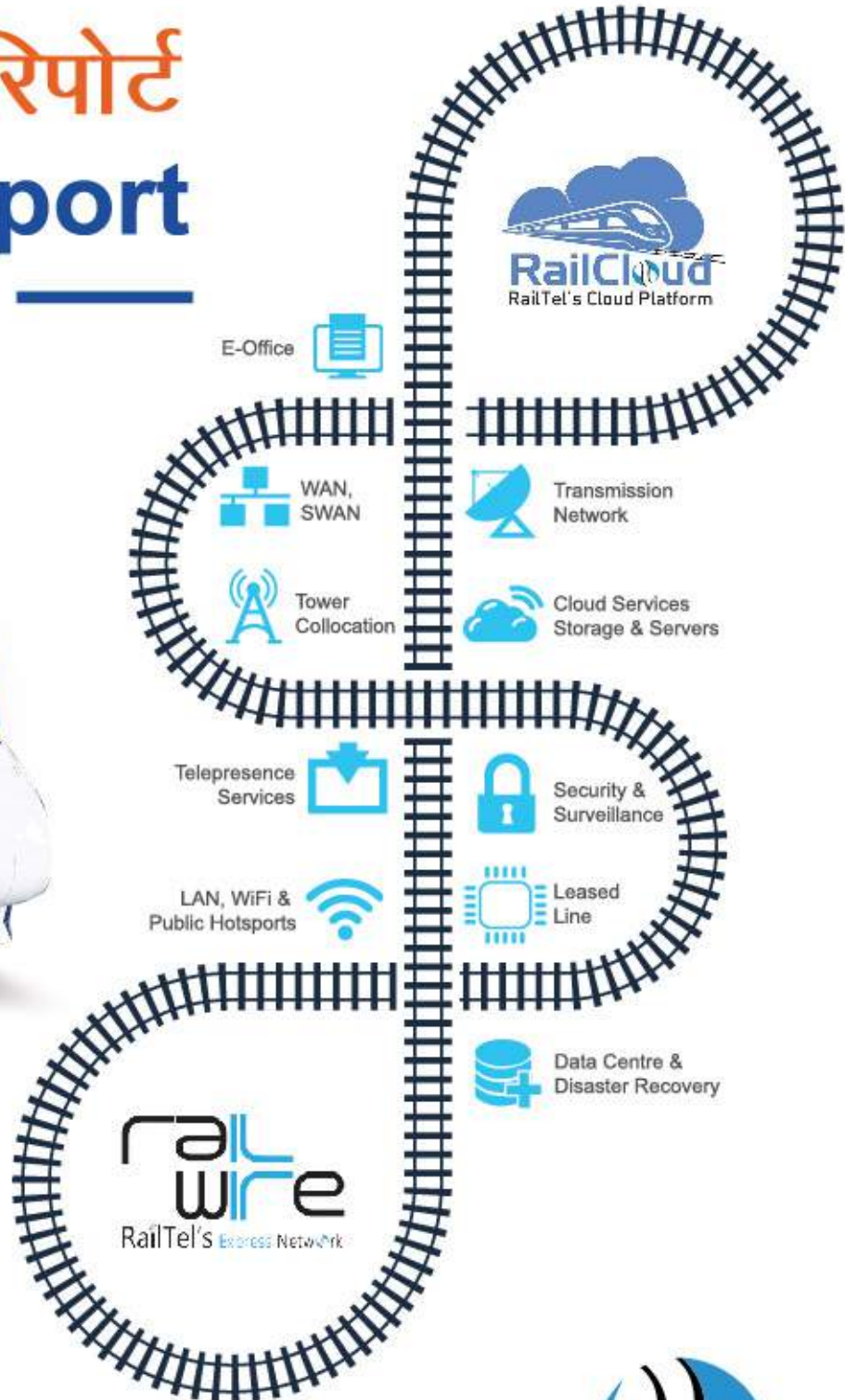




19^{वीं} वार्षिक रिपोर्ट Annual Report 2018-19



रेलटेल कार्पोरेशन ऑफ इण्डिया लिमिटेड
(भारत सरकार का उपक्रम)

RailTel Corporation of India Limited
(A Government of India Undertaking)



A Mini Ratna Enterprise



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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Read Report Online at www.railtelindia.com



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RAILTEL

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Management Team

Present Composition of Board of Directors

1.	Shri Puneet Chawla	Chairman & Managing Director
2.	Shri Ashutosh Vasant	Director-Project, Operation and Maintenance
3.	Shri Sanjai Kumar	Director-Network, Planning and Marketing
4.	Shri Anand Kumar Singh	Director-Finance
5.	Dr. Madhukar Sinha	Part-time Govt. Director
6.	Shri Umesh Balonda	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
10.	Shri Chinnsamy Ganesan	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 – 400013
Tele: 022-24923907 • Fax: 022-24923913

Reference Information



Regd. Office:

6th Floor, IIIrd Block, Delhi Technology
Park, Shastri Park, New Delhi-110053
Tele: 011-22185933-34 • Fax: 011-22185978

Corporate Office



Plate-A, 6th Floor, Office Tower-2,
NBCC Building,
East Kidwai Nagar, New Delhi-110023
Tele: 011-22900600 • Fax : 011-22900699



Website : www.railtelindia.com



Bankers

- ➔ Axis Bank
- ➔ Yes Bank
- ➔ RBL Bank
- ➔ Syndicate Bank
- ➔ State Bank of India
- ➔ Union Bank of India
- ➔ Indusind 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
E-mail: sca_ca_co@yahoo.com



Branch Auditors

Northern 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

Southern Region:

M/s. Tukaram & Co., Chartered Accountants House No. 3-6-69/209, 409, Venkatrama Towers, Basheerbagh, Hyderabad-500029 • Tele: 040-23228785, 040-232215369 • E-mail: tukaramco@gmail.com



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Eastern Region

N. Sarkar & Co, Chartered Accountants 21, Prafulla Sarkar Street, 2nd Floor, Kolkata-700072
Tele: 033-22126454 • E-mail: nsarkar1935@gmail.com

Western Region

M/s Batliboi & Purohit, Chartered Accountants 2nd Floor, National Insurance Building, 204,
Dadabhoy Naoroji Road, Fort Mumbai – 400001 • Tele: 2207 7941 / 42, Fax: 2207 4260
E-mail:- info@batliboipurohit.com



Internal Auditors

Corporate Office

M/s. APT & Co.
A-2/36, IIIrd Floor, Safdarjung Enclave, New Delhi-110029
Tel: 9810751999 • E-mail:caavinashgupta@gmail.com

Eastern Region:

M/s. Amit Ray & Co.
H/J-17/1, S.L. Sarani, Baguiati, Gautampura, Ashwini Nagar, Kolkata, West Bengal-700159
Tel: 033-25709112 • E-mail:amitraykolkata@gmail.com

Western Office

M/s. J. Singh & Associates
505/506/507, Hubtown Viva, Shankarwadi, Western Express Highways between Andheri & Jogeshwari
(East), Mumbai-400060 • Tel: 02266994618 • E-mail : ca_jsingh@rediffmail.com

Northern Region:

M/s. KRA & Co.
H-1, 208, Garg Tower, Netaji Subhash Place, Pitampura, Delhi-110034 • Tel: 011-47082855
E-mail:anurag@kra.co.in

