



18^{वीं} वार्षिक रिपोर्ट Annual Report 2017-18



A Mini Ratna Enterprise

रेलटेल कार्पोरेशन ऑफ इण्डिया लिमिटेड

(भारत सरकार का उपक्रम)

RailTel Corporation of India Limited

(A Government of India Undertaking)





Vision & Mission

Vision

To become the preferred telecom solutions and services provider for knowledge economy.

Mission

To attain leadership in providing premier telecom infrastructure service by offering cost-effective state-of-the-art communication solutions.

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Management Team

Present Composition of Board of Directors:

1. Shri H.K. Agarwal	Chairman & Managing Director
2. Shri Ashutosh Vasant	Director- Project, Operation & Maintenance
3. Shri Sanjai Kumar	Director-Network, Planning & Marketing
4. Shri Sanjeeb Kumar	Director-Finance
5. Dr. Madhukar Sinha	Part-time Govt. Director
6. Shri Sunil Gupta	Part-time Govt. Director
7. Dr. Anupam Alok	Part-time non- official Director/ Independent Director
8. Shri Ashok Goel	Part-time non- official Director/ Independent Director
9. Smt. Rashmi Jain	Part-time non- official Director/ Independent Director

Company Secretary:

Shri J.S. Marwah

Regional Offices:

Northern Region:

Shri Suresh Kumar
Executive Director
6th Floor, IIIrd Block, Delhi Technology Park,
Shastri Park, New Delhi-110053
Tele: 011-22185933-34
Fax: 011-22185978

Southern Region:

Shri Chandra Kishore Prasad
Executive Director (I/c)
2nd Floor, B Block, Rail Nilayam
Secunderabad -500071
Tele: 040-27821134
Fax: 040-27820682

Eastern Region:

Shri Arun Michael,
Executive Director (I/c)
3rd Floor Chatterjee International Centre, 33A,
Jawaharlal Nehru Road,
Kolkata - 700071
Tele: 033-44041499
Fax: 033-44041499

Western Region:

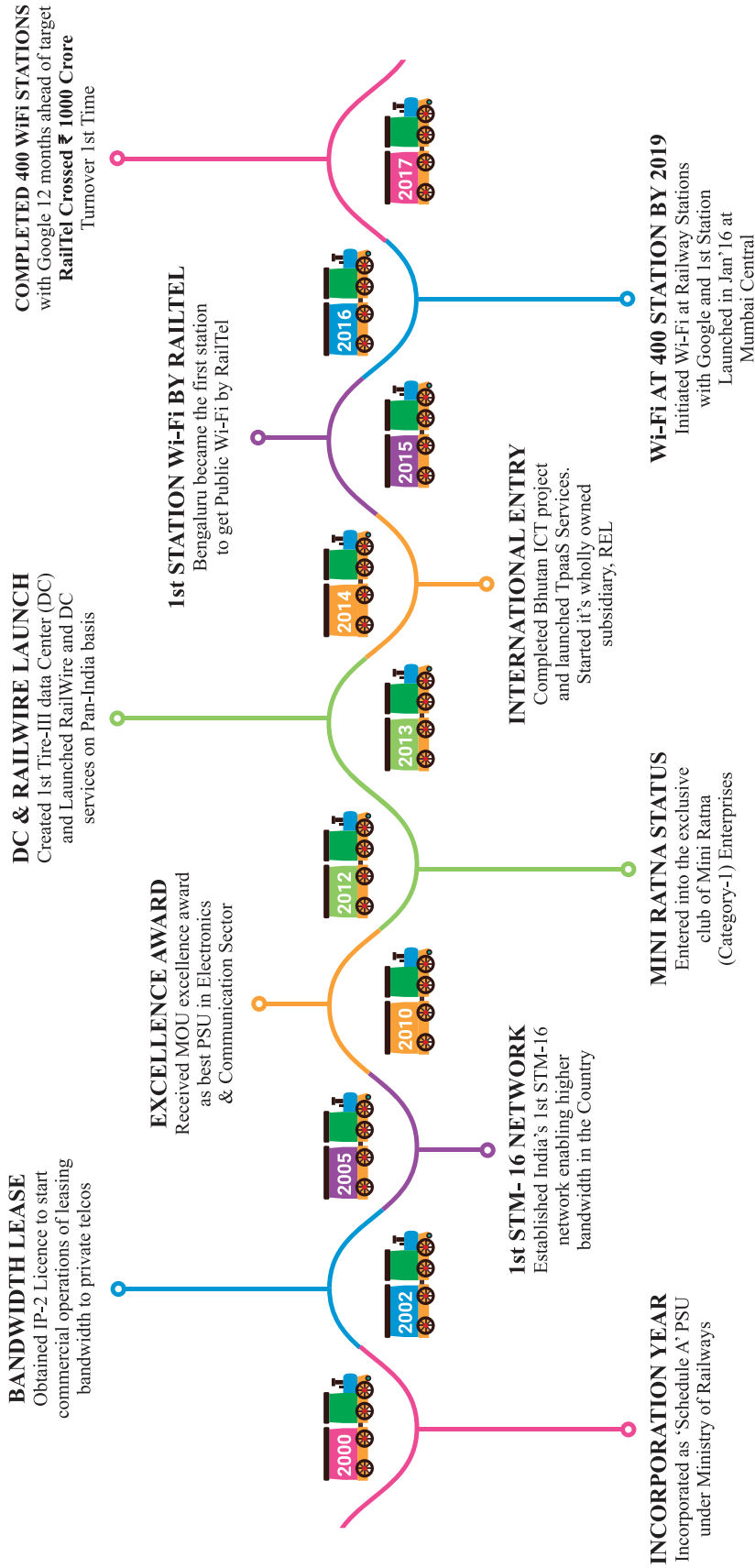
Shri Shailesh Gupta
Executive Director (I/c)
Western Railway Microwave Complex,
Senapati Bapat Marg, Mahalakshmi
Mumbai - 400 013
Tele: 022-24923907
Fax: 022-24923913

Reference Information

Regd. Office:		Corporate Office:	
6 th Floor, IIIrd Block, Delhi Technology Park, Shastri Park, New Delhi-110053 Tele: 011-22185933-34 Fax: 011-22185978		Plot no. 143, Institutional Area, Opp. Gold Souk Mall, Sector-44, Gurugram-122003, NCR (India) Tele: 0124-2714000 Fax : 0124-4236084	
Website: www.railtelindia.com			
Bankers:			
<ul style="list-style-type: none"> • State Bank of India • Union Bank of India • Indusind Bank • Axis Bank • Yes Bank 			
Statutory Auditors:			
M/s Suresh Chandra & Associates, Chartered Accountants 504, Prakash Deep Building, 7, Tolstoy Marg, Connaught Place, New Delhi-110001 Tele: 011- 43537679, Fax: 011- 43537679 Email: sca_ca_co@yahoo.com			
Branch Auditors:			
Eastern Region:		Western Region:	
M/s N. Sarkar & Co, Chartered Accountants 21, Prafulla Sarkar Street, 2 nd Floor, Kolkata-700072 Tele: 033-22126454 E-mail: nsarkar1935@gmail.com		M/s Batliboi & Purohit, Chartered Accountants 2 nd Floor, National Insurance Building, 204, Dadabhoy Naoroji Road, Fort Mumbai - 400001 Tele: 2207 7941 / 42, Fax: 2207 4260 E-mail: info@batliboipurohit.com	

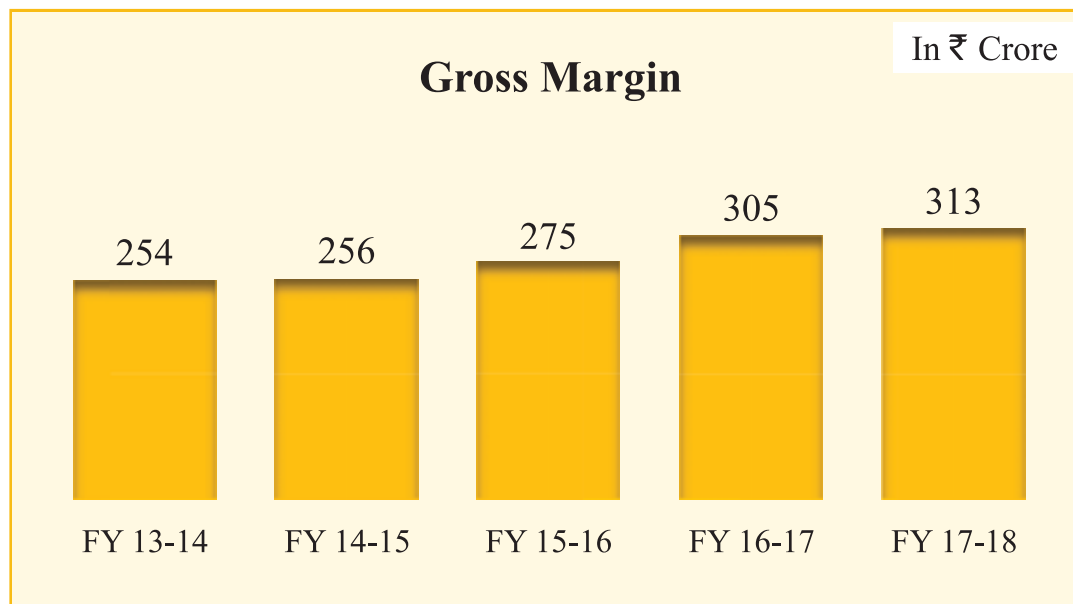
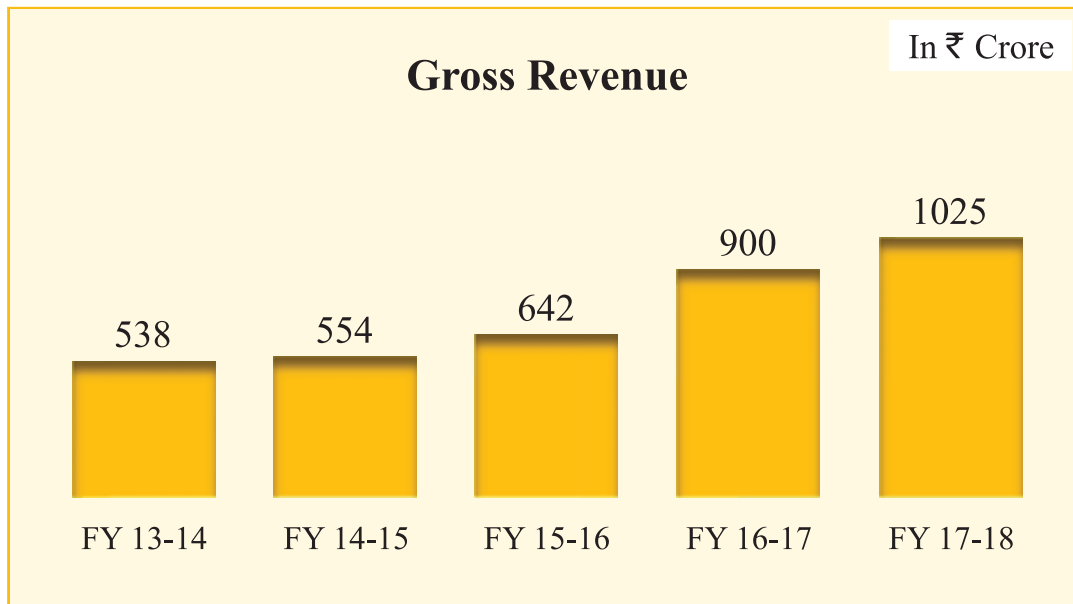
Northern Region:	Southern Region:
M/s Suresh Chandra & Associates, Chartered Accountants 504, Prakash Deep Building, 7, Tolstoy Marg, Connaught Place, New Delhi-110001 Tele: 011- 43537679, Fax: 011- 43537679 E-mail: sca_ca_co@yahoo.com	M/s D.V. Ramana Rao & Co., Chartered Accountants 1-1-773/A, Opp. Park-2, Gandhinagar, Hyderabad-500 080 Tele: 040-27613712, 040-65576767, 9885376767 E-mail: dvrrao_co@hotmail.com
Internal Auditors:	
Southern Region:	Eastern Region:
M/s. UCC & Associates 1315, Ansal tower, 38, Nehru place, New Delhi- 110019 Tel: 9810266702 E-mail: sunita.umesh@uccglobal.in	M/s. S K Agarwal & Co The chambers, opp. Gitanjali stadium 1865, Rajdanga main road, kasba, Kolkata-700107 Tel: 9903590022 E-mail: sarat@skagrawal.co.in
Western Region:	Northern Region:
M/s. Suresh Surana & Associates 2 nd floor, Tower-B, B-37, sector-1, Noida (NCR)-201301 (UP) Tel: 9810096388 E-mail: ravinder@rsmindia.in	M/s. AR & Co C-1, 11 th floor, RDC, Rajnagar, Ghaziabad-201001, Delhi-NCR Tel: 9810195084 E-mail: pawankgoel1@gmail.com
Corporate Office:	
M/s. Ravi Rajan & Co 505 A, 5 th floor, D-4 rectangle-1, District center, Saket, New Delhi-110017 Tel: 9958781001 E-mail: sumit@sravigroup.in	
Secretarial Auditor:	Cost Auditor:
M/s J.K. Gupta & Associates, Company Secretaries 256 & 257, Vardhman City Center 2, Near Shakti Nagar Railway under Bridge, Gulabi Bagh, Delhi-110052 Tele: 011-23644449 E-mail: jitesh@jkgupta.com	M/s KL Jaisingh & Co., Cost Accountants J-7, Sector- XI, Jaisingh House, Noida-201301, U.P. Tele: 0120-253007 E-mail: k.l.jaisingh.noida@gmail.com

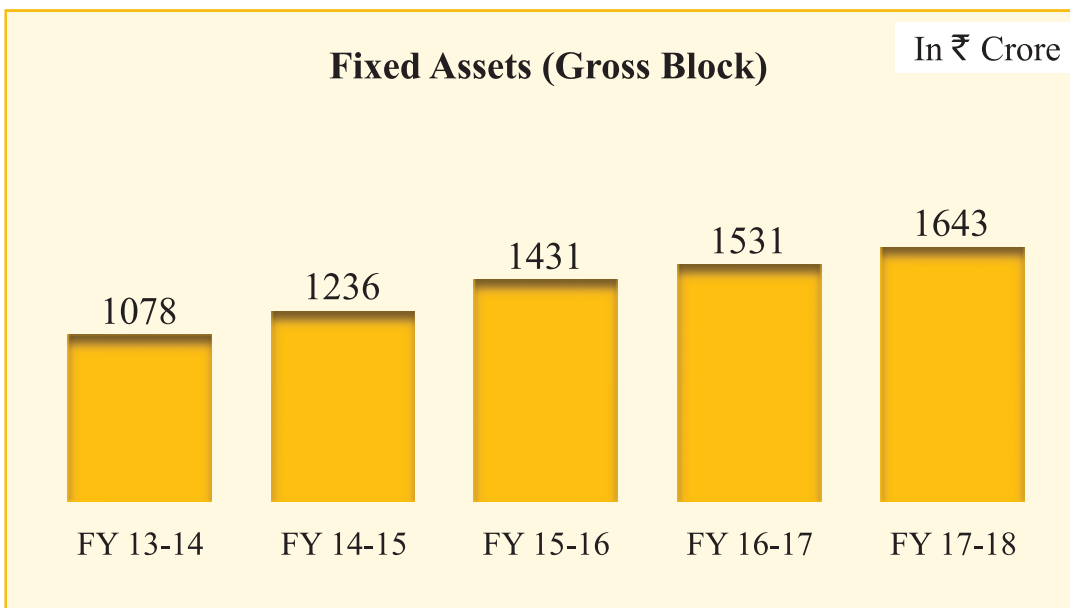
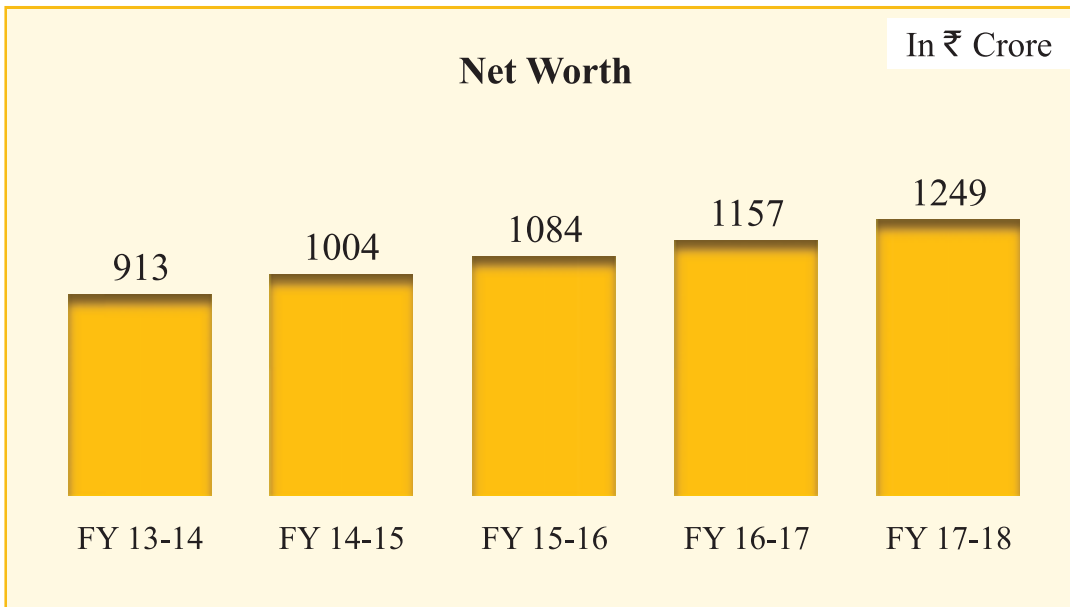
COMPANY MILESTONES



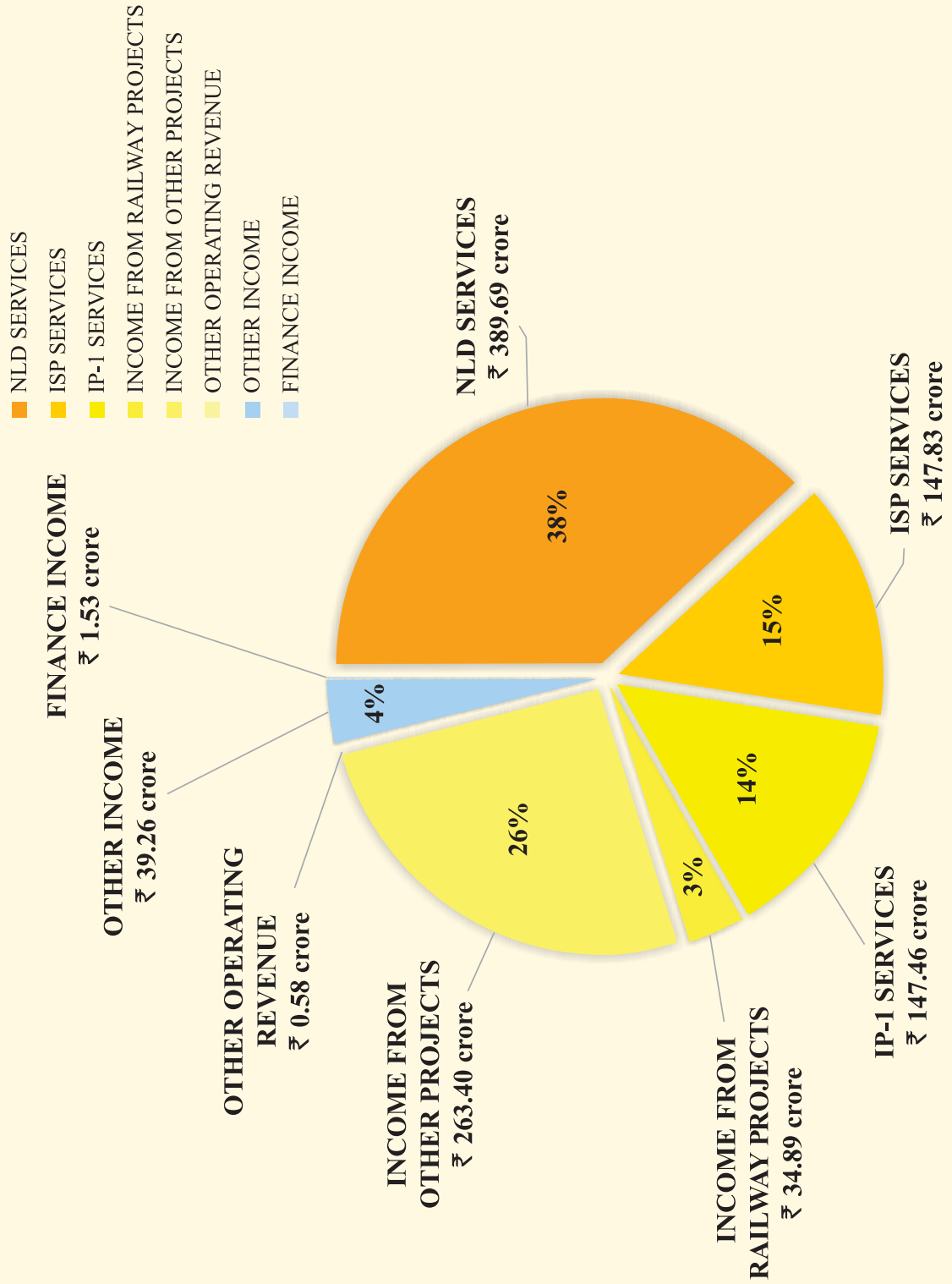
“On path to become a preferred Telecom Solutions Provider of knowledge economy”

KEY FINANCIAL HIGHLIGHTS





Revenue Mix



RailTel Corporation of India Limited

(A Govt. of India Undertaking)

CIN: U64202DL2000GOI107905

Regd. Off.: 6th Floor, IIIrd Block, Delhi Technology Park, Shastri Park, Delhi -110053

Website: www.railtelindia.com E-mail: jsmarwah@railtelindia.com

NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the Members of RailTel Corporation of India Limited will be held on Thursday, 27th September, 2018 at 11.30 a.m. at the **Committee Room, 2nd Floor, Rail Bhawan, New Delhi-110001** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including audited Consolidated Financial Statements) for the Financial Year ended 31st March, 2018 together with the Report of Board of Directors and Auditor's thereon.
2. To note the payment of interim dividend and declare final dividend for the Financial Year 2018-19.
3. To take note of the appointment of M/s. Suresh Chandra & Associates, Chartered Accountants as Statutory Auditors of the Company for the Financial Year 2018-19 made by CAG and to fix the remuneration of such Auditors and to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** appointment of Statutory Auditors as well as Branch Auditors made by CAG vide order No./CA.V/COY/CENTRAL GOVERNMENT, RAILTL(4)/105, dated 19/07/2018 be and is hereby noted and the Board of Directors of the Company are hereby authorised to fix the remuneration of such auditors for the Financial Year 2018-19 in pursuance to the provision of section 139(5) read with Section 142 of the Companies Act, 2013.”

SPECIAL BUSINESS:

4. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, Dr. Madhukar Sinha, (DIN:08072615), who was appointed as Part-time Govt. Director, by the President of India through Ministry of Railways vide letter no. 2004/PL/48/3 dated 19/02/2018 and who joined with effect from 22/02/2018 and such appointment subsequently noted by the Board of Directors in its meeting held on 14/05/2018, be and is hereby noted as Part-time Govt. Director of the Company, on such terms & conditions as may be determined by the Govt. of India.”

5. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
- “**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, Shri Sanjeeb Kumar, (DIN: 03383641), ED (Accounts)/ Transformation Cell, Railway Board has been entrusted with the additional charge of the post of Director / Finance, by the President of India through Ministry of Railways vide letter no. 2011/E(O) II/40/9 dated 27/03/2018 and who joined with effect from 03/04/2018 and such appointment subsequently noted by the Board of Directors in its meeting held on 14/05/2018, be and is hereby noted as Director/Finance of the Company, on such terms & conditions as may be determined by the Govt. of India.”
6. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
- “**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, Shri N. Kashinath, (DIN: 08117673), then Addl. Member (Signal), Railway Board was entrusted with the additional charge of the post of Chairman & Managing Director, by the President of India through Ministry of Railways vide letter no 2009/E(O)II/40/27 dated 23/04/2018 and who joined with effect from 23/04/2018 and such appointment subsequently noted by the Board of Directors in its meeting held on 14/05/2018, be and is hereby noted as Chairman & Managing Director of the Company for a period 23/04/2018 to 23/08/2018 (F.N.), on such terms & conditions as may be determined by the Govt. of India.”
7. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
- “**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, Shri Sanjai Kumar, (DIN: 06923630), who was appointed as Director/NPM, by the President of India through Ministry of Railways vide letter no. 2017/E(O)II/40/28 dated 23/05/2018 and who joined with effect from 23/05/2018 and such appointment subsequently noted by the Board of Directors in its meeting held on 23/06/2018, be and is hereby noted as Director/NPM of the Company, on such terms & conditions as may be determined by the Govt. of India.”
8. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
- “**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, Smt. Rashmi Jain, (DIN: 08187234), who was appointed as Independent Director, by the President of India through Ministry of Railways vide letter no. 2008/PL/48/1 (Pt.) dated 20/07/2018 and who joined with effect from 25/07/2018 and such appointment subsequently noted by the Board of Directors in its meeting held on 18/08/2018, be and is hereby noted as Independent Director of the Company, on such terms & conditions as may be determined by the Govt. of India.”

9. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, Shri Sunil Gupta, (DIN: 08193705), who was appointed as Part-time Govt. Director, by the President of India through Ministry of Railways vide letter no. 2008/PL/48/3 dated 02/08/2018 and who joined with effect from 04/08/2018 and such appointment subsequently noted by the Board of Directors in its meeting held on 18/08/2018, be and is hereby noted as Part-time Govt. Director of the Company, on such terms & conditions as may be determined by the Govt. of India.”

10. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, Shri H.K. Agarwal, (DIN:08205934), Addl. Member (Tele), Railway Board has been entrusted with the additional charge of the post of Chairman & Managing Director by the President of India through Ministry of Railways vide letter no. 2009/E(O)II/40/27 dated 23/08/2018 and who joined with effect from 23/08/2018 (A.N.) be and is hereby noted as Chairman & Managing Director of the Company, on such terms & conditions as may be determined by the Govt. of India.”

11. To ratify the remuneration of Cost Auditor for the Financial year 2017-18 by passing following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force, M/s KL Jaisingh & Co, Cost Accountants appointed as Cost Auditors by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018 with a remuneration of Rs. 38,980/- plus applicable taxes be and is hereby ratified.”

**By order of the Board
For RailTel Corporation of India Limited**

Sd/-
(J S Marwah)
Company Secretary

Place: Gurugram
Date: 18/09/2018

NOTES:

1. Members entitled to vote at the meeting have agreed for shorter notice than 21 days as being given for the meeting.

2. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and on poll to vote instead of himself/herself. A Proxy need not be a member of the Company. Proxy form is available in the Annual Report.
3. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business to be transacted, as set out in the notice, is annexed hereto.
4. Members having any questions on accounts or any other item set out in the Agenda are requested to send their queries at least 10 days in advance to the Company at its Corporate Office address to enable the Company to collect the relevant information and to keep the information ready at the meeting.

To

- 1 All the shareholders of the Company as per list attached.
- 2 All the Directors of the Company.
- 3 Statutory Auditors of the Company.
- 4 Secretarial Auditor of the Company.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No 4:

1. Section 152(2) of the Companies Act, 2013, provides that save as otherwise expressly provided in the Act, all the directors will be appointed in general meeting.
2. Since all the directors in RailTel [whole-time, part time (official/non official)] are appointed by the President of India through administrative ministry i.e. Ministry of Railways, in terms article 66 of the Articles of Association of the Company for a fixed tenure, it is not possible to appoint directors at General meeting. Therefore, the appointments made by the Ministry are being put up for noting by the shareholders.
3. Ministry of Railways vide letter no.2004/PL/48/3 dated 19/02/2018 has appointed Dr. Madhukar Sinha, ED/F(C) as Part-time Govt. Director on the Board of RailTel. Since Dr. Madhukar Sinha has been allotted Director Identification Number on 22/02/2018, therefore, pursuant to the provision of section 152(3) of the Companies Act, 2013, his date of appointment as Director shall be considered as 22/02/2018. The appointment shall be effective till he holds the post of ED/F(C)/RB or further orders, whichever is earlier.
4. The terms and conditions regulating the appointment of Dr. Madhukar Sinha is to be determine by the President of India as contained in article 66(2) of the Articles of Association of the Company. His brief resume, inter-alia, giving nature of expertise are provided in this Annual Report.

5. None of the Directors or Key Managerial Personnel of the Company or their relatives except Dr. Madhukar Sinha, being the appointee himself, is in any way, concerned or interested, financially or otherwise, in the resolution.

Item No 5:

1. Section 152(2) of the Companies Act, 2013, provides that save as otherwise expressly provided in the Act, all the directors will be appointed in general meeting.
2. Since all the directors in RailTel [whole –time, part time (official/non official)] are appointed by the President of India through administrative ministry i.e. Ministry of Railways, in terms article 66 of the Articles of Association of the Company for a fixed tenure, it is not possible to appoint directors at General meeting. Therefore, the appointments made by the Ministry are being put up for noting by the shareholders.
3. Ministry of Railways vide letter no.2011/E(O) II/40/9 dated 27/03/2018 has conveyed that additional charge of the post of Director (Finance)/RailTel may be entrusted to Shri Sanjeeb Kumar, ED (Accounts)/Transformation Cell, RB. Accordingly, Shri Sanjeeb Kumar has assumed the charge to the post of Director (Finance)/ RailTel on 03/04/2018 (A.N.). His appointment shall be effective till such time a regular incumbent joins the post or until further orders, whichever is the earliest.
4. The terms and conditions regulating the appointment of Shri Sanjeeb Kumar is to be determine by the President of India as contained in article 66(2) of the Articles of Association of the Company. His brief resume, inter-alia, giving nature of expertise are provided in this Annual Report.
5. None of the Directors or Key Managerial Personnel of the Company or their relatives except Shri Sanjeeb Kumar, being the appointee himself, is in any way, concerned or interested, financially or otherwise, in the resolution.

Item No 6:

1. Section 152(2) of the Companies Act, 2013, provides that save as otherwise expressly provided in the Act, all the directors will be appointed in general meeting.
2. Since all the directors in RailTel [whole –time, part time (official/non official)] are appointed by the President of India through administrative ministry i.e. Ministry of Railways, in terms article 66 of the Articles of Association of the Company for a fixed tenure, it is not possible to appoint directors at General meeting. Therefore, the appointments made by the Ministry are being put up for noting by the shareholders.
3. Ministry of Railways vide letter no.2009/E(O)II/40/27 dated 23/04/2018, has conveyed that additional charge of the post of CMD/RailTel may be entrusted to Shri N. Kashinath, then Addl. Member (Signal), Railway Board. Accordingly, Shri N. Kashinath has assumed the charge of the post of CMD/RailTel on 23/04/2018 (A.N.). His appointment was effective till such time a regular incumbent joins the post or until further orders, whichever is earlier. Subsequently, on appointment of Shri H.K. Agarwal as Chairman & Managing Director of the Company he ceased to be the Chairman & Managing Director of the Company as conveyed

by Ministry of Railways vide its letter no. letter no 2009/E(O)II/40/27 dated 23/08/2018. His period of appointment in RailTel was from 23/04/2018 to 23/08/2018 (F.N.).

4. The terms and conditions regulating the appointment of Shri N. Kashinath is to be determine by the President of India as contained in article 66(2) of the Articles of Association of the Company.
5. None of the Directors or Key Managerial Personnel of the Company or their relatives, is in any way, concerned or interested, financially or otherwise, in the resolution.

Item No 7:

1. Section 152(2) of the Companies Act, 2013, provides that save as otherwise expressly provided in the Act, all the directors will be appointed in general meeting.
2. Since all the directors in RailTel [whole –time, part time (official/non official)] are appointed by the President of India through administrative ministry i.e. Ministry of Railways, in terms article 66 of the Articles of Association of the Company for a fixed tenure, it is not possible to appoint directors at General meeting. Therefore, the appointments made by the Ministry are being put up for noting by the shareholders.
3. Ministry of Railways vide letter no.2017/E(O)II/40/28 dated 23/05/2018 has conveyed the appointment of Shri Sanjai Kumar, ED/Project (RCIL) as Director (Network Planning & Marketing), RCIL for a period of five years w.e.f. the date of his assumption of charge of the post or till date of his superannuation or until further orders, whichever is the earliest. Accordingly, Shri Sanjai Kumar has assumed the charge to the post of Director (Network Planning & Marketing), RCIL on 23/05/2018 (A.N.).
4. The terms and conditions regulating the appointment of Shri Sanjai Kumar is to be determine by the President of India as contained in article 66(2) of the Articles of Association of the Company. His brief resume, inter-alia, giving nature of expertise are provided in this Annual Report.
5. None of the Directors or Key Managerial Personnel of the Company or their relatives except Shri Sanjai Kumar, being the appointee himself, is in any way, concerned or interested, financially or otherwise, in the resolution.

Item No 8:

1. Section 152(2) of the Companies Act, 2013, provides that save as otherwise expressly provided in the Act, all the directors will be appointed in general meeting.
2. Since all the directors in RailTel [whole –time, part time (official/non official)] are appointed by the President of India through administrative ministry i.e. Ministry of Railways, in terms article 66 of the Articles of Association of the Company for a fixed tenure, it is not possible to appoint directors at General meeting. Therefore, the appointments made by the Ministry are being put up for noting by the shareholders.
3. Ministry of Railways vide letter no. 2008/PL/48/1 (Pt.) dated 20/07/2018 has appointed Smt. Rashmi Jain as Non-Official Independent Director on the Board of RailTel. Since Smt. Rashmi Jain has been allotted Director

Identification Number on 25/07/2018, therefore, pursuant to the provision of section 152(3) of the Companies Act, 2013, her date of appointment as Director shall be considered as 25/07/2018. The appointment shall be effective for a period of three years from the date of her appointment or until further orders, whichever is earlier.

4. The terms and conditions regulating the appointment of Smt. Rashmi Jain is to be determined by the President of India as contained in article 66(2) of the Articles of Association of the Company. Her brief resume, inter-alia, giving nature of expertise are provided in this Annual Report. The company has received a declaration from Smt. Rashmi Jain that she meets the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013.
5. None of the Directors or Key Managerial Personnel of the Company or their relatives except Smt. Rashmi Jain, being the appointee himself, is in any way, concerned or interested, financially or otherwise, in the resolution.

Item No 9:

1. Section 152(2) of the Companies Act, 2013, provides that save as otherwise expressly provided in the Act, all the directors will be appointed in general meeting.
2. Since all the directors in RailTel [whole-time, part time (official/non official)] are appointed by the President of India through administrative ministry i.e. Ministry of Railways, in terms article 66 of the Articles of Association of the Company for a fixed tenure, it is not possible to appoint directors at General meeting. Therefore, the appointments made by the Ministry are being put up for noting by the shareholders.
3. Ministry of Railways vide letter no.2004/PL/48/3 dated 19/02/2018 has appointed Shri Sunil Gupta has been appointed as Part time Government Director on the Board of RailTel. Since Shri Sunil Gupta has been allotted Director Identification Number on 04/08/2018, therefore, pursuant to the provision of section 152(3) of the Companies Act, 2013, his date of appointment as Director shall be considered as 04/08/2018. The appointment shall be effective for a period till he holds the post of ED/Tele or further orders, whichever is earlier.
4. The terms and conditions regulating the appointment of Shri Sunil Gupta is to be determined by the President of India as contained in article 66(2) of the Articles of Association of the Company. His brief resume, inter-alia, giving nature of expertise are provided in this Annual Report.
5. None of the Directors or Key Managerial Personnel of the Company or their relatives except Shri Sunil Gupta, being the appointee himself, is in any way, concerned or interested, financially or otherwise, in the resolution.

Item No 10:

1. Section 152(2) of the Companies Act, 2013, provides that save as otherwise expressly provided in the Act, all the directors will be appointed in general meeting.

2. Since all the directors in RailTel [whole –time, part time (official/non official)] are appointed by the President of India through administrative ministry i.e. Ministry of Railways, in terms article 66 of the Articles of Association of the Company for a fixed tenure, it is not possible to appoint directors at General meeting. Therefore, the appointments made by the Ministry are being put up for noting by the shareholders.
3. Ministry of Railways vide letter no.2009/E(O)II/40/27 dated 23/08/2018, has conveyed that additional charge of the post of CMD/RailTel may be entrusted to Shri H.K. Agarwal, Addl. Member (Tele), Railway Board. Accordingly, Shri H.K. Agarwal has assumed the charge of the post of CMD/RailTel on 23/08/2018 (A.N.). His appointment shall be effective till such time a regular incumbent joins the post or until superannuation or until further orders, whichever is earlier.
4. The terms and conditions regulating the appointment of Shri H.K. Agarwal is to be determine by the President of India as contained in article 66(2) of the Articles of Association of the Company. His brief resume, inter-alia, giving nature of expertise are provided in this Annual Report.
5. None of the Directors or Key Managerial Personnel of the Company or their relatives except Shri H.K. Agarwal, being the appointee himself, is in any way, concerned or interested, financially or otherwise, in the resolution.

Item No 11:

1. In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Company is required to appoint a Cost Auditor to audit the cost records of the Company for the Financial Year 2017-18. The Board has approved the appointment of M/s KL Jaisingh & Co, Cost Accountant as the Cost Auditor of the Company for the financial year 2017-18 in their meeting held on 27/09/2017 at an aggregate remuneration of Rs.38,980/- plus applicable taxes be and is hereby ratified.
2. The remuneration of the cost auditor is required to be ratified subsequently by members in accordance to Section 148 (3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014. Accordingly, it is proposed to pass the Ordinary Resolution by the Members for their ratification.
3. None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in the resolution.

Profile of Directors



Shri. H. K. Agarwal

Chairman & Managing Director
(DIN: 08205934)

Shri H. K. Agarwal, who is presently working as Additional Member (Telecom), Railway Board has taken over the additional charge of Chairman cum Managing Director, RailTel Corporation India Ltd. (RailTel) w.e.f. 23.08.2018.

He belongs to the 1979 Batch of the Indian Railway Service of Signal Engineers (IRSSE). He joined Railways on 07/01/1981. He has worked in all wings of Railways, viz., Construction about 20 years, Open Line about 12 years, RDSO about 3 years & Railway Board since 28/01/2016.

He handled major portion of the gauge conversion projects on N.Rly.(S&T portion) including commissioning of Gauge Conversion on DLI-Rewari section within one year of its sanction. He also worked as Principal CSTE (Chief Signal & Telecom Engineer) for about 8 years on 4 Rlys, viz., SEC Rly, N.C. Rly, E.C.Rly & N.E. Rly.

As an Addl. Member (Tele), he has been supervising and guiding RailTel as being nodal officer in Rly. Board. This includes guiding RailTel in various current projects, viz., “Wi-Fi at 700 Stations initially and then expanded scope of about 6000+ stations”, “Video Surveillance System at 983 Stations initially and then expanded scope of about 6000+ stations”, “Rail Display Network at 2000 Stations” and “Content on Demand in 1300 trains (On-board Entertainment System)” etc.



Shri Ashutosh Vasant
Director Project Operation &
Maintenance
(DIN: 07783222)

Shri Ashutosh Vasant is a qualified Electronic and Telecommunication Engineer and is an IRSSE of 1990 batch. He took over as Director / POM w.e.f 30/03/2017. During his long association with RailTel since January 2002 in different capacities, he has to his credit good amount of experience and has contributed in lots of achievements mainly in the areas of marketing of telecom services, promoting business of RailWire, and other Project and O&M related activities aggressively.

Prior to his joining RailTel, he served in various capacities in Indian Railway (IRSSE) mainly in Western Railways. He has to his credit in Railway services many achievements of being first (i) in pager system on Indian Railways for calling loco pilots on duty (ii) in 181 kms train control on Radio on SBI-BTD section of BVP Div, (iii) in having integrated paging in Divisional office and all divisional hospitals (iv) in completing mobility in 1997 with radio trunking in all vehicles (v) in achieving 100% solar lit LED signals and (vi) in having multi-channel control on overhead and MARR.



Shri Sanjeeb Kumar
Director Finance
(DIN: 03383641)

Shri Sanjeeb Kumar is an IRAS Officer of the 1989 batch. He holds M.A., M.Phil. in English and LLB degrees from the University of Delhi. He is currently serving the Indian Railways as Executive Director/Accounts, Railway Board. In addition to his duties, he has been entrusted to officiate as Director/Finance, RailTel Corporation of India Ltd. w.e.f. 03/04/2018 Prior to this, he has held many important positions on different Railways and public sector companies. He has about ten years of Corporate experience in DMRC and IRCTC where he was working a Group General Manager/Finance. He was associated in high value procurement decision making in IRCTC as well as East Central and Northern Railways.



Shri Sanjai Kumar
Director Network Planning
& Marketing
(DIN: 06923630)

Sh. Sanjai Kumar is Director (Network, Planning & Marketing) of RailTel. He took over as Director/NPM w.e.f. 23/05/2018. He is one of the founding members of RailTel. He is an Electronics and Telecommunication Engineering Graduate from University of Allahabad and joined Indian Railway Service of Signal Engineers (IRSSE) of Indian Railways in 1992. During his stint in various capacities in North Eastern Railway (NER), he worked in the areas of Train Operation, Planning & Construction of Signalling Systems including commissioning of Panel Interlocking at more than 50 stations in Samastipur, Sonpur & Varanasi divisions of the then NE Railway.

He is a full-time Post Graduate Diploma in Management (PGDM) from prestigious Management Development Institute (MDI) Gurugram in 2001. Shortly after completing his PGDM, he joined RailTel Corporation of India Ltd in 2002 on deputation before taking absorption in 2008.

Being associated with RailTel from its formative years, he has valuable experience of building an organisation from scratch. He has been instrumental in creation of National Knowledge Network while associating with NIC.



Dr. Madhukar Sinha
Part-time Government Director
(DIN: 08072615)

Dr. Madhukar Sinha is an Indian Railway Accounts Service officer of 1987 Batch and has worked in various capacities over the last 30 years in Government of India and other Government institutions, in Railway Board, Eastern Railway, East Central Railway, Northern Railway and West Central Railway of the Indian Railways, New Delhi Municipal Council, Delhi Metro Rail Corporation Ltd., Ministry of Human Resources Development, Government of India and the Planning Commission. He was Registrar of Copyrights for close to 3 years during which time he represented India in various negotiations at the World Intellectual Property Organization and the World Trade Organization. He was also a Professor at the Centre for WTO Studies of the Indian Institute of Foreign Trade in which capacity he was an advisor to the Department of Commerce of the Government of India on Intellectual Property Rights, Trade in Services and Government Procurement.

He has a Doctorate on 'Economics of Intellectual Property Rights'. He also has a Post Graduate Degree each in Economics and Management from University of Delhi.



Shri Sunil Gupta

**Part-time Government Director
(DIN: 08193705)**

Sunil Gupta, Fellow of Institution of Railway Signal Engineer (FIRSE), is currently holding the charge of Executive Director (Telecom Development) and Executive Director Mobility (Signal & Telecom) in Railway Board, An Indian Railway Service of Signal Engineers (IRSSE) officer, B.E. (Electronics and Communication) from Delhi College of Engineering, joined Indian Railways in 1983. He has worked in various roles of Planning, Design & Construction of Railway Signalling arrangements for varying complexity of yard and station layouts, Monitoring of Railway's Signalling and Telecommunication (S&T) Maintenance System and Protocols, Reliability performance for improving S&T Maintenance infrastructure and diagnostic facilities to smoothen and enhance safety and efficiency of Train operations, Undertaking Quality Inspection for the Materials manufactured for Railway's requirements, Vendor development, laying down policy framework and norms of Quality Assurance(QA) to achieve sustained high Quality of Railway materials manufactured by Vendors.

He took charge as part-time Government Director in RailTel Corporation of India limited w.e.f. 04/08/2018.



Dr. Anupam Alok

**Part Time Non Official /
Independent Director
(DIN: 07486492)**

Dr. Anupam Alok is freelance journalist, columnist and social activist. He has done Ph. D (Journalism) (1991), Master in Journalism (1987) and M. Sc (Physics) (1979) from Banaras Hindu University. He had held the position of the Chairman (State Minister Status) of Uttar Pradesh forest Corporation (including present Uttarakhand). He was also a founder Director of Vishwa Samvad Kendra (Media organisation), Lucknow (UP). Besides this he had also worked as Lecturer and taught journalism in the Department of Journalism, Lucknow University, UP.

Presently he is working as media advisor and consultant to various media organisation and also hold the position as 'Trustee' in Ramesh Chandra Vatra Charitable Memorial Trust, New Delhi.

He took charge as part-time non-official (Independent Director) in RailTel Corporation of India limited w.e.f. 01/04/2016.



Shri Ashok Goel

**Part Time Non Official /
Independent Director
(DIN: 01247398)**

Shri Ashok Goel, a qualified practicing Chartered Accountant by profession with rich experience in the field of Audit, Finance Management and Corporate Governance. He has worked in various reputed organizations, and he previously also held the position of OSD to MoS Chemical and Fertilizer (C & F) in the Ministry of Chemicals and Fertilizer

He took charge as part-time non-official (Independent Director) in RailTel Corporation of India limited w.e.f. 01/04/2016.



Smt. Rashmi Jain

**Part Time Non Official /
Independent Director
(DIN: 08187234)**

Smt. Rashmi Jain is an Indian Audit and Accounts Service (IA&AS) Officer. She has worked in various capacities in offices of the Comptroller and Auditor General (CAG) of India. She has held the charge of Joint Secretary and Financial Advisor in Lok Sabha, Parliament New Delhi and that of Sr. Financial Advisor in All India Institute of Medical Sciences (AIIMS), New Delhi. She also has rich experience of working in the Cabinet Secretariat. Apart from this, she has conducted Financial Audit of World Health Organisation and Indian Embassies abroad. Furthermore, she possesses extensive experience of Finance, Audit & Management.

She took charge as part-time non-official (Independent Director) in RailTel Corporation of India limited w.e.f. 25/07/2018.

Board's Report

Dear Shareholders,

Your Company's Directors are pleased to present 18th Annual Report of the Company, along with Audited Accounts, for the financial year ended 31st March, 2018, prepared in accordance with the provisions of Companies Act, 2013 and rules made thereunder.

1. Company Overview

RailTel Corporation is one of the largest neutral telecom infrastructure providers in the country owning a Pan-India optic fiber network on exclusive Right of Way (ROW) along Railway track. The OFC network presently reaches to over 4500 towns and cities of the country including several rural areas. RailTel with strong nationwide presence is committed to bring cutting edge technology and offer innovative services to the Indian Telecom market. With its Pan India high capacity network, RailTel is working towards creating a knowledge society at various fronts.

