment arising out of above reconciliation shall be settled and paid for within 10 days from the end of corresponding quarter/year. Accordingly, IR share shall be reconciled by RailTel with PFA, Northern Railways and any outstanding dues shall be paid to IR.

6. CCM (NFR), Northern Railway shall be the Nodal Officer for any communication on the matter.

7. This issues with the approval of Board and concurrence of Accounts and Finance Directorate of Ministry of Railways.

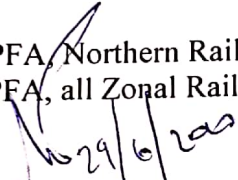
Please acknowledge the receipt of above.


  
(P.C. Verma)  
Joint Director (NFR)  
Railway Board

No.2016/NFR/7/2/CoD

New Delhi, Dated: 29.06.2020

Copy to: 1. PFA, Northern Railway- Nodal, for information and necessary action.  
2. PFA, all Zonal Railways (except NR), for information and necessary action.

  
(V. Prakash)  
Joint Director Accounts  
Railway Board

  
(Pallavi Joshi)  
Director Finance Commercial  
Railway Board

Copy to : PCCM, all Zonal Railways for information and necessary action please.