Southern Region

M/s. Gianender & Associates
Plot no. 6, Site no. 28, Geeta Mandir Marg, New Rajinder Nagar, New Delhi -110060
Tel: 011-28743942 • E-mail:gka_ma@yahoo.com



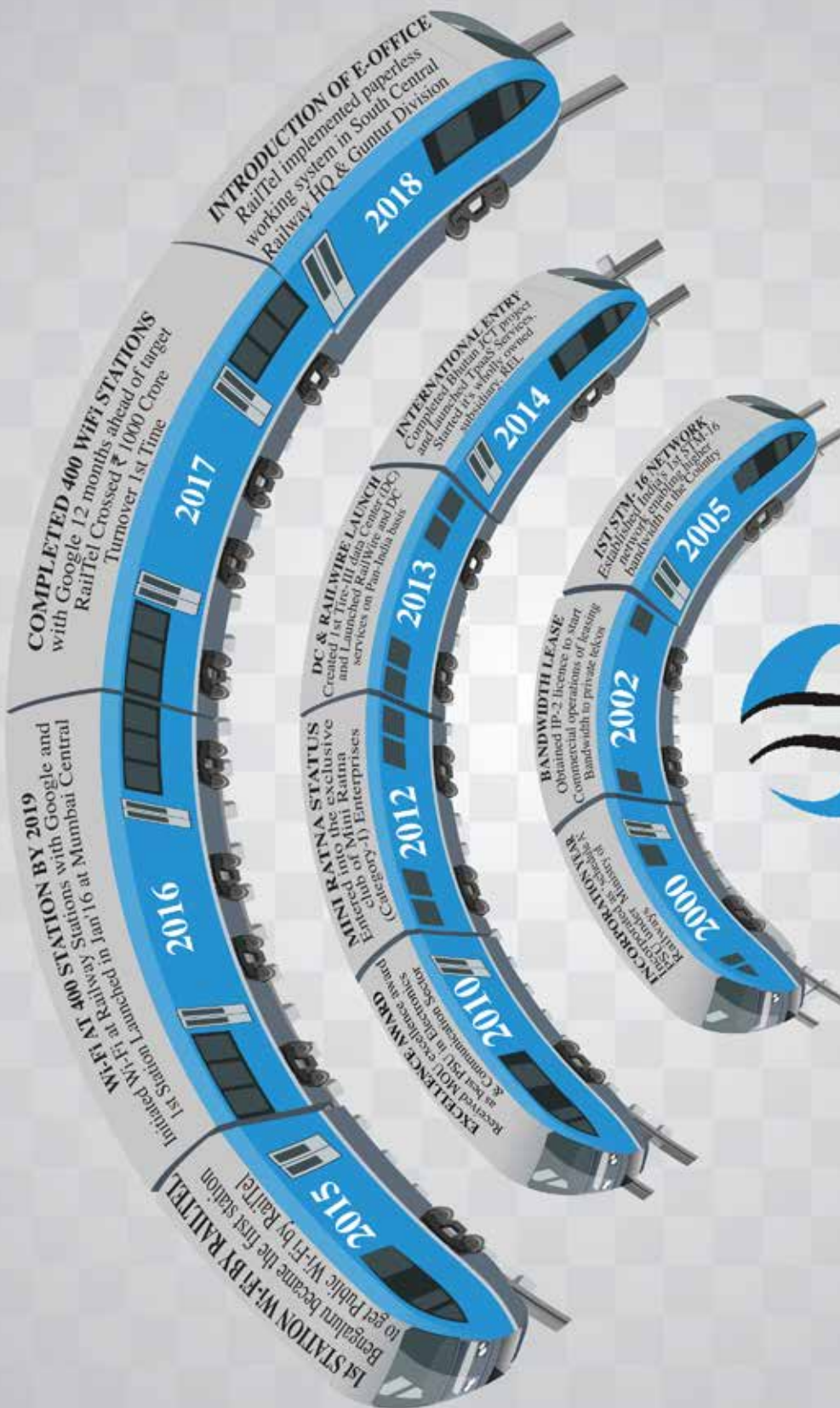
Secretarial Auditor

M/s. P.C. Jain & Co., Company Secretaries
2382, Sector-16, Faridabad-121002, Haryana
Tele: 0129-4043338
E-mail: fcspcjain@gmail.com

Cost Auditor

M/s R. J. Goel & Co., Cost Accountants
31, Community Centre, Ashok Vihar, Phase-1,
Delhi-110052 • Tele: 011-27234124
E-mail: hkg@rjgcindia.com

COMPANY MILESTONES



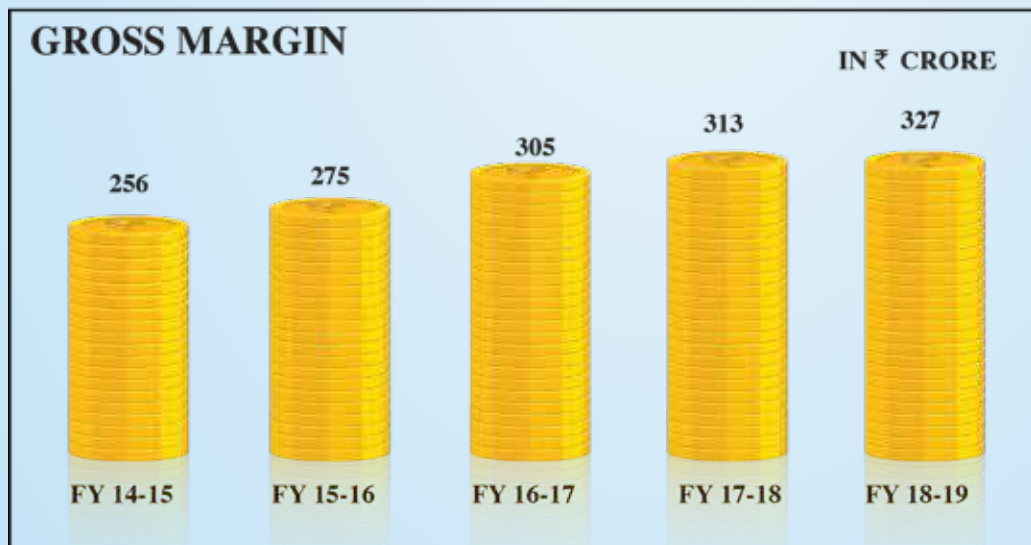
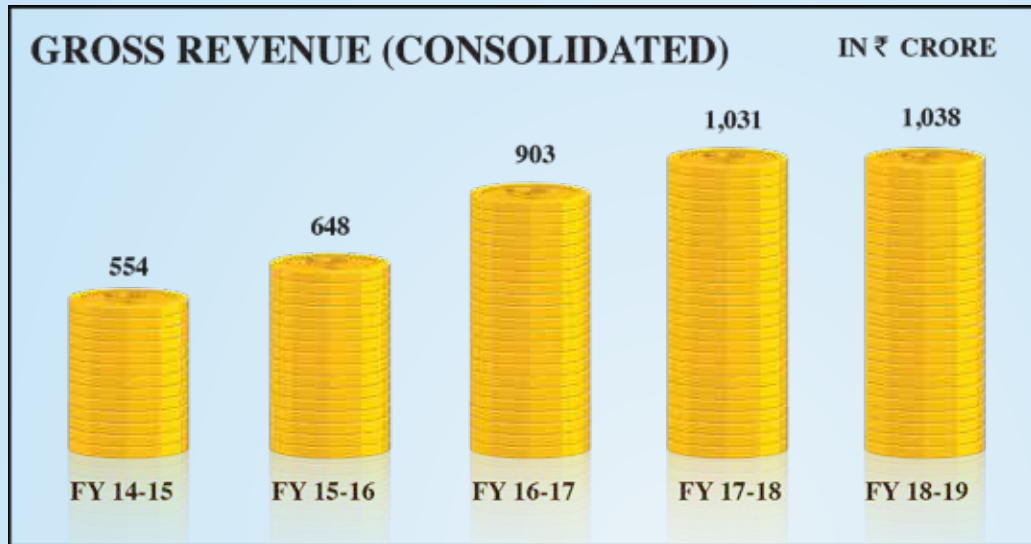
“On path to become a preferred Telecom Solutions Provider of knowledge economy”