Equipped with ISO-9001-2008, ISO-27001:2005 and ISO 20000-1:2011 certification, RailTel offers a wide gamut of managed telecom services to Indian Telecom market. The service includes Managed lease lines, Tower colocation, MPLS based IP-VPN, Internet, Data Center services, NGN based voice carriage services to Telecom Operators, Services to Internet Service Providers, MSOs, Enterprises, Banks, Government Institution/departments, Educational Institutions/Universities, etc.

RailTel being a “Mini Ratna (Category-I)”PSU is steaming ahead in the enterprise segment with the launch of various services coupled with capacity augmentation in its Core network. Your company stands as the only telecom PSU, which is a **100% debt free company** and consistently profit making PSU in telecom sector.

2. Financial Performance

During the year, your Company has achieved total consolidated turnover of ₹ 1031 crore. The Company has observed an increase of 16% in its revenue from operations which comes out to be ₹ 984 crore on standalone basis. The total turnover of the Company during the year is ₹ 1025 crore comprising of other income of ₹ 41 crore. The summarized financial results of your Company are shown in **Table1**.

3. Share Capital

There is no change in the capital structure of the Company during the period under review and from the end of the FY till the date of this report.

Accordingly, Issued, Subscribed and Paid-up Share Capital is ₹ 320.94 crore divided into 32.09 crore Equity Shares of ₹ 10 each as on 31st March, 2018 including ₹ 305.94 crore issued for consideration other than cash.

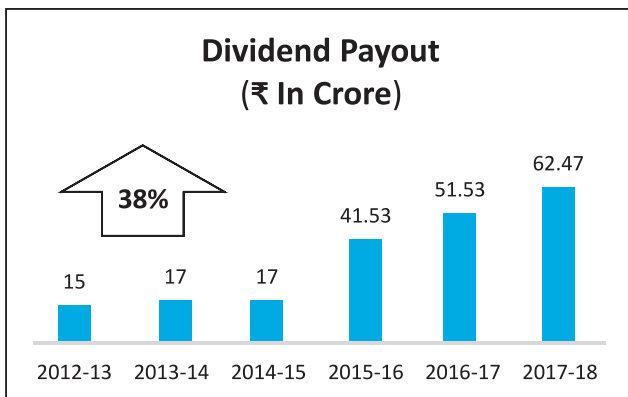
Few sections of Indian Railways wherein OFC has already been laid are being taken over from Ministry of Railways against which equity shares for consideration other than cash would be allotted.

Particulars	Year ended 31/03/2018		Year ended 31/03/2017	
	Consolidated		Standalone	
Total Revenue	1031	904	1025	900
- Revenue from Operations	987	851	984	848
- Other Income	44	53	41	52
Expenditure	716	597	712	595
Gross Margin	315	307	313	305
Depreciation	119	116	119	116
Profit Before Interest & Tax	196	191	194	189
Interest	Nil	Nil	Nil	Nil
Tax/ Others	38	63	38	62
Profit for the Year	158	128	156	127
Basic EPS (₹)	4.92	3.99	4.87	3.95

Table1: Financial Performance of Company (₹ In crore)

4. Dividend

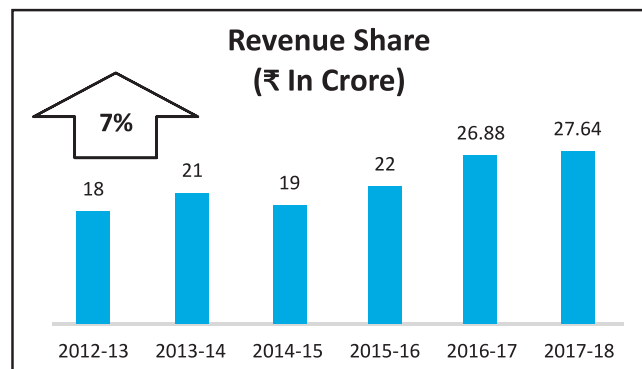
Your Company has a consistent track-record of dividend payment. The Board of Directors of your Company had earlier approved payment of an interim dividend amounting to ₹ 18 crore. Further, the Board has recommended payment of final dividend of ₹ 44.47 crore for the FY 2017-18. The total dividend payment for the FY 2017-18 will be ₹ 62.47 crore as compared to ₹ 51.53 crore (excluding dividend distribution tax) for the FY 2016-17

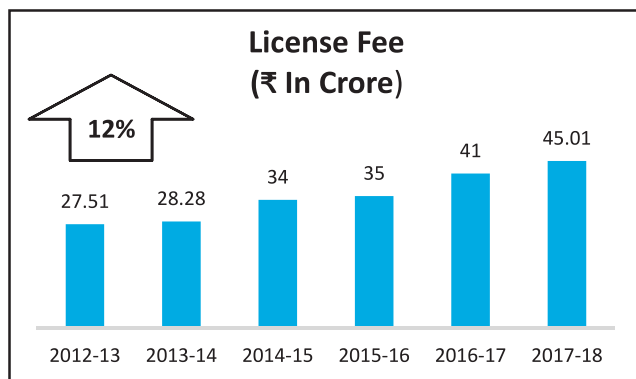


5. Railways Revenue Share

The Company is also contributing by way of revenue share @ 7 % on services to Indian Railways and the total share of such contribution comes to ₹ 27.64 crore as against such share of ₹ 26.88 crore in the preceding year. The cumulative revenue share to Railways amounting to ₹ 208 crore till this year.

Besides, the Company has also paid license fee @ 8% (at present) to DoT, Govt. of India on its income from telecom business carried by it under licenses granted to it.





6. Deposits

The Company has not accepted or invited any deposits under Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014 from public during the year.

7. Reserves

The Company appropriated its profit earned during the year under review. It has transferred ₹ 40 crore to the General Reserves during the year. The total reserves & surplus at the end of the FY 2017-18 is ₹ 928 crore.

8. Capital Expenditure

During the year, Capital expenditure of ₹ 133 crore approx. was incurred mainly on OFC related assets, Telecom & Radio equipment's, Network Expansion of NE-1/NE-2 Projects etc. The Company made commitments to the tune of ₹ 254.06 crore on capital account and accordingly, expenditure would be booked during the current financial year, in addition to the capital expenditure allocated for the year 2017-18.

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the FY 2017-18, following changes took place in the Board Composition.

- Sh. R.K. Bahuguna has ceased to be CMD of the Company w.e.f 30/09/2017.

- Sh. A. Seshagiri Rao has ceased to be the Director/NPM of the Company w.e.f 28/08/2017.
- Sh. Shobhan Chaudhuri has ceased to be the part-time Government Director of the Company w.e.f 20/06/2017.
- Sh. Sanjay Upreti has ceased to be the part-time Government Director of the Company w.e.f 31/01/2018.
- Sh. Ashutosh Vasant (D/POM) has been entrusted with the additional charge to the post of CMD w.e.f 03/10/2017 to 23/04/2018.
- Smt. Anju Ranjan was ED/FX-II/RB and was entrusted with the additional charge to the post of Director/Finance w.e.f. 03/04/2017 to 02/04/2018.
- Sh. Anshul Gupta was ED/Tele/RB and was appointed as part-time Government Director w.e.f. 23/06/2017 to 10/07/2018. He has also been entrusted with the additional charge to the post of Director/NPM w.e.f 16/11/2017 to 23/05/2018.
- Dr. Madhukar Sinha has been appointed as part-time Government Director w.e.f. 22/02/2018

10. Declaration from Independent Directors

RailTel has received a declaration from its Independent Directors stating that they have met the criteria of independence under Section 149(6) of the Companies Act, 2013. During the year, there has been no appointment or extension of an Independent Director for a term exceeding 5 (Five) years as per Section 149(10) of the Companies Act, 2013.

11. Number of Meetings of Board

The Board met 5(five) times for transacting the business of the company during the 2017-18 i.e. on 28/06/2017, 31/07/2017, 27/09/2017, 27/12/2017 & 15/01/2018.

12. Remuneration to Directors

RailTel, being a Government Company under the provisions of Companies Act, 2013, the whole time Directors of the Company are appointed by President of India through Ministry of Railways. The functional Directors are appointed by the Government of India who draws remuneration under IDA pattern of pay scale pre-determined by the Government and as per the terms and conditions issued by the Government of India from time to time.

The part time Government Directors on the Board of the Company do not draw any remuneration from the Company. The part time non official Directors / Independent Directors are paid a sitting fee of ₹ 20,000/- per meeting for attending meetings of Board or Committees thereof, besides cost of travel and lodging in case of outstation Directors.

13. Committees of the Board:

As on March 31, 2018, the Board had three committees: the Audit Committee, the Corporate Social Responsibilities Committee, and the Nomination & Remuneration Committee. The detailed note on the composition of the Board and its committees are provided in the Corporate Governance Report section of this Annual Report.

14. Subsidiary

Your Company has a wholly owned subsidiary by the name of “RailTel Enterprises Limited” (REL) incorporated on 12th August, 2014 under Companies Act, 2013.

The Authorised Share Capital of REL is ₹ 50 crore and paid up share capital is ₹ 10 crore. The total equity share capital of REL is held by RailTel itself through its nominees. The affairs of the Company are managed,

controlled and supervised by three Directors nominated by RailTel.

During the year under review, no company has become or ceased to be subsidiary/ joint venture/ associate Company of RailTel.

The consolidated financial statements of the Company duly audited by the Statutory Auditors are presented in the Annual Report.

A report on performance and financial position of the subsidiary is presented in a separate section of this Annual Report. Please refer Form AOC-1 annexed to the consolidated financial statements in the Annual Report.

15. Projects Undertaken

The details of the projects undertaken during the year are included in Management Discussion & Analysis Report forming part of this Annual Report.

16. Procurement from Micro and Small Enterprises

The Govt. of India has notified a Public Procurement Policy for Micro and Small Enterprises (MSE) Order 2012. In terms of said policy, a mandatory procurement of a minimum of 20% of total annual procurement is required from micro and small enterprises. Out of 20% target of annual procurement from MSE's, a sub target of 4% is also earmarked for procurement from Micro and Small Enterprises owned by Schedule Caste or Scheduled Tribe Entrepreneurs.

The achievement of procurement target from MSEs (20% including a sub-target of 4% from MSEs owned by SC/ST entrepreneurs) during the financial year 2017-18 in compliance to the aforementioned Public Procurement Policy is as below:

Sl.	Particulars	2017-18 (₹ in Cr.)
1	Total annual procurement (in value)	547.24
2	Total value of procurement from MSEs	157.09
3	% age of procurement from MSEs (including SC/ST)	28.71%
4	Total value of procurement from only MSEs owned by SC/ST entrepreneurs	23.89
5	% age of procurement from MSEs owned by SC/ST entrepreneurs	15.21%

17. Right to Information Act, 2005

The Right to Information Act, 2005 seeks to provide for setting out the practical regime of Right to Information for citizens to secure access to information under the control of public authorities in order to promote transparency and accountability in the working of every public authority. RailTel being a responsible Public Sector Undertaking has complied with the provisions of Right to Information Act, 2005 and designated CPIOs/ CAPIO and appellate as required under the Act.

No. of RTI cases pending as on 1.4.2017	:-	02
Recd. during the Year	:-	86
Disposed off during the year	:-	84
Pending as on 31/3/2018	:-	02

18. Particulars of Loans, Guarantees or Investments

During the year, RailTel has not given any loan or guarantees covered under the provisions of Section 186 of the Companies Act, 2013.

The detail of investments made by the Company is given in the notes to the Financial Statements.

19. Internal Controls Systems and their adequacy

The Company has an internal control system in commensuration with size, scale and complexity of its operations.

During the year, the Company has engaged Internal Auditors to carry out Internal Audit of the Company. The highlights of internal audit report and their synopsis were placed before the Audit Committee for its review.

Further, RailTel has implemented ORACLE ERP solution with name “Project Parivartan” and all modules like Projects, Procurement, Operations, Maintenance, Finance, HR, Sales and Marketing are live from December 2013. Implementation of “Project Parivartan” has empowered all employees to focus on their core competencies, making work environment stress free, at the same time ensuring transparency and decision making in the system. During year 2017-18, RailTel’s IT team continuously worked towards strengthening of core processes of these implemented modules so that users could effectively and efficiently use ERP for day to day work. IT team also launched new additional modules like online BG tracking, Performance Management (KRA), dashboard for

project module, Application for Data Center – DG utilization tracking module and new reports etc. Development of modules like GST Implementation in existing ERP and implementation of ERP for RailTel Enterprises Limited are already in progress and shall be live in stipulated timelines. Further as per management and business requirement RailTel ERP team is also working on development of new modules for RailWire and NOFN. In next financial year RailTel's IT team shall be working towards strengthening of existing ERP modules and development of other additional requirements.

20. Annual Return

The extract of Annual Return pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 of Companies (Management & Administration) Rules, 2014 in Form-MGT 9 forms part of this report and is placed at **Annexure-I**.

21. Management's Discussion and Analysis Report

Management's Discussion and Analysis Report for the

year under review is presented in separate section forming part of this Annual Report.

22. Human Resource Development.

The Human Resource Development (HRD) function in the organization has been designed to maximize employee performance. HRD is primarily concerned with the management of people within organization and focusing on policies and systems. RailTel firmly believes in the strength of its most vital asset i.e. Human Resource. RailTel cares and values for its human resource which is the bedrock of success story. To keep the employees' morale high, your Company extends several welfare benefits to them and their families by way of implementing various new and revised welfare policies for its Employees.

As on 31st March, 2018, the Company had total manpower strength of 793 employees including regular, deputationist, contractual and consultants. During the year, Company has also availed the services of 736 outsourced employees.

Category	No. of Employees for the year ended 31.03.2017	No. of Employees for the year ended 31.03.2018
Regular Employees	494	498*
Deputationist	62	45
On Contract	254	242**
Consultants	4	8

* Including 8 Re-employed.

** Including 18 re-engaged on Contract.

The percentage of women employees, SC/ST/OBC employees, persons with disabilities and ex-servicemen out of regular employees of the Company is mentioned below:

Category	No. of Employees for the year ended 31.03.2017	No. of Employees for the year ended 31.03.2018	% of total no. of regular employees during financial year ended 31.03.2018	No. of recruitment made in these categories
Women Employees	49	50	10.0	2
SC Personnel	63	64	12.9	2
ST Personnel	16	18	3.6	2
Other Backward Classes	123	123	24.7	0
Persons with Disabilities	8	7	1.4	0
Ex-Serviceman	1	1	0.2	0

The Company has been following the Govt. Guidelines regarding reservation for SCs, STs, OBCs, persons with disabilities (Pwds) and ex-servicemen.

23. Rajbhasha (Official Language)

The Company makes all efforts for implementation of official language in accordance with Official Language Policy of Govt. of India. Various steps are taken for encouraging the use of official language. Unicode facility has been made available in all computers/laptops in office. To ensure progressive use of official language in office, Hindi Workshops are organized from time to time. During current Financial Year, Hindi Week was organized from 11th to 15th September, 2017. During the week (1) Seminar on the subject Role of Hindi in the progress of the nation (2) Noting & Drafting Competition (3) Self written poetry (4) Hindi speech competition and (5) Hindi quiz competition was organized followed by prize distribution function. To monitor the use of Hindi, inspections are conducted and difficulties being faced in use of Hindi are addressed by way of providing table training. The progress of Hindi is reviewed by Official Language Implementation Committee during quarterly meetings. The Company is also a member of Town

Official Language Implementation Committee and periodical Hindi Progress report is submitted to the Committee.

24. Prevention, Prohibition and Redressal of Sexual Harassment

In order to provide protection against sexual harassment of women at workplace and for prevention and redressal of complaints of sexual harassment, the Company has in place a policy to prohibit & prevent the social evil of Sexual Harassment at Workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made under.

The objective of the policy is to provide women, a workplace, free from harassment, to ensure that every woman is treated with dignity and respect and to provide a speedy redressal mechanism to women who have been subjected to sexual harassment.

For the said purposes RailTel has an Internal Complaints Committee (ICC) in place at its corporate

office and all four regional offices which is responsible to:

- Investigate every formal written complaint of sexual harassment
- Meet at regular intervals
- Prepare an Annual Report containing the details of complaints of sexual harassment pursuant to the provisions of Act and provide the same to employer
- Take appropriate remedial measures to respond to any substantial allegations of sexual harassment

During the year, ICC of RailTel has not received any complaint under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

25. Risk Management Policy

The Board of Directors of your Company at their 78th meeting has adopted a risk management policy prepared by M/s Price Waterhouse Coopers (PwC). The following potential risks have been identified in RailTel:

- Project Risk
- Strategy Risk
- Market Risk
- People Risk
- Technology Risk
- Reputation Risk
- Insurable Risk
- Contractor/Vendor Risk
- Financial Risk
- Operational & Compliance Risk

It has been advised to form a Risk Management Committee at Apex level. It has also been advised to

form a Functional Risk Committee comprising of a Chief Risk Officer and the Core risk team which shall consist of functional heads from key functions/ departments. The implementation of Risk Management policy in RailTel is under process.

26. Related Party Transactions

The related party transactions entered during the year are given in Form no. AOC-2 in terms of section 134(3) (h) of the Companies Act, 2013, read with rule 8 (2) of the Companies (Accounts) Rules, 2014 forms part of this Report and is placed at **Annexure-II**.

27. Corporate Governance

The Company has always worked towards enhancing the corporate governance and the principles underlying the same within the organization. Your Company is complying with all applicable DPE Guidelines on Corporate Governance as far as possible. A report on the corporate governance is made part of this Annual Report. Pursuant to the requirements of DPE Guidelines, 2010 a certificate obtained from Practising Company Secretary forms part of this Annual Report and is placed at **Annexure-III**.

In compliance with the directives of DPE, the Company is also regularly sending its quarterly and consolidated annual report in the prescribed manner to its Administrative Ministry/DPE. For each quarter, CPSEs are graded under various heads viz; Composition of Board, Non-Official Directors, Board Meetings, Code of Conduct, Audit Committee, Remuneration Committee, Board Disclosures, Directors' Remuneration etc. on the basis of scores prescribed for each head. For the year under review, RailTel has scored an average score of 93.68% and on the basis of prescribed grading structure RailTel has been awarded with "Excellent" grade for ensuring Corporate Governance practices in the organization.

28. Corporate Social Responsibility

As per the provisions of Companies Act, 2013, your Company has formulated a CSR & sustainability policy which provides a broad framework within which the Company will carry out the CSR activities. The policy aims for social and economic development of community in the areas of rural development, education, skill development, health and such other areas and adhere to sustainable and transparent business practices. The activities to be undertaken under the policy will be in accordance with Schedule VII of the Companies Act, 2013.

During the FY 2017-18, RailTel has undertaken to spend ₹ 368 lakh on CSR activities which is 2% of average net profit before tax (PBT) of the company earned during the immediately preceding three Financial Years. Out of the CSR budget, ₹ 76 lakh was spent during FY 2017-18. The reason for less spending on CSR Activities than budgeted is stated in the Annual CSR Report. The Annual Report on CSR as prescribed under Companies (Corporate Social Responsibility Policy) Rules, 2014 forms part of this Report is placed at **Annexure-IV**.

During the year, RailTel has carried out various CSR activities with the aim to create IT infrastructure at rural institutions situated in villages/panchayats across various States/UT to provide broadband enabled IT centers enabling e-health, e-education for rural population through local institutions like Primary schools & Primary health center.

One of the RailTel's CSR initiatives namely 'Akansha Super 30' related to providing of coaching to the talented students from economically weaker section of the society produced results. It was a proud moment for RailTel when 27 students of it's CSR initiative Akansha Super 30 (batch of FY 17-18), Dehradun made it to JEE Mains out of which 17 students cracked the

JEE advance exam securing admission to premiere league engineering colleges like IIT, NIT and other Govt engineering colleges of India. This result is a symbol of triumph of talent over financial scarcity and lack of opportunity. The students of this center come from poor socio economic background belonging to different occupation ranging from labourer to farmer.

29. Indian Accounting Standards

The Ministry of Corporate Affairs (MCA) notified Companies (Indian Accounting Standard) Rules 2015 enabling implementation of Ind AS. Pursuant to this notification RailTel and its subsidiary has adopted Ind AS (the converged IFRS) with effect from April 1, 2016. Accordingly, the standalone and consolidated financial statements for the year ended 31st March, 2018 have been prepared in pursuant to Ind AS.

30. Goods and Services Tax

Goods and Services Tax (GST) is a landmark reform which will have a lasting impact on the economy and on businesses. Implementation of a well-designed GST model that applies to the widest possible base at a low rate can provide significant growth stimulus to the business and contribute to the Prime Minister's mission of 'Make in India'. The GST has been implemented w.e.f. 1st July, 2017.

31. Vigil Mechanism

The Company has a Whistle-Blower policy with an objective to provide its employees an avenue to raise complaints, in line with commitment of RailTel to the highest possible standards of ethical, moral and legal business conduct and to provide necessary safeguards for protection of employees from reprisals or victimization, for whistle blowing in good faith.

The policy prescribes for reporting process and manner in which investigation must be conducted.

During the year following system improvements have been taken up on the advice of Vigilance:

- Online file tracking system
- Improvement in NIT Notification for O&M tenders
- Third party audit of ERP system
- Conducting online examination for employees/candidates

32. Vigilance awareness week

As per the CVCs directives, Vigilance Awareness Week was observed in RailTel from 30.10.2017 to 04.11.2017 in its true spirit and sense. The theme for this year was “My Vision – Corruption Free India”. The week began with administering Integrity pledge to all RailTel officials from Corporate Office on 30.10.2017 at 11:00 am. The officials from Regional Offices also joined through RailTel’s in-house Telepresence services (Video Conferencing).

During the week, a number of awareness activities were carried out and events organized involving RailTel’s Officials as well as citizens. Articles were invited from

employees which were included and published in the RailTel Vigilance Bulletin. The Bulletin was released during the week by Sh. Rajiv Sinha, GM/S&T/NCRTC (also ex. Director/POM/RailTel) who was the guest lecturer on the Vigilance theme. During the week various competitions like Poster, Quiz and Article competition were held and the winners were awarded. The events were organised at Corporate & Regional offices and were well attended and participated by the employees.

On the theme of “My Vision – Corruption Free India”, as per directions from Central Vigilance Commission, RailTel organized various activities by engaging with students in educational institutes covering 3 schools and 3 colleges across Delhi and Gurugram. Debate, elocution, essay & poetry competitions were organized to engage with youth and spread awareness about being a vigilant citizen. Integrity-pledge link was posted on RailTel’s website, Twitter & Facebook account for public awareness. In addition, mailers, SMS were also sent for larger public awareness. Total 616 employees, 18 customers and 16 citizens took the Integrity pledge using RailTel’s awareness initiative.

The status of Vigilance cases during the year is as below:

S.No.	HEAD	NUMBER	NATURE OF CASE
1	Number of cases Pending as on 01.04.2017	1	Related to tender/contract management procedure violation
2	Number of Vigilance cases received during the year	5	Related to tender/contract management procedure violation
3	Number of Vigilance cases disposed off during the year	0	
4	Number of Vigilance cases pending as on 31.03.2018	6	Related to tender/contract management procedure violation

33. Significant and material orders of regulators etc.

During the year, there has been no significant and

material order passed by the regulators or courts or tribunals impacting the going concern status and Company’s operations in future.

34. Statutory Auditors

The Comptroller and Auditor General of India (CAG) has appointed M/s Suresh Chandra & Associates of New Delhi as Statutory Auditors of the Company to audit the financial statements for the year ended 31st March, 2018.

Besides, the CAG has also appointed the following named firms of Chartered Accountants as Branch Auditors for auditing of four regional offices of the Company:

Auditor	Region
Batliboi & Purohit	Western Region
N. Sarkar & Co	Eastern Region
D V Ramana Rao & Co	Southern Region
Suresh Chandra & Associates	Northern Region

In terms of the authorization given by the members in their last Annual General Meeting, the Board on the recommendations of Audit Committee has already considered and approved payment of fee for all the above Auditors to the aggregate extent of ₹ 17.20 lakh excluding GST.

35. Cost Auditors

The Company has appointed M/s KL Jaisingh & Co., Cost Accountants as Cost Auditors to audit the cost records maintained by the Company for the financial year 2017-18.

The Company has filed Form CRA-2 with the Ministry of Corporate Affairs in this regard.

36. Secretarial Audit

During the year, pursuant to provisions of Section 204 of the Companies Act, 2013 read with rules made thereunder, RailTel has appointed M/s J.K. Gupta & Associates, Company Secretaries, New Delhi as Secretarial Auditors of the Company for the financial

year 2017-18. The Secretarial Auditor has conducted the audit and issued a Secretarial Audit Report in the format prescribed under Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Audit report of the Company for the year ended 31st March, 2018 in Form MR-3 and the management's reply on the observation/comments of Secretarial auditors forms part of this report and are placed at **Annexure V and VI**.

37. Comments of CAG

The comments of CAG, if any, shall form of part of report.

38. Auditors' Report

The Auditors' Report of the Company for the year ended 31st March, 2018, is attached with the Financial Statements of the Company. There is no qualification in the Auditors Report on the Financial Statements of the Company.

39. Energy Conservation, Technology Adoption, Foreign Exchange Earnings and Outgo

The Company is presently engaged in providing telecom services. The disclosure on Conservation of Energy and Technology Absorption as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 and as prescribed under Rule 8 of Companies Accounts Rules, 2014 forms part of the Report and is placed at **Annexure-VII**.

40. Presidential Directives

No Presidential Directive was received during the year.

41. MOU with Administrative Ministry

RailTel is signing a MoU with the Government of India, Ministry of Railways whereby laying inter alia the

physical and financial targets. The MOU pertaining to FY 2018-19 has been signed with Ministry of Railways within stipulated time. During the year 2016-17 RailTel has got “Very Good” rating from DPE.

42. Event occurring after the Balance Sheet Date

As such no significant events occurred between the end of the financial year to which this financial statement relates and the date of this report.

43. Directors’ Responsibility Statement

In terms of the provisions of section 134(3)(c) of the Companies Act, 2013, as amended, your Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- the directors had prepared the annual accounts on a going concern basis; and
- the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

44. Acknowledgements

Your Directors would like to place on record their sincere appreciation and gratitude to the Indian Railways, Government of India, Ministry of Communications and IT and other Ministries/ Departments, subscribers of Company’s telecom services, the stakeholders, and bankers and to all the State Governments, Local Bodies and Regulatory authorities for their continued cooperation and invaluable support. Your Directors express their deep appreciation for the hard work and dedicated efforts put in by the employees at all levels and look forward to their continued contribution in achieving the mission and objective of the Company.

For and on behalf of the Board

Sd/-

H. K. Agarwal
Chairman and Managing Director
DIN: 08205934

Place: Gurugram

Date: 13/09/2018

ANNEXURE - I

Annual Return Extracts in MGT 9

Form No. MGT-9

EXTRACT OF ANNUAL RETURN OF RAILTEL CORPORATION OF INDIA LTD

as on the financial year ended on 31st March, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN:-	U64202DL2000GOI107905
ii)	Registration Date	26/09/2000
iii)	Name of the Company	RAILTEL CORPORATION OF INDIA LIMITED
iv)	Category / Sub-Category of the Company	Government Company
v)	Address of the Registered office and contact details	6th Floor, IIIrd Block, Delhi Technology Park, Shastri Park, New Delhi, Delhi-110 053
vi)	Whether listed company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Telecom Income	611/612	66.91%
2	Project Income	-	29.11%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	RailTel Enterprises Ltd	U74900DL2014GOI270322	Subsidiary company	100%	2(87)(ii)

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total share	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
Individual/ HUF	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Central Govt.	Nil	320938407	320938407	100%	Nil	320938407	320938407	100%	Nil
State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A)(1):-	Nil	320938407	320938407	100%	Nil	320938407	320938407	100%	Nil
(2) Foreign									
NRI Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Other Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total(A) (2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	Nil	320938407	320938407	100%	Nil	320938407	320938407	100%	Nil
B. Public Shareholding									
Institutions									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
State Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
FII's	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total share	Demat	Physical	Total	% of total shares	
Foreign Venture Capital	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Non-Institutions									
a) Bodies Corp									
i) Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Public Shareholding (B)=(B)(1)+(B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	Nil	320938407	320938407	100%	Nil	320938407	320938407	100%	Nil

(ii) Shareholding of Promoters

Sl No.	Share holder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	President of India & nominees	320938407	100	NA	320938407	100	NA	Nil
	Total	320938407	100	NA	320938407	100	NA	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	320938407	100%	320938407	100%
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer / bonus/ Sweat equity etc):	No change	NA	No change	NA
3.	At the End of the year	320938407	100%	320938407	100%

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	Nil	Nil	Nil	Nil
2.	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
3.	At the End of the year (or on the date of separation, if separated during the year)	Nil	Nil	Nil	Nil

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	Nil	Nil	Nil	Nil
2.	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
3.	At the End of the year	Nil	Nil	Nil	Nil

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year				
• Addition				
• Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(In ₹ Lakh)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		R K Bahuguna Ex-CMD (01-04-2017 to 30-09-2017)	A Sehshagiri Rao Ex-D/NPM (01-04-2017 to 28-08-2017)	Anju Ranjan D/Finance (03-04-2017 to 31-03-2018)	Ashutosh Vasant D/POM & CMD (Addl. Charge) (01-04-2017 to 31-03-2018)	
1.	a) Gross salary					
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	27.52	16.25	-	31.40	75.17
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.06	4.17	-	6.63	12.86
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission					
	- as % of profit	-	-	-	-	-
5.	Others (Company contribution to PF, Gratuity, Leave encashment, Pension etc and other non- taxable perquisites)	3.59	2.60	-	9.31	15.50
	Total (A)	33.17	23.02	-	47.34	103.53
	Ceiling as per the Act*					

*RailTel being a Government Company, the appointment of CMD & Directors and fixation of their remuneration are decided by President of India in terms of the Articles of Association of the Company

B. Remuneration to other directors:

(In ₹ Lakh)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Dr. Anupam Alok (Independent Director)	Ashok Goel (Independent Director)		Total	
1.	Independent Directors					
	Fee for attending board/ committee meetings	3.60		3.00		6.60
	Commission	-		-		-
	Others, please specify	-		-		-
	Total (1)	3.60		3.00		6.60
		Sanjay Upreti (Part-time Govt. Director)	Dr. Madhukar Sinha (Part-time Govt. Director)	Shobhan Chaudhuri (Part-time Govt. Director)	Anshul Gupta (Part-time Govt. Director) & D/NPM (Addl. Charge)	Total
2.	Other Non-Executive Directors#					
	Fee for attending board /committee meetings	NIL	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	NIL	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act##					

#Part-time Government Director are not entitled to any remuneration or sitting fee from the Company.

The Independent Directors were paid the sitting fees at a rate fixed by the Board, (i.e. ₹ 20,000) for attending each meeting of the Board and Committees of Directors.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (In ₹ Lakh)

Sl No.	Particulars of Remuneration	Key Managerial Personnel	
		J S Marwah Company Secretary (01-04-2017 to 31-03-2018)	Total
1.	Gross salary		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15.41	15.41
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.86	1.86
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others, specify...		
5.	Others (Company contribution to PF, Gratuity, Leave encashment, Pension etc and other non-taxable perquisites)	4.07	4.07
	Total	21.34	21.34

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

ANNEXURE - II

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis :

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1.	RailTel Enterprises Ltd (REL) Wholly owned subsidiary company	Assisting REL in providing staff/ executives of RailTel for looking after and attending to REL's work by devoting limited time (i) 5% salary of limited officers of RailTel has been charged to REL (ii) Arrangement is temporary till the staff strength in REL is developed	2017-18	5% of Salary of the officers of RailTel Corporation of India Ltd, who are nominated to assist the activities in REL shall be charged from the account of REL as per OO No. 483 dated 10/11/17 & P&a's Note No. REL/2006/P&A/54/1 Dated 11/04/2018 Total amount of salary charged from REL (including employees transferred in REL on full time basis) for FY 2017-18 is ₹ 53,26,687/-.	18-08-2018	N.A.

2. Details of material contracts or arrangement or transactions at arm's length basis* are given below:

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1.	RailTel Enterprises Ltd (REL) Wholly owned subsidiary company	(i) GMDA has awarded work to REL for providing cloud services. (ii) REL has received data center services from RCIL for executing the said work of GMDA	2017-18	The total PO value of said services received from RCIL was ₹ 22,84,800/- (excluding taxes) as per DC tariff no. RCIL/2013/DNM & IT/Data Center/ 138 dt. 03.09.2015	N.A.	-
2.	RailTel Enterprises Ltd (REL) Wholly owned subsidiary company	(i) MCG has awarded work to REL for providing, implementing and setting up the of E-office and setting up the hardware infrastructure for the same in RailTel Cloud. (ii) REL has received data center services from RCIL for executing the said work of MCG	2017-18	The total PO value of said services received from RCIL was ₹ 42,75,600/- (excluding taxes) as per DC tariff no. RCIL/2013/DNM & IT/Data Center/138 dt. 03.09.2015	N.A.	-
3.	RailTel Enterprises Ltd (REL) Wholly owned subsidiary company	(i) National High Speed Rail Corporation Limited (NHSRCL) has awarded work to REL for providing Hosting services and website development (ii) REL has received data center services from RCIL for executing the said work of NHSRCL	2017-18	The total PO value of said services received from RCIL was ₹ 6,52,800/- (excluding taxes) as per DC tariff no. RCIL/2013/DNM & IT/Data Center/138 dt. 03.09.2015	N.A.	-
4.	RailTel Enterprises Ltd. (REL), a subsidiary company of Railtel	(i) RDSO has awarded work to REL for providing Hosting, AMC, Manpower and SMS Pack of vendor registration portal of RDSO-QAM Directorate (ii) REL has received data center services	2017-18	The total PO value of said services received from RCIL was ₹ 2,88,000/- (excluding taxes) as per DC tariff no. RCIL/2013/DNM & IT/Data Center/ 138 dt. 03.09.2015	N.A.	-

		from RCIL for executing the said work of RDSO				
5.	RailTel Enterprises Ltd. (REL), a subsidiary company of Railtel	(i) Chittaranjan Locomotive works has awarded work to REL for providing software development, Hosting, AMC, Mapower and SMS pack of vendor portal of CLW. (ii) REL has received data center services from RCIL for executing the said work of CLW	2017-18	The total PO value of said services received from RCIL was ₹ 2,64,000/- (excluding taxes) as per DC tariff no. RCIL/2013/DNM & IT/Data Center/138 dt. 03.09.2015	N.A.	-

*Transactions are made on Approved tariff/ Customer tariff

For RailTel Corporation of India Ltd.

Sd/-
H. K. Agarwal
Chairman and Managing Director
DIN: 08205934

ANNEXURE - III

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members

RailTel Corporation of India Limited

6th Floor, IIIrd Block, Delhi Technology Park, Shastri Park, Delhi-110053

1. We have examined the compliance of guidelines of Corporate Governance of **RailTel Corporation of India Limited** having its Registered Office at 6th Floor, IIIrd Block, Delhi Technology Park, Shastri Park New Delhi-110053 and Corporate Office at Plot No.-143, Sector-44, Gurugram, Haryana-122003, for the Financial Year ended on 31st March, 2018, as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSE), issued by the Department of Public Enterprise (DPE), Government of India.
2. The Compliance of the conditions of the Corporate Governance is the responsibility of the management. Our examination is limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the guidelines on the Corporate Governance. Our Report/ Certification is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in the DPE Guidelines on Corporate Governance for Central Public-Sector Enterprises, except:

During the year under review the company has conducted meeting of Board of directors and the gap between last Board meeting held in fourth quarter of the financial year (2016-2017) and the first Board meeting held in first quarter of the financial year (2017-2018) exceeds by three months which is in violation with the Provisions of DPE guidelines as applicable on CPSEs.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or the effectiveness with which the management has conducted the affairs of the Company.

For J. K. Gupta & Associates
(Company Secretaries)

Sd/-
CS Jitesh Gupta
(Proprietor)
M. No. 3978
C.P. No.: 2448

Place: Delhi
Date: 13-08-2018

Annexure IV

RAILTEL CORPORATION OF INDIA LIMITED

ANNUAL REPORT ON CSR ACTIVITIES FOR THE YEAR 2017-18

TO BE INCLUDED IN THE BOARD'S REPORT

[Pursuant to Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014]

1	<p>A Brief outline of Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.</p>	<p>RailTel's CSR vision is "To be a Company that sets a defined strategy for Social & Economic Development of communities in an inclusive manner and adhering to sustainable & transparent business practices"</p> <p>RailTel's CSR mission is "To align CSR and Sustainability policy with the business policy so as to conduct business in a sustainable manner and to undertake high impact community development projects in the areas of rural development, education, skill development, health and other areas of national and local importance in consultation with stakeholders utilizing the ICT expertise developed in the Company."</p> <p>The Company already has a Board approved policy on Corporate Social Responsibility (CSR). The focus sectors under CSR for the Company shall be in the areas of rural development, education, health, women empowerment, citizen centric services utilizing the ICT tools & technologies. The Company may choose to take up other areas based on need assessment of the local community and geographic areas. The activities proposed to be undertaken under CSR shall include all activities consistent with CSR provisions of the Act, Schedule VII of Act and rules framed thereunder.</p> <p>The CSR policy is available at RailTel's website: www.railtelindia.com</p> <p>During the year 2017-18, the following CSR activities were approved by the Board level CSR committee of RailTel:</p> <p>a) Provisioning of Wi-Fi at Varanasi City at 14 locations.</p> <p>Under this program, RailTel will provide Wi-Fi infrastructure at various famous spots of Varanasi City for usage by people visiting those spots so as to enable them using this infrastructure on their devices (mobile, tablet, laptop etc.)</p> <p>b) ICT Infrastructure with Broadband at 8 Railway/ Govt schools</p> <p>Under this program, RailTel provides ICT infrastructure with broadband at 2 Railway/Govt School at each regions of RailTel (i.e Northern, Western, Eastern and Southern)</p>
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		<p>c) Continuity of RaiTel Akansha Super-30 at Dehradun</p> <p>The program provides for 11 month long boarding, lodging and coaching of 30 students free of cost for IIT JEE exams, who are talented but from economically weaker sections of society.</p> <p>d) One Community Information Centre/ Skill Development Centre cum Digital Literacy center in Northern Region in association with M/s Matrix society for Social Service (MASS)</p> <p>Under this project RailTel will support one Community Information Centre/ Cum Skill Development Centre cum Digital Literacy center at Nuh Block, Mewat District, Haryana, in association with Matrix society for Social Service (MASS). This center is for helping local people with digital literacy, skill development and information on developmental schemes, facilities and programmes of Government, NGOs and other developmental agencies.</p> <p>e) One Community Information Centre/ Skill Development Centre cum Digital Literacy center in Western Region in association with M/s Society for Advancement of Village Economy (SAVE)</p> <p>Under this project RailTel will support one Community Information Centre/ Cum Skill Development Centre cum Digital Literacy center at Satna, Madhya Pradesh, in association with M/s Society for Advancement of Village Economy (SAVE). This center is for helping local people with digital literacy, skill development and information on developmental schemes, facilities and programmes of Government, NGOs and other developmental agencies.</p> <p>f) Provision of OPEX & Support for existing various CSR Infrastructure</p> <p>Under this provision, RailTel will be provide OPEX and other supports to the existing CSR infrastructures provided by RailTel in previous years.</p>
2.	The composition of the CSR Committee as on 31-03-2018	<ul style="list-style-type: none"> • Dr. Anupam Alok, Independent Director • Sh. Anshul Gupta, Director/NPM • Smt. Anju Ranjan, Director/Finance • Sh. Ashok Goel, Independent Director
3.	Average Net Profit of the company for last three financial years	Rs. 18,418 Lakh
4.	Prescribed CSR Expenditure (two percent of the amount as in item No. 3 above)	Rs. 368 Lakh
5.	Details of CSR spent during the financial year:	
a.	Total amount to be spent for the financial year	Rs. 370 Lakh
b.	Amount unspent, if any	Rs. 294.47 Lakh

c. Manner in which the amount spent during the financial year is detailed below:

(1) S. No.	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects / Programmes 1. Local area or other 2. Specify the state and district where projects or programs were undertaken	(5) Amount outlay (budget) project or programs wise (In Rupees Lakh)	(6) Amount spent on as on date of report on the project / programs (In Rupees Lakh)	(7) Cumulative expenditure upto the reporting period (In Rupees Lakh)	(8) Amount spent: Direct or through implementing agency*
i	Provisioning of Wi-Fi at Varanasi City at 14 locations.		Varanasi, Uttarpradesh	207	7.58	7.58	Direct
ii	ICT Infrastructure with Broadband at 8 Railway/ Govt schools	Education	Northern, Southern, Eastern & Western Region	40	9.96	9.96	Direct
iii	Continuity of RaiTel Akansha Super-30 at Dehradun	Education	Dehradun, Uttarakhand	55	55	55	Through Agency#
iv	One Community Information Centre/ Skill Development Centre cum Digital Literacy center in Northern Region in association with M/s Matrix society for Social Service (MASS)	Skill Development	Nuh Block, Mewat District, Haryana	20	NIL	NIL	Through Agency##
v	One Community Information Centre/ Skill Development Centre cum Digital Literacy center in Western Region in association with M/s Society for Advancement of Village Economy (SAVE)	Skill Development	Satna, Madhya Pradesh	24.9	NIL	NIL	Through Agency###
vi	Provision of OPEX & Support for existing various CSR Infrastructure (Providing last mile connectivity of existing CSR services, Administrative expenditure on Digital Service Centers/schools, Cost of IPBW)	Rural Development	Northern, Southern, Eastern & Western Region	23.10	2.99	2.99	Direct
Total				370	75.53	75.53	

Details of implementing Agency

Centre for Social Responsibility and Leadership, B-42, "Aditi", Plot No. 16 A, I. P. Extension, Patparganj New Delhi- 110 092 Tel: 011- 22732662 Email: csrldelhi@gmail.com

##Matrix Society for Social Services(MASS), B-08, Shri Ram Apartment Plot No.32, Sector-4, Dwarka, New Delhi-110075 Phone-011 65656537 email- mass.newdelhi@gmail.com

Society for Advancement of Villages Economy (SAVE), A-153, 2nd floor, Jhilmil Colony, Delhi-110095 Phone: 011 22155153 Email id save_org@yahoo.co.in

<p>6. In case the Company fails to spend the 2% of the Average Net Profit (INR) of the last 3 financial years, the reasons for not spending the amount shall be stated in the Board report.</p>	<p>56% of the budget was allotted for providing Wi-Fi service at 14 locations at Varanasi. The budgeting was initially done keeping the end to end expenditure in mind. But while executing the same we got support from PGCIL and Google. Underground cable of PGCIL was used and Google supported with supply of Access Points hence the expenditure was less than anticipated. 6 out of 14 sites were executed with them. Hence the majority of the budget remained unspent. Also, for the rest of the projects approved in the FY 17-18, the works are in progress and the system has been streamlined to ensure proper execution.</p> <p>The remaining budget will be utilized in next year's CSR project with the approval of CSR Committee/Board.</p>
<p>7. Responsibility statement, of the CSR Committee, that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company duly signed by Director and Chairperson of the CSR Committee.</p>	<p>RailTel's CSR Committee confirms that implementation and monitoring of the CSR policy is in compliance with the CSR objectives and CSR policy of the Company.</p>
<p style="text-align: center;">Sd/- H. K. Agarwal Chairman and Managing Director (DIN 08205934)</p>	<p style="text-align: center;">Sd/- Dr. Anupam Alok Chairman CSR Committee (DIN 07486492)</p>

Form No. **MR-3**

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

Railtel Corporation of India Limited

6th Floor, IIIrd Block, Delhi Technology Park,
Shastri Park, Delhi-110053

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **RailTel Corporation of India Limited** (hereinafter called the Company) having its Registered Office at 6th Floor, IIIrd Block, Delhi Technology Park, Shastri Park New Delhi-110053 and Corporate Office at Plot No.-143, Sector-44, Gurugram, Haryana-122003. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company, the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

- i) The Companies Act, 2013 (**'the Act'**) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and Rules made there under to the extent applicable on the company for having the shares in De-mat form;
- iii) The Depositories Act, 1996 to the extent applicable for unlisted company;

- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The Rules, Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'); (Not applicable to the Company during the audit period)
- vi) The Listing Agreement with any Stock Exchange; (Not applicable to the Company during the audit period)
- vii) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings, generally complied with.
- viii) Other laws applicable specifically to the Company namely:
 - 1. Contract Labour (Regulation and Abolition) Act, 1970
 - 2. The Telecom Regulatory Authority of India (Form of Annual Statement of Accounts and Records) Rules, 1999
 - 3. The Telecom Regulatory Authority of India Act, 1977
 - 4. Telecommunication Interconnection (Charges and Revenue Sharing) Regulation, 2001
 - 5. Telegraph Act, 1885

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above **subject to our following observations:**

- i) During the year under review the company has conducted meeting of Board of directors and the gap between last Board meeting held in fourth quarter of the financial year (2016-2017) and the first Board meeting held in first quarter of the financial year (2017-2018) exceeds by three months which is in violation with the Provisions of DPE guidelines as applicable on CPSEs.*
- ii) During the period under review, the Composition of the Audit Committee in the first quarter of the financial year (2017-2018) do not form majority of Independent Directors as required under the provision of Section 177 of the Companies Act, 2013.*

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the

Minutes of the Meetings.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no specific events /actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the Company's affairs.

For J. K. Gupta & Associates

Sd/-

JITESH GUPTA

FCS No. 3978

C P No.: 2448

Place: Delhi

Date: 13-08-2018

This Report is to be read with our letter of even date which is annexed as “**Annexure A**” and forms an integral part of this report.