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KEY FINANCIAL HIGHLIGHTS



DIVIDEND PAYOUT

IN ₹ CRORE



39%

CAGR

NET WORTH

IN ₹ CRORE



6%

CAGR

FIXED ASSETS (GROSS BLOCK)

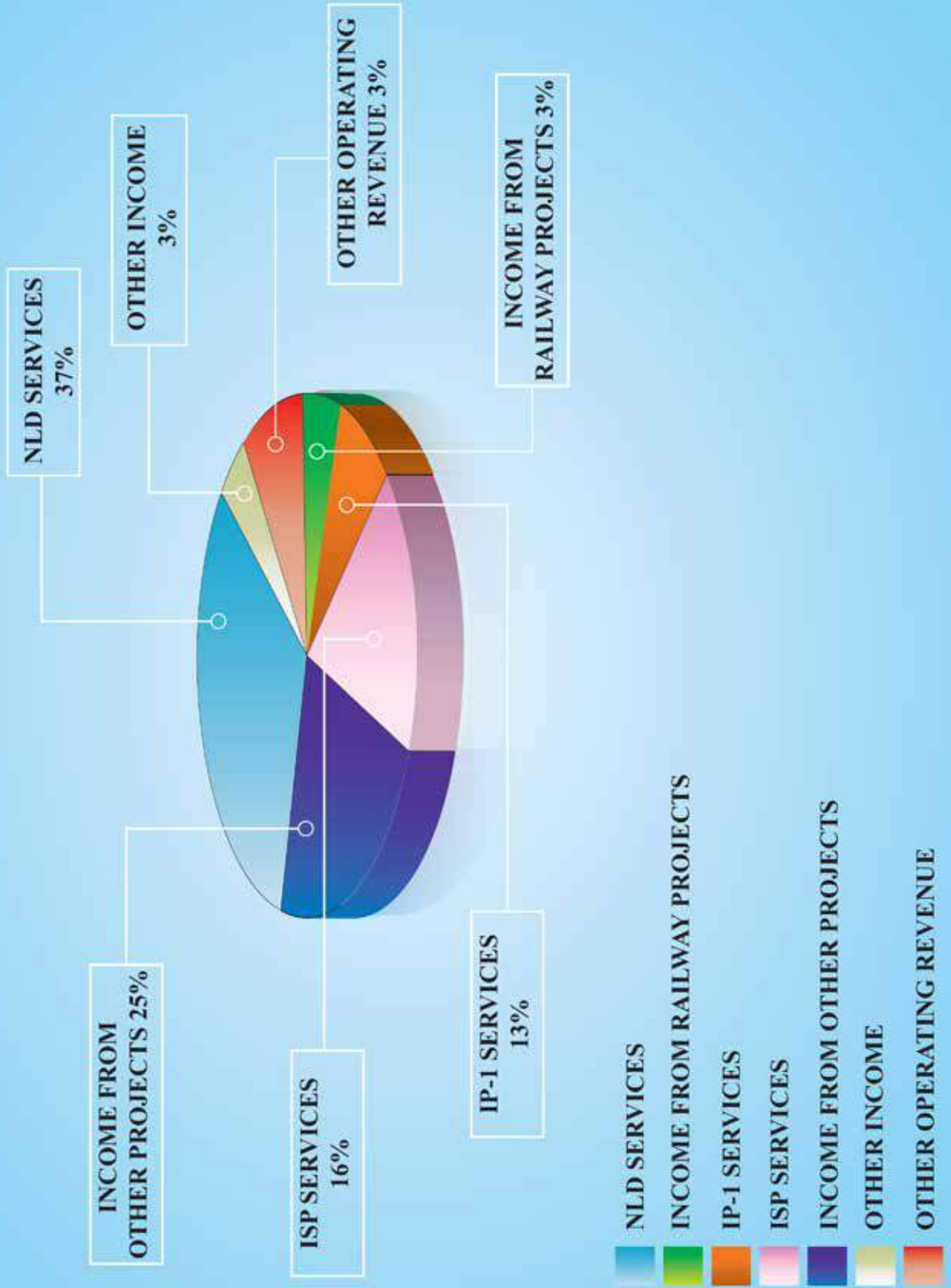
IN ₹ CRORE



11%

CAGR

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 19th Annual General Meeting of the Members of RailTel Corporation of India Limited will be held on Friday, 27th September, 2019 at 14:30 Hrs. at the **Committee Room, 2nd Floor, Rail Bhawan, New Delhi-110001** to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including audited Consolidated Financial Statements of the Company) for the Financial Year ended 31st March, 2019 together with the Report of Board of Directors and Auditor's thereon.
2. To confirm the payment of interim dividend for the FY 2018-19 and declare final dividend on equity shares for the FY 2018-19.
3. To take note of the appointment of Statutory Auditors and Branch Auditors as appointed by the Comptroller and Auditor General of India for the Financial Year 2019-20 and to fix their remuneration.

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, Shri Puneet Chawla, then ED/Safety/RB (DIN: 08303340) had 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 12/12/2018 and who joined with effect from 14/12/2018 and further his appointment as Chairman & Managing Director w.e.f. 10/05/2019 (earlier holding additional charge) and such appointment subsequently noted by the Board of Directors in its meeting held on 23/01/2019 and 24/05/2019, respectively, 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.”

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 Sanjeev Jain, (DIN: 08415579), ED/ Finance, Railway Board had 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 05/04/2019 and who joined with effect from 11/04/2019 and such appointment subsequently noted by the Board of Directors in its meeting held on 24/05/2019, be and is hereby noted as Director/Finance of the Company for a period 11/04/2019 to 04/09/2019 (F.N.), 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 Umesh Balonda, (DIN: 08444478), who has been appointed as Part-time Govt. Director, by the President of India through Ministry of Railways vide letter no. 2004/PL/48/3 dated 03/05/2019 and who joined with effect from 06/05/2019 and such appointment subsequently noted by the Board of Directors in its meeting held on 24/05/2019, 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.”