‘Annexure A’

To,

The Members,

Railtel Corporation of India Limited

6th Floor, IIIrd Block, Delhi Technology Park,

Shastri Park, Delhi-110053

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have relied on the Internal Auditors’ Report for the period under review; hence we have verified the correctness and appropriateness of Statutory Compliances of the Company on sample basis. The qualifications/ Observations mentioned in their Audit report also forming part of this report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For J. K. Gupta & Associates

Sd/-

JITESH GUPTA

FCS No. 3978

C P No.: 2448

Place: Delhi

Date: 13-08-2018

ANNEXURE - VI

RAILTEL CORPORATION OF INDIA LIMITED

Replies to the observations/comments made by Secretarial Auditors in their report

Sl. No.	Observations/comments of Secretarial Auditors in its report	Management Replies
1.	During the year under review the company has conducted meeting of Board of directors and the gap between last Board meeting held in fourth quarter of the financial year (2016-2017) and the first Board meeting held in first quarter of the financial year (2017-2018) exceeds by three months which is in violation with the Provisions of DPE guidelines as applicable on CPSEs.	<p>The gap between two consecutive Board Meetings held during FY 2017-18 was not more than 120 days as prescribed under the provisions of section 173 of the Companies Act, 2013. Hence, there is no violation of Companies Act, 2013 as such.</p> <p>However, the DPE guideline in relation to convening meeting of Board of Directors with gap not exceeding 3 months has been deviated by three days mainly due to pre-occupation of the Directors. The meeting was held on 28/06/2017 immediately after the availability of Directors.</p>
2.	During the period under review, the Composition of the Audit Committee in the first quarter of the financial year (2017-2018) do not form majority of Independent Directors as required under the provision of Section 177 of the Companies Act, 2013.	<p>The composition of Audit Committee during first quarter of the FY 2017-2018 was comprised of two Independent Directors and two Govt. Nominee Directors with a view to facilitate timely convening of meetings and to include nominee director's expertise in taking decisions. No functional director was the member of the Audit Committee and all the members were non-executive directors during FY 2017-18. Further, the Audit Committee has been reconstituted on 28/06/2017 with the majority of Independent Directors as members of the Audit committee and since then, the majority of Independent Directors is maintained in compliance with the provision of section 177 of the Companies Act, 2013.</p>

ANNEXURE - VII

RAILTEL CORPORATION OF INDIA LIMITED

Disclosure under Section 134(3)(m) of the Companies Act, 2013 as prescribed under Rule 8 of Companies Accounts Rules, 2013

(A) Conservation of Energy

<p>(i) Steps taken or impact on conservation of energy</p>	<ol style="list-style-type: none"> 1. Cost effective Retrofitment of existing luminaries with LED solution- As an initiative towards Energy conservation, Electrical department in Corporate office had initiated the case for retrofitment/replacement of fixtures in the existing luminaries with supply, fixing, testing & commissioning of energy efficient LED solution along with provision of Motion sensors & bifurcation of electrical wiring of Corporate Office building. The entire work will result in energy saving/conservation as existing CFL, T-8 tube-lights etc. shall be replaced with LED solution which will drastically reduce the energy consumption. Moreover, automatic switching through sensors shall also reduce major energy consumption as the same will switch on/off the lights when required/not required. The said work has been completed. The overall energy saving after execution of the project shall be around 40% (approx). 2. Provision of BMS module for HVAC system of RailTel, CO/Building - Another initiative towards Energy conservation had been taken by executing the case for supply, installation, testing & commissioning of BMS module/ system for controlling, monitoring and operating of the existing HVAC system at CO from one access point. The said system helps in managing/controlling the system/units not required and the same can easily be switched through it, when desired/required. All this helps in reduction of energy consumption i.e. around ₹ 18,000-20,000/month. The said work has already been completed and is working successfully. 3. Provision of Blanking panels – As an initiative towards Energy conservation provision of Blanking panels in Network racks has recently been proposed. Execution of the same will help in separation of hot & cold aisle in racks of data centre, Gurugram. Separation of the same will prevent leakage of cool air, resulting in achieving targeted energy saving of around ₹ 1 Lakh/month (approx). The said work is targeted to be executed/completed by August 2018.
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(ii) Steps taken by the company for utilising alternate sources of energy	As an initiative towards utilising alternate source of energy, RailTel has initiated steps for considering installation, testing & commissioning of 80 Kw rooftop solar system at CO.
(iii) Capital investment on energy conservation equipment's	<p>(i)1. As regards “Retrofitment of existing luminaries with LED solution”, capital investment of ₹ 7.5 Lakh with ROI of ₹ 1.21 Lakh per year & guaranty/warranty of 3 years is being made for execution of the project.</p> <p>(i)2. As regards “Provision of BMS module for HVAC system of RailTel, CO/Building” capital investment of ₹ 1.19 Lakh for execution of the project & ROI has already been recovered on date.</p> <p>(i)3. As regards “Provision of Blanking panels”, case with capital investment of ₹ 3.5 Lakh & ROI of 4-6 months is being initiated for execution of the project.</p>

(B) Technology Absorption

(i) Efforts made towards technology absorption	<ul style="list-style-type: none"> • RealTime Performance monitoring of Station WiFi network to manage users’ experience. • Augmentation & route diversification of IP-MPLS backbone to improve resiliency of network. • Railcloud deployment by using open-stack framework • Development & deployment of On-line booking for Airline, Maharaja Express, Railway Retiring Room, Cab Booking & Buddhist Circuit Trains, for IRCTC. • Deployment of DR services to key enterprise customers using in-house DC services
(ii) Benefits derived like product improvement, cost reduction, product development or import substitution	<ul style="list-style-type: none"> • Operational Efficiency • Service Quality improvement • Improving network resiliency • Cost efficiency & additional revenue
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	NA
(a) Details of technology imported	NA
(b) Year of import	NA

(c) Whether the technology been fully absorbed	NA
(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	NA
(iv) Expenditure incurred on Research and Development	NIL

(C) Foreign Exchange Earnings & Outgo

Sl No.	Particulars	FY 2017-18	FY 2016-17
i.	Foreign Exchange Earnings	NIL	NIL
ii.	Foreign Exchange Outgo	₹ 1.55 crore	₹ 7.89 crore

Management Discussion and Analysis Report

1. Economy Overview

1.1 Macroeconomic Overview

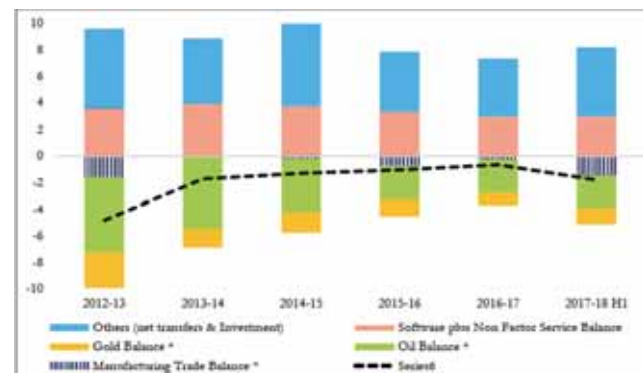
Major reforms were undertaken over the past year. The transformational Goods and Services Tax (GST) was launched at the stroke of midnight on July 1, 2017. And the long-festering Twin Balance Sheet (TBS) problem was decisively addressed by sending the major stressed companies for resolution under the new Indian Bankruptcy Code and implementing a major recapitalization package to strengthen the Public-Sector Banks.

As a result of these measures, the dissipating effects of earlier policy actions, and the export uplift from the global recovery, the economy began to accelerate in the second half of the year. This should allow real GDP growth to reach 6 percent for the year as a whole, rising to 7-7.5 percent in 2018-19, thereby re-instating India as the world's fastest growing major economy. Against emerging macroeconomic concerns, policy vigilance will be necessary in the coming year, especially if high international oil prices persist or elevated stock prices correct sharply, provoking a "sudden stall" in capital flow.

Average CPI inflation for the first nine months has averaged 3.2 percent and is projected to reach 3.7 percent for the year as a whole. This implies average CPI inflation in the last quarter of 5 percent, in line with the RBI's forecast. Therefore, the GDP deflator is

expected to grow by 3.6 percent for 2017-18, somewhat higher than the CSO's forecast of 2.8 percent. Consequentially nominal GDP growth is estimated at 10.5 percent, compared with the CSO's 9.5 percent estimate

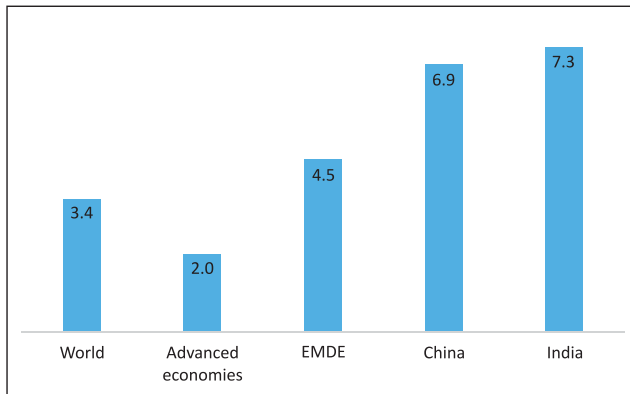
The current account deficit has also widened in 2017-18 and is expected to average about 1.5-2 percent of GDP for the year as a whole. The current account deficit can be split into a manufacturing trade deficit, an oil and gold deficit, a services deficit, and a remittances deficit. In the first half of FY 2017-18, the oil and gold balance has improved (smaller deficit of \$47 billion) but this has been offset by a higher trade deficit (\$18 billion) and a reduced services surplus (\$37 billion), the latter two reflecting a deterioration in the economy's competitiveness.



Source: RBI, Survey calculations; * - Based on Customs data.

1.2 GDP

After registering GDP growth of over 7 per cent for the third year in succession in FY 2016-17, the Indian



Source: Based on IMF's World Economic Outlook Database (October 2017)

economy is headed for somewhat slower growth, estimated to be 6.5 per cent in FY 2017-18, as per first Advance Estimates released by CSO. This is slightly lower than the range of 6.5 per cent to 6.75 per cent being currently projected based on recent developments. Even with this lower growth for FY 2017-18, GDP growth has averaged 7.3 per cent for the period from 2014-15 to 2017-18, which is the highest among the major economies of the world. That this growth has been achieved in a milieu of lower inflation, improved current account balance and notable reduction in the fiscal deficit to GDP ratio makes it all the more creditable.

1.3 Inflation, Monetary Policy and Interest Rate

Inflation in the country continued to moderate during FY 2017-18. CPI based headline inflation averaged 3.3 per cent during April-December of FY 2017-18, the lowest in the last six financial years. The significant reduction in food inflation, particularly of pulses and vegetables, moderated the general inflation. The average food inflation fell to 1.2 per cent during April-December of FY 2017-18. Core inflation too declined during this period. Many States witnessed reduction in inflation across rural as well as urban areas during the year.

Financial year (FY) 2017-18 began with an annual

inflation rate of 3.0 per cent. In the first two quarters of FY 2017-18, there was a moderate increase in prices, resulting in a low level of inflation of 2.2 per cent in quarter one and 3.0 per cent in quarter two. Headline inflation rate reached its series low of 1.5 per cent in the month of June 2017. Food inflation measured by the Consumer Food Price Index (CFPI) declined to a low of 1.2 per cent during the FY 2017-18 (April-December).

During 2017-18 (till January), monetary policy remained steady with only one policy rate cut in August. As the Y-o-Y effect of demonetization wore off, the growth rate of both Currency in Circulation and M0 turned sharply positive. However, bank credit growth remains subdued, especially to the industrial sector. The 10 year G-sec yield, meanwhile, has hardened since September 2017. An ecosystem for the new Insolvency and Bankruptcy process took shape in FY 2017-18. The IBC mechanism is being used actively to resolve the NPA problem of the banking sector. The stock markets also hit record highs this financial year.

1.4 Telecom Infrastructure Growth

Over the last few years the Indian telecom sector has shown remarkable growth as a result of key reforms viz., spectrum management, Bharat Net programme and umbrella scheme like 'Digital India' in order to convert India into a digital economy and a knowledge-based society. As on end of September 2017, the total subscribers stood at 1207.04 million, out of which 501.99 million connections were in the rural areas and 705.05 million in the urban areas. Wireless telephony constitutes 98.04 per cent of all subscriptions whereas share of landline telephones stands at 1.96 per cent at the end of September 2017. The overall tele-density in India was 93.42 per cent including 56.78 per cent in rural areas and 172.86 per cent in urban areas (as on September, 2017). The mobile industry in India is

currently employing over 4 million people both directly and indirectly.

2. Telecom Industry

2.1 Telecom Industry Characteristics

India is currently world's second-largest telecommunications market with a subscriber base of 1.2 billion and has been registering a strong growth over the past decade.

On the basis of the TRAI performance indicator reports, the Gross Revenue of Telecommunication industry during Calendar Year 2017 is 2,55,655 Cr. , a change of (-8.56%) Y-o-Y as on 31st December 2017.

The number of telephone subscribers in India increased from 1,151.78 million at the end of Dec-16 to 1,190.67 million at the end of Dec-17, registering a yearly growth rate of 3.38%. The overall Tele-density in India increased from 89.90 at the end of Dec-16 to 91.90 at the end of Dec-17 at the growth rate of 2.22%. Wireless Tele-density increased from 88.00 at the end of Dec-16 to 90.11 at the end of Dec-17. Rural wireless Tele-density increased from 52.44 to 56.28, however Urban wireless Tele-density declined from 165.04 to 163.44

during the same period. Average Minutes of Usage (MOUs) per subscriber per month increased from 370 during the year 2016 to 441 during the year 2017.

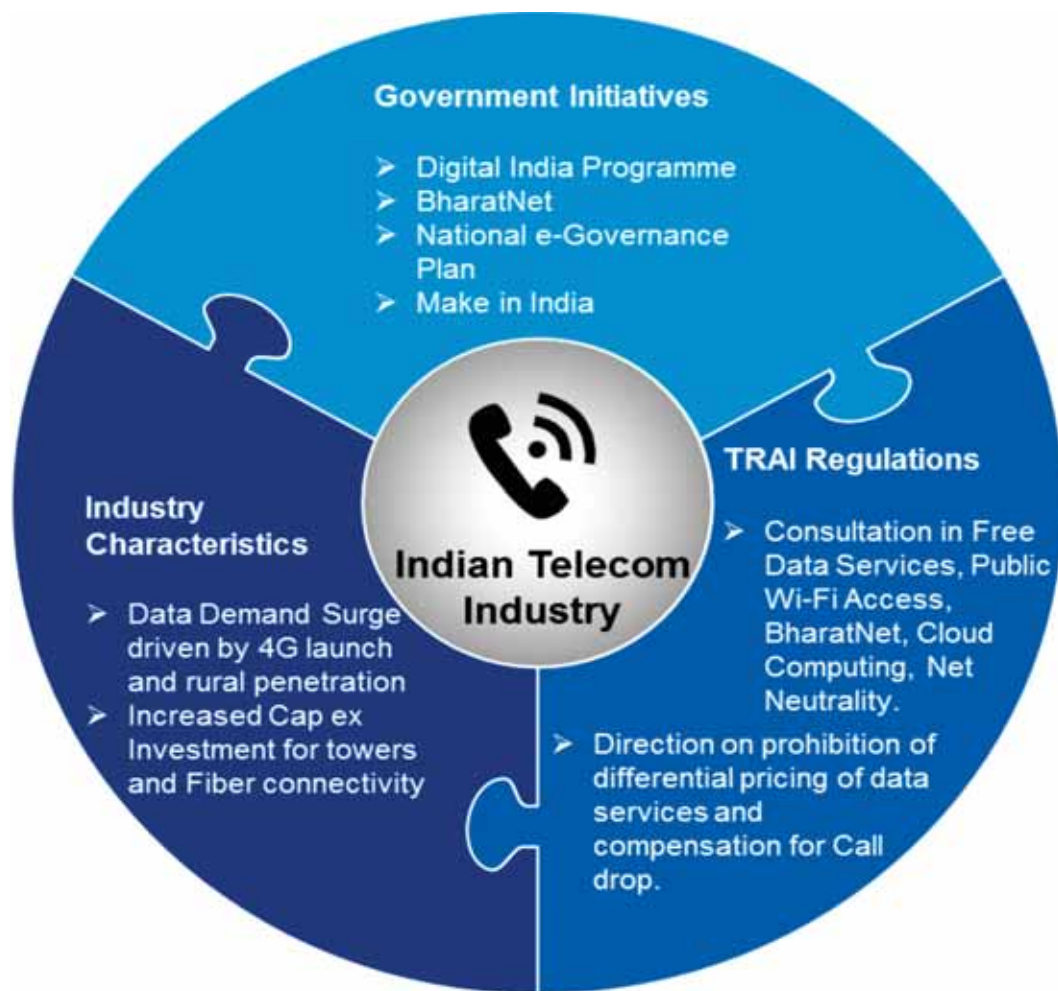
Total number of internet subscribers increased from 391.50 million at the end of Dec-16 to 445.96 million at the end of Dec-17 with yearly growth rate of 13.91%. Wired Internet subscribers declined from 21.51 million at the end of Dec-16 to 21.28 million at the end of Dec-17 with yearly decline rate of 1.03%. However, Wireless Internet subscribers increased from 370.00 million at the end of Dec-16 to 424.67 million at the end of Dec-17 with yearly growth rate of 14.78%.

After introduction of 4G technology, volume of data usage showed tremendous growth in wireless data services. Total wireless data usage increased from 4,642 million GB during the year 2016 to 20,092 million GB during the year 2017.

Average Revenue for wireless data usage (Data ARPU) per unique data user per month declined from ₹ 89.18 in the year 2016 to ₹ 79.98 in the year 2017. The following table and chart show the trend of Average Revenue Per Data User (data ARPU) per month for wireless data usage during the year 2014 to 2017.

Period Ending	GSM Data ARPU (₹)	CDMA Data ARPU (₹)	Total wireless Data ARPU (₹)
Dec-14	65.47	290.18	71.25
Dec-15	85.01	309.21	90.03
Dec-16	86.38	236.99	89.18
Dec-17	78.87	430.52	79.98

Public Sector Undertakings' (PSUs) share in the Access AGR of telecom services is 10.23% for the year 2017 as compared to 9.77% in the previous year.



2.2 Government Initiatives

Government thrust on initiatives such as the National e Governance Plan and Digital India are set to completely change the Indian Telecom landscape. The vision of Digital India is to make India a digitally empowered society and a knowledge economy.

The Government is implementing the flagship 'Bharat Net' project (in two phases), to link each of the 2.5 lakh Gram Panchayats of India through optical fibre network. This is the largest rural connectivity project of its kind in the world, and is the first pillar of Digital India Programme. It will facilitate the delivery of various e-Services and applications including e-health, e-education, e-governance and e-commerce in the

future. Work on phase I of the project is progressing at a brisk pace. As on November, 2017, the fibre has reached 1,03,275 Gram Panchayats with the laying of 2,38,677 km. of optical fibre cable. The Government has launched Phase II of Bharat Net project with an outlay of ₹ 30,920 crore on 13th November, 2017. The phase II, which will connect 1.5 lakh Gram Panchayats through high speed broadband, is likely to be completed by March 2019.

Government is in the process of formulating the New Telecom Policy, targeted to be released in 2018, after holding wide range of consultations with various stakeholders. The major themes that new Telecom Policy shall try to address include Regulatory & Licensing frameworks impacting the sector,

Connectivity for All, Quality of Services, Ease of Doing Business and Absorption of New Technologies including 5G and Internet of Things. Telecom Regulatory Authority of India (TRAI) has also recommended new policy on 'Net Neutrality' which prohibits discriminatory tariffs for data services. As per the policy, the service providers should be restricted from entering into any arrangement, agreement, or contract, with any person, natural or legal, that has the effect of discriminatory treatment based on content, sender or receiver, protocols or user equipment.

Under its Make in India program, government has succeeded in providing much needed boost to manufacturing in Telecom sector by correcting inverted duty structure, providing level playing field to local manufacturers by imposing basic custom duty of 10% and also announcing many duty reductions on raw materials used in telecom equipment manufacturing. Other programs launched by Ministry of Telecom include Gyansetu, Public Internet Access Program and National Telecom M2M Roadmap and are aimed at empowering the end consumers by providing access to internet. Further government has eased the way for infusing foreign investments in Indian Telecom sector by increasing the FDI cap in telecom to 100% from 74%.

The Ministry of Skill Development and Entrepreneurship (MSDE) signed a Memorandum of Understanding (MoU) with DoT to develop and implement National Action Plan for Skill Development in Telecom Sector, with an objective of fulfilling skilled manpower requirement and providing employment and entrepreneurship opportunities in the sector.

The Department of Telecommunications (DoT) has amended the Unified License for telecom operations which will allow sharing of active telecom infrastructure like antenna, feeder cable and transmission systems between operators, thereby

lowering the costs of operations and leading to faster rollout of networks

2.3 TRAI Regulations

During the year, TRAI initiated various consultations on data speed under wireless broadband plan, network testing before commercial launch of services, ease of doing business in broadcasting sector, differential Pricing for Data Services, Internet Telephony, Broadband through Public Wi-Fi Networks, Cloud Computing, Net Neutrality, Free Data, IP based Interconnection, Implementation model for BharatNet, Compensation to Consumers in event of Dropped Calls, valuation and reserve price of spectrum in 700, 800, 900, 1800, 2100, 2300 and 2500 MHz Band, many of which were followed by recommendations. A major direction from TRAI was the prohibition of discriminatory tariffs for data services and recommendation for crediting ₹ 1 for each call drop in consumer's account. However, Supreme Court has passed judgment on appeals filed by telecom operators, not to levy any penalty on operators for call drops, rather asked TRAI to tackle its root causes by improving infrastructure and technology.

The TRAI has recommended a Public-Private Partnership (PPP) model for Bharat Net, the central government's ambitious project to set up a broadband network in rural India, and has also envisaged central and state governments to become the main clients in this project.

Another much awaited consultation paper has come out from TRAI which is on 'Unified Licenses VNO Access Service authorization for category B license with districts of a State as a service area'. It paves a new way of telecom service providers to enter Indian market as a virtual network operator. 71 companies – indigenous and foreign have expressed interest to buy the VNO licenses.

3. RailTel – An Overview

RailTel, which started its journey as a carrier’s carrier has grown much beyond and entered in all the fields of ICT, except for basic telephony. It has become a full-grown system integrator.

On the Data center front, having built tier-III certified DC & DR, is offering a gamut of services to Government, PSUs and other sectors from simple co-location to completely managed services. Being an organization under the Ministry of Railways, the requirement of Railways are always taken with a leap frog approach and is working on Railway Display Network Project, this will be one of the largest centrally controlled Display Networks of the world when implemented.

On the ISP front, RailTel has its own brand RailWire and is adding subscriber and revenue at a high rate on year on year basis.

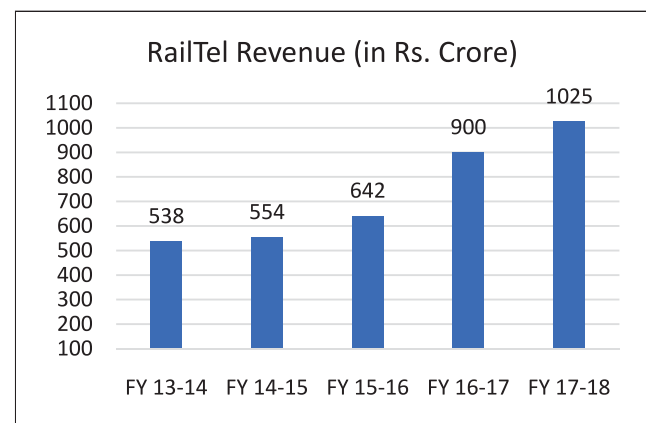
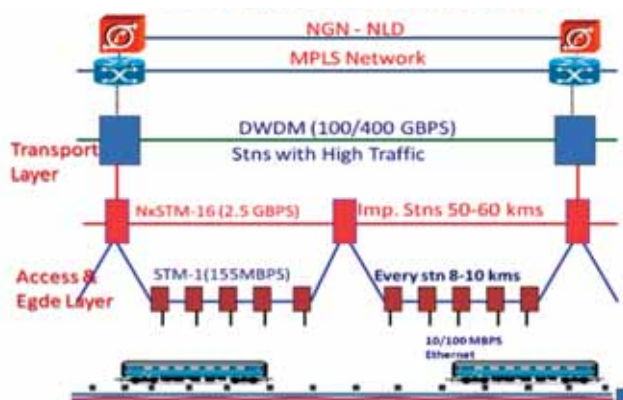
RailTel Corporation is one of the largest neutral telecom infrastructure providers in the country owning a Pan-India optic fiber network on exclusive Right of Way (ROW) along Railway track. The OFC network presently reaches to over 4500 towns & cities of the country including several rural areas. With its Pan India high capacity network, RailTel is working towards creating a knowledge society at various fronts. RailTel

has successfully completed Wi-Fi services at 365 Major Railway stations in country upto March 2018. RailTel has planned to provide an integrated railway display network at 2000 stations providing necessary passenger information at stations.

Equipped with an ISO 9001, 20000-1:2011 & 27000 certification, RailTel offers a wide gamut of managed telecom services to Indian Telecom market including Managed lease lines, MPLS based IP-VPN, Internet & Broadband services, Data Center services, Tower co-location, Dark fiber leasing to MSOs/LCOs & ICT system integration projects. The major customer segment for RailTel comprises of Enterprises, Banks, Government Institutions/departments, Educational Institutions/Universities & Colleges, Telecom Service Providers, Internet Service Providers, MSOs, etc. RailTel being a “Mini Ratna (Category-I)” PSU is steaming ahead in the enterprise segment with the launch of various services coupled with capacity augmentation in its Core network.

A look at the past 5 years performance reveals RailTel’s healthy growth, as it realizes returns from its existing services and marks its foray into the Enterprise IT space. RailTel’s growth rate is expected to accelerate further as it ventures into more ICT projects both for Railways and other Government organisations.

OFC System Architecture of RailTel



Snapshot of RailTel’s 5 Year Performance

RailTel now stands as the only telecom PSU, which is

a **100 per cent debt free company** and has a unique position in today's telecom sector.

4. Network Strength

RailTel has exclusive seamless Right of Way (ROW) along 67,368 KM of Railway Track passing through 7349 stations across the country. Using this ROW, RailTel has so far laid 48956 RKM of OFC and OFC lit is 46090 RKM till March 31, 2018. Works on another 6700 KMs are in various stage of execution. RailTel's high speed OFC Backbone Network shall ultimately cover the entire railway route across the country. In high bandwidth backbone segment, RailTel occupies a proud place with its unparalleled network. The network has the ability to provide the mission critical customized connectivity platform for enhanced corporate efficiency and growth.

RailTel is creating PoPs at every Railway station enroute which are spaced at 8-10 Kms. At all the stations enroute is deployed STM-1/4 (155/625 Mbps) primarily to meet Railways requirement. The distribution layer network of STM-64/16 (10G/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 DWDM at over 25500 RKM across 85 cities to provide Giga capacities capable to provide up to 800G.

During this year RailTel has upgraded the Mumbai-Chennai DWDM path on 100G capacity on single channel making it one of the few operators in the country to have such network. On same line other important metro routes are also under the process of bandwidth up gradation. On top of this network, RailTel has upgraded its MPLS network to provide n x 10G capacities on backbone with access routers having multiple of 2.5G/1G capacity. Access network with C/

DWDM, STM-64/PTN is being provided in important cities to meet the connectivity requirements of serving Enterprise customers up to the premises.

5. New Initiatives during the year:

RailTel since its formation has kept pace with the introduction of new services and technology to keep its relevance in the market. The new service portfolios shall in long run help in increasing revenues as well as fully supplementing the existing services to its customers. During the year also RailTel initiated some new services as detailed in the following paragraphs:

5.1 Railway Station Wi-Fi Services

RailTel has been mandated by Railways to provide Wi-Fi facilities at A1, A & B category stations comprising 709 stations in the country.

RailTel with Google as its technology partner started setting up high speed Wi-Fi network initially in approx. 400 stations in the country of A1 and A category. Under this partnership RailTel has upgraded its backbone infrastructure to backhaul high speed connectivity of approx. 1 Gbps per station. Google has provided the radio access network and RailTel is providing power and infrastructure. End consumers are using the Wi-Fi services under 'RailWire' the retail broadband Brand of RailTel. In the month of January 2016, Mumbai Central Station became the first station of the country to provide Wi-Fi services to its commuters under this scheme and against the target of 400 stations by Dec'18, RailTel has completed commissioning of 365 stations as on 31st March 2018. This project is the biggest public Wi-Fi network in the world catering to over 7.5 million Monthly unique users and approx. 25000 first time internet users per day.

5.1.1 Station Wi-Fi services empowering citizens

There are many stories of RailWire station Wi-Fi

services helping citizens. One of the classic example is of Sreenath, a coolie who cleared the written test of the Kerala Public Service commission by taking advantage of the free Wi-Fi internet service available at Ernakulam Railway Station. Sreenath has been earning his livelihood carrying the luggage on his shoulder and listens to his digital coursework at the same time-his teachers speaking to him through the earphones. He had appeared thrice for the exam and this time he used the RailWire station Wi-Fi to listen to the study material as he carried the luggage and solved questionnaires in his mind. By using this service he used to study while working. He used to revise all his work at night when he got free time.

Free Wi-Fi service at the stations opened up opportunities for many people that was never thought of the first place.

5.2 Rural Station Wi-Fi Project

RailTel has started a project of providing RailWire Wi-Fi at 200 rural stations as a pilot project under USOF. This project is going to be a pioneer in bridging the digital divide between urban and rural India as these 200 stations will be quintessential stations which cater to rural areas where the internet service is either unavailable or not up to the mark. 196 rural stations are equipped with WI-FI services as on 31st March-2018. A Digital Service center would also be set up in these stations to extend digital literacy and various online services to rural population.

5.3 Video Surveillance System (VSS)

Indian Railways have mandated RailTel through its subsidiary REL to provide IP based Video Surveillance Systems with video analytics across approx. 1000 A1, A, B and C category stations of Indian Railways. The work is being implemented under the “Nirbhaya Fund” at a cost of ₹ 497 crore for which an MoU has been

signed between REL & Ministry of Railways. Under the project, all cameras to be provided in station premises will be networked on optical fiber cable and brought to a centralized place (CCTV control room) from where they shall be viewed on multiple LCD monitors by Railways security personnel. The system shall provide high capacity storage devices at stations to store recording of CCTV footage for a defined period.

6. Existing Services

While the new areas of business open additional avenues for RailTel, RailTel continues its focus on the present services being offered.

6.1 NLD Services

Continuing the efforts in NLD segment, RailTel has pursued its high capacity services from Lease Line growth especially with Government departments, Enterprises, Banks, etc. Last year also saw positive traction in leasing of circuits by MNCs, Govt. customers, Telecom operators and MSOs. Selection of RailTel as one of the major partners in National Knowledge Network (NKN) has contributed significantly in revenues from NLD services as demand for higher capacities is expected in this network.

6.2 IP-1 Services

Tower colocation business translates to a good alternative for RailTel to monetize its towers infrastructure. Dark fiber leasing is a strategic customer engagement product for RailTel. The sector needs renewed focus as it is the highest bottom line business with added advantage of extensive last mile access as a reciprocal arrangement. The agreement aberrations are being addressed to refocus on this promising business segment. RailTel is also refocusing on managed services in partnership with a leading infrastructure provider who shall be responsible for

management and marketing of RailTel towers to various customers. This shall help in further consolidating its market with existing customer arrangements with all mobile operators across India to lease these sites for collocation purposes. Till Mar' 18, RailTel has managed to generate ₹ 147 crores revenue from this segment.

6.3 ISP Services

RailTel is also providing Nationwide Internet & Broadband services to all major customer segments like ISPs, Educational Institutions and various Government departments. During the year RailTel has bagged several orders from various Government departments, PSUs and educational institutes. RailWire broadband services have been able to sustain the disruptive impact of Jio and have registered 3943 new subscribers each month, with 100719 active subscriber base on Mar' 18. Around 4407 Local Cable Operators have partnered to provide last mile connectivity to end consumers. Total revenue of ₹ 148 crore (including RailWire accruals) was achieved during the year.

6.4 Service to Railways

RailTel was established with the vision to modernize Railways train control, operations and safety system networks. Over the years, RailTel has implemented various telecom & IT infrastructure projects as well as various Value Added Services for Indian Railways. This facilitated in spreading various Railways applications to remote and rural stations thus increasing customer satisfaction.

- **Short haul connectivity (station to station):** RailTel has created STM-4/STM-1 based network at every station to support data connectivity requirements from Indian Railways such as supporting the transfer of PRS/UTS/FOIS/mission critical information along with carriage of voice traffic such as emergency communication during

disaster management.

- **Long haul connectivity:** RailTel provides MPLS based Wide Area Network (Railnet) to support administrative data communication needs of various field organizations of Indian Railways. The network interconnects Ministry of Railways with 16 Zonal HQs, 73 Divisions offices, Production units, for sharing of information from all depts. RailTel is now in the process to connect all Tier-1 PRS centers on MPLS VPN connectivity with the disaster recovery site of CRIS which shall increase the reliability of these links.
- **NGN for voice traffic:** All major telephone exchanges of Indian Railways are connected with future proof NGN technology. This infrastructure is very critical for day to day administrative functioning of Railways.
- **Broadband:** In addition, RailTel has commissioned DSLAMS on existing Railway exchanges to provide Broadband services to more than a lakh of homes and offices of Indian Railways in both urban and rural areas using the existing Copper wire last mile of Railways. This shall not only help Railway employees but shall also help in increasing Broadband penetration in the country in line with the National Telecom Policy.
- **Facilitating CUG services:** Further, RailTel has facilitated Indian Railways by choosing an operator through an open process for Mobile CUG connections for 175,000 officials of Indian Railways which is arguably the largest CUG plan within India. It has greatly facilitated in seamless communication among the officials for improved train operations. In addition, RailTel has been carrying out OFC works for various Railways, the work which is entrusted by Railway Board.

6.5 Data Center

With two Tier-III Data Centers in place at Secunderabad and Gurugram, RailTel has received several orders from Central Government Ministries, State Government departments and PSUs for Data Center related services during the year. The provisioned space at Secunderabad is already working at the optimum levels and the expansion plans for the same are in process. The income from the Data Center services is expected to grow exponentially in near future.

6.6 Telepresence as a Service (TPaaS)

RailTel Telepresence Services was launched during the later half of 2014 and has invoked tremendous interest amongst various interest groups. The RailTel Telepresence Services in addition to Indian Railways are now being very actively used by Chairman and Member/s CBIC (earlier called Customs & Excise), North Block for reviewing & streamlining GST with all Chief Commissioners across the country (2) by the Chairman, Airport Authority of India for improving the operational aspects of Airports across the country. The service now serves 340 elite users across 38 customers. The services have a strong word-of-mouth recall & the success is a result of the significant ease of use & 24X7 customer responsiveness of the RailTel team vis-a-vis the challenges faced with other service providers. RailTel is proud of being able to bring costs down, improve efficiency & contribute meaningfully to GoI objectives through the improved adoption of Telepresence Services in conducting business. The RailTel Telepresence Services have often served events for the Hon'ble Prime Minister of India, Minister of Railways, Minister of Industry & Commerce and Civil Aviation reaching out to places where making available even OB Vans would have been difficult at short notice. The services are offered on a monthly subscription basis requiring no investment into CAPEX by the customer

while obviating the recurring need for investment due to technology obsolescence.



6.7 SI Project Business

Continuing the efforts in Service Integrator business, RailTel had focused on SI Business during the year & has been able to get high volume orders for various government agencies such as:

- Campus Wi-Fi project from Ministry of HRD
- Providing BW at various locations in the city for Wi-Fi in Pune smart city project.
- Supply, installation & maintenance of RF links

and outdoors APs across Rajasthan for Rajasthan Govt.

- Connectivity of RTO & STA offices in Orissa

- O&M of existing SWAN of Kerala Govt.

Total revenue from the SI project business segment reached at around ₹ 167.78 Cr. ending Mar'18 as against ₹ 120 Cr. in Mar'17.

7. Facilitating Government of India Initiatives

Table 1 State-Wise NOFN Project Status

S. No.	States	Blocks	GPs	Appx. OFC to be laid (RKM)	Additional RKM (appx)	Duct laying (RKM)	OFC blowing (RKM)	Duct laying (GP)	OFC blowing (GP)	E-to-E (GPs)	% GP Duct laying	% GP OFC blowing	%GP E2E
	RailTel Total	317	10782	27003	7127	22299	19862	9455	8401	6649	87.69	77.92	61.67
1	Gujrat+UTs	106	6411	14497	3308	13491	13108	6034	5737	5015	94.12	89.49	78.22
	Total NE-I+II	208	4273	12404	3819	8726	6662	3323	2566	1533	77.77	60.05	35.88
	NE-I Total	78	2075	5893	1957	3875	2896	1532	1157	819	73.83	55.76	39.47
2	Tripura	42	865	1906	385	1708	1681	841	816	653	97.23	94.34	75.49
3	Meghalaya	23	948	2791	968	1408	628	549	246	139	57.91	25.95	14.66
4	Mizoram	13	262	1196	604	759	587	142	95	27	54.2	36.26	10.31
	NE-II Total	130	2198	6511	1862	4851	3766	1791	1409	714	81.48	64.1	32.48
5	Arunachal Pradesh	67	675	2088	738	1584	1318	633	504	243	93.78	74.67	36
6	Manipur	14	649	1491	175	616	551	319	298	251	49.15	45.92	38.67
7	Nagaland	49	874	2932	949	2651	1897	839	607	220	96	69.45	25.17
8	Puduchery	3	98	102	0	82	92	98	98	101	100	100	103.1

7.1 National Optical Fiber Network

The Government of India has approved the project for the creation of a National Optical Fiber Network (NOFN) for providing Broadband connectivity to all 2.5 Lac Gram Panchayats (GPs), which has now been rechristened as 'BharatNet'.

Under the Phase-I of this project, RailTel is mandated to cover 10782 GPs covering 44 districts, 317 Blocks

across Northern Eastern region states (Tripura, Meghalaya, Manipur, Mizoram, Nagaland &

Arunachal Pradesh), Pondicherry in South & Gujarat (incl. Daman & Diu and Dadra & Nagar Haveli) in West. As of Mar'18, 22299 KM of duct has been laid covering nearly 87.69% of GPs and 19862 KM of optic fiber to cover nearly 77.92% of the GPs. The state-wise details of work completed under this project is as given in the Table-I.

7.2 USOF Project in North-East

Table-II Status of USOF

S. No.	State	As per Agreement		Phase-I		Additional BSNL route planned (Kms)	OFC Execution Work awarded					Duct Laid (Cumm)	OFC Blowing (Cumm) (UG+OH)	Node connected on duct	Node connected on OFC	Node commissioned
		Districts	Nodes	Nodes	Kms		Swap/lease	Dist	Nodes	UG	OH					
NORTH EAST-I TELECOM CIRCLE																
1	Tripura	8	55	50	709	502	8	50	635	30	665	555	616	50	50	50
2	Meghalaya	7	71	70	790	1332	7	70	775	15	790	569	510	45	45	45
3	Mizoram	8	62	52	1343	522	8	52	864	256	1119	726	429	28	28	28
	Sub total	23	188	172	2842	2356	23	172	2274	301	2574	1850	1555	123	123	123
NORTH EAST-II TELECOM CIRCLE																
1	Arunachal Pradesh	16	226	195	5035	227	16	195	4256	779	5035	3035	2093	72	56	30
2	Nagaland	11	119	109	2105	474	11	109	1900	205	2105	1517	1177	67	62	43
3	Manipur	9	62	62	1328	381	9	62	1204	124	1328	587	357	38	33	20
	Sub Total	36	407	366	8468	1082	36	366	7360	1108	8468	5139	3627	177	151	93
	Grand Total	59	595	538	11310	3438	59	538	9634	1409	11042	6989	5182	300	274	216

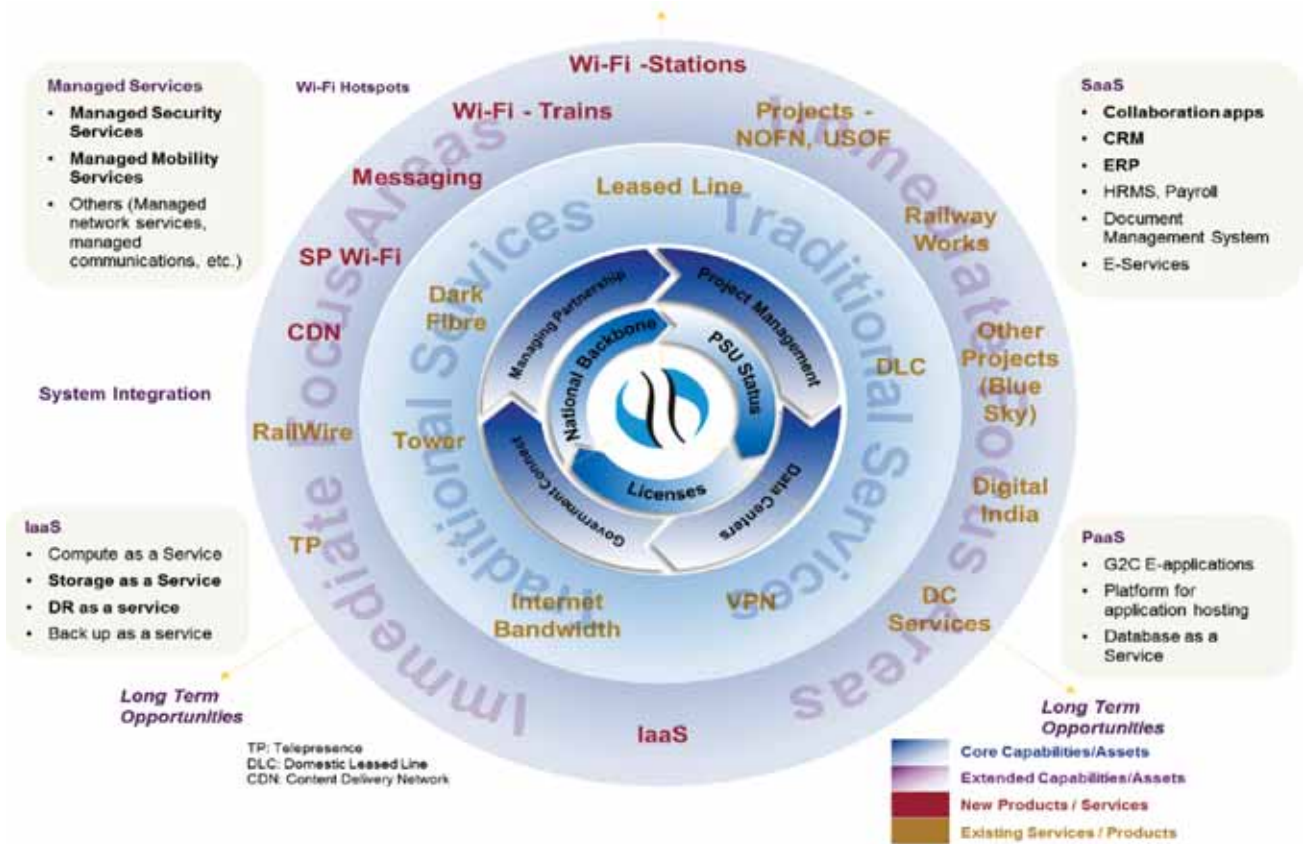
RailTel has been awarded the work of creating fiber network in the six states of North East (Mizoram, Tripura, Meghalaya under NE-I & Arunachal Pradesh, Manipur & Nagaland under NE-II) connecting each of the District HQ to their respective SDHQs (Block/ Tehsil). By the end of March 2018 work in NE-I has been awarded and 71.5% nodes were connected to the optic fiber while similar number of nodes were commissioned under the phase-I. Under NE-II region 50.9% nodes got connected to the optic fiber and 40% nodes got commissioned. The State-wise details of work execution is provided in Table-II.

8. Blueprint for the Future

Considering the dynamic nature of Telecom & IT industry, it is always pertinent to closely look into the future & work out the strategy for the company. With this aim, RailTel keeps revisiting its policies, new areas

of business and new customers areas. It is pertinent to have more services under RailTel's portfolio to cover entire gamut of Enterprise services which shall provide further growth trajectory for RailTel. One of the consultants of RailTel, M/s KPMG worked on the revised business plan bringing out various areas of focus for RailTel between FY15 and FY19.

RailTel now needs to focus in developing extended capabilities in the area of Data Center centric services such as managed services & cloud, CDN (Content Delivery Network), project execution, etc. In some areas these can be developed effectively using partnership models ensuring risk mitigation while delivering such services. In order to realize the vision of being the preferred telecom solutions and services provider for knowledge economy, RailTel would be following a three-pronged strategy of concentrating on optimizing the products & services bouquet, expanding



the network and upgrading to a high capacity network, and modifying the organization design. Execution of the strategy would be supported by state of the art improvements in internal business processes such as service assurance and new product development.

Products & Services: RailTel plans to enhance its focus on provision of services such as MPLS VPN, Internet Bandwidth, Telepresence, retail broadband (RailWire) that have high market attractiveness. At the same time, RailTel also plans to invest resources into building capability for higher margin services such as Data Center services like cloud & managed services and ICT projects.

Network enhancement: RailTel believes that its extensive network is its key differentiator in the market and hence a key value proposition in delivering services to its customers. RailTel thus plans to continue to invest

in expanding its backbone network and deploying latest technologies to enable a high capacity next generation network in order to deliver sustained value to its customers and improve their experience with RailTel's services.

Organization Design: RailTel plans to modify its organization design to suit changing business needs such as the Company's entry into enterprise IT services and execution of ICT projects & initiatives launched by the Central Government and various State Governments.

Internal Processes: RailTel believes that strengthening of internal business processes is essential for efficient customer service delivery & cost efficiency that in turn would enable savings for higher investments in the future. RailTel plans to improve key business processes such as service assurance, key account management,



management information systems (MIS) to improve competitiveness. RailTel also wishes to institute a dedicated new product development process that would enable RailTel to roll out quality products and services in the fast paced technology industry.

9. Financial Performance

During the financial year 2017-18, total revenue earned by RailTel is ₹ 1025 crore. Profit after Tax earned has been ₹ 156 crore and Profit before tax has been ₹ 194 crore.

From NLD (Bandwidth & VPN) services, RailTel earned ₹ 390 crore during the year. While earning from IP-1 services has been ₹ 147 crore which includes revenues from tower & rack colocation and Dark fiber leasing. While under ISP license (Internet & Broadband) RailTel has achieved revenues of ₹ 148 crore.

10. Awards

During the year 17-18, RailTel received following awards for its excellent performance from various organizations. The prestigious awards received by RailTel for various categories are as mentioned below:

- The Voice & Data Leadership Award 2017 in the “Internet & Broadband” category for RailWire
- Best Public Wi-Fi Project Award at My India Wi-Fi summit 2017 by Digianalysis.
- Chairman’s Distinction Award for Railway station Wi-Fi project at mBillionth Award South Asia 2017



11. R&D Efforts

RailTel took the initiative to give the country its 8th Telecom Centre of Excellence. Accordingly, Dept. of Telecommunication, RailTel Corporation & IIT Roorkee signed a tripartite MoU for establishing RailTel IIT Roorkee Center of Excellence in Telecom (RICET). RailTel is sponsoring the TCOE for doing research & development in the field of “ICT & Broadband Applications”.

RICET is working on R&D in the field of development of infrastructure, applications, services & technology

in the domain of broadband & ICT for providing affordable services to the citizens with high network availability. To start with RICET has taken up three projects in the areas of various utility applications/ services being developed for the Indian market. Initially three projects have been taken up out of which one project has been completed and ready for commercialization which includes Project on Agriculture Information System using Satellite Image. In addition to this, few more projects have been proposed by the faculty of IITR and are currently under consideration for sponsorship through the center.

12. SWOT Analysis



13. Human Resources

RailTel has made a conscious effort to keep evolving its practices in Human Resources and providing best experience and convenience to its employees. To improve on its employee score RailTel has implemented an online ERP solution, which enables employee to perform various work related activities online, facilitating them to avail in-house services within a stipulated timeframe. This initiative has benefitted most to the employees deputed in fields who can now avail

various reimbursements online without a visit to territorial/regional offices.

Keeping pace with the requirements of future requirements and new service diversifications, RailTel is continuously recruiting experienced and qualified manpower from different fields.

At the end of Mar'18 total manpower strength was 793 including regular, deputationiest, contractual and consultants.



RailTel CO Staff after the Holi 2018 celebrations.

14. Cautionary statement

Statements in the Board's Report and Management Discussion & Analysis, describing the Company's objectives, projections and estimates, expectations, predictions etc may be "forward looking statements", within the meaning of the applicable laws and regulations. Forward looking statements contained herein are subject to certain risks and uncertainties that

could cause actual results to differ materially from those reflected in the forward-looking statements. Actual results, performances or achievement may vary materially from those expressed or implied, based on economic conditions, Government policies and other incidental factors such as litigation and industrial relation. Readers are cautioned not to place undue conviction on the forward-looking statements.

Report on Corporate Governance

The Board of Directors at RailTel is committed to follow the principles of good corporate governance which is supplemented by the leadership as well as the deep-rooted values that the company firmly stands thereby promoting best practices, transparency and integrity throughout.

In accordance with DPE guidelines on Corporate Governance, this report lays down the governance practices followed at the company.

1. Corporate Governance Philosophy and Key Values

Highest levels of corporate governance can be observed across the practices and the day to day operations of RailTel.

RailTel believes that corporate governance is an evolutionary process that encourages the Company as a whole to constantly develop and enhance transparency and good governance so as to emerge as a role model for other companies.

RailTel's code of Corporate Governance is to enhance ethical and transparent process in managing the affairs of the Company.

The Key Values of the Company formally adopted by the Board of Directors are:

- Zeal to excel and zest for change

- Integrity and fairness in all matters
- Respect for dignity and potential of individuals
- Strict adherence to commitments
- Ensure speed of response
- Foster learning, creativity and team work
- Loyalty and pride in the Company

Corporate Governance is strengthened by the fact that RailTel has a code of conduct (which is described in detail elsewhere in this report) and the operations and accounts are audited at multiple levels. There is a process of Internal Audit, Statutory Audit, Cost Audit and Secretarial Audit. Furthermore, the company is committed to maintain a transparent flow of information.

2. Board of Directors

2.1 Composition of Board of Directors

RailTel is a Government Company within the meaning of Section 2 (45) of the Companies Act, 2013 as the President of India presently holds the entire equity share capital of the Company and as per Articles of Association of the Company, the power to appoint Directors on the Board of RailTel vests with the President of India. The composition of Board as on 31/03/2018 is stated below:

Director	Designation
Sh. Ashutosh Vasant (Cessation of Addl. Charge of the post of CMD w.e.f. 23/04/2018)	Chairman & Managing Director (Addl. Charge) and Director-Project Operation and Maintenance
Sh. Anshul Gupta (Cessation of Addl. Charge of the post of D/NPM w.e.f. 23/05/2018 and ceased to be part-time Govt. Director w.e.f. 10/07/2018)	Director- Network Planning & Marketing (Addl. Charge) and Part-time Govt. Director

Smt. Anju Ranjan (Ceased to be the Director/Finance w.e.f. 02/04/2018)	Director/Finance (Addl. Charge).
Dr. Madhukar Sinha	Part-time Govt. Director
Dr. Anupam Alok	Independent Director
Sh. Ashok Goel	Independent Director

Presently, the Board of Directors of our Company is having optimum combination of Executive and Non-Executive Directors. Present strength of the Board of Directors is Nine, comprising of Four whole-time Directors (i.e. Chairman & Managing Director, Director/POM, Director/NPM and Director/Finance), Three Independent Directors and Two Government nominated part-time official directors.

Six Directors namely Sh. N. Kashinath as CMD (DIN: 08117673; DOJ:23/04/2018), Sh. Sanjeeb Kumar as Director/Finance (DIN: 03383641; DOJ: 03/04/2018), Sh. Sanjai Kumar as Director/NPM (DIN: 06923630; DOJ: 23/05/2018), Smt. Rashmi Jain as Independent

Director (DIN: 08187234; DOJ: 25/07/2018), Sh. Sunil Gupta as Part-time Govt. Director (DIN: 08193705; DOJ: 04/08/2018) and Sh. H. K. Agarwal as CMD (DIN: 08205934; DOJ: 23/08/2018) have been appointed by the Ministry of Railways to the Board of RailTel subsequent to closure of FY 2017-18. Out of them Sh. N. Kashinath ceased to be the CMD w.e.f. 23/08/2018.

2.2 Composition and Directorship(s) as on the date of this report:

Board of Directors and their memberships of BoD/ Committees as on the date of this report are stated as under:

Name of Director	Charge held and nature of Directorship	Members of the Boards of public companies (excluding RailTel) excluding Directorship in private companies	Total No. of Committee memberships held including RailTel (excluding private companies)	
			As Chairman	As Member other than Chairman
Sh. H. K. Agarwal	Chairman and Managing Director (Addl. Charge)	1	NA	NA
Sh. Ashutosh Vasant	Director- Project, Operation & Maintenance (whole-time Director)	NIL	NIL	NA
Sh. Sanjai Kumar	Director- Network Planning & Marketing (whole-time Director)	NIL	NIL	1 (CSR Committee)
Sh. Sanjeeb Kumar	Director -Finance/Addl. Charge (whole-time Director)	NIL	NIL	1 (CSR Committee)

Dr. Madhukar Sinha	Part-time Govt. Director	NIL	NIL	2 (Audit Committee and Nomination & Remuneration Committee)
Sh. Sunil Gupta	Part-time Govt. Director	NIL	NIL	N.A.
Dr. Anupam Alok	Independent Director	NIL	2 (CSR and Nomination & Remuneration Committee)	1 (Audit Committee)
Sh. Ashok Goel	Independent Director	NIL	1 (Audit Committee)	2 (CSR and Nomination & Remuneration Committee)
Smt. Rashmi Jain	Independent Director	NIL	NIL	2 (Audit Committee and Nomination & Remuneration Committee)

Note:

- The term 'whole-time director' used in this report refers to functional/ executive directors.
- The term 'official' indicates part-time Government nominated directors.
- The term 'non-official'/ independent' indicates part-time Directors who are qualified to be appointed as Independent Director under section 149(6) of the Companies Act, 2013 and rules made thereunder.
- Apart from the remuneration to Directors as per the terms and conditions of their appointment and entitled sitting fee to part-time (non-official) Directors, as detailed in this report. None of the Directors has any material or pecuniary relationship with the Company which can affect their independence of judgment.
- The number of Directorships is within the maximum limit of 20 Companies (out of which maximum 10 Public Companies) as prescribed under Section 165 of the Companies Act, 2013 and rules made thereunder.
- Committees here denote Audit Committee, Nomination & Remuneration Committee and CSR Committee.
- The number of committee memberships/ chairmanships of directors is within the prescribed ceiling limit i.e. 10 (Ten) memberships and 5 (Five) chairmanships in accordance with the provisions of DPE Corporate Governance Guidelines, 2010.

2.4 Change in Directorships

During the FY 2017-18, following changes took place in the Board Composition.

	Particulars
Sh. R.K. Bahuguna	Ceased to be the CMD of the Company w.e.f. 30/09/2017 on completion of tenure.
Sh. A. Seshagiri Rao	He has been appointed as CMD/TCIL and therefore he ceased to be the Director/NPM of the Company w.e.f. 28/08/2017.
Sh. Shobhan Chaudhuri	Ceased to be the Part-Time Government Director of the Company w.e.f. 20/06/2017.
Sh. Sanjay Upreti	Ceased to be the Part-Time Government Director of the Company w.e.f. 31/01/2018.
Sh. Ashutosh Vasant	He has been entrusted with the additional charge to the post of CMD w.e.f. 03/10/2017 to 23/04/2018.
Smt. Anju Ranjan	She was ED/FX-II/RB and was entrusted with the additional charge to the post of Director/Finance w.e.f. 03/04/2017 to 02/04/2018.
Sh. Anshul Gupta	He was ED/Tele/RB and was appointed as Part-Time Government Director w.e.f. 23/06/2017 to 10/07/2018. He has also been entrusted with the additional charge to the post of Director/NPM w.e.f. 16/11/2017 to 23/05/2018.
Dr. Madhukar Sinha	Appointed as Part-Time Government Director w.e.f. 22/02/2018.

3. Disclosure about Directors

As per the disclosures made by the Directors in terms of provisions of Section 184 of the Companies Act, 2013, no relationship exists between Directors inter-se.

Two part-time officials are from the administrative Ministry i.e. Ministry of Railways and thus related to the promoters being the Govt. of India, Ministry of Railways.

The appointment of Whole-Time Directors of the Company is done by the Ministry of Railways through the President of India and not by the Company. Further, Government of India appoints Part-Time (Official & Non-Official) Directors for a fixed tenure. Further, sub section (6) & (7) of Section 152 of the Companies Act, 2013 deals with retirement of Directors by rotation has been exempted in case of Government Companies of which the entire paid up share capital is held by the Government. Hence, it is not required to have an item

in the notice of AGM for appointment of Directors as per Section 152 of the Companies Act, 2013 and to determine not less than 2/3rd of the Directors of the Company whose period of office is liable to retire by rotation.

4. Board Procedure

The Board of Directors met 5 (Five) times during the financial year 2017-18 i.e. on 28/06/2017, 31/07/2017, 27/09/2017, 27/12/2017 & 15/01/2018.

Leave of absence was granted in accordance with the provisions of Section 167(1) (b) of the Companies Act, 2013 and rules made thereunder.

Sh. J.S. Marwah, Company Secretary, has attended all Board Meetings of the Company held during the Financial Year 2017-18.

Details of attendance of the Directors at the Board Meeting during FY 2017-18 are given below:

Director	No. of meetings during 2017-18		
	Held (during their respective tenures)	Attended	Attended last AGM
Shri R. K. Bahuguna	3	3	Yes
Shri A. Seshagiri Rao	2	2	No
Shri Ashutosh Vasant	5	5	Yes
Smt. Anju Ranjan	5	4	Yes
Shri Sanjay Upreti	5	5	Yes
Shri Anshul Gupta	5	5	Yes
Dr. Anupam Alok	5	5	Yes
Shri Ashok Goel	5	5	Yes
Dr. Madhukar Sinha	NIL	N.A.	N.A.

5. Code of Conduct for Board members and senior management of the Company and Key values for entire organization

The Company has in place a Code of Conduct for Board members and for Senior Management (including whole-time directors, Executive Directors and General Managers and above). These Codes came into effect from 30th November, 2007 and have also been posted on the website of the Company – www.railtelindia.com.

Furthermore, it is mandatory to affirm compliance to the code on an annual basis.

The declaration signed by CMD affirming receipt of compliance with the Code of Conduct and Key Values from Board of Directors and members of Senior Management team during FY 2017-18 is given below:

“All the members of the Board and Senior Management Personnel have affirmed compliance of the ‘Code of Business Conduct & Ethics for Board Members and Senior Management’ for the financial year ended on March 31, 2018”

N. Kashinath
DIN: 08117673

Place: Gurugram
Date: 18/07/2018

Chairman and
Managing Director

6. Remuneration of Directors

Being a Government Company, the whole-time directors are appointed by President of India through the Ministry of Railways and draw remuneration as per Industrial Dearness Allowance (IDA) pay scales pre-determined by the Government and as per the terms and conditions of their appointment issued by the Government.

With the approval of the administrative Ministry i.e. Ministry of Railways, part-time non-official/ Independent Directors are entitled for sitting fee within the ceiling as prescribed under Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 per meeting of Board or Committees thereof. Besides, they are also reimbursed travelling, boarding and lodging expenses etc. in case any of them is stationed outside Delhi. During the Financial Year the company has paid the sitting fees to the Independent Directors @ ₹ 20,000/- per meeting of the Board or committees thereof or for separate meeting of Independent Directors.

The remuneration paid to Directors during the FY 2017-

18 was of ₹ 1.04 crore as against that of ₹ 1.41 crore in the previous year.

No stock option has been made available or offered by the Company during the FY 2017-18 as the equity shares of the company are held only by the Govt. of India.

7. Committees of BoD

7.1 Audit Committee

The Audit Committee was originally set up with the approval of Board of Directors as per the requirement under Section 292A of the Companies Act, 1956. This has been reconstituted from time to time as and when required. The composition of Board as on 31/03/2018 is stated below:

Name of Director	Chairman/ member
Sh. Ashok Goel Independent Director	Chairman
Dr. Anupam Alok Independent Director	Member
Dr. Madhukar Sinha Part-Time Govt. Director	Member

The Present composition of Audit Committee is as under:

Name of Director	Chairman/ member
Sh. Ashok Goel Independent Director	Chairman
Dr. Anupam Alok Independent Director	Member
Dr. Madhukar Sinha Part-Time Govt. Director	Member
Smt. Rashmi Jain Independent Director	Member

7.1.2 Key Responsibilities of Audit Committee

Terms of reference for the Audit Committee as decided by the BoD is as under:

- The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditors' report thereon;
- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary;
- monitoring the end use of funds raised through public offers and related matters.
- evaluation of internal financial controls and risk management systems;
- Any other matter as the Audit Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

7.1.3 Meetings and Attendance of Audit Committee

During the Financial Year 2017-18, the Audit Committee met 6 (Six) times i.e. on 25/04/2017, 11/05/2017, 31/07/2017, 27/09/2017, 11/01/2018 and 28/03/2018. The attendance of the members at the meetings held during FY 2017-18 are given below:

Member	Status	Meetings held (During their respective tenures)	Meetings attended
Dr. Anupam Alok	Chairman	5	6
	Member	1	
Sh. Ashok Goel	Chairman	1	6
	Member	5	
Sh. Sanjay Upreti	Member	5	5
Sh. Shobhan Chaudhuri	Member	2	0
Dr. Madhukar Sinha	Member	1	1

*Dr. Madhukar Sinha was appointed as a member of the Audit Committee on 08/03/2018.

* Shri Ashok Goel was appointed as Chairman Audit Committee w.e.f. 15/01/2018.

Note:

- The Director/Finance has attended all the meetings of Audit Committee as a Special Invitee held during the Financial Year 2017-18.
- Sh. J.S. Marwah, Secretary to the Committee has attended all the meetings held during the Financial Year 2017-18.

7.2 Nomination & Remuneration Committee

A remuneration committee was constituted on 30th March, 2009, in terms of the requirements of Department of Public Enterprises Office Memorandum dated 26th November 2008 for deciding the annual bonus / variable pay pool and policy for its distribution across executive and non-unionized supervisors, within the prescribed limits. The Chairman of the committee was an Independent Director.

Since your Company is a Government Company, therefore the remuneration of its Whole-time Directors is determined by the Government of India. The Part-time Government Director(s) do not receive any remuneration from the Company. Further, the Part-time non-official (Independent) Directors are being paid sitting fee of ₹ 20,000/- per meeting for attending meetings of Board or Committees thereof, besides cost

of travel and lodging in case of outstation Directors.

The composition of Nomination & Remuneration Committee as on 31/03/2018 is stated below:

Name of Director	Chairman/ member
Dr. Anupam Alok Independent Director	Chairman
Sh. Ashok Goel Independent Director	Member
Sh. Sanjay Upreti Part-Time Govt. Director	Member

The Present composition of Nomination & Remuneration Committee is as under:

Name of Director	Chairman/ member
Dr. Anupam Alok Independent Director	Chairman
Sh. Ashok Goel Independent Director	Member
Dr. Madhukar Sinha Part-Time Govt. Director	Member
Smt. Rashmi Jain Independent Director	Member

7.2.1 Key Responsibilities of Nomination & Remuneration Committee

Pursuant to the provisions of Section 178 of the Companies Act, 2013, the company has constituted Nomination & Remuneration Committee with following term of references mandated by the Board:

- To decide the annual bonus/variable pay pool and policy for its distribution across the executives and non-unionized supervisors, within the prescribed limits.
- To identify persons who may be appointed in senior management in accordance with the certain

criteria laid down and recommend to the Board their appointment and removal.

- To recommend to the Board a policy relating to the remuneration of other employees.

7.2.2 Meetings, Attendance and Composition of Nomination & Remuneration Committee

During the Financial Year 2017-18, the Nomination & Remuneration Committee met 2 (two) times i.e. on 28/06/2017 & 15/01/2018. The attendance of the members at the meetings held during FY 2017-18 are given below:

Member	Status	Meetings held (During their respective tenures)	Meetings attended
Dr. Anupam Alok	Chairman	2	2
Sh. Ashok Goel	Member	2	2
Sh. Sanjay Upreti	Member	2	2
Sh. Shobhan Chaudhuri	Member	1	0

7.3 CSR Committee

In terms of the provisions of Section 135 of the Companies Act, 2013, the Board has constituted a CSR Committee in accordance with the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder.

The composition of CSR Committee of the Board as on 31/03/2018 is stated below:

Name of Director	Chairman/member
Dr. Anupam Alok Independent Director	Chairman
Smt. Anju Ranjan Director/ Finance	Member
Shri Anshul Gupta Director/ NPM	Member
Shri Ashok Goel Part - Time Non-official/ Independent Director	Member

The Present composition of CSR Committee is as under:

Name of Director	Chairman/member
Dr. Anupam Alok Independent Director	Chairman
Sh. Ashok Goel Independent Director	Member
Sh. Sanjai Kumar Director/NPM	Member
Sh. Sajeeb Kumar Director/Finance	Member

7.3.1 Key Responsibilities of CSR Committee

In terms of the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder, the CSR committee plays vital role such as:

- To formulate & recommend to the Board, a CSR policy indicating the activities to be undertaken as per schedule VII of Companies Act, 2013;
- To recommend to the Board CSR activity to be undertaken by the Company;
- To recommend to the Board, the amount of expenditure to be incurred on the CSR activity;
- To monitor CSR policy from time to time;
- To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.

7.3.2 Meetings, Attendance and Composition of CSR Committee

During the Financial Year 2017-18, the CSR Committee met 3 (three) times i.e. on 29/08/2017, 15/12/2017 & 15/01/2018. The attendance of the members at the meetings held during FY 2017-18 are given below:

Member	Status	Meetings held (During their respective tenures)	Meetings attended
Dr. Anupam Alok	Chairman	3	3
Sh. Ashutosh Vasant	Member	3	3
Smt. Anju Ranjan	Member	3	3

8. Stakeholder's Relationship Committee

The entire share capital of the Company is held by the Government of India and as such, the Company did not constitute any Stakeholder Relationship Committee.

9. Whistle-Blower Policy

In compliance with laid down norms and to provide employees of RailTel an avenue to raise complaints, in line with commitment of RailTel to the highest possible

standards of ethical, moral and legal business conduct and its commitment to open communication and to provide necessary safeguards for protection of employees from reprisals or victimization, RailTel has a Whistle-blower policy the details of which are available on the company's website.

10. General Body Meetings

The Last 3 (three) Annual General Meetings were held as under:

Financial Year	Date of holding meeting	Time	Venue
2014-15	21 st September, 2015	4 PM	Committee Room, Rail Bhawan
2015-16	12 th September, 2016	4 PM	Committee Room, Rail Bhawan
2016-17	22 nd September, 2017	4 PM	Committee Room, Rail Bhawan

13. Disclosures:

- During the year, there was no transaction of material nature with the Directors or their relatives that had potential conflict with the interest of the Company.
- The Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India in the preparation of Financial Statements.
- The Company has not made any public issue of shares or made any offer of shares in any manner to public. There has been no instance of non-

compliance on any matter related to the capital market.

- (d) The Company has a wholly-owned subsidiary by the name of “RailTel Enterprises Limited”. The turnover/net worth of REL did not exceed 20% of the turnover or net worth of RailTel (Holding Company) during the Financial Year 2017-18. Therefore, it is not considered as a “material subsidiary” as per DPE guidelines.

14. Non Mandatory Requirements:

- (a) **Information to Shareholders:** Apart from the annual report etc. sent to the shareholders before the Annual General Meeting, periodical reports on the progress of the Company both in physical and financial are submitted in the form of PCDO and other correspondence to the Govt. of India, Ministry of Railways (100% holder of the equity share capital of the Company).

- (b) **Training of Board Members:** The normal practice is to furnish a set of documents / booklet to a director on his / her joining to the Board. This includes data about the Company including its Broucher, Annual Report, Latest Unaudited financial results and MoU targets & achievement, Memorandum and Articles of Association.

Directors are also being nominated from time to time to attend conferences on corporate governance, roles & responsibilities of Directors and other industry related matters conducted by DPE, SCOPE and other reputed Institutes.

During the year, RailTel has facilitated Independent Director namely Shri Ashok Goel to attend workshop on capacity building of non-official Directors held at Vishakhapatnam conducted by DPE.

- (c) **Evaluation of Board Members:** The Directors of your Company are appointed by the

Government of India, therefore the evaluation is also to be done by Government of India being the appointing authority. Further, as per notification dated 5 June, 2015 issued by the Ministry of Corporate Affairs, Government of India, Government Companies are exempted from complying with provisions of section 134(3)(p) of the Companies Act, 2013 with respect to performance evaluation of Board and its Committees.

- (d) RailTel being a Govt. company under the Ministry of Railways is covered under Chief Vigilance Commission (CVC). Therefore, as per CVC guidelines, a mechanism has been established in the Company for all its employees to report about any unethical behaviour, actual or suspected fraud to the CVO or the Managing Director directly. No Employee has been denied access to the Audit Committee of the Board of Directors.

- (e) **Compliance Certificate:** This report duly complies with the legal requirements in respect of data that should be disclosed in a corporate governance report. The non-mandatory requirements have also been highlighted in the report to the extent they have been adopted by the Company. Information on various matters is being placed every quarter before the Board of Directors. The Quarterly Report about compliance with the corporate governance requirements as prescribed is also being sent to the DPE/Ministry within specified period after the end of each quarter.

15. General Shareholders’ Information

18th Annual General Meeting

Date:	27 th September, 2018
Time:	11:30 AM
Venue:	2 nd Floor, Committee Room, Rail Bhawan, New Delhi-110001

16. Factual Calendar for Approving Matters pertaining to FY 2017-18

Approval of Annual Accounts by BoD:--18/08/2018

Adoption of Audited Annual Accounts by Shareholders: As per date of AGM.

17. Book Closure

In view of the fact that the shares of the Company are not listed on Stock Exchange(s), it did not resort to closure of the Register of Members and Transfer Books.

18. Dividend and Pay-Out Date

Dividend when declared is normally paid within 5 days. During the financial year 2017-18 the Company had paid on 24/01/2018, an interim dividend to its shareholders of ₹ 18 crore on the paid-up share capital of ₹ 320.94 crore. The final dividend of ₹ 44.47 Crore has been recommended for payment to the shareholders.

19. Distribution of Shareholding

As on the date of this report the distribution of shareholding is as under:

Category	No. of shares held	% age of shareholding
Central Government in the name of the President of India and Government nominees*	3209,38,407	100.00%
Total	3209,38,407	100.00%

* 9 shares are in the names of different nominees of Govt. of India

Transfer of shares is normally technical in nature, from one Government nominee shareholder to another consequent upon change of official, as the Government holds 100% of the shares. To affect this transfer, Company Secretary is the authorized officer, and no transfer is pending as on date of this report.

20. Communication Address:

Regional Offices and Territorial Offices of the Company	The Company has four Regional Offices at New Delhi, Mumbai, Kolkata and Secunderabad. It has got 17 territorial field offices in various State Capitals. In addition, the Company has NOC at New Delhi, Secunderabad, Kolkata and Mumbai and also a central NOC in Delhi.
Address correspondence with the Registered Office (regarding the Corporate Governance matters covered under this report)	The Company Secretary & DGM (Law), RailTel Corporation of India Ltd. Corporate office: 143, Sector 44, Institutional Area Gurugram, (Haryana)-122003 Tele: 0124-2714000 and Fax 0124-4236084 Regd. Off: 6 th Floor, IIIrd Block, Delhi Technology Park, Shastri Park, Delhi – 110 053 Tele: 011-22185933-34 and Fax: 011-22185978 E-mail: jsmarwah@railtelindia.com

SURESH CHANDRA & ASSOCIATES

CHARTERED ACCOUNTANTS

504, Prakash Deep Building, 7, Tolstoy Marg, Connaught Place, New Delhi - 110 001
Phone: 011- 66142200 to 07, Fax: 011-43537679, E-mail: sca_ca_co@yahoo.com

Independent Auditor's Report

To
The Members of
RailTel Corporation of India Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of RailTel Corporation of India Limited (“the Company”), which comprise the standalone Balance Sheet as at March 31, 2018, standalone Statement of Profit and Loss (Including other comprehensive income), the standalone statement of Cash Flow Statement and the standalone Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (“Ind AS”) specified under section 133 of the Act, read with relevant rules issued thereunder

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind-AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material

misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at March 31, 2018, and its financial performance including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to the following notes to the financial statements-

- a) Item No. 8 of Note No 36 with regard to the balances recoverable from Customer or other parties, Recoverable/ Payable from/to Ministry of Railways, Sundry Creditors, are subject to reconciliation/confirmation.
- b) Corporate Social Responsibility (CSR):
 - (i) Item No. 14 of Note No. 36 with regard to un-spent amount of Rs. 294 lakhs (FY 2017-18) relating to CSR activities out of the amount required to be spent of Rs. 368 lakhs.
 - (ii) The Company had created a reserve towards un-spent amount of CSR in earlier years (FY 2013-14) under the head "Corporate Social Development Reserve". An amount of Rs.122 lakhs is still un-spent and is appearing in Corporate Social Development Reserve.
- c) Item no. 23(2) of Note no. 36 regarding NE-1 and NE-2 projects with a total expenditure of Rs.45125 lakhs and anticipated subsidy of Rs.38800 lakhs. The company has however, incurred total capital expenditure of

Rs.30121 lakhs and has received a subsidy of Rs.3146 lakhs with a net cash outflow of Rs. 26975 lakhs up to 31.03.2018.

Our opinion is not modified in respect of matters stated above as Emphasis of Matter.

Other Matters

The standalone Ind AS financial statements of the Company for the year ended March 31, 2017, included in these Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on March 31 2017.

We did not audit the separate financial statements of Eastern Region, Western region and Southern Region included in these standalone Ind AS financial statements, whose financial statements reflect total assets of Rs.1030.09 Crores, total liabilities of Rs.380.11 Crores as at 31st March 2018 and total revenues of Rs.505.84 Crores for the year ended on that date, as considered in these standalone Ind-AS financial statements. The company had prepared separate set of statutory financial statements of these regional offices for the year ended 31st March 2018 in accordance with accounting principles generally accepted in India and which have been audited by other auditors appointed by the Comptroller and Auditor General of India under generally accepted auditing standards applicable in India. Our opinion in so far as it relates to the amounts and disclosures in respect of these regional offices is solely based on reports of other auditors. Our opinion is not qualified in respect of this matter. Further, Audit of the financial statements of Northern Region and Corporate Office (Gurugram) have been audited by us.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure-A**", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of sub-section (5) of Section 143 of the Companies Act 2013, the compliance of which is set out in **Annexure – B**
3. As required by section 143(3) of the Act, we report that:
 - a) We have sought and 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 account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The standalone Ind-AS financial statements i.e. Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting

Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

- e) In terms of notification no. G.S.R. No. 463(E) dated 05th June 2015 issued by Ministry of Corporate Affairs, the provisions of section 164(2) of the Act regarding disqualification of directors are not applicable to the company.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure-C**” to this report; and
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements – Refer Item No. 27.1 to Note no. 36 to the Standalone Ind AS Financial Statements;
 - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. The provision of transferring the amount to the Investor Education and Protection Fund is not applicable to the Company.

For **Suresh Chandra & Associates**
Chartered Accountants
FRN 001359N

Sd/-
(Ved Prakash Bansal)
Partner
M. No:500369

Place: New Delhi

Date: 18.08.2018

Annexure-A” to the Auditor’s Report

The Annexure referred to in paragraph 1 under the heading ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date on the Standalone Ind AS financial statement of the Company for the year ended 31 March 2018, we report that:

- (i) (a) The Company has maintained proper records showing full particulars with respect to most of its fixed assets, and is in the process of updating the quantitative, identification marks and situation details with respect to certain fixed assets in the records maintained by the Company.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, during the year, as part of the internal audit, the internal auditors have carried out the physical verification of fixed assets of the Company. As per their report, no material discrepancies have been identified during the course of physical verification.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except in one case where the Company has acquired government land measuring 2 Bigha for 25 years in a village Namalijalah of Sila Sinduri Ghopa Mouza under North Guwahati from Government of Assam for setting up Network Hub & Corporation Head Quarter. Eastern region is holding handing over taking over certificate.
- (ii) (a) There is no Inventory in the books of the Company as on 31st March 2018. However, management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures for physical verification followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The Company has maintained proper quantitative records of its inventory and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanation given to us, the Company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in register maintained under section 189 of Companies Act, 2013. In view of this, sub clauses (a), (b), and (c) of clause 3(iii) of the Order are not applicable.
- (iv) According to the information and explanations given to us the Company has not made any loans, investments, guarantee, and security in terms of Section 185 and 186 of Companies Act 2013. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) In our opinion and according to the information and explanations given to us the Company has not accepted any deposits from the public within the meaning of section 73 to 76 or any other relevant provisions of the

Companies Act, 2013, and the rules framed there under, consequently the directives issued by the Reserve Bank of India and provisions of the Companies Act, 2013 and rules framed there under are not applicable.

- (vi) We have reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of Cost records under section 148(1) of the Companies Act 2013, and are of the opinion that the prescribed accounts and records have been made and maintained. As explained by the management, Cost records are maintained by the management and cost audit is conducted every year by the cost auditor.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, Goods and Service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, there are no outstanding statutory dues as at the last day of the financial year i.e. 31 March 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, Goods and Service tax, cess which have not been deposited with the appropriate authorities on account of any dispute.
- (c) According to the information and explanations given to us, the following dues of Income Tax, Sales Tax, Service Tax and Value added tax have not been deposited by the Company on account of dispute—

S. No.	Name of the Statute	Nature of Dues	Amount (In Lakhs)	Period to which the amount relates	Forums where dispute is pending
1	Finance Act, 1994	Short payment of service tax, without considering credit note vide Notice no. SCN C no. V (15) 126/ ST-Adjn/ADC/12 / 22532 DT 21-09-2012 issued by Additional Commissioner Service Tax, Kolkata.	47	2012-13	Commissioner Appeal, Kolkata
2	Finance Act, 1994	Service tax on Railway deposit works and utilization of cenvat credit vide Notice no. SCN C no. V (15) 133/ ST-Adjn. Commr./10/ 17889 DT 08-10-2010 issued by Commissioner Service Tax, Kolkata.	114	2006-07 to 2009-10	Tribunal, Kolkata

3	Finance Act, 1994	Classification of Railway deposit works under works contract tax. Department contention is service tax payable on 13% service charge for the period 2011 to 2014 Order no. 42/2015, Appeal No. 62/2016.	50.99	2011 to 2014	High Court, Hyderabad
4	Finance Act, 1994	Levy of service tax on consideration received for maintaining electricity and power at major railway stations, Non-payment of service tax on service rendered to Associated enterprises, Non reversal of cenvat credit on common input services received for providing taxable as well as exempted services, Difference in reconciliation for the period 2011-14. Order no. 70 & 71/2015-16.	505.09	2011-14	Tribunal Hyderabad
5	Finance Act, 1994	Classification of Railway deposit works under works contract tax. Department contention is service tax payable on 13% service charge for the period 2014-15 Order no. 29/2016-17	8.00	2014-15	Commissioner Appeal, Hyderabad
6	Telangana VAT	Form-VAT 203 dated 17-10-2016. Demand for penalty for not disclosing transaction (Rly. Deposit works) in time for which Railtel has already paid VAT with interest in 2013 and 2014 for works in 2008-2013.	34.63	2008-2013	Appellate Deputy Commissioner, Hyderabad
7	Finance Act, 1994	Classification of Railway deposit works under works contract tax. Department contention is service tax payable on 13% service charge for the period 2008-2011. Stay order provided by CESTAT.	320.07	2008-2011	Tribunal, Hyderabad

8	Finance Act, 1994	Case for the period 2014-15. Service tax liability on electricity & input reversal on exempt services. Notice no. 37/2015.	20.73	2014-15	Assistant Commissioner (Hyderabad)
9	Income Tax Act, 1961	Appeal filed against AO' order for AY 2014-15 for making additions on account of disallowance for earlier year' depreciation and disallowance on account of revaluation of fixed assets.	142.41	AY 2014-15	ITAT, New Delhi
10	Income Tax Act, 1961	Order Issued u/s 201(1)/201(1A) Dated 25.03.2015. (25% of total demand of Rs. 6.96 lacs has already been paid and stay has been granted for rest of demand).	27.85	2012-13	Commissioner of Income Tax (Appeal), Kolkata
11	Income Tax Act, 1961	TDS demand due to short deduction of TDS.	0.27	2010-11 to 2012-13	TDS (Commissioner)
12	Income Tax Act, 1961	TDS demand due to short deduction of TDS.	0.34	2017-18	TDS (Commissioner)
13	RVAT Act	Levy of entry Tax.	44.64	2013-14 to 2014-15	RVAT Department
14	Finance Act, 1994	TAX on passive infrastructure Like IP-1, before commencement of concept of Telecommunication Service. The case is pending before Commissioner Service Tax.	78.88	1.05.06 to 10.05.07	Commissioner Service Tax, New Delhi
15	Finance Act, 1994	TAX on passive infrastructure Like IP-1, before commencement of concept of Telecommunication Service. The case is pending before Commissioner Service Tax.	1.32	15.09.2004 to 31.03.07	Commissioner Service Tax, New Delhi
16	Finance Act, 1994	TAX on passive infrastructure Like IP-1, before commencement of concept of Telecommunication Service. The case is pending before	203.64	1.04.03 to 31.12.05	Supreme Court

		Supreme Court (Demand Rs. 101.82 Lakhs + Penalty Rs. 101.82 Lakhs + Interest as per law as applicable).			
17	Finance Act, 1994	Service tax audit report for the year 2012-2013 & SCN for that no. 22/2016.	125.08	2012-2013	Commissioner (Appeals), Hyderabad
18	West Bengal Value Added Tax, 2003	Total demand in case No. 2014-15/ CIR/43/VA/6 dated 29.06.2017 was Rs. 4,39,448/-. Against the same Rs. 53000/- has already been paid.	4.39	2014-15	Commissioner of Commercial Taxes (Appeal)
19	Income Tax Act, 1961	Appeal filed by IT Dept. against order of CIT(A) for deletion of additions of Rs.52.74 Crore due to change in the depreciation rate (As per AO' Order Dt. 22-03-2015)	1194.96	AY 2012-13	ITAT, New Delhi

- viii) According to the information and explanations provided to us and based on our examination of the records of the Company, the Company has not availed any loan or borrowing from any financial institution, banks, government or from others. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan. Accordingly, paragraph 3(ix) of the Order is not applicable.
- x) According to the information and explanations given to us by the management, no fraud by the Company or on the Company by its officers or employees has been referred by the Company's Vigilance department during the year.
- xi) In view of the exemption given in terms of Notification No. G.S.R. No. 463• dated 5th June 2015 issued by the Ministry of Corporate Affairs, the provisions of section 197 read with schedule V to the Companies Act, 2013 regarding managerial remuneration are not applicable to the Company.
- xii) According to the information and explanations provided to us and based on our examination of the records of the Company, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations provided to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013, wherever applicable.
- xiv) According to the information and explanation provided to us and based on our examination of the records of

the Company, the Company has not made any preferential allotment/ private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company.

- xv) According to the information and explanation provided to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, provisions of 3(xv) of the Order are not applicable.
- xvi) The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For **Suresh Chandra & Associates**
Chartered Accountants
FRN 001359N

Sd/-
(Ved Prakash Bansal)
Partner
M. No.:500369

Place: New Delhi

Date: 18.08.2018

‘ANNEXURE-B’ referred to in Section 143 (5) of Companies Act 2013.

S. No.	Directions	Reply
1	Whether the company has clear title/ lease deeds for freehold and leasehold land respectively? If not, please state the area for freehold and leasehold land for which title/ lease deeds are not available.	All freehold and lease hold lands have clear title / lease deeds except in one case where the company has acquired a land measuring 2 Bigha for 25 years in a village Namalijalah of Sila Sinduri Ghopa Mouza under North Guwahati from Govt. of Assam for setting up network hub and Corporation Head Quarter. Eastern Region is holding handing over taking over certificate.
2	Whether there are any cases of waiver/ write off of debts/ loans/ interest etc. If yes, reasons thereof and amount involved.	There are no cases of waiver/ write off of debts/ loans/ interest etc.
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift/ grant from government or other authorities.	As per our opinion, there are no inventories which are lying with the third parties. During the year, the Company has received a grant of Rs. 739 lakhs towards Rural Wi-fi which has been properly recorded and disclosed in its financial statements.

The above information has been verified based on the information and explanations furnished to us at Corporate Office.

For **Suresh Chandra & Associates**
Chartered Accountants
FRN 001359N

Sd/-
(Ved Prakash Bansal)
Partner
M. No.:500369

Place: New Delhi
Date: 18.08.2018

Annexure- C to the Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Railtel Corporation of India Ltd. ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Suresh Chandra & Associates**
Chartered Accountants
FRN 001359N

Sd/-
(Ved Prakash Bansal)
Partner
M. No.:500369

Place: New Delhi
Date: 18.08.2018

RailTel Corporation of India Limited

Standalone Balance Sheet as at 31.03.2018

(₹ in Lakh)

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017
ASSETS			
NON CURRENT ASSETS			
Property, Plant and Equipments	2	68,435	68,926
Capital Work-in-Progress	3	36,417	35,972
Intangible Assets	2	364	464
Financial Assets			
Investment	4	1,000	1,000
Loans & Security Deposits	5	377	371
Other Non Current Assets	6	9,886	6,914
CURRENT ASSETS			
Inventories	7	-	22
Financial Assets			
Trade Receivables	8	45,499	36,805
Cash and Cash Equivalents	9	7,238	9,282
Other Bank Balances	10	37,246	51,111
Loans & Security Deposits	11	252	115
Other Current Financial Assets	12	12,011	13,514
Current Tax Assets (Net)	13	2,060	1,659
Other Current Assets	14	5,067	4,413
TOTAL ASSETS		225,852	230,568
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	15	32,094	32,094
Other Equity		92,845	83,639
LIABILITIES			
NON CURRENT LIABILITIES			
Financial Liabilities			
Borrowings		-	-
Other Non Current Financial Liabilities	16	9,048	3,898
Provisions	17	185	46
Deferred Tax Liabilities (net)	18	877	1,964
Other Non Current Liabilities	19	26,056	31,060
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings		-	-
Trade Payables	20	27,407	21,744
Other Current Financial Liabilities	21	6,783	9,752
Provisions	22	3,836	2,143
Other Current Liabilities	23	26,721	44,228
TOTAL EQUITY AND LIABILITIES		225,852	230,568

Significant Accounting Policies

Note No 1

The accompanying notes referred to above form an integral part of financial statement (from Note No 2 to 36)

As per our report of even date attached
For M/s Suresh chandra & Associates
Chartered Accountants, FRN 001359N

For and on behalf of the Board of Directors of
RailTel Corporation of India Limited

Sd/-
Ved Prakash Bansal
M.No. 500369
Place: New Delhi
Date: 18/08/2018

Sd/-
J S Marwah
Company Secretary
(M. No. :F8075)

Sd/-
Sanjeeb Kumar
Director Finance
(DIN : 03383641)

Sd/-
N Kashinath
Chairman and Managing Director
(DIN: 08117673)

RailTel Corporation of India Limited

Standalone Statement of Profit and Loss for the period ended 31.03.2018

(₹ in Lakh)

Particulars	Notes No.	For Period Ended 31st March 2018	For Period Ended 31st March 2017
Income			
Revenue from operations	24	98,385	84,786
Other Income	25	3,926	5,147
Finance Income	26	153	42
Total Income		102,464	89,975
Expenses			
Access and other Charges	27	25,007	21,966
License fee and spectrum charges	28	4,734	4,272
Expenses on Project	29	25,127	19,102
Employee Benefits Expenses	30	11,799	9,578
Administrative & Other Expenses	31	4,388	4,408
Depreciation and amortisation	32	11,864	11,642
Finance Expenses	33	160	80
Total Expenses		83,079	71,048
Profit before tax		19,385	18,927
Tax expenses			
Current tax	34	7,882	8,315
Deffered tax	34	(1,086)	(1,541)
Tax impact of earlier years	34	(3,029)	(519)
Profit for the period		15,618	12,672
Net profit attributable to			
a) Owners of the company	A	15,618	12,672
b) Non Controlling interest			
Other comprehensive income(OCI):			
i Items that will not be reclassified to Profit & Loss	35		
Remeasurement losses on defined benefit plans	35	(321)	(9)
Income tax relating to item that will not be reclassified to Profit & Loss	35	111	3
ii Items that will be reclassified to Profit & Loss	35		
Other comprehensive income/(Loss)	B	(210)	(6)
Total comprehensive income for the period (A+B)		15,408	12,666
Earning per Equity Share of ₹ 10/- each			
a) Basic		4.87	3.95
b) Diluted		4.87	3.95

Significant Accounting Policies

Note No 1

The accompanying notes referred to above form an integral part of financial statement (from Note No 2 to 36)

As per our report of even date attached
For M/s Suresh chandra & Associates
Chartered Accountants, FRN 001359N

For and on behalf of the Board of Directors of
RailTel Corporation of India Limited

Sd/-
Ved Prakash Bansal
M.No. 500369
Place: New Delhi
Date: 18/08/2018

Sd/-
J S Marwah
Company Secretary
(M. No.: F8075)

Sd/-
Sanjeeb Kumar
Director Finance
(DIN: 03383641)

Sd/-
N Kashinath
Chairman and Managing Director
(DIN: 08117673)

RailTel Corporation of India Limited

Standalone Statement of Changes in Equity for the period ended 31st March 2018

(₹ in Lakh)

A. EQUITY SHARE CAPITAL

31st March 2017	32,094
Change in Equity Share Capital during the Period	-
31st March 2018	32,094

B. OTHER EQUITY

Particulars	Retained Earnings	General Reserve	Corporate Social Development Reserve, Sustainable Development Reserve	Total Equity
Balance at at 1st April 2016	40,458	36,000	122	76,580
Adjustment for:				
Prior Period Adjustment	(396)			(396)
Tax impact of Prior Period Adjustment	149			149
Restated balance as on 1st April 2016	40,211	36,000	122	76,333
Add: Total Comprehensive Income for the period ending on 31st March'2017	12,666			12,666
Less: Final Dividend for the F.Y. 2015-16	(2,653)			(2,653)
Less: Tax on Final Dividend for the F.Y. 2015-16	(540)			(540)
Less: Interim dividend for the F.Y. 2016-17	(1,800)			(1,800)
Less: Tax on Interim Dividend for the F.Y. 2016-17	(366)			(366)
Less: Transfer to General Reserve	(4,000)	4,000		-
Balance as at 31 March 2017	43,517	40,000	122	83,639
Opening balance as on 1st April 2017	43,517	40,000	122	83,639
Add: Total Comprehensive Income for the period ending on 31st March'2018	15,408			15,408

Particulars	Retained Earnings	General Reserve	Corporate Social Development Reserve, Sustainable Development Reserve	Total Equity
Less: Interim dividend for the F.Y. 2017-18	(1,800)			(1,800)
Less: Tax on Interim Dividend for the F.Y. 2017-18	(366)			(366)
Less: Final Dividend Paid (2016-17)	(3,353)			(3,353)
Less: Dividend Distribution Tax on Final Dividend Paid (2016-17)	(683)			(683)
Less: Transfer to General Reserve	(4,000)	4,000		-
Balance as at 31st March' 2018	48,723	44,000	122	92,845

Significant Accounting Policies

Note No 1

The accompanying notes referred to above form an integral part of financial statement (from Note No 2 to 36)

As per our report of even date attached
For M/s Suresh chandra & Associates
Chartered Accountants
FRN 001359N

For and on behalf of the Board of Directors of
RailTel Corporation of India Limited

Sd/-
Ved Prakash Bansal
M.No. 500369

Sd/-
J S Marwah
Company Secretary
(M. No. :F8075)

Sd/-
Sanjeeb Kumar
Director Finance
(DIN : 03383641)

Sd/-
N Kashinath
Chairman and Managing Director
(DIN: 08117673)

Place: New Delhi
Date: 18/08/2018

RailTel Corporation of India Limited

Standalone Cash Flow Statement for the period ended March 31, 2018

(₹ in Lakh)

	For the period ended March 31, 2018	For the period ended March 31, 2017
Profit for the period	19,385	18927
Adjustments for:		
Depreciation and Amortisation Expense	11,864	11642
Other Comprehensive Income	(210)	-6
Provision for doubtful debts (net)	(359)	752
Interest income (considered separately)	(3,161)	(4,261)
Operating profit/(loss) before working capital changes	27,519	27054
(Increase)/decrease in Trade Receivables	(8,335)	-11778
(increase)/decrease in Loans and security Deposit	(6)	-84
(increase)/decrease in Other Non Currents Assets	(2,972)	10830
(increase)/decrease in Inventories	22	37
(increase)/decrease in Short terms Loans and Security Deposit	(138)	143
(increase)/decrease in Other Financial Assets	759	-4292
(Increase)/decrease in Other Current Tax Assets	(276)	2168
(Increase)/decrease in Other Current Assets	(654)	1533
Increase/(decrease) in Other Non Financial Liabilities	5,150	-1160
Increase/(decrease) in Other Non Current Financial Liabilities	(4,865)	-13750
Increase/(decrease) in Trade Payables	5,662	7941
Increase/(decrease) in Other Financial Liabilities (Current)	(2,969)	3884
Increase/(decrease) in Short Term Provisions	1,693	4
Increase/(decrease) in Other Non Financial Liabilities (Current)	(17,507)	6784
Net cash generated from Operation before Tax	3,083	29312
Income Tax Paid	4,978	4301
Net cash generated from Operating Activities	(1,895)	25010

	For the period ended March 31, 2018	For the period ended March 31, 2017
Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment	(11,718)	-19779
Interest income received	3,906	4546
Net cash used in Investing Activities	(7,812)	-15233
Cash Flow from Financing Activities		
Increase/(decrease) in short-term borrowings		
Dividend paid	(5,153)	-4453
Dividend Distribution Tax Paid	(1,049)	-907
Net cash generated from / (used in) financing activities	(6,202)	-5360
Effect of exchange difference on translation of cash and cash equivalents		
Net increase /(decrease) in cash and cash equivalents during the year	(15,909)	4418
Cash and cash equivalents at the beginning of the year	60,393	55976
Cash and cash equivalents at the end of the year	44,484	60393

Significant Accounting Policies

1

The accompanying notes referred to above form an integral part of financial statement (from Note No 2 to 36)

1. Cash and Cash Equivalents include the following Balance Sheet amounts		
(i) Cash and Cash Equivalent (Maturity <= 3 Months)		
a. Flexi Deposits	355	215
(ii) Balances with Scheduled Bank		
a. In Current A/c	1,720	2063
b. In Collection A/c	5,153	6995
c. In Imprest A/c	10	9
Sub Total	7,238	9283
2. Other Bank Balances		
BG Margin Money A/c	244	432
In Term Deposit (Having original maturity of more than 3 months but less than 12 months)	37,002	50679
Sub Total	37,246	51111
Grand Total	44,484	60394

The above statement of Cash Flow has been prepared under the indirect method as set out in Ind AS 7 on Statement of Cash Flows

Details of amount incurred for FY 2017-18 in relation to CSR activities is mentioned below:

Particulars	Approved Budget	Amount incurred	Amount yet to be incurred
Construction/Acquisition of any asset	Nil	Nil	Nil
On any other purpose	370	76	294
Total	370	76	294

Details of amount paid for FY 2016-17 in relation to CSR activities as provided for the liabilities in books of accounts as on 31.03.2017 as given hereunder:

Particulars	Unpaid amount as on 01.04.2017	Amount Paid	Amount yet to be paid
Construction/Acquisition of any asset	Nil	Nil	Nil
On any other purpose	272	222	50
Total	272	222	50

As per our report of even date attached
For M/s Suresh chandra & Associates
Chartered Accountants
FRN 001359N

For and on behalf of the Board of Directors of
RailTel Corporation of India Limited

Sd/-
Ved Prakash Bansal
M.No. 500369

Sd/-
J S Marwah
Company Secretary
(M. No. :F8075)

Sd/-
Sanjeeb Kumar
Director Finance
(DIN : 03383641)

Sd/-
N Kashinath
Chairman and Managing Director
(DIN: 08117673)

Place: New Delhi
Date: 18/08/2018

Accounting Policy

Note No. – 1

1.1 Corporate Information

RailTel Corporation of India Limited ('the Company') incorporated in India on 26th September 2000 is a public sector undertaking. The company is promoted by and is under administrative control of Ministry of Railways. The Registered office of the Company is situated at 6th Floor, 3rd Block, Delhi Technology Park, Delhi-110053 and Corporate Office at Plot No 143 Sector 44, Institutional Area Gurugram, Haryana.