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 Chinnsamy Ganesan, (DIN: 07615862), who has been appointed as Independent Director, by the President of India through Ministry of Railways vide letter no. 2009/PL/50/13/Pt dated 11/07/2019 and who joined with effect from 16/07/2019 and such appointment subsequently noted by the Board of Directors in its meeting held on 16/08/2019, be and is hereby noted as Independent Director 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 a Special 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. Anupam Alok, (DIN: 07486492), who has been re-appointed as Independent Director, by the President of India through Ministry of Railways vide letter no. 2009/PL/48/1/Pt.3 dated 11/07/2019 and who joined with effect from 12/07/2019 and such appointment subsequently noted by the Board of Directors in its meeting held on 16/08/2019, 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 a Special 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 Ashok Goel, (DIN: 01247398), who has been re-appointed as Independent Director, by the President of India through Ministry of Railways vide letter

no. 2009/PL/48/1/Pt.3 dated 11/07/2019 and who joined with effect from 12/07/2019 and such appointment subsequently noted by the Board of Directors in its meeting held on 16/08/2019, be and is hereby noted as Independent 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 Anand Kumar Singh, (DIN: 07018776), who has been appointed as Director/Finance, by the President of India through Ministry of Railways vide letter no. 2015/E(O)II/40/27 dated 03/09/2019 and who joined with effect from 04/09/2019 (A.N.), be and is hereby noted as Director/Finance 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 2018-19 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 R. J. Goel & 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, 2019 at a remuneration of ₹ 60,000/- 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: New Delhi
Date: 19/09/2019**

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:

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 12/12/2018 has conveyed that additional charge of the post of Chairman & Managing Director/RailTel may be entrusted to Shri Puneet Chawla, ED/ Safety/RB. Accordingly, Shri Puneet Chawla has assumed the additional charge to the post of Chairman & Managing Director/ RailTel on 14/12/2018 (F.N.) further he has been appointed as Chairman & Managing Director/RailTel w.e.f. 10/05/2019 (earlier holding additional charge) in terms of Ministry of Railways letter no. 2017/E(O)II/40/6 dated 10/05/2019 for a period of three years w.e.f. the date of his assumption of charge of the post or until further orders, whichever is earlier. Accordingly, Shri Puneet Chawla has assumed

the charge to the post of Chairman & Managing Director/RailTel on 10/05/2019 (A.N.) earlier holding additional charge w.e.f. 14/12/2018 to 10/05/2019 (F.N.).

4. The terms and conditions regulating the appointment of Shri Puneet Chawla 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 Puneet Chawla, being the appointee himself, is in any way, concerned or interested, financially or otherwise, in the resolution.

Item No 5:

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 05/04/2019 & 16/08/2019 has conveyed that additional charge of the post of Director (Finance)/RailTel may be entrusted to Shri Sanjeev Jain, ED/ Finance, RB. Accordingly, Shri Sanjeev Jain has assumed the charge to the post of Director (Finance)/ RailTel on 11/04/2019 (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 Anand Kumar Singh as Director/Finance of the Company he ceased to be the Director/Finance of the Company as conveyed by Ministry of Railways vide its letter no. letter no 2015/E(O)II/40/27 dated 03/09/2019. His period of appointment in RailTel was from 11/04/2019 to 04/09/2019 (F.N.).
4. The terms and conditions regulating the appointment of Shri Sanjeev Jain 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. 6:

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 03/05/2019 has appointed Shri Umesh Balonda, ED/Tele/RB as Part time Government Director on the Board of RailTel. Since Shri Umesh Balonda has been allotted Director Identification Number on 06/05/2019, therefore, pursuant to the provision of section

152(3) of the Companies Act, 2013, his date of appointment as Director shall be considered as 06/05/2019. 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 Umesh Balonda 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 Umesh Balonda, being the appointee himself, is in any way, concerned or interested, financially or otherwise, in the resolution.

Item No 7:

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/PL/50/13/Pt dated 11/07/2019 has appointed Shri Chinnsamy Ganesan as Non-Official Independent Director on the Board of RailTel. Accordingly, Shri Chinnsamy Ganesan has joined w.e.f. 16/07/2019. The appointment shall be effective for a period of three years from the date of his appointment or until further orders, whichever is earlier.
4. The terms and conditions regulating the appointment of Shri Chinnsamy Ganesan 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. The company has received a declaration from Shri Chinnsamy Ganesan that he 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 Shri Chinnsamy Ganesan, being the appointee himself, is in any way, concerned or interested, financially or otherwise, in the resolution.

Item No 8:

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. Since, the proposal is relating to reappointment of Independent Director it is proposed to pass the special resolution pursuant to the provisions of Section 149(10) of the Companies Act, 2013.

3. Ministry of Railways vide letter no. 2009/PL/48/1/pt.3 dated 11/07/2019 has re-appointed Dr. Anupam Alok as Non-Official Independent Director on the Board of RailTel. Accordingly, Dr. Anupam Alok has joined w.e.f. 12/07/2019. The appointment shall be effective for a period of one year from or until further orders, whichever is earlier.
4. The terms and conditions regulating the appointment of Dr. Anupam Alok 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. The company has received a declaration from Dr. Anupam Alok that he 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 Dr. Anupam Alok, being the appointee himself, is in any way, concerned or interested, financially or otherwise, in the resolution.

Item No 9:

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. Since, the proposal is relating to reappointment of Independent Director it is proposed to pass the special resolution pursuant to the provisions of Section 149(10) of the Companies Act, 2013.
3. Ministry of Railways vide letter no. 2009/PL/50/13/pt dated 11/07/2019 has re-appointed Shri Ashok Goel as Non-Official Independent Director on the Board of RailTel. Accordingly, Shri Ashok Goel has joined w.e.f. 12/07/2019. The appointment shall be effective for a period of one year from or until further orders, whichever is earlier.
4. The terms and conditions regulating the appointment of Shri Ashok Goel 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. The company has received a declaration from Shri Ashok Goel that he 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 Shri Ashok Goel, being the appointee himself, is in any way, concerned or interested, financially or otherwise, in the resolution.

Item No. 10:

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. 2015/E(O)II/40/27 dated 03/09/2019 has conveyed the appointment of Shri Anand Kumar Singh as Director (Finance), RailTel for a period till the date of of superannuation or until further orders, whichever is earlier. Accordingly, Shri Anand Kumar Singh has assumed the charge to the post of Director (Finance)/RailTel w.e.f. 04/09/2019 (A.N.).
4. The terms and conditions regulating the appointment of Shri Anand Kumar Singh 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 Anand Kumar Singh, being the appointee himself, is in any way, concerned or interested, financially or otherwise, in the resolution.

Item No 11:

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 2018-19. The Board has approved the appointment of M/s R. J. Goel & Co, Cost Accountant as the Cost Auditor of the Company for the financial year 2018-19 in their meeting held on 27/09/2018 at an aggregate remuneration of Rs.60,000/- 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. Puneet Chawla
Chairman & Managing Director
DIN: 08303340

Shri Puneet Chawla is a 1985 batch officer of Indian Railway Services of Signal Engineers (IRSSE), is presently working as the Chairman & Managing Director, RailTel. Prior to this he was shouldering the responsibilities of Executive Director (Safety), Railway Board, Ministry of Railways.

Prior to this, he has worked as Divisional Railway Manager (DRM), Ajmer, where he gave lot of thrust on developing infrastructure in areas of Safety, Capacity Augmentation (Doubling) and Railway Electrification. Large Scale passenger amenities like, Satellite stations, Second Entry at A1 and A class stations, lifts, escalators, Wi-Fi services, cashless services, water vending machines, Baby feeding rooms, Mechanized cleaning of stations round the clock etc. were put in place by him. Eco-friendly measures i.e. installation of Solar panels, LED bulbs for lighting, green walls, mass plantations on Railway land, were also taken up on a war footing. Divisional Hospital Ajmer became first Green Hospital of Indian Railways. Large scale land monetization initiatives were also taken by him.

Shri Chawla has handled many other important positions with Indian Railways i.e General Manager, Rail Vikas Nigam Ltd. (RVNL), Chief Project Manager, Indian Railway Project Management Unit (IRPMU) etc. While working as Chief Project Manager, Indian Railway Project Management Unit, he was instrumental in taking the path breaking project of Modernization of Signaling & Telecom (S&T) system on Ghaziabad-Kanpur-Mughal Sarai Section (755Kms) involving installation of Electronic Interlocking (EI), Mobile Train Radio Communication on GSM-R to an advanced stage of completion. Centralized Traffic Control (CTC) for working of trains from a central place and Automatic Signaling on Optical Fiber backbone was implemented for the first time on Indian Railways under his leadership. He has also executed Yard Remodeling and Re-Signaling of Delhi Area's big stations i.e. New Delhi, Delhi Main, Ghaziabad and Delhi Sarai Rohilla.

Armed with degrees of B.E./Electronic and Electrical Communication from Punjab Engineering College, Chandigarh (Where he was Gold Medalist) and M.B.A, Shri Chawla has long experience in Project Management and Administrative fields. Shri Chawla has versatile qualities of Team work and Man Power Planning. He has an image of being reliable and soft spoken. Shri Chawla has been awarded at National, Zonal and Divisional levels of the Ministry of Railways, and has attended many training programs in India and abroad.



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 multichannel control on overhead and MARR.

Shri 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.



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



Shri Anand Kumar Singh
Director/Finance
(DIN: 07018776)

Shri Anand Kumar Singh, joined RailTel Corporation of India Ltd. as Director (Finance) on 4th September, 2019. Prior to his joining, he was Executive Director/ Finance in Ircan International Limited. He was also non-functional Director in four SPVs of Ircan International Limited. He is post graduate in commerce from Calcutta University and Associate member of The Institute of Chartered Accountants of India. He has varied experience of more than 33 years in the field of Financial Management, Budgeting, Treasury Management, Financial Accounting, Fund raising, Project Management, etc. He has also successfully completed the Initial Public Offer (IPO) of Ircan International Limited and was Chief Investor Relation Officer of the company.



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.



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





Shri Umesh Balonda
Part-time Government Director
(DIN: 08444478)

Shri Umesh Balonda is a 1996 batch officer of Indian Railway Service of Signal Engineers (IRSSE), presently working as Executive Director, Telecom Development & Executive Director/S&T/Transformation, Railway Board, Ministry of Railways. He is part of the Transformation team of Ministry of Railways and associated with large scale transformation initiatives of IR regarding delegations, process reforms and digitisation and specially working on Medical, S&T, IT and establishment matters.

Shri Balonda holds a degree of B.E. in Electronics & Communication Engg from Engineering College Kota, Rajasthan. He has a quality to lead a project team and plan, monitor and execute the projects meticulously. He was awarded at National level by Ministry of Railway (MR award) and various GM awards and got appreciation from Chairman, Railway Board.



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 Uttrakhand). 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.



Dr. Anupam Alok
Independent Director
(DIN: 07486492)





Shri Ashok Goel
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 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.



Smt. Rashmi Jain
Independent Director
(DIN: 08187234)



Shri Chinnsamy Ganesan
Independent Director
(DIN:07615862)

Started his practice as a chartered accountant in 1988, Shri Chinnsamy Ganesan was in personal practice till 2005. He then served Lovelock & Lewes (network firm of PwC) for 6 years as Director and BSR & Co. LLP (network firm of KPMG) for 6 years as a partner in the audit practice. He was the lead partner for many Indian and multi-national companies and carried out audits, advisory on international financial reporting, taxation, due diligence and other assurance services.

He is presently the Senior Partner and Head of Audit & Assurance of M/s CNGSN & Associates LLP, Chartered Accountants, Chennai, a firm with 10 partners and around 120 team members.

He took charge as part-time non-official (Independent Director) in RailTel Corporation of India limited w.e.f. 16/07/2019.



Board's Report

Dear Shareholders,

Your Company's Directors are pleased to present 19th Annual Report of the Company, along with Audited Accounts, for the financial year ended 31st March, 2019, 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 collocation, MPLS based IP-VPN, Internet, Data Center services, HD Video Conferencing 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 ₹ 1038 crore. The Company has observed an increase of 0.20 % in its revenue from operations which comes out to be ₹ 986 Crore on standalone basis. The total turnover of the Company during the year is ₹ 1017 Crore comprising of other income of ₹ 31 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, 2019 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.

Table 1: Financial Performance of Company (₹ In Crore)

Particulars	Year ended 31/03/2019		Year ended 31/03/2018	
	Consolidated		Standalone	
Total Revenue	1038	1031	1017	1025
- Revenue from Operations	1003	987	986	984
- Other Income	35	44	31	41
Expenditure	708	716	690	712
Gross Margin	330	315	327	313
Depreciation	112	119	112	119
Profit Before Interest, Tax & Exceptional items	218	196	215	194
Interest	Nil	Nil	Nil	Nil
Exceptional Item	37	Nil	37	Nil
Tax/ Others	69	38	68	38
Profit for the Year	112	158	110	156
Basic EPS (₹)	3.48	4.92	3.42	4.87

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 ₹46.20 Crore for the FY 2018-19. The total dividend payment for the FY 2018-19 will be ₹64.20 crore as compared to ₹62.47 Crore (excluding dividend distribution tax) for the FY 2017-18.

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 ₹28.43 crore as

against such share of ₹27.64 crore in the preceding year. The cumulative revenue share to Railways amounting to ₹ 236 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 2018-19 is ₹ 963 crore.

8. Capital Expenditure

During the year, Capital expenditure of ₹ 88 crore approx. was incurred mainly on NBCC Building, OFC related assets, Telecom & Radio equipment's etc. The Company made commitments to the tune of ₹ 223.20 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 2018-19.

9. Directors and Key Managerial Personnel

During the FY 2018-19, following changes took place in the Board Composition.

- ❖ Smt. Anju Ranjan has ceased to be the Director/ Finance (Addl. Charge) of the Company w.e.f. 02/04/2018.
- ❖ Sh. Sanjeeb Kumar was ED/Accounts (Transformation Cell)/ RB and was entrusted with the additional charge to the post of Director/Finance of the Company w.e.f. 03/04/2018 to 03/04/2019.
- ❖ Sh. N. Kashinath was then Addl. Member/Signal/ RB and was entrusted with the additional charge to the post of Chairman and Managing Director of the Company w.e.f. 23/04/2018 to 23/08/2018.
- ❖ Sh. Sanjai Kumar has been appointed as Director/ NPM of the Company w.e.f. 23/05/2018.
- ❖ Sh. Anshul Gupta has ceased to be the Part time Govt. Nominee Director of the Company w.e.f. 10/07/2018.