RailTel Corporation a "Mini Ratna (Category-I)" PSU is one of the largest neutral telecom infrastructure providers in the country owning a Pan-India optic fiber network on exclusive Right of Way (ROW) along Railway track. The OFC network covers all important towns & cities of the country and several rural areas covering 70% of India's population. RailTel with strong nationwide presence is committed to bring cutting edge technology and offer innovative services to the Indian Telecom market. RailTel is in the forefront in providing nationwide Broadband Telecom & Multimedia Network in all parts of the country in addition to modernization of Train operations and administration network systems. With its Pan India high capacity network, RailTel is working towards creating a knowledge society at various fronts.

Main objective of the company is

- i. To facilitate Railways in expeditiously modernizing their operation and safety systems and network by providing state of art communication infrastructure.
- ii. To plan, build, develop, operate and maintain a nationwide broadband telecom and multimedia network to supplement national telecom infrastructure to spur growth of telecom, broadband and IT enabled value-added services in all parts of country specially rural, remote and backward areas.
- iii. To generate revenue through commercial exploitation of its telecom network.

RailTel Corporation of India Limited is having following operations: -

- I. Telepresence Services - RailTel offers enterprise class Full High Definition (HD) & secure multi-point managed video conferencing service that enables users a virtual, face to face meeting experience.
- II. Data Centre Services - RailTel has its own Data Centers at Secunderabad and Gurugram.
- III. Retail Broadband - Rail Wire is a retail Broadband initiative of the RailTel.
- IV. Leased Line Service
- V. Virtual Private Network Service
- VI. Internet Leased Line Service
- VII. Rack and Space Collocation Service
- VIII. Tower Co-location Service

1.2 Summary of Significant Accounting Policies as per Ind-AS

a) Basis for Preparation of financial statement

The financial statements of the Company have been prepared to comply in all the material respects with the Indian Accounting Standards (“Ind AS”) notified under the Companies (Accounting Standards) Rules, 2015. Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing Ind AS requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised Ind AS on an ongoing basis.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

These financial statements are presented in Indian Rupees (₹) and all amounts are rounded to the nearest lakhs, except as stated otherwise.

b) Use of Estimates

The preparation of financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Examples of such estimates include estimates of expected costs to be incurred to complete contracts, provision for doubtful debts, future obligations under employee retirement benefit plans and estimated useful life of fixed assets. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the year in which the results are known / materialize.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the estimate affects only that year or in the year of the revision and future years, if the revision affects both current year and future years.

c) Inventory

Inventories are valued at the lower of cost and the estimated net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale.

The Company provides for obsolete and slow-moving inventory based on management estimates of the usability of inventory.

Net Realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

d) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the

effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

e) Property Plant and Equipment's (PPE)

Property plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing cost for long term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced in intervals, the company recognizes such parts as separate component of assets with specific useful lives and provides depreciation over their useful life. Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repair and maintenance costs are recognized in profit or loss as incurred.

f) Assets are recognized as tangible assets or intangible assets if provisional acceptance certificate has been issued or company has started offering services from these tangible or intangible assets.

Where assets are installed on the premises of the customers (commonly called customer premise equipment – 'CPE') such assets continue to be treated as PPE as the associated risks and rewards remain with the company and the management is confident of exercising control over them, expenses on such assets are treated as retrievable expenses (returnable item of assets after the decommissioning of link) and a depreciation of 100% may be charged on all these assets.

All the non-retrievable expenses (Used only once and cannot be returned back from the customer premises) may be charged as expenses to Statement of profit & loss in the year of commissioning of services.

Gain and losses arising from retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit & loss on the date of retirement or disposal.

Advance paid towards acquisition of fixed assets and cost of assets not put to use before the year end, are disclosed as other non-current assets. Fixed assets under construction and cost of assets not put to use before the year end, are disclosed as capital work in progress.

Freehold land is not depreciated. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each Balance Sheet date or whenever there are indicators for review.

Assets are depreciated to the residual value on a straight-line basis over the estimated useful lives. The assets residual values and useful lives are reviewed at each financial year end or whenever there are indicators for review and adjusted prospectively. Freehold land is not depreciated.

Sr. No.	Name of Assets	Main asset/Component	Revised Useful life of assets
1	OFC & Related Assets	Main Assets	18 Year. 5.28%
2	Leasehold Land/Flats	Main Assets	Period of Lease
3	Leasehold Improvements	Main Assets	Period of lease
4	Prefabricated Building	Main Assets	15 Year 6.67%
5	Computer	Main Assets	3 Year 31.67%
6	Office Equipment's	Main Assets	5 Year 19%
7	Software-ERP	Main Assets	5 Year with 20%
8	Furniture	Main Assets	10 Year 9.5%
9	Licenses	Main Assets	Period of license
10	ERP Hardware	Main Assets	6 Year 15.83%
11	Vehicle	Main Assets	8 Year 11.875%
12	Temporary Fixtures	Main Assets	Fully-Depreciated
13	Telecom Equipment's	Main Assets	8 Year. 12.5%
14	Last Mile/Access Equipment's	Main Assets	8 Year. 12.5%
	Radio/Access Switches	Component	3 Year 33.33%
15	Power Plant Equipment's	Main Assets	8 Year. 12.5%
I	Battery	Component	5 Year. 20%
16	Data centre	Main Assets	8 Year. 12.5%
V	Data Centre infrastructure	Component	13 Year. 7.31%
17	Other Infrastructure	Main Assets	8 Year. 12.5%
18	Data Network	Main Assets	8 Year. 12.5%

g) Intangible Assets

Identifiable intangible assets are recognized when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets are recognized at cost. Following initial recognition, the intangible assets are accounted at cost less any accumulated amortization & accumulated impairment loss, if any.

Amortization is recognized in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for

by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

- i. **Software-** Software is capitalized at the amounts paid to acquire the respective license for use and is amortized over the period of license, generally not exceeding three years. Software costing up to rupees five lakh which has independent use is amortized over a period of twelve months from the date of place in service.
- ii. **Licenses-** Acquired licenses are initially recognized at cost. Subsequently, licenses are measured at cost less accumulated amortization and accumulated impairment loss, if any. Amortization is recognized in the statement of profit and loss on a straight-line basis over the unexpired period of the license commencing from the date when the related network is available for intended use in the respective jurisdiction. Spectrum charges paid to DoT is charged to Statement of Profit & Loss on straight line basis over the period of use.

h) Non-current Assets (or disposal groups) held for Sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and sale is expected within one year from the date of the classification. Disposal groups classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale. Assets and liabilities classified as held for sale are presented separately in the Balance Sheet.

If the criteria stated by IND AS 5 “Non-current Assets Held for Sale and Discontinued Operations” are no longer met, the disposal group ceases to be classified as held for sale. Non-current asset that ceases to be classified as held for sale are measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognized had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

i) Impairment of Assets

The carrying amounts of assets are reviewed by management whenever events or changes in circumstances indicate that the carrying amount may not be recoverable (except intangible assets, for which testing to be done irrespective of whether there is an indication of impairment). An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the

asset belongs. Fair value less costs to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Impairment losses, if any, are recognized in profit or loss as a component of depreciation and amortization expense.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had previously been recognized.

j) Leases

1. Where the Company is the Lessee- Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Lease rentals with respect to assets taken on 'Operating Lease' are charged to the statement of profit and loss on a straight-line basis over the lease term.

Finance leases, which transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in the Statement of profit and loss.

Amortization of leased assets is computed on straight line basis over the shorter of useful life of the assets or remaining lease period. Amortization charge for capital leases is included in depreciation expense for the period.

2. Where the Company is the lessor- Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income in respect of 'Operating Lease' is recognized in the statement of profit and loss on a straight-line basis over the lease term. Assets subject to operating leases are included in fixed assets. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as lease term.

Assets leased to others under finance leases are recognized as receivables at an amount equal to the net investment in the leased assets. The finance income is recognized based on periodic rate of return on the net investment of the Company outstanding in respect of the finance lease.

3. Indefeasible Right to Use ('IRU')- The Company enters into agreement for leasing assets (capacity) under "Indefeasible right to use" with third parties. Under the arrangement the assets are taken or given on lease over the substantial part of the asset life. However, the title to the assets and associated risks are retained by the lessor. Hence, such arrangements are recognized as operating lease.

The contracted price is received in advance and is recognized as revenue during the tenure of the

agreement. Unearned IRU revenue net of the amount recognizable beyond one year is disclosed as deferred revenue in other long term liabilities and the amount recognizable within one year is disclosed as deferred revenue in current liabilities.

Exchange of Network capabilities with other telecommunication service providers are recorded as monetary transactions and measured at the carrying amount of capacities relinquished, as these exchanges are for similar productive assets used to provide telecommunication services to customers.

k) **Borrowing Costs**

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. The interest cost incurred for funding a qualifying asset during the construction period is capitalized based on actual investment in the asset at the interest rate for specific borrowings. All other borrowing costs are expensed in the period they occur.

l) **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank and on hand, and other short term highly liquid deposits with bank, with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, Cash and Cash Equivalents include outstanding Bank Overdraft shown within the borrowings in current Liabilities in Statement of Financial Position and which are considered an integral part of Company's cash management.

m) **Government Grant**

Government Grant related to acquisition of Fixed Assets is treated as 'Deferred Government Grant' and an amount equal to proportionate depreciation of such assets is credited to Statement of Profit and Loss.

n) **Revenue Recognition and Receivables**

1. **Service Revenues**

Service revenues include incomes from National Long Distance services, Internet Service, infrastructure provider services such as co-location, dark fiber, tower space etc. Service revenue also include revenues associated with access and interconnection for usage of the network of other operators. Revenues are recognized on prorata basis on provision of services while revenue from co-location, dark fiber, tower space etc is recognized over the period of arrangement.

Revenue shall be measured at the fair value of the consideration received or receivables.

Service revenues are recognized as the services are rendered and are stated net of discounts, waivers and taxes. Revenues from pre-paid services like Railwire are recognized based on actual usage.

Service revenue is recognized from the date of satisfactory installation services at the customer site.

Deferred revenue includes amount received in advance from customers which would be recognised over the periods when the related services are expected to be rendered.

2. Deposit Works

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period based on statements of account received from the contractors. Incidental Expenditure relating to these works including corporate office expenses for the year, is apportioned to these works on the basis of expenses incurred on these works. 5% and 3% of expenses incurred on each work is apportioned towards establishment cost and other common expenses respectively.

3. Interest and Other Income

For all financial instruments measured at amortised cost and interest bearing financial assets, classified as financial assets at fair value through profit or loss or as available for sale, interest income is recognized using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in 'finance income' in the income statement.

o) Uncollectible accounts receivable

Uncollectible accounts receivable reflects management's best estimate of probable losses inherent in the accounts receivable balance. Management primarily determines the allowance based on the aging of accounts receivable balances and historical write-off experience, net of recoveries. The Company provides for amounts outstanding net of security deposits, or in specific cases where management is of the view that the amounts are not recoverable. Amounts due from debtors that have been outstanding, though fully provided, are evaluated on a regular basis by the management and are written off, if as a result of such evaluation, it is determined that these amounts will not be collected.

p) Unbilled Revenue

Unbilled revenue represent revenue recognized in respect of services provided from the last bill cycle date to the end of the reporting period. These are billed in subsequent periods as per the terms of the billing plans/contractual arrangements.

Q) License Fees – Revenue Share

The revenue-share is computed as per the licensing agreement at the prescribed rate and is expensed as incurred. As per the NLD and ISP license condition, company is required to share 8% of its adjusted gross revenue with Department of Telecommunication, the same is provided on the basis of adjusted gross revenue

booked during the year. In addition the company is also required to share 7% of its gross revenue with Indian Railways as per agreement between RailTel and Railways dated 21/09/2006. The same is provided for in the statement of profit & Loss account.

r) Employee Benefits

Employee benefits include provident fund, gratuity and compensated absences.

1. Defined contribution plans

- a. Provident Fund : The Company's contribution to provident fund is considered as defined contribution plans and is charged as an expense as they fall due based on the amount of contribution required to be made. 12% of the Basic pay plus dearness allowance of employees and equal contribution of the corporation is contributed to provident fund maintained with the Regional Provident Fund Commissioner. Corporation's contribution to provident fund is charged to revenue.
- b. Pension: Company has pension Scheme for its employees, under defined contribution plan Company will pay an amount equal to 10% of Basic pay+ DA of the eligible employees

2. Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each year end. Actuarial gains and losses are recognized in the Statement of Other Comprehensive Income in the year in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost.

- i. Gratuity is payable on separation @15 days pay for each completed year of service to eligible employee, who rendered continuous service of 5 year or more. The gratuity ceiling of Rs. 20 lakhs has been considered for actuarial valuation.
- ii. Leave Encashment is payable on separation to eligible employee who have accumulated earned leave. Leave salary is provided for based on valuation, as balance sheet date, made by independent actuary.
- iii. The Company has Post- Retirement Medical Scheme (PRMS) to provide assistance for meeting a part of medical expenses incurred by retired members only after their retirement for dependent family members and self and dependent family members of the ex-employee in case of death of the employee.
- iii. Foreign Service Contribution payable for leave salary and pension in respect of employees who have joined the corporation on deputation for a fixed period from Indian Railways for the year 2017-18 in terms of Government rules and regulations is charged to revenue on accrual basis.

3. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the year in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- i) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- ii) in case of non-accumulating compensated absences, when the absences occur.

4. Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

s) **Post Sales client support and warranties**

The Company provides its clients with fixed period warranty for correction of errors and support on its fixed price product orders. Revenue for such warranty period is recognized in the year of sale itself with a corresponding provision for expenses likely to be incurred during the period of warranty.

t) **Foreign exchange transactions**

Foreign exchange transactions are recorded at the exchange rates prevailing at the date of transaction. Realized gains and losses on foreign exchange transactions during the year are recognized in the Statement of Profit and Loss. Monetary assets and monetary liabilities that are determined in foreign currency are translated at the exchange rate prevalent at the date of balance sheet. The resulting difference is recorded in the Statement of Profit & Loss.

u) **Taxes**

1. **Current Income Tax**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

2. **MAT Credit**

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the statement of

profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

3. Deferred Tax

Deferred tax Asset/Liability is recognized on temporary differences calculated based on the Balance Sheet Approach being the differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose that accumulate over the period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognized for all temporary differences. Deferred tax assets in respect of unabsorbed depreciation, carry forward of losses and unused tax credits are recognized to the extent it is probable that future taxable income will be available to realize such assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realizability.

v) Research and development

Revenue expenditure incurred on research and development is expensed as incurred. Capital expenditure incurred on research and development is capitalized as fixed assets and depreciated in accordance with the depreciation policy of the Company.

w) **Segment Reporting-** The operating segment are organized and managed separately through the respective business managers, according to the nature of product and service provided and geographies in which services are provided, with each segment representing a strategic business unit.

x) Earnings Per Share

The earnings considered in ascertaining the Company's Earnings per Share ('EPS') comprise the net profit after tax attributable to equity shareholders. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares). The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.

y) Prior Period Expenses

Income/Expenditure relating to prior period, which do not exceed s ₹ 2,00,000/- in each case, are treated as income/expenditure of current year.

z) Exceptional Item

Exceptional items are generally non-recurring item of income & expenses within profit & loss from ordinary activity which are of such size, nature or incidence that their disclosure is relevant to explain the performance of the company for the year.

aa) Provisions and Contingencies

The Company recognizes a provision when there is a present obligation as a result of a past event and it is probable that it would involve an outflow of resources and a reliable estimate can be made of the amount of such obligation.

When the Company expects some or all of provision to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate the risks specific to the liability. Where discounting is used the increase in the provision due to the passage of time is recognized as finance cost.

A disclosure for a contingent liability is made at Fair Value where it is more likely than not that a present obligation or possible obligation may result in or involve an outflow of resources. **When no present or possible obligation exists and the possibility of an outflow of resources is remote, no disclosure is made.**

Contingent assets are not recognized in the financial statements.

Operating cycle

Based on the nature of services / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and noncurrent.

Dividend

Dividend distribution to the Company's shareholders is recognized as a liability in the company's financial statements in the period in which the dividends are approved by the Company's shareholders.

Interim dividend is provided for in the year of payment.

Asset Retirement Obligation

Asset retirement obligations (ARO) are provided for those operating lease arrangements where the Company has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. ARO are settled obligation using discounted cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is recognized in the income statement

as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

ab) Financial Instruments

A. Financial Instruments –

Initial Recognition and Measurement

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets and liabilities at initial recognition. **All financial assets and liabilities are initially recognized at fair value** plus directly attributable transaction costs in case of financial assets and liabilities not at fair value through profit or loss. Financial assets and liabilities carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the statement of profit & loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

B. Financial Assets

1. Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

a. Financial assets are carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. Financial assets at Fair Value through Profit or Loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

2. Derecognition

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

C. Financial Liabilities

1. Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss.

2. Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in Statement of Profit and Loss.

D. Investment in Subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements.

Property Plant & Equipment and Intangible Asset

Note-2

(₹ in Lakh)

Particulars	Freehold Land	Leasehold Land	Building	Plant & Machinery	Leasehold Improvements	ERP Hardware	Furniture & Fixtures	Office Equipments	Total	Licenses	Software	Total
Year ended 31st March 2017												
Gross Carrying amount												
Cost as at 1st April 2016	253	1,552	3,599	135,051	857	204	295	635	142,445	250	405	655
Additions	-	(38)	478	8,737	380	18	25	101	9,701	296	18	314
Disposal	-	(2)	(0)	(14)	-	0	0	(0)	(16)	-	-	-
Transfer/Adjustments	-	-	42	-	(42)	-	-	-	0	-	-	-
Closing Gross Carrying amount	253	1,512	4,119	143,774	1,195	222	320	736	152,130	546	423	969
Accumulated Depreciation												
Accumulated Depreciation as at 1st April 2016	-	29	790	69,528	576	93	190	421	71,628	234	184	418
Charge during the year	-	16	407	10,952	105	27	13	71	11,592	5	82	87
Disposal	-	(2)	0	(14)	-	0	0	(0)	(16)	-	-	-
Transfer/Adjustments	-	-	42	0	(42)	-	-	-	0	-	-	-
Closing accumulated depreciation	-	43	1,239	80,466	639	120	203	492	83,204	239	266	505
NET CARRYING AMOUNT- 31.03.2017	253	1,469	2,880	63,307	556	102	117	244	68,926	307	157	464
Year ended 31st March 2018												
Gross Carrying amount												
Cost as at 1 Apr 2017	253	1,512	4,119	143,774	1,195	222	320	736	152,130	546	423	969
Additions	-	96	150	10,874	33	-	25	61	11,240	-	41	41

Particulars	Freehold Land	Leasehold Land	Building	Plant & Machinery	Leasehold Improvements	ERP Hardware	Furniture & Fixtures	Office Equipments	Total	Licenses	Software	Total
Disposal	-	-	-	(48)	-	-	-	(5)	(53)	-	-	-
Transfer/adjustments	(30)	30	-	(8)	-	-	-	0	(8)	(16)	12	(4)
Closing Gross Carrying amount	223	1,638	4,269	154,592	1,228	222	345	792	163,308	530	476	1,006
Accumulated Depreciation												
Accumulated Depreciation as at 1st April 2017	-	43	1,239	80,466	639	120	203	492	83,204	239	266	505
Charge during the year	-	19	354	11,113	113	30	16	82	11,726	16	122	137
Disposal	-	(0)	0	(47)	-	0	0	(5)	(52)	-	-	-
Transfer/adjustments	-	-	195	(5)	(185)	-	(10)	-	(5)	(1)	1	(0)
Closing accumulated depreciation	-	62	1,788	91,527	567	150	209	569	94,873	254	389	642
NET CARRYING AMOUNT- 31.03.2018	223	1,576	2,481	63,065	661	72	136	223	68,435	276	87	364

Refer to item no. 20 of Note no. 36 on disclosure regarding Property Plant & Equipment.

Refer to item no. 23 of Note no. 36 for Asset capitalized out of grant.

Capital Work in Progress

Note-3

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
NE-1	7,567	9,091
NE-2	20,327	17,133
OFC Laying Works	1,822	2,907
MPLS, STM & Other Telecom Radio Equipment and Data Centre	4,486	2,962
Capital Stores lying at project site	1,966	3,805
Others	249	74
Total	36,417	35,972

NON CURRENT ASSETS

Investment

Note-4

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Long Term Investments-at Cost		
Trade (Unquoted)		
Investment in Shares of subsidiaries		
Railtel Enterprises Limited (Fully Owned Subsidiary)		
100,00,000 equity shares of ₹ 10 each fully paid	1,000	1,000
Total Carrying Value	1,000	1,000

Investment in subsidiary has been valued at cost

Loans and Security Deposits

Note-5

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Unsecured Considered Good unless stated otherwise		
Security Deposits		
Considered Good	377	371
Total	377	371

Other Non Current Assets

Note-6

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Unsecured Considered Good unless stated otherwise		
Capital Advances		
Considered Good	6,760	5,181
Other		
Lease prepayment	3,126	1,733
Total	9,886	6,914

CURRENT ASSETS

Inventories (Valued at lower of cost or net realisable value)

Note-7

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Inventory (Consumables for O&M Work)	-	22
Total	-	22

Trade Receivables

Note-8

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Unsecured, Unless Stated Otherwise		
Telecommunication Business		
Receivable outstanding for a period exceeding six months from the date they were due for payment		
Considered Good	14,773	14,584
Considered Doubtful	3,024	3,375
Less: Provision for Doubtful Receivables	3,024	3,375
Receivables (less than six months)		
Considered Good	14,744	13,229
Considered Doubtful		
Less: Provision for Doubtful Receivables		
Other Project works		
Receivable outstanding for a period exceeding six months from the date they were due for payment		
Considered Good	13,013	2,058
Considered Doubtful		8
Less: Provision for Doubtful Receivables		8
Receivables (less than six months)		
Considered Good	2,969	6,934
Considered Doubtful		
Less: Provision for Doubtful Receivables		
Total	45,499	36,805
Movement of Provision for bad and doubtful debt		
Balance at the beginning of the year	3,383	2,631
Add: Additional provision during the year	512	752
Less: Provision written back/adjusted during the year	871	-
Balance at the end of the year	3,024	3,383

Cash and Cash Equivalents

Note-9

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
i) Cash and Cash Equivalent (Maturity<= 3 Months)		
a. Flexi Deposits	355	215
ii) Balances with Scheduled Bank		
a. In Current A/c	1,720	2,063
b. In Collection A/c	5,153	6,995
c. In Imprest A/c	10	9
Total	7,238	9,282

Other Bank Balances

Note-10

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
BG Margin Money A/c	244	432
In Term Deposit (Having original maturity of more than 3 months but less than 12 months)	37,002	50,679
Total	37,246	51,111

BG Margin Money A/c represents deposit under lien for issuing Bank guarantee by bank.

Loans and Security Deposits

Note-11

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Unsecured, Considered Good Unless Stated Otherwise		
Loans and Advances to Employee	36	54
Security Deposit	216	61
Total	252	115

Other Current Financial Assets

Note-12

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Unsecured, Considered good unless stated otherwise		
Advances to Subsidiary	0	120
Accrued interest on term deposit	1,396	2,141
Recoverable from Railways	3,450	5,373
Unbilled Revenue	6,968	5,765
EMD Deposited	197	115
Total	12,011	13,514

Current Tax Assets (Net)

Note-13

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
MAT Credit	-	164
Income Tax	2,060	1,346
Advance Income Tax	-	149
Total	2,060	1,659

Other Current Assets

Note-14

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Advances recoverable in cash or in kind for value to be received	571	606
Indirect Tax Credit Available	3,758	2,210
Others *	143	557
Advance Indirect Tax	344	797
Prepaid expenses	251	243
Total	5,067	4,413

*The Company has deposited a sum of ₹ 379 lakhs with the Department of Telecommunication, under protest, on account of DoT share interest income and penalty. The company has filed an appeal with Telecom Dispute Settlement and Appellate Tribunal (TDSAT), against which necessary provision exist for the same amount. However, the amount deposited under protest has been set off against the provision made there against.

Equity Share capital

Note-15

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Authorized Share Capital		
Equity Shares		
1,00,00,00,000 equity shares of ₹ 10 each	100,000	100,000
Issued, Subscribed and fully paid-up shares		
1,50,00,007 equity shares of ₹ 10 each in Cash	1,500	1,500
30,59,38,400 equity shares of ₹ 10 each in consideration other than cash	30,594	30,594
Total	32,094	32,094

a. Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting year

Particulars	Opening Balance	Allotted During The Year	Closing Balance
Period ended 31st March 2018			
No of Equity Shares - In Cash	15,000,007	-	15,000,007
No of Shares - In consideration other than cash	305,938,400	-	305,938,400
Amount in Lakhs	32,094	-	32,094
Period ended 31st March 2017			
No of Equity Shares - In Cash	15,000,007	-	15,000,007
No of Shares - In consideration other than cash	305,938,400	-	305,938,400
Amount in Lakhs	32,094	-	32,094

Structure of Shares as above remain unchanged during last five years and no bonus share are issued since incorporation of the Company

b. Right, Preference and restriction attached to shares

The equity share are the only class of Share capital having par value of ₹ 10 per share. Every holder of equity share present at a meeting in person or by a proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Equity share carry voting right proportionate to the paid up value per share. In the event of liquidation of the company, holders of the equity share are entitled to be repaid the amounts credited as paid up on those equity share. All surplus assets after settlement of liabilities as at the commencement of winding up shall be paid to the holders of equity share in proportion of their shareholding.

c. Number of share held by shareholders holding (as per the register of shareholders) more than 5% of aggregate shares in the Company

Particulars		As at 31 March 2018	As at 31 March 2017
	Number	320,938,407	320,938,407
Ministry of Railways (in the name of President of India)	%	100	100

d. Aggregate number of shares issued for consideration other than cash

Particulars		As at 31 March 2018	As at 31 March 2017
	Number	305,938,400	305,938,400
Ministry of Railways (in the name of President of India)	%	100	100

NON CURRENT LIABILITIES

Other Non Current Financial Liabilities

Note-16

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Unsecured		
Security Deposit	3,157	1,063
Retention Money	5,891	2,835
Total	9,048	3,898

Provisions

Note-17

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Provision for Post Retirement Medical Benefit*	139	-
Provision for Arbitration Claim	46	46
Total	185	46

* Scheme has been implemented w.e.f. 01.04.2017. Refer to item no. 22 of Note no. 36

Deferred Tax Liabilities (Net)

Note-18

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Deferred Tax Liabilities		
Depreciation claimed as deduction under Income Tax Act but chargeable in the statement of profit and loss in future years	3,162	3,992
Less:		
Deferred Tax Assets		
Provision for doubtful debts charged in the statement of profit and loss but to be allowed as deduction under the Income Tax Act in future years	1,057	1,171
Expenditure to be allowed on payment basis under Income Tax Law/Provisions	1,228	857
Total	877	1,964

Refer to item no. 19 of Note no. 36.

Other Non Current Liabilities

Note-19

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Others		
Deferred Revenue and Advance from Customers*	17,415	25,474
Advances from Railways**	4,813	2,440
Deferred Govt. Grant :		
Subsidy of NE-1 & NE-2***	3,089	3,146
Rural WiFi Subsidy***	739	-
Total	26,056	31,060

*Deferred Revenue include advance income against IRU lease for providing telecom services under licenses taken from DoT.

**Advances from railways represent advance received towards execution of works from Railways.

*** Refer to item no. 23 of Note no. 36 regarding receipt of capital grant.

CURRENT LIABILITIES

Trade Payables

Note-20

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Trade Payables		
Micro and Small Enterprises	1,726	445
Other than Micro and Small Enterprises		
Revenue Share Payable to Indian Railway*	4,977	4,900
Towards purchase of Goods and Services & revenue share to Konkan railway*	20,680	16,399
Amount Payables to DoT	24	-
Total	27,407	21,744

Other Current Financial liabilities

Note-21

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Security Deposits	464	1,756
Retention Money	5,372	5,157
EMD Payable	947	2,839
Total	6,783	9,752

Provisions

Note-22

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Provisions for Employee Benefits		
Provision for Pension	906	508
Provision for Gratuity & Leave Encashment	1,002	599
Provision for Post Retirement Medical Scheme	3	-
Provision for PRP	1,925	994
Provision for 3rd PRC*		42
Total	3,836	2,143

* Previous Year provision for 3rd PRC was made for the Period Jan'17 to Mar'17. In current Financial Year 3rd PRC has been approved, implemented and paid.

Other Current Liabilities

Note-23

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Deferred Revenue and Advance from Customers*	14,842	19,508
Advance-Others**	7,785	22,176
OTHER PAYABLES		
Payable to Others	4,094	2,544
Total	26,721	44,228

*Deferred Revenue include advance income against IRU lease for providing telecom services under licenses taken from DoT.

**It represents money received from BBNL for carrying out project work relating to laying of OFC

Revenue from operations

Note-24

(₹ in Lakh)

Particulars	For the Period Ended 31 March 2018	For the Period Ended 31 March 2017
Income from Telecom Services		
NLD Services	38,969	36,054
ISP Services	14,783	13,012
IP-1 Services	14,746	13,309
Income from Projects		
Railways Project Works	3,489	3,743
Other Projects	26,340	18,668
Other Operating Revenue	58	-
Total	98,385	84,786

Other income

Note-25

(₹ in Lakh)

Particulars	For the Period Ended 31 March 2018	For the Period Ended 31 March 2017
Interest Income		
Interest Income on deposits with Bank	3,093	4,074
Interest Income on Mutual Funds	68	7
Interest on Income Tax Refunds		180

Particulars	For the Period Ended 31 March 2018	For the Period Ended 31 March 2017
Other Non Operating Income		
Miscellaneous Income	497	827
Liabilities/Provision written back	268	-
Gain on foreign Exchange transaction	-	59
Total	3,926	5,147

Finance Income

Note-26

(₹ in Lakh)

Particulars	For the Period Ended 31 March 2018	For the Period Ended 31 March 2017
Reversal of Discounting impact of Assets as on 31/03/2016		336
Discounting Impact of Security Deposits Assets 16-17		(294)
Reversal of Discounting impact of Assets as on 31/03/2017	294	
Discounting Impact of Security Deposits Assets 17-18	(141)	
Total	153	42

Access & Other Charges

Note-27

(₹ in Lakh)

Particulars	For the Period Ended 31 March 2018	For the Period Ended 31 March 2017
Operation & Maintenance of Fiber & Equipment	6,158	5,091
Share of Revenue with Konkan Railway	28	18
Hire Charges Radio Modem/Optic Fibers and Internet Access	4,649	3,376
Interconnect & Port charges	732	723
Railwire Expenses	6,469	6,263
Rent	297	356
Power & Fuel Expenses on network	3,910	3,451
Revenue Share to Railways	2,764	2,688
Total	25,007	21,966

License fee and Spectrum charges

Note-28

(₹ in Lakh)

Particulars	For the Period Ended 31 March 2018	For the Period Ended 31 March 2017
Licence Fee to DoT (Revenue Share)	4,501	4,117
Spectrum Charges to DoT	233	155
Total	4,734	4,272

Expenses on Project

Note-29

(₹ in Lakh)

Particulars	For the Period Ended 31 March 2018	For the Period Ended 31 March 2017
Expenses on Railway Projects	2,851	3,101
Expenses on Projects (Other Than Railway)	20,415	14,586
Allocation of Employee Benefit Expenses (Refer Note No. 30)	1,163	884
Allocation of Administrative & Other Expenses (Refer Note No. 31)	698	531
Total	25,127	19,102

Employee Benefits Expenses

Note-30

(₹ in Lakh)

Particulars	For the Period Ended 31 March 2018	For the Period Ended 31 March 2017
Salaries & Wages (including Staff Welfare)	12,384	10,000
Contribution to Provident fund	578	462
Less: Allocation of Expenses to Projects (Refer to Note no. 29)	1,163	884
Total	11,799	9,578

Administrative & Other Expenses

Note-31

(₹ in Lakh)

Particulars	For the Period Ended 31 March 2018	For the Period Ended 31 March 2017
Auditor Remuneration		
As Auditor	17	17
As Tax Auditors	6	6
Books & Periodicals	2	2
Communication Expenses	126	128
Conveyance Expenses	32	38
Bank Charges & Commission	10	21
Legal & Professional Expenses	568	581
Insurance	7	6
Rates & Taxes	78	34
Rent	1,443	1,054
Repair & Maintenance – Others	554	386
Tender Expenses.	148	144
Training & Recruitment Expenses	51	56
Travelling Expenses	419	513
Printing & Stationary Expenses	66	69
Vehicle Hire charges	272	294
Inspection Charges	15	33
Business promotion Expenses	120	159
Other Miscellaneous Expenses	263	287
Corporate Social Responsibility	76	359
Loss on sale of Fixed Assets	1	0
Provision for Bad and Doubtful Debts	512	752
Research and Development expenses *	200	-
Loss on foreign Exchange transactions	100	-
Less:- Allocation of Expenses to Project (Refer to Note no. 29)	698	531
Total	4,388	4,408

* It represents the amount funded on sponsorship of R&D activities to Telecom Center of Excellence (TCOE) for RailTel IITR Center of Excellence in Telecom (RICET) - (PY - ₹ Nil)

Depreciation and Amortisation

Note-32

(₹ in Lakh)

Particulars	For the Period Ended 31 March 2018	For the Period Ended 31 March 2017
Depreciation on tangible Assets	11,727	11,555
Amortization on Intangible Assets	137	87
Sub Total	11,864	11,642
Prior Period Depreciation (2015-16 & Prior) *		37
Total	11,864	11,679

* ₹ 37 lakhs has been charged through Statement of Change in Equity.

Finance Expenses

Note-33

(₹ in Lakh)

Particulars	For the Period Ended 31 March 2018	For the Period Ended 31 March 2017
Reversal of Discounting impact of Assets as on 31/03/2016		324
Discounting Impact of Security Deposits Assets 16-17		
a. Security Deposit		(32)
b. Retention Money		(212)
Reversal of Discounting impact of Assets as on 31/03/2017		
a. Security Deposit	32	
b. Retention Money	212	
Discounting Impact of Security Deposits Assets 17-18	(84)	
Total	160	80

Tax Expenses

Note-34

(₹ in Lakh)

Particulars	For the Period Ended 31 March 2018	For the Period Ended 31 March 2017
Current Tax (Income Tax)	7,882	8,427
Adjustment of tax of previous year (2016-17)		(112)
Tax impact of earlier Years	(3,029)	(519)
Deferred Tax Asset	(1,086)	(1,541)
Total	3,767	6,256

Other comprehensive income(OCI)

Note-35

(₹ in Lakh)

Particulars	For the Period Ended 31 March 2018	For the Period Ended 31 March 2017
Items that will not be reclassified to Profit & Loss		
Remeasurement Gain/losses on defined benefit plans	(321)	(9)
Income tax relating to item that will not be reclassified to Profit & Loss	111	3
Other comprehensive income/(Loss)	(210)	(6)

Note-36

STANDALONE NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2017-18

- These Financial Statements are presented in Indian Rupees (INR) which is the Company's functional currency.
- 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.
- Trade receivables, TDS receivable are subject to reconciliation, confirmation and consequential adjustment. In opinion of the management, the financial impact if any will not be material.
- Figures have been rounded off to nearest Rupees in lakhs. Previous year's figures have, wherever necessary, been rearranged/regrouped to conform the presentation of the Current year.
- License fee to DoT and Railways Revenue Share computed at prescribed rate of 8% and 7% respectively.
- Employees benefit expenses and administrative expenses are apportioned to project works based on 5% and 3% respectively of expenses incurred on each project work.
- The Current Assets/ Liabilities has been determined if they are receivable / payable within 1 year from the date of Balance Sheet. Rest has been treated as Non-Current.
- Balance recoverable from customers or other parties, Recoverable/payable from/to Ministry of Railways, sundry creditors are subject reconciliation, confirmation and consequential adjustments. In opinion of the management, the financial impact if any will not be material.
- Disclosure relating to dues to Micro, Small and Medium Enterprise: (₹ in Lakh)

S. No.	Particulars	2017-18	2016-17
1	Amount remaining unpaid to any supplier:		
	a) Principal Amount	1726	445
	b) Interest due thereon	NIL	NIL
2	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount paid to the supplier beyond the appointed day;	NIL	NIL

S. No.	Particulars	2017-18	2016-17
3	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	NIL	NIL
4	Amount of interest accrued and remaining unpaid	NIL	NIL
5	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL

10. Auditors Remuneration includes:

(₹ in Lakh)

Particulars	F.Y. 2017-18	F.Y. 2016-17
Statutory Audit Fee	17	17
Tax Audit	6	6
Total	23	23

11. Capital commitments:

(₹ in Lakh)

Particulars	March 31, 2018	March 31, 2017
Estimated amount of contracts remaining to be executed on capital account	25,406	27,776

12. Value of imports calculated on CIF basis

(₹ in Lakh)

Particulars	March 31, 2018	March 31, 2017
Raw materials	Nil	Nil
Consumables and Spare parts	Nil	Nil
Capital goods	155	789
Total	155	789

13. Expenditure in foreign currency (accrual basis)

(₹ in Lakh)

Particulars	March 31, 2018	March 31, 2017
Travelling & conveyance	21	5
Repair & Maintenance	Nil	Nil
Service charges	Nil	Nil

14. Corporate Social Responsibility Expenditure

During the period, the gross amount required to be spent by the Company on activities related to Corporate Social Responsibility (CSR) amounted to ₹ 368 lakhs (Previous year ₹ 347 lakhs). However, during the year the CSR committee has approved ₹ 370 Lakhs and out of the said amount ₹ 76 Lakhs has been incurred.

Details of amount incurred for FY 2017-18 in relation to CSR activities is mentioned below:

(₹ in Lakh)

Particulars	Approved Budget	Amount incurred	Amount yet to be incurred
Construction/Acquisition of any asset	Nil	Nil	Nil
On any other purpose	370	76	294
Total	370	76	294

Details of amount paid for FY 2016-17 in relation to CSR activities as provided for the liabilities in books of accounts as on 31.03.2017 as given hereunder:

(₹ in Lakh)

Particulars	Unpaid amount as on 01.04.2017	Amount Paid	Amount yet to be paid
Construction/Acquisition of any asset	Nil	Nil	Nil
On any other purpose	272	222	50
Total	272	222	50

Para-wise disclosure of Applicable Indian Accounting Standards are as below:

15. Financial Instruments

Trade receivables

As per Ind AS 109, Company is following expected credit loss model for recognizing the allowance for doubtful debts.

Security deposits & Retention Money (Liabilities)

Security Deposits & Retention Money are classified as Financial Liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement.”

Security Deposits (Asset)

There are some deposits which are being kept with government authorities e.g. commercial taxes department, Railways, Electricity etc. which are considered as financial asset. A period of 10 years has been assumed for discounting these items.

16. IND AS 2: Inventories

- The total carrying amount of inventories as at 31.3.2018 is NIL (PY ₹ 22 Lakhs) as shown in Note no 7 of Balance Sheet.
- There is no reversal of any write-down that is recognized as a reduction in the amount of inventories recognized as expense in the period and presented in cost of sales.
- Nothing out of carrying amount of inventories has been pledged as security for liabilities.

17. Disclosures in respect of IND AS 8: “ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS

Any item of prior period error which exceeds 1% of revenue from operations is considered for materiality test which is in accordance with Schedule III of the Companies Act 2013. Accordingly, in compliance with Ind AS-8, there is no need to re-state financial statements of prior period, since prior period errors are not material in nature.

18. Ind AS 11: “CONSTRUCTION CONTRACTS”

(₹ in Lakh as at March 31, 2018)

Customer Name	Revenue recognized during the year	Cost Incurred during the year	Advance from client	Amount due from client
Raj Comp Info Services Ltd.	2,071	1,843	-	616
Indian Railways with PSU's	3,489	3,079	4,813	1,127
Indian Maritime University	112	104	-	-
Northern Coalfield Ltd.	455	336	-	64
South Eastern Coalfields Limited	414	145	-	8
Smart City Pune	342	255	-	-
Andhra Pradesh Sarva Shiksha	979	890	-	573
ESIC	15,876	13,197	-	12,693
Total	23,738	19,849	4,813	15,081

All contracts are Fixed Price Contracts except with Indian Railways and its PSUs in which the contract is on Cost Plus Basis.

(₹ in Lakh as at March 31, 2017)

Customer Name	Revenue recognized during the year	Cost Incurred during the year	Advance from client	Amount due from client
Indian Railways with PSU's	3,743	3,349	2,440	791
Coal Mines Provident Fund	1,595	1,344	-	528
ESIC	10,302	8,713	-	-
Total	15,640	13,406	2,440	1,319

All contracts are Fixed Price Contracts except with Indian Railways and its PSUs in which the contract is on Cost Plus Basis.

19. Disclosures as required by IND AS 12 – Income Taxes

Figures in Lakh

Particulars	Provided during the FY 17-18 year in Profit & Loss	As on 31-Mar-2018	Provided during the FY 16-17 in Profit & Loss	As on 31-Mar-2017
Deferred Tax Liability				
Related to Depreciation on Fixed Assets	-830	3162	-939	3992
Total Deferred Tax Liabilities (A)	-830	3162	-939	3992
Deferred Tax Assets				
Provision on debtors	-114	1057	260	1171
43B Disallowances etc.	543	1064	166	520
Others	-173	164	176	337
Total Deferred Tax Assets (B)	256	2285	602	2028
Deferred Tax Liability Net (A-B)	-1086	877	-1541	1964

Figures in %

Reconciliation between the average effective tax rate and the applicable tax rate is as given below-

Particulars	Mar-18	Mar-17
Applicable Tax Rate	34.61	34.61
1. Tax effect of income that are not taxable in determining taxable profit	0	0

Particulars	Mar-18	Mar-17
2. Tax effect of expenses that are not deductible in determining taxable profit	8.30	8.91
3. Tax effect on recognition of previously un recognized allowance/disallowances	-2.56	-0.65
4. Tax effect of additional deductions	-0.26	-0.01
5. Tax expenses/income related to prior year	0	0.79
6. difference in tax due to reclassification of income and expenses	0	0.30
Average Effective Tax Rate	40.09	43.95

20. Disclosures as required by IND AS 16 – Property, Plant & Equipment

- The depreciation has been charged at the straight-line method.
- During the year, Company assessed the impairment loss of Assets and is of the opinion that since the Company is going concern and there is no indication exist for the impairment of the Asset. Therefore, it is considered that during the year there is no impairment loss of asset.
- The Company has continued with the carrying value of Property, Plant & Equipment & Intangible asset at the date of transition to Ind-AS measured as per Indian GAAP by availing exception provided in para D-7AA of Appendix-D to Ind-AS 101.
- The useful life of all the PPE have been defined in the accounting policies
- A reconciliation of the carrying amount at the beginning and end of the period is as per note no 2 of Balance Sheet.
- No assets have been classified as held for sale in accordance with IND AS 105.
- There is no increase or decrease on account of revaluation and from impairment loss recognized or reversed in other comprehensive income in accordance with IND AS 36
- The Company has acquired on lease a Govt land measuring 2 Bigha for 25 years in a village Namulijalah of Sila Sinduri Ghopa Mouza under North Guwahati from Govt. of Assam for setting up Network Hub and Corporation regional Head Quarter. Company is holding handing over taking over certificate. Value of land is ₹ 30 lakhs.
- No Capital expenses was incurred on Assets not owned by the Company during the Financial Year ended 31.03.2018 except:
 - on leasehold improvement of ₹ 33 lakhs (Previous Year- ₹ 380 lakhs).
 - Construction work at Patna for creation of Territory office on Railway land as per approved sanctioned plan by Railways whose agreement is yet to be executed. Expenditure incurred up to 31.03.2018 for ₹ 43 lakhs (Previous Year ₹ 16 lakhs) shown under Capital Work in Progress.

10. There is no obsolete asset which has been so far held under CWIP/Fixed Asset.
11. Depreciation on all the PPE has been disclosed separately
12. There is no restriction on title of PPE and nothing has been pledged as security and liability
13. The amount of contractual commitment for acquisition of PPE is ₹ 25406 lakhs (₹ 27776 lakhs in previous year)
14. There is no amount to be received on account of compensation from third party for items of PPE that were impaired, lost or given to Company that is to be recognized in the statement of profit & Loss account
15. Entire depreciation has been recognized in the statement of Profit & Loss account, nothing has been charged to cost of other assets. Accumulated depreciation at the end of the period has been shown separately.
16. There is no temporarily idle PPE.
17. ₹ 33009 Lakhs Gross Carrying value of assets have been fully depreciated, but still are in use.
18. During the reporting Period Assets having Net Book Value of ₹ 1 Lakh (Gross Book Value 53 Lakhs) has been retired with sale proceeds of ₹ 0.99 Lakh and loss of ₹ 0.10 Lakh has been booked.

21. Disclosures as required by IND AS 17 : Leases

AS A LESSOR

FINANCE LEASE

There is no finance lease transaction in the Company.

OPERATING LEASE

- a) The Company has been offering NLD Services, infrastructure services (Dark Fibers, Tower space and co-location etc.) under IP-I registration and Internet services under ISP license to its customers under respective operating lease
- b) The Company has entered into a non-cancellable long-term lease arrangement to provide optical fiber on indefeasible right of use (IRU) basis. The lease rental receivable proportionate to actual kilometers accepted by the customer is credited to the statement of profit and loss on a straight – line basis over the lease term. Due to the nature of the transaction, it is not possible to compute gross carrying amount, depreciation for the year and accumulated depreciation of the asset given on operating lease as of March 31, 2018 and accordingly respective disclosures required by IND AS 17 are not provided.
- c) Future minimum lease rentals receivable under operating lease for each of the following period as on 31st March 2018 are as under to the extent of advanced received: -

(₹ in Lakh)

Particulars	31-Mar-18	31-Mar-17
Not later than one year	14842	19508
Later than one year and upto five years	12048	22018
Later than five years	5367	3456

AS A LESSEE

The Company has taken various office premises & Telecom assets under operating lease agreements. These leases are not non-cancellable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed by lease agreement. There are no subleases.

Future minimum lease rentals payable under operating lease for each of the following period as on 31st March 2018 are as under: -

(₹ in Lakh)

Particulars	31-Mar-18	31-Mar-17
Not later than one year	637	134
Later than one year and up to five year	2,623	662
Later than five year	2,279	624

22. Disclosure Requirement as per IND AS 19 – Employee Benefits

Employee Benefits – Defined Benefit

Gratuity

The Company has scheme of gratuity plan for its employees from LIC. Every employee who has completed at least five years of service are entitled for gratuity at the time of relinquishment of employment for 15 days of last drawn salary for each completed year of service. The scheme is funded through LIC in the form of qualifying insurance policy.

Leave Encashment

The Company has scheme of Leave Encashment payable to eligible employees who have accumulated earned leave subject to maximum ceiling of 300 earned leave including half pay leave. Leave salary is provided for based on actuarial valuations, as at the Balance Sheet date. The scheme is funded through LIC.

Post-Retirement Medical:

The Company has Post-Retirement Medical Scheme (PRMS) to provide assistance for meeting a part of medical expenses incurred by retired members only after their retirement for dependent family members and self and dependent family members of the ex-employee in case of death of the employee.

Post-Retirement Medical is provided for based on actuarial valuations, as at the Balance Sheet date. Scheme has been approved w.e.f. 01.04.2017.

Employee Benefits – Defined Contribution

Pension:

The Company has introduced, pension Scheme for its employees, under defined contribution plan as per the recommendations of 2nd Pay Revision Committee (PRC) and further modified by the recommendations of 3rd PRC. RailTel will pay an amount equal to 10% of Basic pay+ DA of the eligible employees.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the Balance Sheet for the above defined benefit plan.

22.1: Table Showing Changes in Present Value of Obligations:

(₹ in Lakh)

Particulars	Gratuity		Leave Encashment		Post-Retirement Medical Scheme
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018
Present value of the obligation at the beginning of the period	789	636	1,199	730	-
Interest cost	60	48	91	55	-
Current service cost	153	100	195	107	142
Past Service Cost	82	-	-	-	-
Benefits paid (if any)	(41)	(24)	(87)	(41)	-
Actuarial (gain)/loss	319	29	223	348	-
Present value of the obligation at the end of the period	1,362	789	1,622	1,199	142

22.2 : Bifurcation of total Actuarial (gain)/loss on liabilities:

(₹ in Lakh)

Particulars	Gratuity		Leave Encashment		Post-Retirement Medical Scheme*
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018
Actuarial (gain)/losses from changes in Demographics assumptions (mortality)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	-
Actuarial (gain)/losses from changes in Financial Assumptions	320	8	1	(73)	-
Experience Adjustment (gain)/loss for Plan Liabilities	(1)	20	223	421	-
Total Amount recognized in other comprehensive income (gain)/loss	319	28	224	348	-

* Since the scheme is applicable w.e.f.01.04.2017, hence not applicable.

22.3: Key results (The amount to be recognized in the Balance Sheet):

(₹ in Lakh)

Particulars	Gratuity		Leave Encashment		Post-Retirement Medical Scheme
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018
Present value of the obligation at the end of the period	1,362	789	1,621	1,199	142
Fair value of plan assets at end of period	805	747	1,176	642	-
Net liability/(asset) recognized in Balance Sheet and related analysis	557	42	446	557	142
Funded Status	(557)	(42)	(446)	(557)	(142)

22.4: Expense recognized in the statement of Profit and Loss:

(₹ in Lakh)

Particulars	Gratuity		Leave Encashment		Post-Retirement Medical Scheme
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018
Interest Cost	60	48	91	55	-
Current Service Cost	153	100	195	107	142
Past Service Cost	82	-	-	-	-
Expected return on plan asset	(57)	(22)	(49)	(22)	-
Net Actuarial (gain)/loss recognized in the period	-	-	208	332	-
Expenses to be recognized in P&L	238	126	447	472	142

22.5: Other comprehensive (income) / expenses (Re-measurement)

(₹ in Lakh)

Particulars	Gratuity		*Leave Encashment		**Post-Retirement Medical Scheme
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018
Net cumulative unrecognized actuarial (gain)/loss Opening	9	0	NA	NA	-

Particulars	Gratuity		*Leave Encashment		**Post-Retirement Medical Scheme
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018
Actuarial (gain)/loss - obligation	319	28	NA	NA	-
Actuarial (gain)/loss - plan assets	3	(19)	NA	NA	-
Total Actuarial (gain)/loss	322	9	NA	NA	-
Cumulative Total Actuarial (gain)/loss	331	9	NA	NA	-

*As per paragraph 154 and 156 of IND AS 19, Actuarial gains and losses on other long-term employee benefit plans continue to be required to be recognized through P&L.

** Since the scheme is applicable w.e.f.01.04.2017, hence not applicable.

22.6: Table showing Fair Value of Planned Assets:

(₹ in Lakh)

Particulars	*Gratuity		*Leave Encashment		**Post-Retirement Medical Scheme
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018
Fair value of plan assets at the beginning of the period	747	288	642	287	-
Actual return on plan assets	54	41	63	38	-
Contributions	45	442	558	358	-
Benefits paid	(41)	(24)	(87)	(41)	-
Fair Value of Plan Asset at the end of the Period*	805	747	1176	642	-

*100% of fund is managed by Insurance Company.

**Since the scheme is applicable w.e.f.01.04.2017, hence not applicable.

22.7: Actuarial (Gain)/Loss on Planned Assets:

(₹ in Lakh)

Particulars	Gratuity		Leave Encashment		*Post-Retirement Medical Scheme
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018
Actual return on plan assets	54	41	63	38	-
Expected return on plan assets	57	22	49	22	-
Actuarial gain/ Loss)	(3)	19	14	16	-

*Since the scheme is applicable w.e.f.01.04.2017, hence not applicable.

22.8: Summary of membership data at the date of valuation and statistics based thereon:

Particulars	Gratuity		Leave Encashment		Post-Retirement Medical Scheme		
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018		
					Active	Retired	Family Pensioners
Number of employees	490	494	490	494	490	4	-
Total monthly salary (in Lakhs)	331	276	331	276	-	-	-
Average Past Service (Years)	8	6	8	6	-	-	-
Average Future Service (Years)	22	22	22	22	-	-	-
Average Age (Years)	38	36	38	36	38	60	NA
Average Duration (Years)	-	-	-	-	7	N.A	NA

22.9: The assumptions employed for the calculations are tabulated:

Particulars	Gratuity		Leave Encashment		Post-Retirement Medical Scheme
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018
Discount rate	7.60 % p.a.	7.50 % p.a.	7.60 % p.a.	7.50 % p.a.	7.60% p.a.
Medical Inflation Rate	-	-	-	-	5% p.a.
Salary Growth Rate	6% p.a.	6% p.a.	6% p.a.	6% p.a.	-

Particulars	Gratuity		Leave Encashment		Post-Retirement Medical Scheme
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018
Mortality	IALM 2006-08 Ultimate	100% IALM 2006-08	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	-
Withdrawal rate (Per Annum)	5% p.a. (18 to 30 Years)	2% p.a.	7.60% p.a.	2% p.a.	5% p.a. (18 to 30 Years)
Withdrawal rate (Per Annum)	3% p.a. (30 to 44 Years)	-	5.00% p.a. (18 to 30 Years)	-	3% p.a. (31 to 44 Years)
Withdrawal rate (Per Annum)	2% p.a. (44 to 60 Years)	-	3.00% p.a. (30 to 44 Years)	-	2% p.a. (45 & above)

22.10: Benefits valued:

Particulars	Gratuity		Leave Encashment		Post-Retirement Medical Scheme
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018
Normal Retirement Age	60 Years	58, One year is added to the retirement age whose age is above 58	60 Years	-	60 Years
Salary	Last drawn qualifying salary	Basic Salary + D.A.	As per rules of the company	-	As per rules of the company
Vesting Period	5 Years of Service	5 Years of Service		-	-
Benefits on Normal Retirement	15/26 X Salary X Past Service (Yr)	15/26 X Salary X No of years of completed services.	1/30 X Salary X No of leaves.	-	-
Benefit on early exit due to death and disability	As above, except that no vesting conditions apply.	Same as normal retirement benefit except that no vesting condition apply.	As above, subject to rules of the company	-	-
Limit	20 Lakhs	10 Lakhs	-	-	-

22.11: Current Liability (*Expected payout in next year as per schedule III of the Companies Act, 2013):

(₹ in Lakh)

Particulars	Gratuity		Leave Encashment		Post-Retirement Medical Scheme
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018
Current Liability (Short Term)	83	59	99	168	3
Non-Current Liability (Long Term)	1,279	730	1,522	1,031	139
Total Liability	1,362	789	1,621	1,199	142

22.12: Gratuity and Post-Retirement Medical Scheme: Estimate of expected benefit payments (In absolute terms i.e. undiscounted):

(₹ in Lakh)

For the year ended	Gratuity	Post-Retirement Medical Scheme
31 Mar 2019	83	3
31 Mar 2020	99	3
31 Mar 2021	108	3
31 Mar 2022	85	3
31 Mar 2023	76	3
01 Apr 2023 Onwards	1,191	24

22.13 (a): Sensitivity Analysis: Leave Encashment

the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

(₹ in Lakh)

All figures in INR	March 31, 2018	Impact (%)
Base liability	1621	
Increase Discount Rate by 1%	1454	10%
Decrease Discount Rate by 1%	1822	12%
Increase salary inflation by 1%	1823	12%
Decrease salary inflation by 1%	1451	11%
Increase in Withdrawal Assumption by 1%	1649	2%
Decrease in Withdrawal Assumption by 1%	1589	2%

22.13 (b): Sensitivity Analysis: Gratuity

the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

(₹ in Lakh)

All figures in INR	March 31, 2018	Impact (%)
Base liability	1,362	
Increase Discount Rate by 1%	1,228	10%
Decrease Discount Rate by 1%	1,522	12%
Increase salary inflation by 1%	1,523	12%
Decrease salary inflation by 1%	1,225	10%
Increase in Withdrawal Assumption by 1%	1,382	1%
Decrease in Withdrawal Assumption by 1%	1,339	2%

22.13 (c): Sensitivity Analysis: Post Medical Retirement Scheme

the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

(₹ in Lakh)

All figures in INR	March 31, 2018	Impact (%)
Base liability	142	
Increase Discount Rate by 1%	114	-19.43%
Decrease Discount Rate by 1%	179	25.95%
Increase salary inflation by 1%	180	26.41%
Decrease salary inflation by 1%	114	-20.01%
Increase in Withdrawal Assumption by 101%	141	-0.56%
Decrease in Withdrawal Assumption by 99%	143	0.56%

22.14 Foreign Service Contribution:

Foreign Service Contribution payable for leave salary and pension in respect of employees who have joined the corporation on deputation for a fixed period from Indian Railways & Department of Telecommunication for the year 2017-18 in terms of Government rules and regulations is charged to revenue on accrual basis.

23. Disclosure in respect of Indian Accounting Standard (Ind AS) 20 “Accounting for Government Grants and disclosure of Government Assistance”:

The break-up of total grant in aid received up to 31.03.2018 for various purposes is as under: - (₹ in Lakh)

Grant Received For	As At 31.03.2018	As At 31.03.2017
North East Project	3,146	3,146
Rural Wi-Fi	739	Nil
Total	3,885	3,146

Grant/Subsidy on NE Project:

1. As on Balance sheet date 31.3.2018, subsidy of ₹ 3,146 Lakhs was received from Department of Telecommunication for North east project. During the year asset in Tripura state has been capitalized with value of ₹ 2,227 Lakhs against which subsidy received is ₹ 395 Lakhs. The amount of subsidy received is shown under the head “Other Non-Current Liability”.

During the financial year 2017-18, depreciation of ₹ 313 lakhs have been charged to Statement of Profit and Loss due to capitalization of Tripura State assets and accordingly impact of amortization of subsidy is recognized in Statement of Profit and Loss for ₹ 58 lakhs in proportion to depreciation which is shown under the head other operating revenue.

2. The Company had undertaken two projects of NE-1 and NE-2 with a total capital outlay of Rs. 45125 lakh for which anticipated subsidy of Universal Service Obligation Fund of Department of Telecommunication, Government of India was pegged at Rs. 38800 lakh and net cash outflow of Rs. 6325 lakh. Against this, the Company has incurred total capital expenditure of Rs. 30121 lakh and has received subsidy of Rs. 3146 lakh with a net cash outflow of Rs. 26975 lakh upto 31.03.2018.

Grant/Subsidy on Rural Wi-Fi: During the year, the company has received Rural Wi-Fi Subsidy amounting to ₹ 739 Lakhs from Department of Telecommunication (DoT) for the installation of Wi-Fi in rural areas. An amount of ₹ 130 lakhs have been incurred on the said project which is yet to be capitalized and has been shown under Capital Work in progress Therefore, subsidy will be amortized to other income during the subsequent years after capitalization.

24. Disclosures as required by IND AS 21 : Effects of change in foreign exchange rates

Exchange Difference

(₹ in Lakh)

Sr. No.	Particulars	2017-18	2016-17
1	The amount of exchange differences recognised in profit or loss except for those arising on financial instruments measured at fair value through profit or loss in accordance with Ind AS 109.	(100)	59
2	Net exchange differences recognised in other comprehensive income and accumulated in a separate component of equity, and a reconciliation of the amount of such exchange differences at the beginning and end of the period.	Nil	Nil

25. IND-AS – 24 : Related party disclosures

Names of related parties and their relationship:

- Enterprises under common control: NA
- Subsidiaries: RailTel Enterprises Limited

iii) Key Management Persons:

Shri Rajendra Kumar Bahuguna-CMD (upto 30.09.2017)
Shri Ashutosh Vasant-Director/POM (30.03.2017 onwards)
Shri A. Sheshgiri Rao – Director/NPM (upto 28.08.2017)
Smt Anju Ranjan-Director/Finance (From 01.04.2017 onwards)
Shri Anshul Gupta- Director/NPM (From 16.11.2017 onwards)
Shri J S Marwah- Company Secretary

iv) Disclosures of transactions of the Company with Key Management Persons:

(₹ in Lakh)

Particulars	Name	Shri Rajendra Kumar Bahuguna	Shri N.K. Gupta	Shri Ashutosh Vasant	Shri A. Sheshgiri Rao	Shri J S Marwah
	Designation	CMD	Director/ Finance	Director/ POM	Director/ NPM	Company Secretary
Salaries and Allowances	2017-18	31	-	41	22	19
	2016-17	55	41	-	46	13
Retirement Benefit Paid	2017-18	-	9	-	26	-
	2016-17	-	-	-	-	-

(v) Sitting fee paid to Independent Directors:

(₹ in Lakh)

Name	For 2017-18	For 2016-17
Sh Anupam Alok	4	3
Sh Ashok Goel	3	2

(vi) Transactions with subsidiary (RailTel Enterprises Limited):

Nature of Transactions	Amount
On account of operating Income	₹ 33 Lakhs (Nil)
On account of Non-Operating Income	₹ 45 Lakhs (₹ 36 Lakhs)
Receivable from RailTel Enterprises Limited	₹ 143 Lakhs (NIL)
Advance to RailTel Enterprises Limited	NIL (₹ 120 Lakhs)

Nature of Transactions	Amount
On account of operating Expenses	NIL (₹ 1335 lakhs)
Payable to RailTel Enterprises Limited	₹ 46 Lakhs (₹ 47 Lakhs)

(Figure in bracket represents previous year figures)

vii) Transactions with Railway PSUs & Railway Units

Transactions with Railway PSUs and Railway Units are in relation to Telecommunication Services & Other Projects.

(₹ in Lakh)

Particulars	Years	Revenue	Expenditure	Receivable	Payable	Advance Received
Central Railside Warehouse Company Limited	2017-18	28	-	22	-	-
	2016-17	13	-	4	-	-
Centre For Railway Information Systems	2017-18	-	-	138	-	-
	2016-17	193	-	274	-	-
Container Corporation of India Ltd	2017-18	18	-	29	-	-
	2016-17	24	-	26	-	-
Dedicated freight corridor Corporation of India Limited	2017-18	204	-	52	-	466
	2016-17	327	-	34	-	687
Indian Railway Catering and Tourism Corporation Limited	2017-18	21	-	19	-	1
	2016-17	9	-	22	-	1
IRCON International Limited	2017-18	35	-	7	-	-
	2016-17	4	-	4	-	-
Konkan Railway Corporation of India Limited	2017-18	42	28	7	15	7
	2016-17	77	18	-	33	-
Rail Land Development Authority	2017-18	4	-	4	-	-
	2016-17	3	-	3	-	-
Rail Vikas Nigam Limited	2017-18	291	-	50	-	621
	2016-17	95	-	37	-	147
Rail Wheel Factory	2017-18	6	-	10	-	-
	2016-17	83	-	55	-	-
RITES Limited	2017-18	11	-	9	-	-
	2016-17	5	-	6	-	-
India Railways	2017-18	11,826	2,764	10,949	4,977	4,813
	2016-17	9,961	2,688	12,510	4,900	2,440
Total	2017-18	12,486	2,792	11,296	4,992	5,908
	2016-17	10,794	2,706	12,975	4,933	3,275

26. Disclosures as required by IND AS 33 : Earning Per Share

Numerator	As at 31.03.2018 (FY 2017-18)	As at 31.03.2017 (FY 2016-17)
Profit after tax as per Profit and Loss Account (Used as Numerator (₹ in Lakhs))	15618	12672
Denominator		
- Number of Equity Shares (Face value of ₹ 10/- each)	320938407	320938407
- Number of Shares allotted during the year	NIL	NIL
- Weighted Average number of equity shares for calculating Basic Earnings Per Share	320938407	320938407
- Weighted Average number of equity shares for calculating Diluted Earnings Per Share	320938407	320938407
- Basic Earnings Per Share (₹/ per share) (Face value of ₹ 10/- each)	4.87	3.95
- Diluted Earnings Per Share (₹/ per share) (Face value of ₹ 10/each)	4.87	3.95

27. Disclosures as required by IND AS 37 : Provisions, Contingent Liabilities and Contingent Assets

- Provision for Doubtful Debts is made based on management's best estimate of probable losses inherent in the trade receivable.
- Provisions are recognized in respect of obligations, based on the evidence available, and wherever their existence on the Balance Sheet date is considered probable.
- Contingent liabilities are determined on the basis of available information. These liabilities are not provided for and are disclosed by way of notes on accounts.

(₹ in Lakh)

Particulars	Provision for Employee Benefits						Total
	Provision for Arbitration Claim	Performance Related Pay	Provision for pension	Provision for Post- Retirement Medical	Provision for Gratuity & Leave Encashment	Provision for 3rd PRC	
Carrying Amount at the beginning of the period	46	994	508	0	599	42	2189
Additional provision made in the period	0	970	398	142	1002		2512
Amount utilized/adjusted during the period	0	4	0	0	599	42	645
Unused amount reversed during the period	0	35	0	0	0		35
Carrying amount at the end of the period	46	1925	906	142	1002	0	4021

27.1 Contingent liabilities:

27.1 (a) : Claim against the Company not acknowledged as debts

(₹ in Lakh)

Particulars	Service Tax	VAT	Income Tax	DoT	Other	Total
Carrying Amount at the beginning of the period	1,132	379	292	10,756	300	12,859
Additions during the period	-	4	1,195	-	272	1,471
Amount adjusted during the period	343	(300)	(121)	-	-	(78)
Carrying amount at the end of the period	1,475	83	1,366	10,756	572	14,252

27.1 (b). Bank Guarantees given by the Company to Customers/Government as on 31.03.2018 is ₹ 14991 lakhs (PY ₹ 11691 lakhs).

27.1.(c). Loans and advances include a sum of ₹ 379 lakhs deposited with the Department of Telecommunication, under protest, on account of share on income, interest, and penalty. The company has filed an appeal with Telecom Dispute Settlement and Appellate Tribunal (TDSAT). Against which necessary provision exist.

28. Disclosure Requirements as per IND AS 108 – Operating Segments

The Company's principle business is to provide neutral telecom infrastructure. The Company operates within India and does not have operations in economic environment with different risks and returns. Hence, it is considered operating in Pan India-single geographical segment

The Company's operating segments are as follows:

1. Telecom Services -Department of telecommunication has provided licenses to Company, namely ILD, NLD, ISP and IP-1 registration for providing various type of telecommunication services in the country. RailTel with its expertise in Telecom & IT domain for over a decade offers an end-to-end managed data services to its customers within the framework of these licenses.

It provides a wide range of Telecom services to its customer as under:

1. Managed Data Services
2. Leased Line
3. Virtual Private Network
4. Internet Leased Line
5. Data Centre
6. Tower collocation
7. Rack and space
8. NLD for voice carriage

2. Project Work services- To generate revenue through its expertise in telecom field, Company has taken the following projects:

1. National Optical Fiber Network
2. Telecom and IT services related projects
3. Enterprise specific IT & ITES Projects

The Company's Operating segment information for the year ended March 31, 2018 is presented below:

(₹ in Lakh)

Particulars	Telecom Services	Project Work Services	Total
	A	B	A+B
Revenue from operations	68,556	29,829	98,385
Operating Expenses	45,828	25,127	70,955
Segment Operating Income/(Loss)	22,728	4,702	27,430
Un allocable Depreciation			733
Operating Income			26,697
Other Income			765
Foreign Exchange Gain/(Loss), net			(100)
Profit before interest, depreciation, tax and exceptional items			27,361
Interest Income/(expenses), net			3,161
Finance income/(expenses), net			(7)
Depreciation, amortization and impairment	11,131		11,131
Profit before taxation			19,385
Profit after exceptional item but before taxation			19,385
Tax Expense			3,767
Profit after taxes			15,618
Other Comprehensive Income (net of taxes)			(210)
Total Comprehensive Income for the Period			15,408

SEGMENT ASSETS

Segment Property, Plant & Equipment Assets (Net Block)	64863	0	64863
Other Assets	53661	19432	73093
Capital WIP	36417	0	36417

SEGMENT LIABILITIES

Segment Liabilities	83414	12598	96012
Deferred Tax Liabilities	877	0	877

The Company's Operating segment information for the year ended March 31, 2017 is presented below:

(₹ in Lakh)

Particulars	Telecom Services	Project Work Services	Total
	A	B	A+B
Revenue from operations	62,375	22,411	84,786
Operating Expenses	40,224	19,102	59,326
Segment Operating Income/(Loss)	22,151	3,309	25,460
Un allocable Depreciation			711
Operating Income			24,749
Other Income			827
Foreign Exchange Gain/(Loss), net			59
Profit before interest, depreciation, tax and exceptional items			25,635
Interest Income/(expenses), net			4,261
Finance income/(expenses), net			(38)
Depreciation, amortization and impairment	10,931		10,931
Profit before taxation			18,927
Profit after exceptional item but before taxation			18,927
Tax Expense			6,255
Profit after taxes			12,672
Other Comprehensive Income			(6)
Total Comprehensive Income for the Period			12,666

SEGMENT ASSETS

Segment Property, Plant & Equipment Assets (Net Block)	65028	0	65028
Other Assets	47765	14365	62130
Capital WIP	35972	0	35972

SEGMENT LIABILITIES

Segment Liabilities	86069	24615	110684
Deferred Tax Liabilities	1964	0	1964

Information about major customers:

NICSI, ESIC and Railways are the customers who contributed 10% or more to the Company's revenue for year ended on 31st March 2018.

NICSI-Revenue for the year is ₹ 13456 lakhs (Previous year 13741 lakhs).

ESIC- Revenue for the year is ₹ 15876 lakhs (Previous Year 10302 lakhs)

Railways- Revenue for the year is ₹ 11826 lakhs (Previous Year 9961 lakhs)

29. Disclosure Requirement as per IND AS 112 – Disclosure of Interest in Other entities

Particulars of Subsidiaries of the Company

Particulars	Name of the Entity	Country of Incorporation	% of Ownership Interest
Subsidiary	RailTel Enterprises Limited	India	100%

30. IND AS 115 – Revenue from Contracts with Customers

As per para 30 of Ind AS-8, when an entity has not applied a new Ind AS that has been issued but not yet effective, the entity shall disclose this fact and possible impact that application of the new Ind AS will have on entity's financial statements.

During the year, Ministry of Corporate Affairs (MCA) on 28th March 2018 had notified IND AS-115 on "Revenue from Contracts with Customers" through Companies (Indian Accounting Standards) Amendments Rules 2018, which the company has not applied as this is effective for annual periods beginning on or after 1st April 2018. The standard establishes a new five step model that will apply to revenue arising from Contracts with customers. Under IND AS 115, revenue is recognized at an amount reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IND AS -18 and IND AS -11. The Company is currently evaluating the requirements of IND AS -115 and has not yet determined the impact on the financial statements.

31. Disclosure as required by IND AS 107, IND AS 109 & IND AS 113

- (i) Valuation techniques and process used to determine fair values
 - (a) The carrying value of financial assets and liabilities with maturity less than 12 months are considered to be representative of their fair value.
 - (b) Fair value of other financial assets and liabilities carried at amortized cost is determined by discounting of cash flows using discount rate.
 - (c) A discount rate of 6.90% (SBI Rate) has been used for balances as on 31/03/2018.

Financial Instrument

Financial Instruments by Category

The carrying value of financial instruments by each category were as follows: -

(₹ in Lakh)

Particulars	Financial Assets/ Liabilities at amortised costs		Financial Assets/Liabilities at FVTPL		Financial Assets/Liabilities at FVTOCI	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Assets						
Trade Receivables (Refer to Note No. 8)	45,499	36,805	Nil	Nil	Nil	Nil
Cash & Cash Equivalents (Refer to Note No. 9 & 10)	44,484	60,393	Nil	Nil	Nil	Nil
Other Financial Assets (Refer to Note No.5,11&12)	12,640	14,000	Nil	Nil	Nil	Nil
Liabilities						
Trade Payables (Refer to Note No. 20)	27,407	21,744	Nil	Nil	Nil	Nil
Other Financial Liabilities (Refer to Note No. 16 & 21)	15,831	13,650	Nil	Nil	Nil	Nil

Interest Income/(Expenses) recognized on financial assets and liabilities:

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Financial assets at amortised cost		
Interest income on other financial assets	Nil	Nil
Interest expenses on other financial assets	(141)	(294)
Interest income on other financial liabilities	84	244
Interest expenses on other financial liabilities	Nil	Nil
Financial assets at Fair Value through Profit or Loss (FVTPL)	(57)	(50)
Financial assets at Fair Value through Other Comprehensive Income (FVTOCI)	Nil	Nil

Financial Risk Management

The Company has exposure to the following risk from its use of financial instruments: -

1. Credit Risk
2. Liquidity Risk
3. Market Risk

The board of director has overall responsibility for the establishment & oversight of the Company's risk management framework. The Board of director has established a risk management policy to identify and analyze the risks faced by the Company. The audit committee broadly oversees how management monitors compliances with the Company's risk management policies and procedures. The audit committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

1. Credit Risk:

Credit risk is the risk of financial losses to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation and arises principally from the Company's trade receivables, employee loans and other activities that are in the nature of leases.

Exposure to Credit Risk

The gross carrying amount of financial assets, net of any impairment losses recognized represents the maximum credit exposure. The maximum exposure to credit risk as at March 31 2018 & March 31, 2017 was as follows:-

(₹ in Lakh)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Gross Carrying Value	Net Value after Impairment	Gross Carrying Value	Net Value after Impairment
Trade Receivables (Refer to Note No. 8)	45,499	45,499	36,805	36,805
Other Financial Assets (Refer to Note No. 5,11 & 12)	12,640	12,640	14,000	14,000

Financial assets that are past due but not impaired, Trade Receivables, Employee Loans, Cash and cash equivalents and other assets are neither past due nor impaired

2. Liquidity Risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company reputation, typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses, servicing of financial obligations.

3. Market Risk:

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments.

32. Proposed Dividend

The Board of Directors have recommended dividend on equity share of Rs. 4447 lakh at their meeting held on 18.08.2018. As per Companies (Accounting Standard) amendment rules 2016, the dividend will be recorded after approval of shareholders in ensuing Annual General Meeting.

33. IND AS 18: Revenue Recognition

Accounting policies adopted for the recognition of revenue-

- i) **Service Revenues-** Service revenues include incomes from National Long Distance services, Internet Service, infrastructure provider services such as co-location, dark fibre, tower space etc. Service revenue also includes revenues associated with access and interconnection for usage of the network of other operators. Revenues are recognised on prorata basis on provision of services while revenue from co-location, dark fibre, tower space etc is recognised over the period of arrangement.

Revenue shall be measured at the fair value of the consideration received or receivables.

Service revenues are recognised as the services are rendered and are stated net of discounts, waivers and taxes. Revenues from pre-paid services like Rail wire are recognised based on actual usage.

Service revenue is recognised from the date of satisfactory installation services at the customer site.

Deferred revenue includes amount received in advance from customers which would be recognised over the periods when the related services are expected to be rendered.

- ii) **Deposit Works-** When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period based on statements of account received from the contractors. Incidental Expenditure relating to these works including corporate office expenses for the year, is apportioned to these works on the basis of expenses incurred on these works. 5% and 3% of expenses incurred on each work is apportioned towards establishment cost and other common expenses respectively.
- iii) **Interest and Other Income-** For all financial instruments measured at amortised cost and interest bearing financial assets, classified as financial assets at fair value through profit or loss or as available for sale, interest income is recognized using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in 'finance income' in the income statement.

For M/s Suresh chandra & Associates
Chartered Accountants
FRN 001359N

For and on behalf of the Board of Directors of
RailTel Corporation of India Limited

Sd/-
Ved Prakash Bansal
M.No. 500369

Sd/-
J S Marwah
Company Secretary
(M. No. :F8075)

Sd/-
Sanjeeb Kumar
Director Finance
(DIN : 03383641)

Sd/-
N Kashinath
Chairman and Managing Director
(DIN: 08117673)

Place: New Delhi
Date: 18/08/2018

SURESH CHANDRA & ASSOCIATES

CHARTERED ACCOUNTANTS

504, Prakash Deep Building, 7, Tolstoy Marg, Connaught Place, New Delhi - 110 001
Phone: 011- 66142200 to 07, Fax: 011-43537679, E-mail: sca_ca_co@yahoo.com

Independent Auditor's Report

To
The Members of
Railtel Corporation of India Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated financial statements of Railtel Corporation of India Limited (“hereinafter referred to as “the Holding Company”), its subsidiary (the Holding company and the Subsidiary together referred to as “the Group”) which comprise the Consolidated Balance Sheet as at March 31, 2018, Consolidated Statement of Profit and Loss (Including other comprehensive income), the Consolidated statement of Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated Ind AS Financial Statements”).

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the Consolidated Financial Position, Consolidated financial performance including other comprehensive income, Consolidated cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (‘Ind AS’) specified under section 133 of the Act, read with relevant rules issued thereunder.

The respective Board of Directors of the companies included in the Group is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities, the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of the preparation of the Consolidated Ind AS Financial Statements by the directors of the company as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Ind-AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the other matters below are sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditor on separate Financial Statements, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the Consolidated State of Affairs of the Group as at March 31, 2018, and their consolidated profit including the other comprehensive income, and their consolidated cash flows and Consolidated Statement of Changes in Equity for the year ended on that date.

Emphasis of Matter

We draw attention to the following notes to the financial statements-

- a) Item No. 8 of Note No 36 with regard to the balances recoverable from Customer or other parties, Recoverable/ Payable from/to Ministry of Railways, Sundry Creditors, are subject to reconciliation/confirmation.
- b) Item No. 9 of Note No. 36 in respect of subsidiary company where the auditor has stated as under –

“Company had received LOA from Government of Rajasthan in FY 2015-16 for Rs.26.03 Crores for implementation of Network Connectivity for 1500 Schools of Rajasthan, in respect of which income of Rs.5.27 Crores was booked in FY 2015-16 and the same was allotted to M/s Synoptics Technologies Pvt. Ltd in FY 2015-16 for Rs.8.53 Crores, accordingly expense of Rs.4.82 Crores was booked in the same year. An amount of Rs.44 Lakhs was received from customer as an advance in the FY 2016-17 and payment was made to vendor of Rs.37 lakhs accordingly”.

As in the current year, agreement was terminated by Rajasthan Government, as a result of which sales return of Rs.5.27 Crores and reversal of expense of Rs.4.82 Crores was booked. Also advance paid and received has been receipt and refunded respectively.”

c) Corporate Social Responsibility (CSR):

(i) Item No.15 of Note No. 36 with regard to un-spent amount of Rs. 294 lakhs (FY 2017-18) relating to CSR activities out of the amount required to be spent of Rs. 368 lakhs.

(ii) The Company had created a reserve towards un-spent amount of CSR in earlier years (FY 2013-14) under the head “Corporate Social Development Reserve”. An amount of Rs.122 lakhs is still un-spent and is appearing in Corporate Social Development Reserve.

d) Item no. 24(2) of Note no. 36 regarding NE-1 and NE-2 projects with a total expenditure of Rs.45125 lakhs and anticipated subsidy of Rs.38800 lakhs. The company has however, incurred total capital expenditure of Rs.30121 lakhs and has received a subsidy of Rs.3146 lakhs with a net cash outflow of Rs. 26975 lakhs up to 31.03.2018.

Our opinion is not modified in respect of matters stated above as Emphasis of Matter.

Other Matters

We did not audit the financial statement / financial information of subsidiary (Railtel Enterprises Ltd.), whose financial statement / financial information reflect total assets of Rs. 7187.22 Lakhs as at 31st March 2018, total revenues of Rs. 738.54 Lakhs and net cash flows amounting to Rs.5230.78 Lakhs for the year ended on that date, as considered in these Consolidated Ind-AS Financial Statements. This financial statements/financial information have been audited by other auditors whose report has been furnished to us by the management and our opinion on the Consolidated Ind AS Financial Statements in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-section (3) and (11) of the section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

Our opinion on the Consolidated Ind AS Financial Statements and our report on other legal and regulatory requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the management.

Report on Other Legal and Regulatory Requirements

1. The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of sub-section (5) of Section 143 of the Companies Act 2013, the compliance of which is set out in **Annexure – A**
2. As required by section 143(3) of the Act, based on the audit and on the consideration of report of other auditors on separate financial statements and other financial information of subsidiary, as noted in the ‘other matter paragraph, we report, to the extent applicable that:
 - a) We/the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Ind AS Financial Statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of aforesaid Consolidated Ind AS Financial Statements have been kept by the Company so far as it appears from our examination of those books and report of other auditor;
 - c) The Consolidated Ind-AS Financial Statements i.e. Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the statement of Cash Flow and Statement of Changes in Equity, dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with rules prescribed thereunder;
 - e) In terms of notification no. G.S.R. No. 463(E) dated 05th June 2015 issued by Ministry of Corporate Affairs, the provisions of section 164(2) of the Act regarding disqualification of directors are not applicable.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure-B**” to this report; and
 - g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the Consolidated financial position of the Group as at March 31, 2018- Refer Item No. 28.1 to Note no. 36 to the Consolidated Ind AS Financial Statements
 - ii. The Group does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and subsidiary company incorporated in India.

For **Suresh Chandra & Associates**
Chartered Accountants
FRN 001359N

Sd/-
(Ved Prakash Bansal)
Partner
M. No:500369

Place: New Delhi
Date: 18.08.2018

‘ANNEXURE-A’ referred to in Section 143 (5) of Companies Act 2013.

S. No.	Directions	Reply
1	Whether the company has clear title/ lease deeds for freehold and leasehold land respectively? If not, please state the area for freehold and leasehold land for which title/ lease deeds are not available.	All freehold and lease hold lands have clear title / lease deeds except in one case where the company has acquired a land measuring 2 Bigha for 25 years in a village Namalijalah of Sila Sinduri Ghopa Mouza under North Guwahati from Govt. of Assam for setting up network hub and Corporation Head Quarter. Eastern Region is holding Handing over taking over certificate.
2	Whether there are any cases of waiver/ write-off of debts/ loans/ interest etc. If yes, reasons thereof and amount involved.	There are no cases of waiver/ write-off of debts/ loans/ interest etc.
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift/ grant from government or other authorities.	As per our opinion, there are no inventories which are lying with the third parties. During the year, the Company has received a grant of Rs. 739 lakhs towards Rural Wi-fi which has been properly recorded and disclosed in its financial statements.

For **Suresh Chandra & Associates**
Chartered Accountants
FRN 001359N

Sd/-
(Ved Prakash Bansal)
Partner
M. No:500369

Place: New Delhi
Date: 18.08.2018

Annexure- B to the Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Ind AS Financial Statements of the company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Railtel Corporation of India Ltd. ("the Holding Company") and its subsidiary company which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective board of directors of the Holding Company and its subsidiary company, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their report referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary company incorporated in India, have maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Suresh Chandra & Associates**
Chartered Accountants
FRN 001359N

Sd/-
(Ved Prakash Bansal)
Partner
M. No:500369

Place: New Delhi
Date: 18.08.2018

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. Lakh)

Sl. No.	Particulars	F.Y. 2017-18	F.Y. 2016-17
1.	Name of the subsidiary	RailTel Enterprises Limited	RailTel Enterprises Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2017 to 31.03.2018 (same as Holding Company)	01.04.2016 to 31.03.2017 (same as Holding Company)
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.
4.	Share capital	Authorised -5000 Subscribed, Issued & Paid up- 1000	Authorised -5000 Subscribed, Issued & Paid up- 1000
5.	Reserves & surplus	354.22	195.23
6.	Total assets	7187.22	2062.21
7.	Total Liabilities	5833.00	866.98
8.	Investments	Nil	Nil
9.	Turnover	738.54	1 762.86
10.	Profit before taxation	229.87	188.41
11.	Provision for taxation	70.87	54.36
12.	Profit after taxation	158.99	134.04
13.	Proposed Dividend	Nil	Nil
14.	% of shareholding	100	100

Part "B": Associates and Joint Ventures - Not Applicable

For M/s Suresh chandra & Associates
Chartered Accountants, FRN 001359N

RailTel Corporation of India Limited

Sd/-
Ved Prakash Bansal
M.No. 500369
Place: New Delhi
Date: 18/08/2018

Sd/-
J S Marwah
Company Secretary
(M. No. :F8075)

Sd/-
Sanjeeb Kumar
Director Finance
(DIN : 03383641)

Sd/-
N Kashinath
Chairman and Managing Director
(DIN: 08117673)

RailTel Corporation of India Limited

Consolidated Balance Sheet as at 31.03.2018

(₹ in Lakh)

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017
ASSETS			
NON CURRENT ASSETS			
Property, Plant and Equipments	2	68,436	68,927
Capital Work-in-Progress	3	36,417	35,972
Intangible Assets	2	364	464
Financial Assets			
Investment	4	-	-
Loans & Security Deposits	5	377	371
Other Non Current Assets	6	9,886	6,914
CURRENT ASSETS			
Inventories	7	-	22
Financial Assets			
Trade Receivables	8	45,628	37,419
Cash and Cash Equivalents	9	7,284	9,283
Other Bank Balances	10	43,639	52,319
Loans & Security Deposits	11	251	115
Other Current Financial Assets	12	12,258	13,434
Current Tax Assets (Net)	13	2,209	1,795
Other Current Assets	14	5,096	4,423
TOTAL ASSETS		231,845	231,458
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	15	32,094	32,094
Other Equity		93,199	83,833
LIABILITIES			
NON CURRENT LIABILITIES			
Financial Liabilities			
Borrowings		-	-
Other Non Current Financial Liabilities	16	9,048	3,898
Provisions	17	188	46
Deferred Tax Liabilities (net)	18	875	1,958
Other Non Current Liabilities	19	26,056	31,060
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings		-	-
Trade Payables	20	27,608	22,319
Other Current Financial Liabilities	21	6,838	9,769
Provisions	22	3,833	2,143
Other Current Liabilities	23	32,106	44,338
Total Equity and Liabilities		231,845	231,458

Significant Accounting Policies

Note No 1

The accompanying notes referred to above form an integral part of financial statement (from Note No 2 to 36)

As per our report of even date attached
For M/s Suresh chandra & Associates
Chartered Accountants, FRN 001359N

For and on behalf of the Board of Directors of
RailTel Corporation of India Limited

Sd/-
Ved Prakash Bansal
M.No. 500369
Place: New Delhi
Date: 18/08/2018

Sd/-
J S Marwah
Company Secretary
(M. No. :F8075)

Sd/-
Sanjeeb Kumar
Director Finance
(DIN : 03383641)

Sd/-
N Kashinath
Chairman and Managing Director
(DIN: 08117673)

RailTel Corporation of India Limited

Consolidated Statement of Profit and Loss for the period ended 31.03.2018

(₹ in Lakh)

Particulars	Notes No.	For Period Ended 31st March 2018	For Period Ended 31st March 2017
Income			
Revenue from operations	24	98,681	85,123
Other Income	25	4,290	5,204
Finance Income	26	153	42
Total Income		103,124	90,369
Expenses			
Access and other Charges	27	25,008	21,966
License fee and spectrum charges	28	4,734	4,272
Expenses on Project	29	25,331	19,277
Employee Benefits Expenses	30	11,799	9,593
Administrative & Other Expenses	31	4,392	4,422
Depreciation and amortisation	32	11,864	11,642
Finance Expenses	33	381	81
Total Expenses		83,509	71,253
Profit before tax		19,615	19,116
Tax expenses			
Current tax	34	7,943	8,376
Deffered tax	34	(1,083)	(1,547)
Tax impact of earlier years	34	(3,023)	(519)
Profit for the period		15,778	12,806
Net profit attributable to			
a) Owners of the company	A	15,778	12,806
b) Non Controlling interest			
Other comprehensive income(OCI):			
i Items that will not be reclassified to Profit & Loss	35		
Remeasurement losses on defined benefit plans	35	(321)	(9)
Income tax relating to item that will not be reclassified to Profit & Loss	35	111	3
Other comprehensive income/(Loss)	B	(210)	(6)
Total comprehensive income for the period (A+B)		15,568	12,800
Earning per Equity Share of ₹ 10/- each			
a) Basic		4.92	3.99
b) Diluted		4.92	3.99

Significant Accounting Policies

Note No 1

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(DIN: 08117673)

RailTel Corporation of India Limited

Consolidated Statement of Changes in Equity for the period ended 31st March 2018

(₹ in Lakh)

A. EQUITY SHARE CAPITAL

31st March 2017	32,094
Change in Equity Share Capital during the Period	-
31st March 2018	32,094

B. OTHER EQUITY

Particulars	Retained Earnings	General Reserve	Corporate Social Development Reserve, Sustainable Development Reserve	Total Equity
Balance at at 1st April 2016	40,520	36,000	122	76,642
Adjustment for:				
Prior Period Adjustment	(396)			(396)
Tax impact of Prior Period Adjustment	146			146
Restated balance as on 1st April 2016	40,270	36,000	122	76,392
Add: Total Comprehensive Income for the period ending on 31st March' 2017	12,800			12,800
Less: Final Dividend for the F.Y. 2015-16	(2,653)			(2,653)
Less: Tax on Final Dividend for the F.Y. 2015-16	(540)			(540)
Less: Interim dividend for the F.Y. 2016-17	(1,800)			(1,800)
Less: Tax on Interim Dividend for the F.Y. 2016-17	(366)			(366)
Less: Transfer to General Reserve	(4,000)	4,000		-
Balance as at 31 March 2017	43,711	40,000	122	83,833
Opening Balance as on 1st April 2017	43,711	40,000	122	83,833
Add: Total Comprehensive Income for the period ending on 31st March'2018	15,568			15,568

Particulars	Retained Earnings	General Reserve	Corporate Social Development Reserve, Sustainable Development Reserve	Total Equity
Less: Interim dividend for the F.Y. 2017-18	(1,800)			(1,800)
Less: Tax on Interim Dividend for the F.Y. 2017-18	(366)			(366)
Less: Final Dividend Paid (2016-17)	(3,353)			(3,353)
Less: Dividend Distribution Tax on Final Dividend Paid (2016-17)	(683)			(683)
Less: Transfer to General Reserve	(4,000)	4,000		-
Balance as at 31st March' 2018	49,077	44,000	122	93,199

Significant Accounting Policies

Note No 1

The accompanying notes referred to above form an integral part of financial statement (from Note No 2 to 36)

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Sd/-
N Kashinath
Chairman and Managing Director
(DIN: 08117673)

Place: New Delhi
Date: 18/08/2018

RailTel Corporation of India Limited

Consolidated Cash Flow Statement for the period ended March 31, 2018

(₹ in Lakh)

	For the period ended March 31, 2018	For the period ended March 31, 2017
Profit for the period	19,615	19,116
Adjustments for:		
Depreciation and Amortisation Expense	11,864	11,642
Other Comprehensive Income	(210)	(6)
Provision for doubtful debts (net)	(359)	752
Interest income (considered separately)	(3,492)	(4,166)
Operating profit/(loss) before working capital changes	27,418	27,338
(Increase)/decrease in Trade Receivables	(7,850)	(11,774)
(increase)/decrease in Loans and security Deposit	(6)	(84)
(increase)/decrease in Other Non Currents Assets	(2,972)	10,782
(increase)/decrease in Inventories	22	119
(increase)/decrease in Short terms Loans and Security Deposit	(136)	142
(increase)/decrease in Other Financial Assets	1,319	(3,982)
(Increase)/decrease in Other Current Tax Assets	(356)	2,031
(Increase)/decrease in Other Current Assets	(673)	1,561
Increase/(decrease) in Other Non Financial Liabilities	5,150	(1,178)
Increase/(decrease) in Other Non Current Financial Liabilities	(5,004)	(13,750)
Increase/(decrease) in Trade Payables	5,288	7,927
Increase/(decrease) in Other Financial Liabilities (Current)	(2,930)	3,900
Increase/(decrease) in Short Term Provisions	1,690	44
Increase/(decrease) in Other Non Financial Liabilities (Current)	(12,232)	6,662
Net cash generated from Operation before Tax	8,727	29,739
Income Tax Paid	4,978	4,362
Net cash generated from Operating Activities	3,750	25,377

	For the period ended March 31, 2018	For the period ended March 31, 2017
Cash Flow from Investing Activities		
Investment in Subsidiary	-	-
Purchase of Property, Plant and Equipment	(11,719)	(19,780)
Interest income received	3,492	4,166
Net cash used in Investing Activities	(8,227)	(15,614)
Cash Flow from Financing Activities		
Increase/(decrease) in short-term borrowings		
Dividend paid	(5,153)	(4,453)
Dividend Distribution Tax Paid	(1,049)	(907)
Net cash generated from / (used in) financing activities	(6,202)	(5,360)
Net increase /(decrease) in cash and cash equivalents during the year	(10,679)	4,403
Cash and cash equivalents at the beginning of the year	61,602	57,199
Cash and cash equivalents at the end of the year	50,923	61,602

Significant Accounting Policies

Note No. 1

The accompanying notes referred to above form an integral part of financial statement (from Note No 2 to 36)

(₹ in Lakh)

1. Cash and Cash Equivalents include the following Balance Sheet amounts		
(i) Cash and Cash Equivalent (Maturity ≤ 3 Months)		
a. Flexi Deposits	355	215
(ii) Balances with Scheduled Bank		
a. In Current A/c	1,766	2,064
b. In Collection A/c	5,153	6,995
c. In Imprest A/c	10	9
Sub Total	7,284	9,283
2. Other Bank Balances		
BG Margin Money A/c	336	524
In Term Deposit (Having original maturity of more than 3 months but less than 12 months)	43,303	51,795
Sub Total	43,639	52,319
Grand Total	50,923	61,602

The above statement of Cash Flow has been prepared under the indirect method as set out in Ind AS 7 on Statement of Cash Flows

Details of amount incurred for FY 2017-18 in relation to CSR activities is mentioned below:

(₹ in Lakh)

Particulars	Approved Budget	Amount incurred	Amount yet to be incurred
Construction/Acquisition of any asset	Nil	Nil	Nil
On any other purpose	370	76	294
Total	370	76	294

Details of amount paid for FY 2016-17 in relation to CSR activities as provided in books of accounts as on 31.03.2017 as given hereunder:

(₹ in Lakh)

Particulars	Unpaid amount as on 01.04.2017	Amount Paid	Amount yet to be paid
Construction/Acquisition of any asset	Nil	Nil	Nil
On any other purpose	272	222	50
Total	272	222	50

As per our report of even date attached
For M/s Suresh chandra & Associates
Chartered Accountants
FRN 001359N

For and on behalf of the Board of Directors of
RailTel Corporation of India Limited

Sd/-
Ved Prakash Bansal
M.No. 500369

Sd/-
J S Marwah
Company Secretary
(M. No. :F8075)

Sd/-
Sanjeeb Kumar
Director Finance
(DIN : 03383641)

Sd/-
N Kashinath
Chairman and Managing Director
(DIN: 08117673)

Place: New Delhi
Date: 18/08/2018

Accounting Policy

Note : 1

1.1 Corporate Information

RailTel Corporation of India Limited ('the Company') incorporated in India on 26th September 2000 is a public sector undertaking. The company is promoted by and is under administrative control of Ministry of Railways. The Registered office of the Company is situated at 6th Floor, 3rd Block, Delhi Technology Park, Delhi-110053 and Corporate Office at Plot No 143 Sector 44, Institutional Area Gurgaon Haryana.