- ❖ Smt. Rashmi Jain has been appointed as Part-time non-official Director (Independent Director) on the Board of the Company w.e.f. 25/07/2018.
- ❖ Sh. Sunil Gupta was then ED/Tele and was appointed as Part time Govt. Nominee Director w.e.f. 04/08/2018 to 06/05/2019.
- ❖ Sh. H. K. Agarwal was then Addl. Member/Tele/ RB and was entrusted with the additional charge to the post of Chairman and Managing Director of the Company w.e.f. 23/08/2018 to 12/12/2018.
- ❖ Sh. Puneet Chawla was then ED/Safety/RB and was entrusted with the additional charge to the post of Chairman and Managing Director of the Company w.e.f. 14/12/2018. He has been appointed as Chairman and Managing Director of the Company (earlier holding addl. Charge) w.e.f. 10/05/2019.

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 7 (Seven) times for transacting the business of the company during the F.Y 2018-19 i.e. on 14/05/2018, 23/06/2018, 18/08/2018, 27/09/2018, 26/10/2018, 23/01/2019 & 19/02/2019.

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 draw 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 Nominee 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, 2019, the board had three committees: namely 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 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 and issued guidelines, a mandatory procurement of a minimum of 25% of total annual procurement is required from Micro and Small Enterprise's. Out of 25% target of annual procurement from MSE's, sub targets of 4% from MSEs owned by Schedule Caste or Scheduled Tribe Entrepreneurs and 3% from MSEs owned by women Entrepreneurs are also earmarked for procurement.

The achievement of procurement target from MSEs (25% including a sub-target of 4% from MSEs owned by SC/ ST entrepreneurs) during the financial year 2018-19 in compliance to the aforementioned Public Procurement Policy is shown in **Table 2**.

Table 2

Sl.	Particulars	2018-19 (₹ in Cr.)
1	Total annual procurement (in value)	283.58
2	Total value of procurement from MSEs	76.41
3	% age of procurement from MSEs (including SC/ST and women)	26.95%
4	Total value of procurement from only MSEs owned by SC/ST entrepreneurs	5.65
5	% age of procurement from MSEs owned by SC/ST entrepreneurs	7.39%
6	Total value of procurement from only MSEs owned by Women entrepreneurs	0.965
7	% age of procurement from MSEs owned by Women entrepreneurs	1.26%

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. The RailTel being a responsible public sector undertaking has complied with the provisions of Right to Information Act, 2005 and designated CPIOs/APIO and Appellate Authority as required under the provisions of the RTI Act, 2005.

The details of RTI dealt during the year are as following:-

No. of RTI cases pending as on 1/4/2018	:-	06
Recd. during the Year	:-	80
Disposed off during the year	:-	66
Pending as on 31/3/2019	:-	14

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 2018-19, RailTel’s IT team continuously worked towards strengthen of core processes of these implemented modules so that users could effectively and efficiently use ERP for day to day work. GST system was successfully implemented and was live in ERP w.e.f 1st August, 2018. IT team has been continuously working towards new provisions in GST rules and developed many reports for management analysis. IT team also launched new additional modules like Customer BG creation module, Annual Performance Appraisal Report Module, Auto Invoicing and new reports etc. Further as per management and business requirement RailTel ERP team is also working on development of new modules PCDO requirement and implementation of Digital Signatures on Customer Invoices. 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**. The same would also be made available on the website of the Company i.e. www.railtelindia.com.

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, 2019, the Company had total manpower strength of 730 employees including regular, deputationist, contractual and consultants. The details are shown in **Table 3**. During the year, Company has also availed the services of 1156 outsourced employees.

Table 3

Category	No. of Employees for the year ended 31.03.2018	No. of Employees for the year ended 31.03.2019
Regular Employees	498	480
Deputationist	45	45
On Contract	242	199
Consultants	8	6

The percentage of women employees, SC/ST/OBC employees, persons with disabilities and ex-servicemen out of regular employees of the Company is shown in **Table 4**.

Table 4

Category	No. of Employees for the year ended 31.03.2018	No. of Employees for the year ended 31.03.2019	% of total no. of regular employees during financial year ended 31.03.2019	No. of recruitment made in these categories
Women Employees	50	60	12.5	3
SC Personnel	64	63	13.1	1
ST Personnel	18	17	3.5	0
Other Backward Classes	123	120	25.0	3
Persons with Disabilities	7	7	1.5	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 its best efforts for implementation of official language in accordance with Official Language Policy of Govt. of India. The Company has its Rajbhasha Karyanvayan Samiti at Corporate level which reviews progress of use of official language in day-to-day office working by way of quarterly meetings held regularly. Executives are motivated to do their work in Hindi using easy vocabulary. Unicode facility has been made available in all computers/laptops in office.

On the occasion of Hindi Diwas, 14th September, Hindi Pakhwada was observed from 14th September to 29th September, 2018 in RailTel Corporation of India Ltd. During the Hindi Pakhwada various activities were organized-

(1) Noting & Drafting Competition (2) Hindi workshop “How to work in Hindi on Computer” and Self written poetry competition (3) Hindi quiz competition. Winners were awarded with cash prizes and Hindi Books.

RailTel has published quarterly pictorial newsletter under title “RailTel Gatividhiyan” in Hindi starting from October. to September, 2018. Besides, 1st issue of Hindi Magazine “RailTel Pragati” (October.18 to Mar.19) has also been published. To monitor the use of Hindi, inspections are conducted. The progress of Hindi Language 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 received 1 complaint under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 at Western Region, the same is under process at Regional level.

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 is forming 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 in full compliance with DPE Guidelines on Corporate Governance. 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 form 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 96.31% 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 Act.

During the FY 2018-19, RailTel has undertaken to spend ₹ 387 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, ₹ 257 lakh was spent during FY 2018-19. During the year, RailTel has carried out various CSR activities like providing free Wi-Fi at Railway stations, establishing Digital Learning centres, Skill Development Centre for Women, donating ambulances/mobile Medicare units etc.

One of the RailTel's CSR initiative namely 'RailTel Akansha Super 30' related to providing of coaching to talented but from economically weaker section of society produced results. It was a proud moment for RailTel when 30 students of its CSR initiative 'RailTel Akansha Super 30' (batch of FY 18-19), Dehradun made it to JEE Mains out of which 11 students crack 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-economical background belonging to different occupation ranging from labourer to farmer.

The Annual Report on CSR as prescribed under Companies (Corporate Social Responsibility Policy) Rules, 2014 is forming part of this Report and is placed at **Annexure-IV**.

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, 2019 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.

The status of Vigilance cases during the year is shown in **Table 5**.

Table 5

S. No.	HEAD	NUMBER	NATURE OF CASE
1	Number of cases Pending as on 01.04.2018	5	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	4	
4	Number of Vigilance cases pending as on 31.03.2019	6	Related to tender/contract management procedure violation

32. Vigilance awareness week

As per the CVCs directives, Vigilance Awareness Week was observed in RailTel from 29/10/2018 to 04/11/2018 in its true spirit and sense. The theme this year was “Eradicate corruption- Build a new India.”

During the week, a number of vigilance awareness activities were carried out and events organized involving RailTel’s Officials as well as other citizens. A brief of such activities is as under:

a) Awareness activities conducted in RailTel Corporation:

On 29/10/2018 at 11:00 am RailTel officials undertook the integrity pledge administered from Corporate Office along with the employees of Corporate Office as well as the employees from various Regional & Territorial offices across the country joining in via RailTel’s in-house Telepresence Services.

b) Awareness activities conducted by engaging with the youth:

On the theme of “Eradicate Corruption-Build a new India” As per directions from Central Vigilance Commission, to organize various activities by engaging with students in educational institutes, RailTel covered 3 schools/colleges of Gurgaon/NCR. Debate, elocution, extempore competitions were organized to engage with youth and spread awareness about being a vigilant citizen. The students from the educational institutes showed very keen interest and enthusiasm in participating in the event. The participating students were from different streams of study, they discussed various aspects of the topic and analyzed the issue from different angles. The judges for all the events were appointed by respective college/school. Winning students were awarded and certificates of merit and certificates of participation were also distributed.

c) Awareness through Banners/Posters & Social Media:

i) E-pledge link with request to take integrity pledge was posted on RailTel’s website and promoted through social accounts for public awareness.

ii) All the events (in-house as well as in schools/ colleges) were highlighted through RailTel's Twitter and Facebook account for public awareness.

iii) Banners and posters were setup across all offices i.e. Corporate office and Regional/Territorial office including at reception as well as outside and inside of the building for awareness of the employees, visitors and general public.

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, 2019.

Auditor	Region
Batliboi & Purohit	Western Region
N. Sarkar & Co	Eastern Region
Tukaram & Co	Southern Region
Suresh Chandra & Associates	Northern Region & Corporate Office

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 R.J. Goel & Co., Cost Accountants as Cost Auditors to audit the cost record maintained by the Company for the financial year 2018-19.

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 P.C. Jain & Co., Company Secretaries, Faridabad as Secretarial Auditors of the Company for the financial year 2018-19. 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, 2019 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 & VI**.

37. Comments of CAG

The comment 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, 2019, is attached with the financial statement of the Company. There is no qualification in the Auditor 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 this 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 2019-20 has been signed with Ministry of Railways within stipulated time. During the year 2017-18 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 statements relates and date of this report.

43. Listing with Stock Exchanges

Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 28/12/2018 had approved listing of RailTel’s Shares on the Stock Exchange. The proposal is an “Offer for Sale” wherein the Government of India (existing shareholder) through MoR disinvest its certain shareholding (upto 25%) in the RailTel through “Initial Public Offering” (IPO) in the domestic market. Accordingly, the Department of Investment and Public Asset Management (DIPAM), after following due process, has appointed Book Running Lead Managers (BRLMs) and Legal Advisors to the issue.

44. Directors’ Responsibility Statement

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

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) 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;
- c) 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;

- d) the directors had prepared the annual accounts on a going concern basis; and
- e) 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.

45. 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/-
Puneet Chawla
Chairman and Managing Director
DIN: 08303340

Place: New Delhi
Date: 14/09/2019

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, 2019

[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	68.05%
2	Project Income	-	28.40%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. 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									
(a) Individual/ HUF	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Central Govt.	Nil	320938407	320938407	100%	Nil	320938407	320938407	100%	Nil
(c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f) 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									
1. Institutions									
(a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(g) FIIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(h) Foreign Venture Capital	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. 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 Rs. 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	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
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.	Shareholder'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 covpany	% 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:

SI 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	
		Puneet Chawla CMD (Earlier holding Addl. Charge w.e.f. 14/12/2018 to 09/05/2019)	H. K. Agarwal Ex-CMD (Addl. Charge w.e.f. 23/08/2018 to 12/12/2018)	N. Kashinath Ex-CMD (Addl. Charge w.e.f. 23/04/2018 to 23/08/2018)	Ashutoh Vasant D/POM	Sanjai Kumar D/NPM	Anju Ranjan Ex-D/Finance (Addl. Charge w.e.f. 03/04/2017 to 02/04/2018)		Sanjeeb Kumar Ex-D/Finance (Addl. Charge w.e.f. 03/04/2018 to 03/04/2019)
1.	Gross salary								
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	36.86	36.25	-	-	73.11
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	1.64	1.76	-	-	3.4
	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)	-	-	-	27.56	34	-	-	61.56
	Total (A)	-	-	-	66.06	72.01	-	-	138.07
	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)	Rashmi Jain (Independent Director)	
1.	Independent Directors				
	Fee for attending board/ committee meetings	3.80	3.80	2	9.60
	Commission				
	Others, please specify				
	Total (1)	3.80	3.80	2	9.60
		Dr. Madhukar Sinha (Part-time Govt. Nominee Director)	Sunil Gupta (Ex. Part-time Govt. Nominee Director)	Anshul Gupta (Ex. Part-time Govt. Nominee Director)	Total
2.	Other Non-Executive Directors [#]				
	Fee for attending board /committee meetings	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act^{##}				

[#]Part-time Government Directors 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.

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RAILTEL

A Mini Ratna Enterprise

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 (In ₹ Lakh)	Total (In ₹ Lakh)
1.	Gross salary		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18.56	18.56
	b) Value of perquisites u/s 17(2) Income-tax Act,1961	-	-
	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)	9.95	9.95
	Total	28.51	28.51

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					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

NIL

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 of RailTel	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.	2018-19	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. 516 dated 20.08.2018 by considering the time being devoted and nature of work being handled. The total amount of salary charged from REL for FY 2018-19 is ₹ 72.77 Lakh excluding taxes.	16-08-2019	NA

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 of RailTel	Gurgaon Metropolitan Development Authority (GMDA) has awarded work to REL for providing cloud services. REL has received data centre services from RailTel for executing the said work of GMDA.	2018-19	The total value of PO's issued by REL for said service was Rs. 42,06,540 excluding Taxes. - The validity of PO no. REL/CO/DNM/RCIL/DC-CHARGES/PO/04 dated 19.07.2018 amounting to Rs. 12,68,940/- issued by REL was from 19.07.2018 to 18.07.2019. - The PO no. REL/CO/DNM/RCIL/DC-CHARGES/PO/03 dated 28.05.2018 amounting to Rs. 6,52,800 issued by REL was valid from 22.05.2018 to 21.05.2019 - The PO no. REL/CO/DNM/RCIL/DC-CHARGES/PO/09 dated 09.05.2019 amounting to Rs. 22,84,800 issued by REL is valid from 01.01.2019 to 31.12.2020	NA	-