RailTel Corporation a "Mini Ratna (Category-I)" PSU is one of the largest neutral telecom infrastructure providers in the country owning a Pan-India optic fiber network on exclusive Right of Way (ROW) along Railway track. The OFC network covers all important towns & cities of the country and several rural areas covering 70% of India's population. RailTel with strong nationwide presence is committed to bring cutting edge technology and offer innovative services to the Indian Telecom market. RailTel is in the forefront in providing nationwide Broadband Telecom & Multimedia Network in all parts of the country in addition to modernization of Train operations and administration network systems. With its Pan India high capacity network, RailTel is working towards creating a knowledge society at various fronts.

RailTel Corporation, together with its subsidiary (RailTel Enterprise Limited) is hereinafter referred to as "the Group".

Main objective of the group are

- i. To facilitate Railways in expeditiously modernizing their operation and safety systems and network by providing state of art communication infrastructure.
- ii. To plan, build, develop, operate and maintain a nationwide broadband telecom and multimedia network to supplement national telecom infrastructure to spur growth of telecom, broadband and IT enabled value added services in all parts of country specially rural, remote and backward areas.
- iii. To generate revenue through commercial exploitation of its telecom network.

RailTel Corporation of India Limited is having following operations: -

- I. Telepresence Services - RailTel offers enterprise class Full High Definition (HD) & secure multi-point managed video conferencing service that enables users a virtual, face to face meeting experience.
- II. Data Centre Services - RailTel has its own Data Centres at Secunderabad and Gurugram.
- III. Retail Broadband - RailWire is a retail Broadband initiative of the RailTel.
- IV. Leased Line Service
- V. Virtual Private Network Service
- VI. Internet Leased Line Service

VII. Rack and Space Collocation Service

VIII. Tower Co-location Service

1.2 Summary of Significant Accounting Policies as per Ind-AS

a) Basis for Preparation of consolidated financial statement

The Consolidated financial statements of the Company have been prepared to comply in all the material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015. Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing Ind AS requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised Ind AS on an ongoing basis.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

These consolidated financial statements are presented in Indian Rupees (₹) and all amounts are rounded to the nearest lakhs, except as stated otherwise.

1. Principles of Consolidation

The Consolidated Financial Statements relate to RailTel Corporation of India Limited ("Parent Company") and its subsidiary Company (the Parent Company and its subsidiary together referred to as "the Group").

The Standalone financial statements of the Parent Company and its subsidiary Company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses, if any, as per Accounting Standard 21 - "Consolidated Financial Statements" notified under section 133 of the Companies Act, 2013 read together with para 7 of the Companies (Accounts) Rules, 2014. The results of operations of a subsidiary are included in the Consolidated Financial Statements from the date on which the parent subsidiary relationship came into existence.

The Subsidiary Company which is included in the consolidation and the Parent Company's holding therein is as under:

S. No.	Name of the Subsidiary Company	Nature of Relationship	% of holding
1	RailTel Enterprises Limited	Subsidiary	100%

b) Use of Estimates

The preparation of consolidated financial statements in conformity with Indian Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting year. Examples of such estimates include

estimates of expected costs to be incurred to complete contracts, provision for doubtful debts, future obligations under employee retirement benefit plans and estimated useful life of fixed assets. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the year in which the results are known / materialize.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the estimate affects only that year or in the year of the revision and future years, if the revision affects both current year and future year.

c) Inventory

Inventories are valued at the lower of cost and the estimated net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale.

The group provides for obsolete and slow-moving inventory based on management estimates of the usability of inventory.

Net Realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

d) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the group are segregated based on the available information.

e) Property Plant and Equipment's (PPE)

Property plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing cost for long term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced in intervals, the group recognizes such parts as separate component of assets with specific useful lives and provides depreciation over their useful life. Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repair and maintenance costs are recognized in profit or loss as incurred.

f) Assets are recognized as tangible assets or intangible assets if provisional acceptance certificate has been issued or group has started offering services from these tangible or intangible assets.

Where assets are installed on the premises of the customers (commonly called customer premise equipment -'CPE') such assets continue to be treated as PPE as the associated risks and rewards remain with the group

and the management is confident of exercising control over them, expenses on such assets are treated as retrievable expenses (returnable item of assets after the decommissioning of link) and a depreciation of 100% may be charged on all these assets.

All the non-retrievable expenses (Used only once and cannot be returned back from the customer premises) may be charged as expenses to profit & loss account in the year of commissioning of services.

Gain and losses arising from retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit & loss on the date of retirement or disposal.

Advance paid towards acquisition of fixed assets and cost of assets not put to use before the year end, are disclosed as other non-current assets.

Fixed assets under construction and cost of assets not put to use before the year end, are disclosed as capital work in progress.

Freehold land is not depreciated. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each Balance Sheet date or whenever there are indicators for review.

Assets are depreciated to the residual value on a straight line basis over the estimated useful lives. The assets residual values and useful lives are reviewed at each financial year end or whenever there are indicators for review and adjusted prospectively. Freehold land is not depreciated.

Sr. No.	Name of Assets	Main asset/Component	Revised Useful life of assets
1	OFC & Related Assets	Main Assets	18 Year. 5.28%
2	Leasehold Land/Flats	Main Assets	Period of Lease
3	Leasehold Improvements	Main Assets	Period of lease
4	Prefabricated Building	Main Assets	15 Year 6.67%
5	Computer	Main Assets	3 Year 31.67%
6	Office Equipment's	Main Assets	5 Year 19%
7	Software-ERP	Main Assets	5 Year with 20%
8	Furniture	Main Assets	10 Year 9.5%
9	Licenses	Main Assets	Period of license
10	ERP Hardware	Main Assets	6 Year 15.83%
11	Vehicle	Main Assets	8 Year 11.875%
12	Temporary Fixtures	Main Assets	Fully-Depreciated
13	Telecom Equipment's	Main Assets	8 Year. 12.5%
14	Last Mile/Access Equipment's	Main Assets	8 Year. 12.5%
	Radio/Access Switches	Component	3 Year 33.33%

Sr. No.	Name of Assets	Main asset/Component	Revised Useful life of assets
15	Power Plant Equipment's	Main Assets	8 Year. 12.5%
I	Battery	Component	5 Year. 20%
16	Data centre	Main Assets	8 Year. 12.5%
V	Data Centre infrastructure	Component	13 Year. 7.31%
17	Other Infrastructure	Main Assets	8 Year. 12.5%
18	Data Network	Main Assets	8 Year. 12.5%

g) Intangible Assets

Identifiable intangible assets are recognized when the group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the group and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets are recognized at cost. Following initial recognition, the intangible assets are accounted at cost less any accumulated amortization & accumulated impairment loss, if any.

Amortization is recognized in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

- i. Software-Software is capitalized at the amounts paid to acquire the respective license for use and is amortized over the period of license, generally not exceeding three years. Software costing up to rupees five lakh which has independent use is amortized over a period of twelve months from the date of place in service.
- ii. Licenses-Acquired licenses are initially recognized at cost. Subsequently, licenses are measured at cost less accumulated amortization and accumulated impairment loss, if any. Amortization is recognized in the statement of profit and loss on a straight-line basis over the unexpired period of the license commencing from the date when the related network is available for intended use in the respective jurisdiction. Spectrum charges paid to DoT is charged to Profit & Loss account on straight line basis over the period of use.

h) Non-current Assets (or disposal groups) held for Sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and sale is expected within one year from the

date of the classification. Disposal groups classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale. Assets and liabilities classified as held for sale are presented separately in the Balance Sheet.

If the criteria stated by IND AS 5 "Non-current Assets Held for Sale and Discontinued Operations" are no longer met, the disposal group ceases to be classified as held for sale. Non-current asset that ceases to be classified as held for sale are measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognized had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

i) Impairment of Assets

The carrying amounts of assets are reviewed by management whenever events or changes in circumstances indicate that the carrying amount may not be recoverable (except intangible assets, for which testing to be done irrespective of whether there is an indication of impairment). An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Fair value less costs to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Impairment losses, if any, are recognised in profit or loss as a component of depreciation and amortisation expense.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had previously been recognized.

j) Leases

1. Where the Group is the Lessee- Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Lease rentals with respect to assets taken on 'Operating Lease' are charged to the statement of profit and loss on a straight-line basis over the lease term.

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in the statement of comprehensive income.

Amortization of leased assets is computed on straight line basis over the shorter of useful life of the assets or remaining lease period. Amortization charge for capital leases is included in depreciation expense for the period.

2. **Where the Group is the lessor-** Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income in respect of 'Operating Lease' is recognised in the statement of profit and loss on a straight-line basis over the lease term. Assets subject to operating leases are included in fixed assets. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as lease term.

Assets leased to others under finance leases are recognized as receivables at an amount equal to the net investment in the leased assets. The finance income is recognized based on periodic rate of return on the net investment of the Group outstanding in respect of the finance lease.

3. **Indefeasible Right to Use ('IRU')-** The Group enters into agreement for leasing assets (capacity) under "Indefeasible right to use" with third parties. Under the arrangement the assets are taken or given on lease over the substantial part of the asset life. However, the title to the assets and associated risks are retained by the lessor. Hence, such arrangements are recognised as operating lease.

The contracted price is received in advance and is recognised as revenue during the tenure of the agreement. Unearned IRU revenue net of the amount recognizable beyond one year is disclosed as deferred revenue in other long term liabilities and the amount recognizable within one year is disclosed as deferred revenue in current liabilities.

Exchange of Network capabilities with other telecommunication service providers are recorded as monetary transactions and measured at the carrying amount of capacities relinquished, as these exchanges are for similar productive assets used to provide telecommunication services to customers.

k) **Borrowing Costs**

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. The interest cost incurred for funding a qualifying asset during the construction period is capitalised based on actual investment in the asset at the interest rate for specific borrowings. All other borrowing costs are expensed in the period they occur.

l) **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank and on hand, and other short term highly liquid deposits with bank, with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, Cash and Cash Equivalents include outstanding Bank Overdraft

shown within the borrowings incurrent Liabilities in Statement of Financial Position and which are considered an integral part of Group's cash management.

m) Government Grant

Government Grant related to acquisition of Fixed Assets is treated as 'Deferred Government Grant' and an amount equal to proportionate depreciation of such assets is credited to Statement of Profit and Loss.

n) Revenue Recognition and Receivables

1. Service Revenues

Service revenues include incomes from National Long Distance services, Internet Service, infrastructure provider services such as co-location, dark fiber, tower space etc. Service revenue also include revenues associated with access and interconnection for usage of the network of other operators. Revenues are recognized on prorata basis on provision of services while revenue from co-location, dark fiber, tower space etc. is recognized over the period of arrangement.

Revenue shall be measured at the fair value of the consideration received or receivables.

Service revenues are recognized as the services are rendered and are stated net of discounts, waivers and taxes. Revenues from pre-paid services like Railwire are recognized based on actual usage.

Service revenue is recognized from the date of satisfactory installation services at the customer site.

Deferred revenue includes amount received in advance from customers which would be recognized over the periods when the related services are expected to be rendered.

2. Deposit Works

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period based on statements of account received from the contractors. Incidental Expenditure relating to these works including corporate office expenses for the year, is apportioned to these works on the basis of expenses incurred on these works. 5% and 3% of expenses incurred on each work is apportioned towards establishment cost and other common expenses respectively.

3. Interest and Other Income

For all financial instruments measured at amortised cost and interest bearing financial assets, classified as financial assets at fair value through profit or loss or as available for sale, interest income is recognized using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in 'finance income' in the income statement.

o) Uncollectible accounts receivable

Uncollectible accounts receivable reflects management's best estimate of probable losses inherent in the accounts receivable balance. Management primarily determines the allowance based on the aging of accounts receivable balances and historical write-off experience, net of recoveries. The Group provides for amounts outstanding net of security deposits, or in specific cases where management is of the view that the amounts are not recoverable. Amounts due from debtors that have been outstanding, though fully provided, are evaluated on a regular basis by the management and are written off, if as a result of such evaluation, it is determined that these amounts will not be collected.

p) Unbilled Revenue

Unbilled revenue represent revenue recognised in respect of services provided from the last bill cycle date to the end of the reporting period. These are billed in subsequent periods as per the terms of the billing plans/ contractual arrangements.

q) License Fees - Revenue Share

The revenue-share is computed as per the licensing agreement at the prescribed rate and is expensed as incurred. As per the NLD and ISP license condition, Parent company is required to share 8% of its adjusted gross revenue with Department of Telecommunication, the same is provided on the basis of adjusted gross revenue booked during the year. In addition the Parent company is also required to share 7% of its gross revenue with Indian Railways as per agreement between RailTel and Railways dated 21/09/2006. The same is provided for in the statement of profit & Loss account.

r) Employee Benefits

Employee benefits include provident fund, gratuity and compensated absences.

1. Defined contribution plans

- a. Provident Fund : The Group's contribution to provident fund is considered as defined contribution plans and is charged as an expense as they fall due based on the amount of contribution required to be made. 12% of the Basic pay plus dearness allowance of employees and equal contribution of the corporation is contributed to provident fund maintained with the Regional Provident Fund Commissioner. Group's contribution to provident fund is charged to revenue.
- b. Pension: Group has pension Scheme for its employees, under defined contribution plan Group will pay an amount equal to 10% of Basic pay+ DA of the eligible employees

2. Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each year end. Actuarial gains and losses are recognized in the Statement of Other Comprehensive Income in the year in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested

and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost.

- i. Gratuity is payable on separation @15 days pay for each completed year of service to eligible employee, who rendered continuous service of 5 year or more. The gratuity ceiling of Rs 20 lakhs has been considered for actuarial valuation.
- ii. Leave Encashment is payable on separation to eligible employee who have accumulated earned leave. Leave salary is provided for based on valuation, as balance sheet date, made by independent actuary.
- iii. The Group has Post- Retirement Medical Scheme (PRMS) to provide assistance for meeting a part of medical expenses incurred by retired members only after their retirement for dependent family members and self and dependent family members of the ex-employee in case of death of the employee.
- iii. Foreign Service Contribution payable for leave salary and pension in respect of employees who have joined the corporation on deputation for a fixed period from Indian Railways for the year 2017-18 in terms of Government rules and regulations is charged to revenue on accrual basis.

2. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the year in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- i) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- ii) in case of non-accumulating compensated absences, when the absences occur.

4. Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

s) Post Sales client support and warranties

The Group provides its clients with fixed period warranty for correction of errors and support on its fixed price product orders. Revenue for such warranty period is recognized in the year of sale itself with a corresponding provision for expenses likely to be incurred during the period of warranty.

t) Foreign exchange transactions

Foreign exchange transactions are recorded at the exchange rates prevailing at the date of transaction. Realized gains and losses on foreign exchange transactions during the year are recognized in the Statement of Profit and Loss. Monetary assets and monetary liabilities that are determined in foreign currency are translated at the exchange rate prevalent at the date of balance sheet. The resulting difference is recorded in the Statement of Profit & Loss.

u) Taxes

1. Current Income Tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

2. MAT Credit

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the statement of profit and loss account and shown as MAT Credit Entitlement. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal income tax during the specified period.

3. Deferred Tax

Deferred tax Asset/Liability is recognized on temporary differences calculated based on the Balance Sheet Approach being the differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose that accumulate over the period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognized for all temporary differences. Deferred tax assets in respect of unabsorbed depreciation, carry forward of losses and unused tax credits are recognized to the extent it is probable that future taxable income will be available to realize such assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

v) Research and development

Revenue expenditure incurred on research and development is expensed as incurred. Capital expenditure incurred on research and development is capitalized as fixed assets and depreciated in accordance with the depreciation policy of the Group.

w) **Segment Reporting-** The operating segment are organized and managed separately through the respective business managers, according to the nature of product and service provided and geographies in which services are provided, with each segment representing a strategic business unit.

x) **Earnings Per Share**

The earnings considered in ascertaining the Group's Earnings Per Share ('EPS') comprise the net profit after tax attributable to equity shareholders. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares). The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.

y) **Prior Period Expenses**

Income/Expenditure relating to prior period, which do not exceeds ₹ 2,00,000/- in each case, are treated as income/expenditure of current year.

z) **Exceptional Item**

Exceptional items are generally non-recurring item of income & expenses within profit & loss from ordinary activity which are of such size, nature or incidence hat their disclosure is relevant to explain the performance of the Group for the year.

aa) **Provisions and Contingencies**

The Group recognizes a provision when there is a present obligation as a result of a past event and it is probable that it would involve an outflow of resources and a reliable estimate can be made of the amount of such obligation.

When the Group expects some or all of provision to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate the risks specific to the liability. Where discounting is used the increase in the provision due to the passage of time is recognized as finance cost.

A disclosure for a contingent liability is made at Fair Value where it is more likely than not that a present obligation or possible obligation may result in or involve an outflow of resources. When no present or possible obligation exists and the possibility of an outflow of resources is remote, no disclosure is made.

Contingent assets are not recognized in the consolidated financial statements.

Operating cycle

Based on the nature of services / activities of the Group and the normal time between acquisition of assets

and their realization in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and noncurrent.

Dividend

Dividend distribution to the shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved by the shareholders.

Interim dividend is provided for in the year of payment.

Asset Retirement Obligation

Asset retirement obligations (ARO) are provided for those operating lease arrangements where the Group has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. ARO are settled obligation using discounted cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is recognized in the income statement as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Ab) Financial Instruments

A. Financial Instruments -

Initial Recognition and Measurement

Financial assets and financial liabilities are recognized in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. The Group determines the classification of its financial assets and liabilities at initial recognition. **All financial assets and liabilities are initially recognized at fair value** plus directly attributable transaction costs in case of financial assets and liabilities not at fair value through profit or loss. Financial assets and liabilities carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the statement of profit & loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

B. Financial Assets

1. Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

a. Financial assets at carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the

contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial assets at Fair Value Through Profit or Loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

2. Derecognition

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

C. Financial Liabilities

1. Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

2. Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in Statement of Profit and Loss.

Property Plant & Equipment and Intangible Asset

Note-2

(₹ in Lakh)

Particulars	Freehold Land	Leasehold Land	Building	Plant & Machinery	Leasehold Improvements	ERP Hardware	Furniture & Fixtures	Office Equipments	Total	Licenses	Software	Total
Year ended 31st March 2017												
Gross Carrying amount												
Cost as at 1st April 2016	253	1,552	3,599	135,051	857	204	295	635	142,445	250	405	655
Additions	-	(38)	478	8,737	380	18	25	101	9,701	296	18	314
Disposal	-	(2)	(0)	(14)	-	0	0	(0)	(16)	-	-	-
Transfer/Adjustments	-	-	42	-	(42)	-	-	-	0	-	-	-
Closing Gross Carrying amount	253	1,512	4,119	143,774	1,195	222	320	736	152,130	546	423	969
Accumulated Depreciation												
Accumulated Depreciation as at 1st April 2016	-	29	790	69,528	576	93	190	421	71,628	234	184	418
Charge during the year	-	16	407	10,952	105	27	13	71	11,592	5	82	87
Disposal	-	(2)	0	(14)	-	0	0	(0)	(16)	-	-	-
Transfer/Adjustments	-	-	42	0	(42)	-	-	-	0	-	-	-
Closing accumulated depreciation	-	43	1,239	80,466	639	120	203	492	83,204	239	266	505
NET CARRYING AMOUNT- 31.03.2017	253	1,469	2,880	63,308	556	102	117	244	68,927	307	157	464
Year ended 31st March 2018												
Gross Carrying amount												
Cost as at 1 Apr 2017	253	1,512	4,119	143,774	1,195	222	320	736	152,130	546	423	969
Additions	-	96	150	10,875	33	-	25	61	11,240	-	41	41

Particulars	Freehold Land	Leasehold Land	Building	Plant & Machinery	Leasehold Improvements	ERP Hardware	Furniture & Fixtures	Office Equipments	Total	Licenses	Software	Total
Disposal	-	-	-	(48)	-	-	-	(5)	(53)	-	-	-
Transfer/adjustments	(30)	30	-	(8)	-	-	-	0	(8)	(16)	12	(4)
Closing Gross Carrying amount	223	1,638	4,269	154,593	1,228	222	345	792	163,308	530	476	1,006
Accumulated Depreciation												
Accumulated Depreciation as at 1st April 2017	-	43	1,239	80,466	639	120	203	492	83,204	239	266	505
Charge during the year	-	19	354	11,113	113	30	16	82	11,727	16	122	137
Disposal	-	(0)	0	(47)	-	0	0	(5)	(52)	-	-	-
Transfer/adjustments	-	-	195	(5)	(185)	-	(10)	-	(5)	(1)	1	(0)
Closing accumulated depreciation	-	62	1,788	91,527	567	150	209	569	94,872	254	388	642
NET CARRYING AMOUNT- 31.03.2018	223	1,576	2,481	63,066	661	72	136	223	68,436	276	88	364

Refer to item no. 21 of Note no. 36 on disclosure regarding Property Plant & Equipment.

Refer to item no. 24 of Note no. 36 for Asset capitalized out of grant.

Capital Work in Progress

Note-3

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
NE-1	7,567	9,091
NE-2	20,327	17,133
OFC Laying Works	1,822	2,907
MPLS, STM & Other Telecom Radio Equipment and Data Centre	4,486	2,962
Capital Stores lying at project site	1,966	3,805
Others	249	74
Total	36,417	35,972

NON CURRENT ASSETS

Investment

Note-4

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Long Term Investments-at Cost		
Trade (Unquoted)	-	-
Investment in Shares	-	-
Total	-	-

Loans and Security Deposits

Note-5

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Unsecured Considered Good unless stated otherwise		
Security Deposits		
Considered Good	377	371
Total	377	371

Other Non Current Assets

Note-6

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Unsecured Considered Good unless stated otherwise		
Capital Advances		
Considered Good	6,760	5,181
Other		
Lease prepayment	3,126	1,733
Total	9,886	6,914

CURRENT ASSETS

Inventories (Valued at lower of cost or net realisable value)

Note-7

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Inventory (Consumables for O&M Work)	-	22
Total	-	22

Trade Receivables

Note-8

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Unsecured, Unless Stated Otherwise		
Telecommunication Business		
Receivable outstanding for a period exceeding six months from the date they were due for payment		
Considered Good	14,902	15,198
Considered Doubtful	3,024	3,375
Less: Provision for Doubtful Receivables	3,024	3,375
Receivables (less than six months)		
Considered Good	14,744	13,229
Considered Doubtful		
Less: Provision for Doubtful Receivables		

Particulars	As at 31 March 2018	As at 31 March 2017
Other Project works		
Receivable outstanding for a period exceeding six months from the date they were due for payment		
Considered Good	13,013	2,058
Considered Doubtful		8
Less: Provision for Doubtful Receivables		8
Receivables (less than six months)		
Considered Good	2,969	6,934
Considered Doubtful		
Less: Provision for Doubtful Receivables		
Total	45,628	37,419
Movement of Provision for bad and doubtful debt		
Balance at the beginning of the year	3,383	2,631
Add: Additional provision during the year	512	752
Less: Provision written back/adjusted during the year	871	-
Balance at the end of the year	3,024	3,383

Cash and Cash Equivalents

Note-9

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
i) Cash and Cash Equivalent (Maturity ≤ 3 Months)		
a. Flexi Deposits	355	215
ii) Balances with Scheduled Bank		
a. In Current A/c	1,766	2,064
b. In Collection A/c	5,153	6,995
c. In Imprest A/c	10	9
Total	7,284	9,283

Other Bank Balances

Note-10

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
BG Margin Money A/c	336	524
In Term Deposit (Having original maturity of more than 3 months but less than 12 months)	43,303	51,795
Total	43,639	52,319

BG Margin Money A/c represents deposit under lien for issuing Bank guarantee by bank.

Loans and Security Deposits

Note-11

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Unsecured, Considered Good Unless Stated Otherwise		
Loans and Advances to Employee	36	54
Security Deposit	215	61
Total	251	115

Other Current Financial Assets

Note-12

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Unsecured, Considered good unless stated otherwise		
Accrued interest on term deposit	1,637	2,179
Recoverable from Railways	3,450	5,373
Unbilled Revenue	6,968	5,765
EMD Deposited	203	117
Total	12,258	13,434

Current Tax Assets (Net)

Note-13

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
MAT Credit	-	164
Income Tax	2,204	1,482
Advance Income Tax	5	149
Total	2,209	1,795

Other Current Assets

Note-14

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Advances recoverable in cash or in kind for value to be received	574	606
Indirect Tax Credit Available	3,784	2,210
Others *	143	557
Advance Indirect Tax	344	807
Prepaid expenses	251	243
Total	5,096	4,423

*The Company has deposited a sum of ₹ 379 lakhs with the Department of Telecommunication, under protest, on account of DoT share interest income and penalty. The company has filed an appeal with Telecom Dispute Settlement and Appellate Tribunal (TDSAT), against which necessary provision exist for the same amount. However, the amount deposited under protest has been set off against the provision made there against.

Equity Share capital

Note-15

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Authorized Share Capital		
Equity Shares		
1,00,00,00,000 equity shares of ₹ 10 each	100,000	100,000
Issued, Subscribed and fully paid-up shares		
1,50,00,007 equity shares of ₹ 10 each in Cash	1,500	1,500
30,59,38,400 equity shares of ₹ 10 each in consideration other than cash	30,594	30,594
Total	32,094	32,094

a. Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting year

Particulars	Opening Balance	Allotted During The Year	Closing Balance
Period ended 31st March 2018			
No of Equity Shares - In Cash	15,000,007	-	15,000,007
No of Shares - In consideration other than cash	305,938,400	-	305,938,400
Amount in Lakhs	32,094	-	32,094
Period ended 31st March 2017			
No of Equity Shares - In Cash	15,000,007	-	15,000,007
No of Shares - In consideration other than cash	305,938,400	-	305,938,400
Amount in Lakhs	32,094	-	32,094

Structure of Shares as above remain unchanged during last five years and no bonus share are issued since incorporation of the Company

b. Right, Preference and restriction attached to shares

The equity share are the only class of Share capital having par value of ₹ 10 per share. Every holder of equity share present at a meeting in person or by a proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Equity share carry voting right proportionate to the paid up value per share. In the event of liquidation of the company, holders of the equity share are entitled to be repaid the amounts credited as paid up on those equity share. All surplus assets after settlement of liabilities as at the commencement of winding up shall be paid to the holders of equity share in proportion of their shareholding.

c. Number of share held by shareholders holding (as per the register of shareholders) more than 5% of aggregate shares in the Company

Particulars		As at 31 March 2018	As at 31 March 2017
	Number	320,938,407	320,938,407
Ministry of Railways (in the name of President of India)	%	100	100

d. Aggregate number of shares issued for consideration other than cash

Particulars		As at 31 March 2018	As at 31 March 2017
	Number	305,938,400	305,938,400
Ministry of Railways (in the name of President of India)	%	100	100

NON CURRENT LIABILITIES

Other Non Current Financial Liabilities

Note-16

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Unsecured		
Security Deposit	3,157	1,063
Retention Money	5,891	2,835
Total	9,048	3,898

Provisions

Note-17

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Provision for Post Retirement Medical Benefit*	142	-
Provision for Arbitration Claim	46	46
Total	188	46

* Scheme has been implemented w.e.f. 01.04.2017. Refer to item no. 23 of Note no. 36

Deferred Tax Liabilities (Net)

Note-18

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Deferred Tax Liabilities		
Depreciation claimed as deduction under Income Tax Act but chargeable in the statement of profit and loss in future years	3,162	3,992
Less:		
Deferred Tax Assets		
Provision for doubtful debts charged in the statement of profit and loss but to be allowed as deduction under the Income Tax Act in future years	1,057	1,171
Expenditure to be allowed on payment basis under Income Tax Law/Provisions	1,230	863
Total	875	1,958

Refer to item no. 20 of Note no. 36.

Other Non Current Liabilities

Note-19

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Others		
Deferred Revenue and Advance from Customers*	17,415	25,474
Advances from Railways**	4,813	2,440
Deferred Govt. Grant :		
Subsidy of NE-1 & NE-2***	3,089	3,146
Rural WiFi Subsidy***	739	-
Total	26,056	31,060

*Deferred Revenue include advance income against IRU lease for providing telecom services under licenses taken from DoT.

**Advances from railways represent advance received towards execution of works from Railways .

*** Refer to item no. 24 of Note no. 36 regarding receipt of capital grant.

CURRENT LIABILITIES

Trade Payables

Note-20

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Trade Payables		
Micro and Small Enterprises	1,773	445
Other than Micro and Small Enterprises		
Revenue Share Payable to Indian Railway	4,977	4,900
Towards purchase of Goods and Services & revenue share to Konkan railway	20,834	16,974
Amount Payables to DoT	24	-
Total	27,608	22,319

Other Current Financial liabilities

Note-21

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Security Deposits	466	1,756
Retention Money	5,394	5,159
EMD Payable	978	2,854
Total	6,838	9,769

Provisions

Note-22

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Provisions for Employee Benefits		
Provision for Pension	906	508
Provision for Gratuity & Leave Encashment	1,002	599
Provision for PRP	1,925	994
Provision for 3rd PRC*		42
Total	3,833	2,143

* Previous Year provision for 3rd PRC was made for the Period Jan'17 to Mar'17. In current Financial Year 3rd PRC has been approved, implemented and paid.

Other Current Liabilities

Note-23

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Deferred Revenue and Advance from Customers*	20,086	19,608
Advance-Others**	7,890	22,176
OTHER PAYABLES		
Payable to Others	4,130	2,554
Total	32,106	44,338

*Deferred Revenue include advance income against IRU lease for providing telecom services under licenses taken from DoT.

**It represents money received from BBNL for carrying out project work relating to laying of OFC

Revenue from operations

Note-24

(₹ in Lakh)

Particulars	For the Period Ended 31 March 2018	For the Period Ended 31 March 2017
Income from Telecom Services		
NLD Services	38,969	36,054
ISP Services	14,783	13,012
IP-1 Services	14,746	13,309
Income from Projects		
Railways Project Works	3,489	3,743
Other Projects	26,636	19,005
Other Operating Revenue	58	
Total	98,681	85,123

Other income

Note-25

(₹ in Lakh)

Particulars	For the Period Ended 31 March 2018	For the Period Ended 31 March 2017
Interest Income		
Interest Income on deposits with Bank	3,492	4,166
Interest Income on Mutual Funds	68	7
Interest on Income Tax Refunds		180
Other Non Operating Income		
Miscellaneous Income	452	792
Liabilities/Provision written back	278	-
Gain on foreign Exchange transaction	-	59
Total	4,290	5,204

Finance Income

Note-26

(₹ in Lakh)

Particulars	For the Period Ended 31 March 2018	For the Period Ended 31 March 2017
Reversal of Discounting impact of Assets as on 31/03/2016		336
Discounting Impact of Security Deposits Assets 16-17		(294)
Reversal of Discounting impact of Assets as on 31/03/2017	294	
Discounting Impact of Security Deposits Assets 17-18	(141)	
Total	153	42

Access & Other Charges

Note-27

(₹ in Lakh)

Particulars	For the Period Ended 31 March 2018	For the Period Ended 31 March 2017
Operation & Maintenance of Fiber & Equipment	6,158	5,091
Share of Revenue with Konkan Railway	28	18
Hire Charges Radio Modem/Optic Fibers and Internet Access	4,649	3,376
Interconnect & Port charges	732	723
Railwire Expenses	6,469	6,263
Rent	297	356
Power & Fuel Expenses on network	3,911	3,451
Revenue Share to Railways	2,764	2,688
Total	25,008	21,966

License fee and Spectrum charges

Note-28

(₹ in Lakh)

Particulars	For the Period Ended 31 March 2018	For the Period Ended 31 March 2017
Licence Fee to DoT (Revenue Share)	4,501	4,117
Spectrum Charges to DoT	233	155
Total	4,734	4,272

Expenses on Project

Note-29

(₹ in Lakh)

Particulars	For the Period Ended 31 March 2018	For the Period Ended 31 March 2017
Expenses on Railway Projects	2,851	3,101
Expenses on Projects (Other Than Railway)	20,619	14,761
Allocation of Employee Benefit Expenses (Refer Note No. 30)	1,163	884
Allocation of Administrative & Other Expenses (Refer Note No. 31)	698	531
Total	25,331	19,277

Employee Benefits Expenses

Note-30

(₹ in Lakh)

Particulars	For the Period Ended 31 March 2018	For the Period Ended 31 March 2017
Salaries & Wages (including Staff Welfare)	12,384	10,015
Contribution to Provident fund	578	462
Less: Allocation of Expenses to Projects(Refer to Note no. 29)	1,163	884
Total	11,799	9,593

Administrative & Other Expenses

Note-31

(₹ in Lakh)

Particulars	For the Period Ended 31 March 2018	For the Period Ended 31 March 2017
Auditor Remuneration		
As Auditor	18	18
As Tax Auditors	6	6
Books & Periodicals	2	2
Communication Expenses	126	128
Conveyance Expenses	32	38
Bank Charges & Commission	10	21
Legal & Professional Expenses	568	586

Particulars	For the Period Ended 31 March 2018	For the Period Ended 31 March 2017
Insurance	7	6
Rates & Taxes	78	38
Rent	1,443	1,053
Repair & Maintenance – Others	555	386
Tender Expenses.	149	144
Training & Recruitment Expenses	51	56
Travelling Expenses	419	516
Printing & Stationary Expenses	66	69
Vehicle Hire charges	272	294
Inspection Charges	15	33
Business promotion Expenses	120	160
Other Miscellaneous Expenses	264	288
Corporate Social Responsibility	76	359
Loss on sale of Fixed Assets	1	0
Provision for Bad and Doubtful Debts	512	752
Research and Development expenses *	200	-
Loss on foreign Exchange	100	
Less: Allocation of Expenses to Project(Refer to Note no. 29)	698	531
Total	4,392	4,422

* It represents the amount funded on sponsorship of R&D activities to Telecom Center of Excellence (TCOE) for RailTel IITR Center of Excellence in Telecom (RICET) - (PY - ₹ Nil)

Depreciation and Amortisation

Note-32

(₹ in Lakh)

Particulars	For the Period Ended 31 March 2018	For the Period Ended 31 March 2017
Depreciation on tangible Assets	11,727	11,555
Amortization on Intangible Assets	137	87
Sub Total	11,864	11,642
Prior Period Depreciation (2015-16 & Prior) *		37
Total	11,864	11,679

* ₹ 37 lakhs has been charged through Statement of Change in Equity.

Finance Expenses

Note-33

(₹ in Lakh)

Particulars	For the Period Ended 31 March 2018	For the Period Ended 31 March 2017
Reversal of Discounting impact of Liabilities as on 31/03/2016		325
Discounting Impact of Liabilities 2016-17		
a. Security Deposit		(32)
b. Retention Money		(212)
Reversal of Discounting Impact of Liabilities as on 31/03/17		
a. Security Deposit	32	
b. Retention Money	212	
Discounting Impact of Liabilities 2017-18	(84)	
Finance Charges	221	-
Total	381	81

Tax Expenses

Note-34

(₹ in Lakh)

Particulars	For the Period Ended 31 March 2018	For the Period Ended 31 March 2017
Current Tax (Income Tax)	7,943	8,488
Adjustment of tax of previous year (2016-17)		(112)
Tax impact of earlier Years	(3,023)	(519)
Deferred Tax Asset	(1,083)	(1,547)
Total	3,837	6,310

Other comprehensive income(OCI)

Note-35

(₹ in Lakh)

Particulars	For the Period Ended 31 March 2018	For the Period Ended 31 March 2017
Items that will not be reclassified to Profit & Loss		
Remeasurement Gain/losses on defined benefit plans	(321)	(9)
Income tax relating to item that will not be reclassified to Profit & Loss	111	3
Other comprehensive income/(Loss)	(210)	(6)

Note-36

CONSOLIDATED NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2017-18

1. These Financial Statements are presented in Indian Rupees (INR) which is the Company's functional currency.
2. 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.
3. Trade receivables, TDS receivable are subject to reconciliation, confirmation and consequential adjustment. In opinion of the management, the financial impact if any will not be material.
4. Figures have been rounded off to nearest Rupees in lakhs. Previous year's figures have, wherever necessary, been rearranged/regrouped to conform the presentation of the Current year.
5. License fee to DoT and Railways Revenue Share computed at prescribed rate of 8% and 7% respectively.
6. Employees benefit expenses and administrative expenses are apportioned to project works based on 5% and 3% respectively of expenses incurred on each project work of Holding Company.
7. The Current Assets/ Liabilities has been determined if they are receivable / payable within 1 year from the date of Balance Sheet. Rest has been treated as Non-Current.
8. Balance recoverable from customers or other parties, Recoverable/payable from/to Ministry of Railways, sundry creditors are subject reconciliation, confirmation and consequential adjustments. In opinion of the management, the financial impact if any will not be material.
9. RailTel's Subsidiary company had received LOA from Government of Rajasthan in FY 2015-16 for ₹ 2603 lakhs for implementation of Network Connectivity for 1500 Schools of Rajasthan. To execute this work, Company awarded partly contract to M/s Synoptics Technologies Pvt. Ltd. in FY 2015-16 for ₹ 853 lakhs. Against this customer order, an income for ₹ 527 lakhs was booked in FY 2015-16 and simultaneously expenditure was booked for ₹ 482 lakhs in the same year. In this connection, an amount of ₹ 44 lakhs were received from Customer as an advance in the FY 2016-17 and payment was made to vendor of ₹ 37 lakhs accordingly.

Afterwards, agreement was terminated by the Rajasthan Government in F.Y 17-18 and accordingly entry for sales return of ₹ 527 lakhs and entry for purchase return of ₹ 482 lakhs made in the FY 2017-18.

10. Disclosure relating to dues to Micro, Small and Medium Enterprise:

(₹ in Lakh)

S. No.	Particulars	2017-18	2016-17
1	Amount remaining unpaid to any supplier:		
	a) Principal Amount	1773	445
	b) Interest due thereon	NIL	NIL
2	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount paid to the supplier beyond the appointed day;	NIL	NIL
3	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	NIL	NIL

S. No.	Particulars	2017-18	2016-17
4	Amount of interest accrued and remaining unpaid	NIL	NIL
5	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL

11. Auditors Remuneration includes:

(₹ in Lakh)

Particulars	F.Y. 2017-18	F.Y. 2016-17
Statutory Audit Fee	18	18
Tax Audit	6	6
Total	24	24

12. Capital commitments:

(₹ in Lakh)

Particulars	March 31, 2018	March 31, 2017
Estimated amount of contracts remaining to be executed on capital account	25406	27776

13. Value of imports calculated on CIF basis

(₹ in Lakh)

Particulars	March 31, 2018	March 31, 2017
Raw materials	Nil	Nil
Consumables and Spare parts	Nil	Nil
Capital goods	155	789
Total	155	789

14. Expenditure in foreign currency (accrual basis)

(₹ in Lakh)

Particulars	March 31, 2018	March 31, 2017
Travelling & conveyance	21	5
Repair & Maintenance	Nil	Nil
Service charges	Nil	Nil

15. Corporate Social Responsibility Expenditure

During the period, the gross amount required to be spent by the Company on activities related to Corporate Social Responsibility (CSR) amounted to ₹ 368 Lakhs (Previous year ₹ 347 lakhs). However, during the year the CSR committee has approved ₹ 370 Lakhs and out of the said amount ₹ 76 Lakhs has been incurred.

Details of amount incurred for FY 2017-18 in relation to CSR activities is mentioned below:

(₹ in Lakh)

Particulars	Approved Budget	Amount incurred	Amount yet to be incurred
Construction/Acquisition of any asset	Nil	Nil	Nil
On any other purpose	370	76	294
Total	370	76	294

Details of amount paid for FY 2016-17 in relation to CSR activities as provided for the liabilities in books of accounts as on 31.03.2017 as given hereunder:

(₹ in Lakh)

Particulars	Unpaid amount as on 01.04.2017	Amount Paid	Amount yet to be paid
Construction/Acquisition of any asset	Nil	Nil	Nil
On any other purpose	272	222	50
Total	272	222	50

Para-wise disclosure of Applicable Indian Accounting Standards are as below:

16. Financial Instruments

Trade receivables

As per Ind AS 109, Company is following expected credit loss model for recognizing the allowance for doubtful debts.

Security deposits & Retention Money (Liabilities)

Security Deposits & Retention Money are classified as Financial Liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement.”

Security Deposits (Asset)

There are some deposits which are being kept with government authorities e.g. commercial taxes department, Railways, Electricity etc. which are considered as financial asset. A period of 10 years has been assumed for discounting these items.

17. IND AS 2: Inventories

- The total carrying amount of inventories as at 31.03.2018 is NIL (PY ₹ 22 Lakhs) as shown in Note no 7 of Balance Sheet.
- There is no reversal of any write-down that is recognized as a reduction in the amount of inventories recognized as expense in the period and presented in cost of sales.
- Nothing out of carrying amount of inventories has been pledged as security for liabilities.

18. Disclosures in respect of IND AS 8: “ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS

Any item of prior period error which exceeds 1% of revenue from operations is considered for materiality test which is in accordance with Schedule III of the Companies Act 2013. Accordingly, in compliance with Ind AS-8, there is no need to re-state financial statements of prior period, since prior period errors are not material in nature.

19. Ind AS 11: “CONSTRUCTION CONTRACTS”

(₹ in Lakh as at March 31, 2018)

Customer Name	Revenue recognized during the year	Cost Incurred during the year	Advance from client	Amount due from client
Raj Comp Info Services Ltd.	2,071	1,843	-	616
Indian Railways with PSU's	3,489	3,079	4,813	1,127
Indian Maritime University	112	104	-	-
Northern Coalfield Ltd.	455	336	-	64
South Eastern Coalfields Limited	414	145	-	8
Smart City Pune	342	255	-	-
Andhra Pradesh Sarva Shiksha	979	890	-	573
ESIC	15,876	13,197	-	12,693
Total	23,738	19,849	4,813	15,081

All contracts are Fixed Price Contracts except with Indian Railways and its PSUs in which the contract is on Cost Plus Basis.

(₹ in Lakh as at March 31, 2017)

Customer Name	Revenue recognized during the year	Cost Incurred during the year	Advance from client	Amount due from client
Indian Railways with PSU's	3,743	3,349	2,440	791
Coal Mines Provident Fund	1,595	1,344	-	528
ESIC	10,302	8,713	-	-
Total	15,640	13,406	2,440	1,319

All contracts are Fixed Price Contracts except with Indian Railways and its PSUs in which the contract is on Cost Plus Basis.

20. Disclosures as required by IND AS 12 – Income Taxes

Figures in lakh

In compliance of IND-AS 12 on “Income Taxes”, the item wise details of Deferred Tax liability (Net) are as under-

Particulars	Provided during the FY 16-17 year in Profit & Loss	As on 31-Mar-2017	Provided during the FY 17-18 in Profit & Loss	As on 31-Mar-2018
Deferred Tax Liability				
Related to Depreciation on Fixed Assets	-939	3992	-830	3162
Total Deferred Tax Liabilities (A)	-939	3992	-830	3162
Deferred Tax Assets				
Provision for debtors	260	1171	-114	1057
43B Disallowances etc.	166	520	544	1064
Others	182	343	-177	167
Total Deferred Tax Assets (B)	608	2034	253	2287
Deferred Tax Liability Net (A-B)	-1547	1958	-1083	875

Figures in %

Reconciliation between the average effective tax rate and the applicable tax rate is as given below-

Particulars	Holding Company (RCIL)		Subsidiary Company (REL)	
	Mar-18	Mar-17	Mar-18	Mar-17
Applicable Tax Rate	34.61	34.61	27.55	33.06
1. Tax effect of income that are not taxable in determining taxable profit	0.00	0.00	0.00	0.00
2. Tax effect of expenses that are not deductible in determining taxable profit	8.30	8.91	0.00	0.00
3. Tax effect on recognition of previously unrecognized allowance/disallowances	-2.56	-0.65	0.00	0.00
4. Tax effect of additional deductions	-0.26	-0.01	0.00	0.00
5. Tax expenses/income related to prior year	0.00	0.79	0.00	0.00
6. difference in tax due to income chargeable to tax at special rate	0.00	0.30	0.00	0.00

Particulars	Holding Company (RCIL)		Subsidiary Company (REL)	
	Mar-18	Mar-17	Mar-18	Mar-17
Average Effective Tax Rate	40.09	43.95	27.55	33.06
Weighted average consolidated effective tax rate for FY 2017-18				40.00
Weighted average consolidated effective tax rate for FY 2016-17				43.93

21. Disclosures as required by IND AS 16 – Property, Plant & Equipment

- The depreciation has been charged at the straight-line method.
- During the year, Company assessed the impairment loss of Assets and is of the opinion that since the Company is going concern and there is no indication exist for the impairment of the Asset. Therefore, it is considered that during the year there is no impairment loss of asset.
- The Company has continued with the carrying value of Property, Plant & Equipment & Intangible asset at the date of transition to Ind-AS measured as per Indian GAAP by availing exception provided in para D-7AA of Appendix-D to Ind-AS 101.
- The useful life of all the PPE have been defined in the accounting policies
- A reconciliation of the carrying amount at the beginning and end of the period is as per note no 2 of Balance Sheet.
- No assets have been classified as held for sale in accordance with IND AS 105.
- There is no increase or decrease on account of revaluation and from impairment loss recognized or reversed in other comprehensive income in accordance with IND AS 36
- The Company has acquired on lease a Govt land measuring 2 Bigha for 25 years in a village Namulijalah of Sila Sinduri Ghopa Mouza under North Guwahati from Govt. of Assam for setting up Network Hub and Corporation regional Head Quarter. Company is holding handing over taking over certificate. Value of land is ₹ 30 lakhs.
- No Capital expenses was incurred on Assets not owned by the Company during the Financial Year ended 31.03.2018 except:
 - on leasehold improvement of ₹ 33 Lakhs (Previous Year- ₹ 380 lakh).
 - Construction work at Patna for creation of Territory office on Railway land as per approved sanctioned plan by Railways whose agreement is yet to be executed. Expenditure incurred up to 31.03.2018 for ₹ 43 Lakhs (Previous Year ₹ 16 lakh) shown under Capital Work in Progress.
- There is no obsolete asset which has been so far held under CWIP/Fixed Asset.
- Depreciation on all the PPE has been disclosed separately
- There is no restriction on title of PPE and nothing has been pledged as security and liability

13. The amount of contractual commitment for acquisition of PPE is ₹ 25,406 Lakhs (₹ 27,776 Lakhs in previous year)
14. There is no amount to be received on account of compensation from third party for items of PPE that were impaired, lost or given to Company that is to be recognized in the statement of profit & Loss account
15. Entire depreciation has been recognized in the statement of Profit & Loss account, nothing has been charged to cost of other assets. Accumulated depreciation at the end of the period has been shown separately.
16. There is no temporarily idle PPE.
17. ₹ 33009 lakhs Gross Carrying value of assets have been fully depreciated, but still are in use.
18. During the reporting Period Assets having Net Book Value of Rs. 1 Lakh (Gross Book Value 53 Lakh) has been retired with sale proceeds of ₹ 0.99 Lakh and loss of ₹ 0.10 Lakh has been booked.

22. Disclosures as required by IND AS 17 : Leases

AS A LESSOR

FINANCE LEASE

There is no finance lease transaction in the Company.

OPERATING LEASE

- a) The Company has been offering NLD Services, infrastructure services (Dark Fibers, Tower space and co-location etc.) under IP-I registration and Internet services under ISP license to its customers under respective operating lease
- b) The Company has entered into a non-cancellable long-term lease arrangement to provide optical fiber on indefeasible right of use (IRU) basis. The lease rental receivable proportionate to actual kilometers accepted by the customer is credited to the statement of profit and loss on a straight – line basis over the lease term. Due to the nature of the transaction, it is not possible to compute gross carrying amount, depreciation for the year and accumulated depreciation of the asset given on operating lease as of March 31, 2017 and accordingly respective disclosures required by IND AS 17 are not provided.
- c) Future minimum lease rentals receivable under operating lease for each of the following period as on 31st march 2018 are as under to the extent of advanced received: -

(₹ in Lakh)

Particulars	31-Mar-18	31-Mar-17
Not later than one year	14842	19508
Later than one year and upto five years	12048	22018
Later than five years	5367	3456

AS A LESSEE

The Company has taken various office premises and Telecom assets under operating lease agreements. These leases are not non-cancellable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed by lease agreement. There are no subleases.

Future minimum lease rentals payable under operating lease for each of the following period as on 31st march'2018 are as under: -

(₹ in Lakh)

Particulars	31-Mar-18	31-Mar-17
Not later than one year	637	134
Later than one year and upto five year	2,623	662
Later than five year	2,279	624

23. Disclosure Requirement as per IND AS 19 – Employee Benefits

Employee Benefits – Defined Benefit

Gratuity

The Company has scheme of gratuity plan for its employees from LIC. Every employee who has completed at least five years of service are entitled for gratuity at the time of relinquishment of employment for 15 days of last drawn salary for each completed year of service. The scheme is funded through LIC in the form of qualifying insurance policy.

Leave Encashment

The Company has scheme of Leave Encashment payable to eligible employees who have accumulated earned leave subject to maximum ceiling of 300 earned leave including half pay leave. Leave salary is provided for based on actuarial valuations, as at the Balance Sheet date. The scheme is funded through LIC.

Post-Retirement Medical:

The Company has Post- Retirement Medical Scheme (PRMS) to provide assistance for meeting a part of medical expenses incurred by retired members only after their retirement for dependent family members and self and dependent family members of the ex-employee in case of death of the employee.

Post-Retirement Medical is provided for based on actuarial valuations, as at the Balance Sheet date. Scheme has been approved w.e.f. 01.04.2017.

Employee Benefits – Defined Contribution

Pension:

The Company has introduced, pension Scheme for its employees, under defined contribution plan as per the recommendations of 2nd Pay Revision Committee (PRC) and further modified by the recommendations of 3rd PRC. RailTel will pay an amount equal to 10% of Basic pay+ DA of the eligible employees.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the Balance Sheet for the above defined benefit plan.

23.1: Table Showing Changes in Present Value of Obligations:

(₹ in Lakh)

Particulars	Gratuity		Leave Encashment		Post-Retirement Medical Scheme
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018
Present value of the obligation at the beginning of the period	789	636	1,199	730	-
Interest cost	60	48	91	55	-
Current service cost	153	100	195	107	142
Past Service Cost	82	-	-	-	-
Benefits paid (if any)	(41)	(24)	(87)	(41)	-
Actuarial (gain)/loss	319	29	223	348	-
Present value of the obligation at the end of the period	1,362	789	1,622	1,199	142

23.2 : Bifurcation of total Actuarial (gain)/loss on liabilities:

(₹ in Lakh)

Particulars	Gratuity		Leave Encashment		Post-Retirement Medical Scheme*
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018
Actuarial (gain)/losses from changes in Demographics assumptions (mortality)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	-
Actuarial (gain)/losses from changes in Financial Assumptions	320	8	1	(73)	-
Experience Adjustment (gain)/loss for Plan Liabilities	(1)	20	223	421	-
Total Amount recognized in other comprehensive income (gain)/loss	319	28	224	348	-

* Since the scheme is applicable w.e.f.01.04.2017, hence not applicable.

23.3: Key results (The amount to be recognized in the Balance Sheet):

(₹ in Lakh)

Particulars	Gratuity		Leave Encashment		Post-Retirement Medical Scheme
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018
Present value of the obligation at the end of the period	1,362	789	1,621	1,199	142
Fair value of plan assets at end of period	805	747	1,176	642	-
Net liability/(asset) recognized in Balance Sheet and related analysis	557	42	446	557	142
Funded Status	(557)	(42)	(446)	(557)	(142)

23.4: Expense recognized in the statement of Profit and Loss:

(₹ in Lakh)

Particulars	Gratuity		Leave Encashment		Post-Retirement Medical Scheme
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018
Interest Cost	60	48	91	55	-
Current Service Cost	153	100	195	107	142
Past Service Cost	82	-	-	-	-
Expected return on plan asset	(57)	(22)	(49)	(22)	-
Net Actuarial (gain)/loss recognized in the period	-	-	208	332	-
Expenses to be recognized in P&L	238	126	447	472	142

23.5: Other comprehensive (income) / expenses (Re-measurement)

(₹ in Lakh)

Particulars	Gratuity		*Leave Encashment		**Post-Retirement Medical Scheme
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018
Net cumulative unrecognized actuarial (gain)/loss Opening	9	0	NA	NA	-

Particulars	Gratuity		*Leave Encashment		**Post-Retirement Medical Scheme
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018
Actuarial (gain)/loss - obligation	319	28	NA	NA	-
Actuarial (gain)/loss - plan assets	3	(19)	NA	NA	-
Total Actuarial (gain)/loss	322	9	NA	NA	-
Cumulative Total Actuarial (gain)/loss	331	9	NA	NA	-

*As per paragraph 154 and 156 of IND AS 19, Actuarial gains and losses on other long-term employee benefit plans continue to be required to be recognized through P&L.

** Since the scheme is applicable w.e.f.01.04.2017, hence not applicable.

23.6: Table showing Fair Value of Planned Assets:

(₹ in Lakh)

Particulars	*Gratuity		*Leave Encashment		**Post-Retirement Medical Scheme
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018
Fair value of plan assets at the beginning of the period	747	288	642	287	-
Actual return on plan assets	54	41	63	38	-
Contributions	45	442	558	358	-
Benefits paid	(41)	(24)	(87)	(41)	-
Fair Value of Plan Asset at the end of the Period*	805	747	1176	642	-

*100% of fund is managed by Insurance Company.

**Since the scheme is applicable w.e.f.01.04.2017, hence not applicable.

23.7: Actuarial (Gain)/Loss on Planned Assets:

(₹ in Lakh)

Particulars	Gratuity		Leave Encashment		*Post-Retirement Medical Scheme
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018
Actual return on plan assets	54	41	63	38	-
Expected return on plan assets	57	22	49	22	-
Actuarial gain/ Loss)	(3)	19	14	16	-

*Since the scheme is applicable w.e.f.01.04.2017, hence not applicable.

23.8: Summary of membership data at the date of valuation and statistics based thereon:

Particulars	Gratuity		Leave Encashment		Post-Retirement Medical Scheme		
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018		
					Active	Retired	Family Pensioners
Number of employees	490	494	490	494	490	4	-
Total monthly salary (in Lakhs)	331	276	331	276	-	-	-
Average Past Service (Years)	8	6	8	6	-	-	-
Average Future Service (Years)	22	22	22	22	-	-	-
Average Age (Years)	38	36	38	36	38	60	NA
Average Duration (Years)	-	-	-	-	7	N.A	NA

23.9: The assumptions employed for the calculations are tabulated:

Particulars	Gratuity		Leave Encashment		Post-Retirement Medical Scheme
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018
Discount rate	7.60 % p.a.	7.50 % p.a.	7.60 % p.a.	7.50 % p.a.	7.60% p.a.
Medical Inflation Rate	-	-	-	-	5% p.a.
Salary Growth Rate	6% p.a.	6% p.a.	6% p.a.	6% p.a.	-

Particulars	Gratuity		Leave Encashment		Post-Retirement Medical Scheme
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018
Mortality	IALM 2006-08 Ultimate	100% IALM 2006-08	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	-
Withdrawal rate (Per Annum)	5% p.a. (18 to 30 Years)	2% p.a.	7.60% p.a.	2% p.a.	5% p.a. (18 to 30 Years)
Withdrawal rate (Per Annum)	3% p.a. (30 to 44 Years)	-	5.00% p.a. (18 to 30 Years)	-	3% p.a. (31 to 44 Years)
Withdrawal rate (Per Annum)	2% p.a. (44 to 60 Years)	-	3.00% p.a. (30 to 44 Years)	-	2% p.a. (45 & above)

23.10: Benefits valued:

Particulars	Gratuity		Leave Encashment		Post-Retirement Medical Scheme
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018
Normal Retirement Age	60 Years	58, One year is added to the retirement age whose age is above 58	60 Years	-	60 Years
Salary	Last drawn qualifying salary	Basic Salary + D.A.	As per rules of the company	-	As per rules of the company
Vesting Period	5 Years of Service	5 Years of Service		-	-
Benefits on Normal Retirement	15/26 X Salary X Past Service (Yr)	15/26 X Salary X No of years of completed services.	1/30 X Salary X No of leaves.	-	-
Benefit on early exit due to death and disability	As above, except that no vesting conditions apply.	Same as normal retirement benefit except that no vesting condition apply.	As above, subject to rules of the company	-	-
Limit	20 Lakhs	10 Lakhs	-	-	-

23.11: Current Liability (*Expected payout in next year as per schedule III of the Companies Act, 2013):

(₹ in Lakh)

Particulars	Gratuity		Leave Encashment		Post-Retirement Medical Scheme
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018
Current Liability (Short Term)	83	59	99	168	3
Non-Current Liability (Long Term)	1,279	730	1,522	1,031	139
Total Liability	1,362	789	1,621	1,199	142

23.12: Gratuity and Post-Retirement Medical Scheme: Estimate of expected benefit payments (In absolute terms i.e. undiscounted):

(₹ in Lakh)

For the year ended	Gratuity	Post-Retirement Medical Scheme
31 Mar 2019	83	3
31 Mar 2020	99	3
31 Mar 2021	108	3
31 Mar 2022	85	3
31 Mar 2023	76	3
01 Apr 2023 Onwards	1,191	24

23.13 (a): Sensitivity Analysis: Leave Encashment

the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

(₹ in Lakh)

All figures in INR	March 31, 2018	Impact (%)
Base liability	1621	
Increase Discount Rate by 1%	1454	10%
Decrease Discount Rate by 1%	1822	12%
Increase salary inflation by 1%	1823	12%
Decrease salary inflation by 1%	1451	11%
Increase in Withdrawal Assumption by 1%	1649	2%
Decrease in Withdrawal Assumption by 1%	1589	2%

23.13 (b): Sensitivity Analysis: Gratuity

the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

(₹ in Lakh)

All figures in INR	March 31, 2018	Impact (%)
Base liability	1,362	
Increase Discount Rate by 1%	1,228	10%
Decrease Discount Rate by 1%	1,522	12%
Increase salary inflation by 1%	1,523	12%
Decrease salary inflation by 1%	1,225	10%
Increase in Withdrawal Assumption by 1%	1,382	1%
Decrease in Withdrawal Assumption by 1%	1,339	2%

23.13 (c): Sensitivity Analysis: Post Medical Retirement Scheme

the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

(₹ in Lakh)

All figures in INR	March 31, 2018	Impact (%)
Base liability	142	
Increase Discount Rate by 1%	114	-19.43%
Decrease Discount Rate by 1%	179	25.95%
Increase salary inflation by 1%	180	26.41%
Decrease salary inflation by 1%	114	-20.01%
Increase in Withdrawal Assumption by 101%	141	-0.56%
Decrease in Withdrawal Assumption by 99%	143	0.56%

23.14 Foreign Service Contribution:

Foreign Service Contribution payable for leave salary and pension in respect of employees who have joined the corporation on deputation for a fixed period from Indian Railways & Department of Telecommunication for the year 2017-18 in terms of Government rules and regulations is charged to revenue on accrual basis.

24. Disclosure in respect of Indian Accounting Standard (Ind AS) 20 “Accounting for Government Grants and disclosure of Government Assistance”:

The break-up of total grant in aid received up to 31.03.2018 for various purposes is as under: - (₹ in Lakh)

Grant Received For	As At 31.03.2018	As At 31.03.2017
North East Project	3,146	3,146
Rural Wi-Fi	739	Nil
Total	3,885	3,146

Grant/Subsidy on NE Project:

1. As on Balance sheet date 31.3.2018, subsidy of ₹ 3,146 Lakhs was received from Department of Telecommunication for North east project. During the year asset in Tripura state has been capitalized with value of ₹ 2,227 Lakhs against which subsidy received is ₹ 395 Lakhs. The amount of subsidy received is shown under the head “Other Non-Current Liability”.

During the financial year 2017-18, depreciation of ₹ 313 lakhs have been charged to Statement of Profit and Loss due to capitalization of Tripura State assets and accordingly impact of amortization of subsidy is recognized in Statement of Profit and Loss for ₹ 58 lakhs in proportion to depreciation which is shown under the head other operating revenue.

2. The Company had undertaken two projects of NE-1 and NE-2 with a total capital outlay of Rs. 45125 lakh for which anticipated subsidy of Universal Service Obligation Fund of Department of Telecommunication, Government of India was pegged at Rs. 38800 lakh and net cash outflow of Rs. 6325 lakh. Against this, the Company has incurred total capital expenditure of Rs. 30121 lakh and has received subsidy of Rs. 3146 lakh with a net cash outflow of Rs. 26975 lakh upto 31.03.2018.

Grant/Subsidy on Rural Wi-Fi: During the year, the company has received Rural Wi-Fi Subsidy amounting to ₹ 739 Lakhs from Department of Telecommunication (DoT) for the installation of Wi-Fi in rural areas. An amount of ₹ 130 lakhs have been incurred on the said project which is yet to be capitalized and has been shown under Capital Work in progress Therefore, subsidy will be amortized to other income during the subsequent years after capitalization.

25. Disclosures as required by IND AS 21 : Effects of change in foreign exchange rates

Exchange Difference

(₹ in Lakh)

Sr. No.	Particulars	2017-18	2016-17
1	The amount of exchange differences recognised in profit or loss except for those arising on financial instruments measured at fair value through profit or loss in accordance with Ind AS 109.	(100)	59
2	Net exchange differences recognised in other comprehensive income and accumulated in a separate component of equity, and a reconciliation of the amount of such exchange differences at the beginning and end of the period.	Nil	Nil

26. IND-AS – 24 : Related party disclosures

Names of related parties and their relationship:

- Enterprises under common control: NA
- Subsidiaries: RailTel Enterprises Limited
- Key Management Persons:

Shri Rajendra Kumar Bahuguna-CMD (upto 30.09.2017)
Shri Ashutosh Vasant-Director/POM (30.03.2017 onwards)
Shri A. Sheshgiri Rao – Director/NPM (upto 28.08.2017)
Smt Anju Ranjan-Director/Finance (From 01.04.2017 onwards)
Shri Anshul Gupta- Director/NPM (From 16.11.2017 onwards)
Shri J S Marwah- Company Secretary
Shri Sanjai Kumar*-Director/Subsidiary
Smt. Madhulika Pathak**-Director/Subsidiary
Shri Yudhveer Maan-Company Secretary/Subsidiary (24.05.2017 onwards)

* replaced by Sh. A.K. Sablania w.e.f. 25th June 2018

** replaced by Sh. H.C. Batra w.e.f. 18th May 2018

iv) Disclosures of transactions of the Company with Key Management Persons: (₹ in Lakh)

Particulars	Name	Shri Rajendra Kumar Bahuguna	Shri N.K. Gupta	Shri Ashutosh Vasant	Shri A. Sheshgiri Rao	Shri J S Marwah
		CMD	Director/ Finance	Director/ POM	Director/ NPM	Company Secretary
Salaries and Allowances	2017-18	31	-	41	22	19
	2016-17	55	41	-	46	13
Retirement Benefit Paid	2017-18	-	9	-	26	-
	2016-17	-	-	-	-	-

(v) Sitting fee paid to Independent Directors: (₹ in Lakh)

Name	For 2017-18	For 2016-17
Sh Anupam Alok	4 Lakhs	3 Lakhs
Sh Ashok Goel	3 Lakhs	2 Lakhs

vi) Transactions with Railway PSUs & Railway Units

Transactions with Railway PSUs and Railway Units are in relation to Telecommunication Services & Other Projects.

(₹ in Lakh)

Particulars	Years	Revenue	Expenditure	Receivable	Payable	Advance Received
Central Railside Warehouse Company Limited	2017-18	28	-	22	-	-
	2016-17	13	-	4	-	-
Centre For Railway Information Systems	2017-18	-	-	138	-	-
	2016-17	193	-	274	-	-

Particulars	Years	Revenue	Expenditure	Receivable	Payable	Advance Received
Container Corporation of India Ltd	2017-18	18	-	29	-	-
	2016-17	24	-	26	-	-
Dedicated freight corridor Corporation of India Limited	2017-18	204	-	52	-	466
	2016-17	327	-	34	-	687
Indian Railway Catering and Tourism Corporation Limited (IRCTC)	2017-18	156	-	94	-	1
	2016-17	49	-	36	-	1
IRCON International Limited	2017-18	35	-	7	-	-
	2016-17	4	-	4	-	-
Konkan Railway Corporation of India Limited	2017-18	42	28	7	15	7
	2016-17	77	18	-	33	-
Rail Land Development Authority	2017-18	4	-	4	-	-
	2016-17	3	-	3	-	-
Rail Vikas Nigam Limited	2017-18	291	-	50	-	621
	2016-17	95	-	37	-	147
Rail Wheel Factory	2017-18	6	-	10	-	-
	2016-17	83	-	55	-	-
RITES Limited	2017-18	11	-	9	-	-
	2016-17	5	-	6	-	-
India Railways	2017-18	11,874	2,764	11,005	4,977	4,813
	2016-17	9,961	2,688	12,510	4,900	2,440
National High-Speed Rail Corporation Limited (NHSRCL)	2017-18	20	-	4	-	-
	2016-17	-	-	-	-	-
Research Design and Standards Organization (RDSO)	2017-18	25	-	16	-	-
	2016-17	13	-	14	-	-
Chittaranjan Locomotive Works (CLW)	2017-18	49	-	6	-	-
	2016-17	4	-	4	-	-
Total	2017-18	12,763	2,792	11,453	4,992	5,908
	2016-17	10,851	2,706	13,007	4,933	3,275

27. Disclosures as required by IND AS 33 : Earning Per Share

Numerator	As at 31.03.2018 (FY 2017-18)	As at 31.03.2017 (FY 2016-17)
Profit after tax as per Profit and Loss Account (Used as Numerator (₹ in Lakhs))	15778	12806
Denominator		
- Number of Equity Shares (Face value of ₹ 10/- each)	320938407	320938407
- Number of Shares allotted during the year	NIL	NIL
- Weighted Average number of equity shares for calculating Basic Earnings Per Share	320938407	320938407
- Weighted Average number of equity shares for calculating Diluted Earnings Per Share	320938407	320938407
- Basic Earnings Per Share (₹/ per share) (Face value of ₹ 10/- each)	4.92	3.99
- Diluted Earnings Per Share (₹/per share) (Face value of ₹ 10/each)	4.92	3.99

28. Disclosures as required by IND AS 37 : Provisions, Contingent Liabilities and Contingent Assets

- Provision for Doubtful Debts is made based on management's best estimate of probable losses inherent in the trade receivable.
- Provisions are recognized in respect of obligations, based on the evidence available, and wherever their existence on the Balance Sheet date is considered probable.
- Contingent liabilities are determined on the basis of available information. These liabilities are not provided for and are disclosed by way of notes on accounts.

(₹ in Lakh)

Particulars	Provision for Employee Benefits						Total
	Provision for Arbitration Claim	Performance Related Pay	Provision for pension	Provision for Post- Retirement Medical	Provision for Gratuity & Leave Encashment	Provision for 3rd PRC	
Carrying Amount at the beginning of the period	46	994	508	0	599	42	2189
Additional provision made in the period	0	970	398	142	1002		2512
Amount utilized/adjusted during the period	0	4	0	0	599	42	645
Unused amount reversed during the period	0	35	0	0	0		35
Carrying amount at the end of the period	46	1925	906	142	1002	0	4021

28.1 Contingent liabilities:

28.1 (a) Claims against the Company not acknowledged as debts

(₹ in Lakh)

Particulars	Service Tax	VAT	Income Tax	DoT	Other	Total
Carrying Amount at the beginning of the period	1,132	379	292	10,756	300	12,859
Additions during the period	-	4	1,195	-	272	1,471
Amount adjusted during the period	343	(300)	(121)	-	-	(78)
Carrying amount at the end of the period	1,475	83	1,366	10,756	572	14,252

28.1 (b) Bank Guarantees given by the Company to Customers/Government as on 31.03.2018 is ₹ 15,083 Lakhs (PY ₹ 11,783 Lakhs).

28.1 (c) Loans and advances include a sum of ₹ 379 Lakhs deposited with the Department of Telecommunication, under protest, on account of share on income, interest, and penalty. The company has filed an appeal with Telecom Dispute Settlement and Appellate Tribunal (TDSAT). Against which necessary provision exist.

29. Disclosure Requirements as per IND AS 108 – Operating Segments

The Company's principle business is to provide neutral telecom infrastructure. The Company operates within India and does not have operations in economic environment with different risks and returns. Hence, it is considered operating in Pan India-single geographical segment

The Company's operating segments are as follows:

- 1. Telecom Services** -Department of telecommunication has provided three licenses to RailTel, namely ILD, NLD, ISP and IP-1 registration for providing various type of telecommunication services in the country. RailTel with its expertise in Telecom & IT domain for over a decade offers an end-to-end managed data services to its customers within the framework of these licenses.

It provides a wide range of Telecom services to its customer as under:

1. Managed Data Services
2. Leased Line
3. Virtual Private Network
4. Internet Leased Line
5. Data Centre
6. Tower collocation
7. Rack and space
8. NLD for voice carriage

- 2. Project Work services-** To generate revenue through its expertise in telecom field, Companyhas taken the following projects:

1. National Optical Fiber Network
2. Telecom and IT services related projects
3. Enterprise specific IT & ITES Projects

The Company's Operating segment information for the year ended March 31, 2018 is presented below:

(₹ in Lakh)

Particulars	Telecom Services	Project Work Services	Total
	A	B	A+B
Revenue from operations	68,555	30,126	98681
Operating Expenses	46,055	25,332	71387
Segment Operating Income/(Loss)	22500	4794	27294
Un allocable Depreciation			733
Operating Income			26,561
Other Income			730
Foreign Exchange Gain/(Loss), net			(100)
Profit before interest, depreciation, tax and exceptional items			27,191
Interest Income/(expenses), net			3,560
Finance income/(expenses), net			(6)
Depreciation, amortization and impairment	11,131		11,131
Profit before taxation			19,615
Profit after exceptional item but before taxation			19,615
Tax Expense			3,837
Profit after taxes			15,778
Other Comprehensive Income (net of taxes)			(210)
Total Comprehensive Income for the Period			15,568

SEGMENT ASSETS

Segment Property, Plant & Equipment Assets (Net Block)	64861	0	64861
Other Assets	54065	19432	73497
Capital WIP	36417	0	36417

SEGMENT LIABILITIES

Segment Liabilities	88956	12702	101658
Deferred Tax Liabilities	875	0	875

The Company's Operating segment information for the year ended March 31, 2017 is presented below:

(₹ in Lakh)

Particulars	Telecom Services	Project Work Services	Total
	A	B	A+B
Revenue from operations	62,374	22,749	85,123
Operating Expenses	40,254	19,277	59,531
Segment Operating Income/(Loss)	22,120	3,472	25,592
Un allocable Depreciation			711
Operating Income			24,881
Other Income			792
Foreign Exchange Gain/(Loss), net			59
Profit before interest, depreciation, tax and exceptional items			25,732
Interest Income/(expenses), net			4,353
Finance income/(expenses), net			(38)
Depreciation, amortization and impairment	10,931		10,931
Profit before taxation			19,116
Profit after exceptional item but before taxation			19,116
Tax Expense			6,308
Profit after taxes			12,806
Other Comprehensive Income			(6)
Total Comprehensive Income for the Period			12,800

SEGMENT ASSETS

Segment Property, Plant & Equipment Assets (Net Block)	65028	0	65028
Other Assets	48332	14365	62697
Capital WIP	35972	0	35972

SEGMENT LIABILITIES

Segment Liabilities	86769	24615	113384
Deferred Tax Liabilities	1958	0	1958

Information about major customers:

NICSI, ESIC and Railways are the customers who contributed 10% or more to the Company's revenue for year ended on 31st March 2018.

NICSI-Revenue for the year is ₹ 13,456 Lakhs (Previous year 13,741 Lakhs).

ESIC- Revenue for the year is ₹ 15,876 Lakhs (Previous Year 10,302 Lakhs)

Railways- Revenue for the year is ₹ 11,826 Lakhs (Previous Year 9,961 Lakhs)

30. Disclosure Requirement as per IND AS 112 – Disclosure of Interest in Other entities

Particulars of Subsidiaries of the Company

Particulars	Name of the Entity	Country of Incorporation	% of Ownership Interest
Subsidiary	RailTel Enterprises Limited	India	100%

31. IND AS 115 – Revenue from Contracts with Customers

As per para 30 of Ind AS-8, when an entity has not applied a new Ind AS that has been issued but not yet effective, the entity shall disclose this fact and possible impact that application of the new Ind AS will have on entity's financial statements.

During the year, Ministry of Corporate Affairs (MCA) on 28th march 2018 had notified IND AS-115 on "Revenue from Contracts with Customers" through Companies (Indian Accounting Standards) Amendments Rules 2018, which the company has not applied as this is effective for annual periods beginning on or after 1st April 2018. The standard establishes a new five step model that will apply to revenue arising from Contracts with customers. Under IND AS 115, revenue is recognized at an amount reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IND AS -18 and IND AS - 11. The Company is currently evaluating the requirements of IND AS -115 and has not yet determined the impact on the financial statements.

32. Disclosure as required by IND AS 107, IND AS 109 & IND AS 113

Valuation techniques and process used to determine fair values

- The carrying value of financial assets and liabilities with maturity less than 12 months are considered to be representative of their fair value.
- Fair value of other financial assets and liabilities carried at amortized cost is determined by discounting of cash flows using discount rate.
- A discount rate of 6.90% (SBI Rate) has been used for balances as on 31/03/2018.

Financial Instrument

Financial Instruments by Category

The carrying value of financial instruments by each category were as follows: -

(₹ in Lakh)

Particulars	Financial Assets/ Liabilities at amortised costs		Financial Assets/Liabilities at FVTPL		Financial Assets/Liabilities at FVTOCI	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Assets						
Trade Receivables (Refer to Note No. 8)	45628	37419	Nil	Nil	Nil	Nil
Cash & Cash Equivalents (Refer to Note No. 9 & 10)	50923	61602	Nil	Nil	Nil	Nil
Other Financial Assets (Refer to Note No.5,11&12)	12886	13920	Nil	Nil	Nil	Nil
Liabilities						
Trade Payables (Refer to Note No. 20)	27608	22319	Nil	Nil	Nil	Nil
Other Financial Liabilities (Refer to Note No. 16 & 21)	15886	13667	Nil	Nil	Nil	Nil

Interest Income/(Expenses) recognized on financial assets and liabilities:

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Financial assets at amortised cost		
Interest income on other financial assets	Nil	Nil
Interest expenses on other financial assets	(141)	(294)
Interest income on other financial liabilities	84	244
Interest expenses on other financial liabilities	Nil	Nil
Financial assets at Fair Value through Profit or Loss (FVTPL)	(57)	(50)
Financial assets at Fair Value through Other Comprehensive Income (FVTOCI)	Nil	Nil

Financial Risk Management

The Company has exposure to the following risk from its use of financial instruments: -

1. Credit Risk
2. Liquidity Risk
3. Market Risk

The board of director has overall responsibility for the establishment & oversight of the Company's risk management framework. The Board of director has established a risk management policy to identify and analyze the risks faced by the Company. The audit committee broadly oversees how management monitors compliances with the Company's risk management policies and procedures. The audit committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

1. Credit Risk:

Credit risk is the risk of financial losses to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation and arises principally from the Company's trade receivables, employee loans and other activities that are in the nature of leases.

Exposure to Credit Risk

The gross carrying amount of financial assets, net of any impairment losses recognized represents the maximum credit exposure. The maximum exposure to credit risk as at March 31, 2018 & March 31, 2017 was as follows:-

(₹ in Lakh)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Gross Carrying Value	Net Value after Impairment	Gross Carrying Value	Net Value after Impairment
Trade Receivables (Refer to Note No. 8)	45628	45628	37419	37419
Other Financial Assets (Refer to Note No. 5,11 & 12)	12886	12886	13920	13920

Financial assets that are past due but not impaired, Trade Receivables, Employee Loans, Cash and cash equivalents and other assets are neither past due nor impaired

2. Liquidity Risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company reputation, typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses, servicing of financial obligations.

3. Market Risk:

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments.

3.3. Proposed Dividend

The Board of Directors have recommended dividend on equity share of Rs. 4447 lakh at their meeting held on 18.08.2018. As per Companies (Accounting Standard) amendment rules 2016, the dividend will be recorded after approval of shareholders in ensuing Annual General Meeting.

34. IND AS 18: Revenue Recognition

Accounting policies adopted for the recognition of revenue-

- i) **Service Revenues-** Service revenues include incomes from National Long Distance services, Internet Service, infrastructure provider services such as co-location, dark fibre, tower space etc. Service revenue also includes revenues associated with access and interconnection for usage of the network of other operators. Revenues are recognised on prorata basis on provision of services while revenue from co-location, dark fibre, tower space etc is recognised over the period of arrangement.

Revenue shall be measured at the fair value of the consideration received or receivables.

Service revenues are recognised as the services are rendered and are stated net of discounts, waivers and taxes. Revenues from pre-paid services like Rail wire are recognised based on actual usage.

Service revenue is recognised from the date of satisfactory installation services at the customer site.

Deferred revenue includes amount received in advance from customers which would be recognised over the periods when the related services are expected to be rendered.

- ii) **Deposit Works-** When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period based on statements of account received from the contractors. Incidental Expenditure relating to these works including corporate office expenses for the year, is apportioned to these works on the basis of expenses incurred on these works. 5% and 3% of expenses incurred on each work is apportioned towards establishment cost and other common expenses respectively.
- iii) **Interest and Other Income-** For all financial instruments measured at amortised cost and interest bearing financial assets, classified as financial assets at fair value through profit or loss or as available for sale, interest income is recognized using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in 'finance income' in the income statement.

For M/s Suresh chandra & Associates
Chartered Accountants
FRN 001359N

For and on behalf of the Board of Directors of
RailTel Corporation of India Limited

Sd/-
Ved Prakash Bansal
M.No. 500369

Sd/-
J S Marwah
Company Secretary
(M. No. :F8075)

Sd/-
Sanjeeb Kumar
Director Finance
(DIN : 03383641)

Sd/-
N Kashinath
Chairman and Managing Director
(DIN: 08117673)

Place: New Delhi
Date: 18/08/2018

FINANCIAL DATA FOR LAST 10 YEARS

S.No.	Particulars	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18
1	Total Income (incl. other income)	114	200	386	400	363	404	440	538	554	642	900	1025
2	Expenditure (incl. increase/decrease in stock)	52	82	222	224	193	171	209	284	298	367	595	712
3	Gross Margin	63	118	164	175	170	233	231	254	256	275	305	313
4	Interest Expenses	16	23	20	15	11	6	1	-	-	0	0	0
5	Depreciation	5	39	42	47	51	110	88	85	90	81	116	119
6	Profit before tax	41	62	103	113	108	116	142	169	166	194	189	194
7	Profit after tax	41	56	102	112	95	86	113	138	121	102	127	156.18
8	Dividend pertaining to FY	0	5	8	15	13	14	15	17	17	41.53	51.53	62.47
9	Reserves & surplus	-	44	137	232	312	382	476	592	683	763	836	928
10	Fixed Assets (Gross block)	611	728	773	869	911	938	983	1,078	1,236	1,431	1,531	1,643
11	Inventories	0.91	0.79	0.50	1.15	0.65	2.30	3.80	2.92	1	0.59	0.22	0
12	Share Capital	321	321	321	321	321	321	321	321	321	321	321	321
13	Capital employed	533	560	565	660	706	696	770	851	833	1,084	1,157	1,249
14	Net Worth	315	365	458	553	633	703	797	913	1,004	1,084	1,157	1,249
15	Number of Employees (no)	278	332	382	361	360	359	490	490	525	537	814	793
16	Income per employee	0.41	0.60	1.01	1.11	1.01	1.13	0.90	1.10	1.06	1.19	1.11	1.29
17	Current ratio	1:1	0.75:1	0.83:1	0.94:1	1.08:1	3.70:1	3.08:1	2.84:1	3.28:1	1.77:1	1.50:1	1.69
18	Debt/equity ratio	0.86:1	0.63:1	0.41:1	0.27:1	0.16:1	0.06:1	-	-	-	-	-	-
19	Operating margin/ capital employed	11.74%	21.03%	29.04%	26.53%	24.09%	33.42%	30.07%	29.80%	30.73%	25.33%	26.35%	25.06%
20	Expenditure / income	45.27%	41.02%	57.56%	56.16%	53.16%	42.43%	47.43%	52.83%	53.79%	57.20%	66.11%	69.46%
21	PBT/ Capital Employed	7.71%	11.09%	18.18%	17.16%	15.26%	16.67%	18.51%	19.84%	19.93%	17.89%	16.30%	15.53%
22	PAT/ Share capital	12.73%	17.49%	31.79%	34.99%	29.71%	26.74%	35.07%	42.98%	37.68%	31.77%	39.48%	48.65%
23	PBT/ Turnover	35.93%	31.10%	26.57%	28.36%	29.67%	28.72%	32.37%	31.41%	29.96%	30.23%	20.95%	18.93%
24	PAT/ Turnover	35.73%	28.10%	26.41%	28.09%	26.28%	21.25%	25.57%	25.65%	21.83%	15.89%	14.08%	15.24%
25	PAT/Net Worth	12.97%	15.37%	22.29%	20.32%	15.07%	12.22%	14.13%	15.11%	12.05%	9.40%	10.95%	12.50%
26	Dividend/PAT	NA	8.91%	7.84%	13.36%	13.63%	16.31%	13.33%	12.33%	14.06%	40.73%	40.66%	40.00%
27	Dividend/Net worth	NA	1.37%	1.75%	2.71%	2.05%	1.99%	1.88%	1.86%	1.69%	3.83%	4.45%	5.00%
28	Book Value per share	10	11	14	17	20	22	25	28	31	34	36	39
29	Basic EPS	1.27	1.75	3.18	3.50	2.97	2.67	3.51	4.30	3.77	3.18	3.95	4.87



MoU 2018-19 signing at Rail Bhawan



17th Annual General Meeting of RailTel

Celebrating 18 Years of RailTel





Wi-Fi inauguration at Delhi Cant Railway Station



Rangoli Competition at CO



Health Checkup Camp at CO



Award for RailTel at My India Wi-Fi Summit

C&AG Comments

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF RAILTEL CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2018.

The preparation of financial statements of RAILTEL CORPORATION OF INDIA LIMITED for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 18 August 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of RAILTEL CORPORATION OF INDIA LIMITED for the year 31 March 2018 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143 (6)(b) of the Act.

**For and on the behalf of the
Comptroller & Auditor General of India**

Sd/-

(B.R. Mondal)

**Principal Director of Audit
Railway Commercial, New Delhi**

Place: New Delhi

Dated: 26th September, 2018

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF RAILTEL CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2018.

The preparation of consolidated financial statements of RAILTEL CORPORATION OF INDIA LIMITED for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 18 August 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of RAILTEL CORPORATION OF INDIA LIMITED for the year ended 31 March 2018 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of subsidiary namely RailTel Enterprises Limited. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report under section 143(6)(b) of the Act.

**For and on the behalf of the
Comptroller & Auditor General of India**

**Sd/-
(B.R. Mondal)**

**Principal Director of Audit
Railway Commercial, New Delhi**

Place: New Delhi

Dated: 26th September, 2018

RAILTEL CORPORATION OF INDIA LTD

PROXY FORM (Form no. MGT-11)

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :

Registered Address :

E-mail ID :

Folio No./* DP & Client Id :

I/We, being the member(s) of shares of the above named Company, hereby appoint:

- (1) Name:..... Address:.....
 E-mail Id: Signature:.....
- (2) Name:..... Address:.....
 E-mail Id: Signature:.....
- (3) Name:..... Address:.....
 E-mail Id:..... Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 18th Annual General Meeting of the Company, to be held on Thursday, 27th September, 2018 at 11:30 a.m. at the Committee Room, 2nd Floor, Rail Bhawan, New Delhi-110001 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolutions	For	Against
Ordinary Business			
1.	To receive, consider and adopt the Audited Financial Statements (including audited Consolidated Financial Statements) for the Financial Year ended 31 st March, 2018 together with the Report of Board of Directors and Auditor's thereon.		
2.	To note the payment of interim dividend and declare final dividend for the Financial Year 2018-19.		
3.	To take note of the appointment of M/s. Suresh Chandra & Associates, Chartered Accountants as Statutory Auditors of the Company for the Financial Year 2018-19 made by CAG and to fix the remuneration of such Auditors.		
Special Business			
4.	Ordinary Resolution for taking note of the appointment of Dr. Madhukar Sinha as Part-time Govt. Director on the Board of RailTel.		
5.	Ordinary Resolution for taking note of the appointment of Shri Sanjeeb Kumar as Director/Finance on the Board of RailTel.		
6.	Ordinary Resolution for taking note of the appointment of Shri N. Kashinath as Chairman & Managing Director on the Board of RailTel.		
7.	Ordinary Resolution for taking note of the appointment of Shri Sanjai Kumar as Director/NPM on the Board of RailTel.		
8.	Ordinary Resolution for taking note of the appointment of Smt. Rashmi Jain as Independent Director on the Board of RailTel.		
9.	Ordinary Resolution for taking note of the appointment of Shri Sunil Gupta as Part-time Govt. Director on the Board of RailTel.		
10.	Ordinary Resolution for taking note of the appointment of Shri H.K. Agarwal as Chairman & Managing Director on the Board of RailTel.		
11.	Ordinary resolution for ratification of the Remuneration of Cost Auditor for the Financial year 2017-18.		

Signed this.....day of.....2018.

Stamp

Signature of the Shareholder

.....
 Signature of first proxy holder

.....
 Signature of second proxy holder

.....
 Signature of third proxy holder

Notes: This form of proxy in order to be effective should be duly completed and deposited at the Corporate Office of the Company not less than 48 hours before the commencement of the Meeting.

Notes:

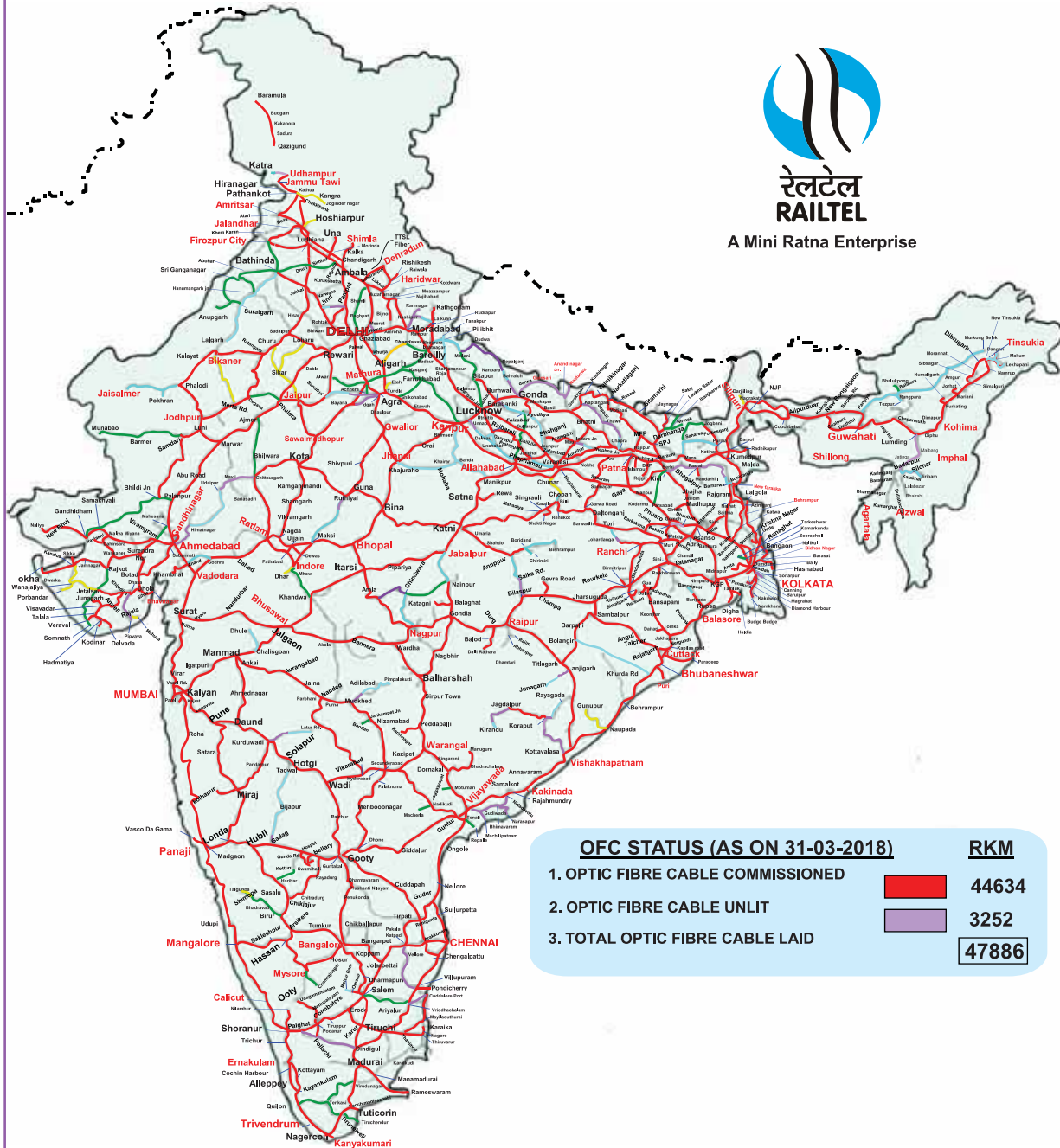
A series of horizontal dotted lines for writing notes.

OPTIC FIBRE CABLE NETWORK



रेलटेल
RAILTEL

A Mini Ratna Enterprise



The Map shown is only for representational purpose and does not represent territorial boundaries of India.



रेलटेल कॉर्पोरेशन ऑफ इण्डिया लिमिटेड
(भारत सरकार का उपक्रम)

RailTel Corporation of India Limited
(A Government of India Undertaking)

CIN : U64202DL2000GOI107905

Registered Office : 6th Floor, IIIrd Block, Delhi Technology Park, Shastri Park, New Delhi-110053

Corporate Office : 143, Institutional Area, Sector-44, Gurugram - 122003, NCR (India)

Phone : +91 124 2714000, **Fax :** +91 124 4236084

www.railtelindia.com