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:
2.	RailTel Enterprises Ltd (REL) Wholly owned subsidiary company of RailTel	RDSO-QAM (Mechanical) has signed MOU with REL for providing Hosting, AMC, Manpower and SMS pack of vendor registration portal of RDSO-QAM Directorate RailTel has provided hosting of the Vendor application in its Data Center, Gurugram.	2018-19	The total value of PO No. REL/CO/DNM/RCIL/RDSO-QAM/PO/2 dated 03.01.2019 issued by REL for hosting charges for the FY 2018-19 was Rs. 2,88,000/-. The applicable period for hosting service was 01.04.2018 to 31.03.2019.	NA	-
3.	RailTel Enterprises Ltd (REL) Wholly owned subsidiary company of RailTel	Chittaranjan Locomotives Works has signed a MOU with REL for providing Software Development, Hosting, AMC, Manpower and SMS pack of vendor registration portal of Chittaranjan Locomotives Works RailTel has provided hosting of the Vendor application in its Data Center, Gurugram.	2018-19	The total value of PO No. REL/CO/DNM/RCIL/CLW/PO/2 dated 03.01.2019 issued by REL for hosting charges for the FY 2018-19 is Rs. 2,64,000. The applicable period for hosting was 01.04.2018 to 31.03.2019.	NA	-
4.	RailTel Enterprises Ltd (REL) Wholly owned subsidiary company of RailTel.	RDSO standards Electrical Directorate has signed MOU with REL for providing Development, Hosting, AMC, and SMS pack of failure portal for Electric Locos of RDSO – Electrical Directorate. RailTel has provided Hosting of the failure application in its Data Centre, Gurugram.	2018-19	The total value of PO No. REL/CO/DNM/RCIL/RDSO-SE/PO/1 dated 03.01.2019 issued by REL for hosting charges for the FY 2018-19 was Rs. 2,64,000/-. The applicable period for hosting was 16.04.2018 to 15.04.2019.	NA	-
5.	RailTel Enterprises Ltd (REL) Wholly owned subsidiary company of RailTel	Municipal Corporation Gurugram (MCG) has awarded work to REL. REL has received data center services from RailTel for providing data center hosting services to MCG.	2018-19	The total value of the PO issued by REL for the said service was Rs. 16,11,600 excluding taxes. The validity of PO no. REL/CO/DNM/RCIL/DC-CHARGES/PO/09 dated 09.05.2019 is from 01.12.2018 to 30.11.2020.	NA	-
6.	RailTel Enterprises Ltd (REL) Wholly owned subsidiary company of RailTel	National High Speed Rail Corporation Ltd (NHSRCL) has awarded work to REL. REL has received data center services from RailTel for providing data center hosting services to NHSRCL.	2018-19	The total value of the PO issued by REL for the said service was Rs. 6,52,800 excluding taxes. The validity of PO no. REL/CO/DNM/RCIL/DC-CHARGES/PO/09 dated 09.05.2019 is from 01.07.2018 to 30.06.2020	NA	-

*Transactions are made on Approved tariff/ Customer tariff

For RailTel Corporation of India Ltd.

Sd/-
Puneet Chawla
Chairman and Managing Director
DIN: 08303340

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
RailTel Corporation of India Limited
6th Floor, IIIrd Block, Delhi Technology Park,
Shastri Park, New Delhi-110053

1. We have examined the compliance of DPE 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, 2019, as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSE), issued by the Department of Public Enterprises (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.
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.

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 P. C. Jain & Co.
Company Secretaries
(FRN: P2016HR051300)

Sd/-
(P C Jain)

Managing Partner
CP No. 3349

Place: Faridabad
Date: 16/08/2019

ANNEXURE-IV

RAILTEL CORPORATION OF INDIA LIMITED

ANNUAL REPORT ON CSR ACTIVITIES FOR THE YEAR 2018-19 TO BE INCLUDED IN THE BOARD'S REPORT

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

<p>1. 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 and Schedule VII of Act, Rules framed thereunder.</p> <p>The CSR policy is available at RailTel's website: www.railtelindia.com</p> <p>During the year 2018-19, the following CSR activities were approved by the Board level CSR committee of RailTel:</p> <p>a) Continuity of RaiTel Akansha Super-30 at Dehradun</p> <p>The program provides for 11-months long boarding, lodging and coaching of 30 students, who are talented but from economically weaker sections of society, free of cost for IIT JEE exams,.</p> <p>b) One Digital Literacy center at Lalbagh, Delhi in association with M/s Society for Advancement of village Economy (SAVE)</p> <p>Under this project RailTel will support one Digital Literacy center at Lalbagh, Delhi, 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>c) Continuity of two Digital Literacy center at Varanasi, U.P, in association with M/s Society for Advancement of Village Economy (SAVE)</p> <p>Under this project RailTel will continue to support two Community Digital Literacy centre at Varanasi, Uttar Pradesh, in association with M/s Society for Advancement of Village Economy (SAVE). These centers are 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>d) Continuity of one skill development Centre women at Jahangirpuri, Delhi, in association with M/s Matrix society for Social Service (MASS)</p> <p>Under this project RailTel will continue to support a Skill Development Centre for women at Jahangirpuri, Delhi, in association with M/s Matrix society for Social Service (MASS). This Centre trains women in various skills like, tailoring, stitching, embroidery etc.</p> <p>e) Providing free Wi-Fi service at Bir Railway Station (Madhya Pradesh)</p> <p>Under this project RailTel will provide free Wi-Fi service at Bir Railway station in Madhya Pradesh. This is a rural station and people of the surrounding areas of the station will be able to use high speed internet for free when they visit the station.</p>
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f) Providing OPEX for Wi-Fi service at 98 rural Railway Stations

Under this project RailTel will provide OPEX for Wi-Fi service at 98 rural Railway Stations. Wi-Fi at these rural stations will act as the platform for digital inclusion for the people of surrounding areas.

g) Providing free Wi-Fi service at the rural Railway Stations of Himachal in the Kalka Shimla Section-

Under this project RailTel will provide free Wi-Fi services at the rural Railway Stations of Himachal in the Kalka Shimla Section. This is a UNESCO Heritage line and along with people from nearby villages, a number of tourists also visits these stations. Free Wi-Fi will help them to stay connected to high speed internet. Wi-Fi at these rural stations will act as the platform for digital inclusion for the people of surrounding areas.

h) 02 Nos Digital Literacy Centres at Bokaro District of Jharkhand in association with M/s World Association for Small and Medium Enterprises (WASME)

Under this project RailTel will support two Digital Literacy centers at Bokaro, Jharkhand, in association with M/s World Association for Small and Medium Enterprises (WASME). Objectives of the centres are to provide digital literacy and provide forward and backward linkages enabling people to be a part of productive work force to obtain good remuneration and to make them familiar with the online services so that they can face the world in more confident manner.

i) Menstrual Hygiene management (MHM) in Government Schools of Aspirational Districts of Uttar Pradesh through M/s Healthy Ageing India

Under this project RailTel will support running Menstrual Hygiene management (MHM) in Government Schools of Aspirational Districts of Uttar Pradesh through M/s Healthy Ageing India. Objectives of the programme are to create Sanitation infrastructure, promoting menstrual hygiene practices in adolescent girls of government schools by installing incinerator and to increase the retention of adolescent girls in govt. schools, awareness of hygiene practices on menstrual health, empowering girl child not only by addressing the gender issues but also focussing and raising appreciation on biological significance of MHM and addressing myths, social factors, discriminatory practices and untouchability attached with mensuration through on-to-one interactive dialogue.

j) 5 Mini Science Centres at school's through M/s Samabhavana Society

Under this project RailTel will support creating 5 Mini Science Centres at schools through M/s Samabhavana Society. The Objectives of the programme is to build aptitude of students for learning science and mathematics by creating child friendly eco system which is fun and enjoyable, empowering teachers with easy teaching aids, improve teaching pedagogy by use of models in conducting the science and math's class through better engagement of teachers in teaching.

k) Grant of an Ambulance Vehicle to Deep Vidya Mandir Samiti, Dausa Rajasthan

Under this project RailTel will provide grant for procuring an ambulance vehicle for Deep Vidya Mandir Samiti (DVMS), Dausa Rajasthan. DVMS is a social organization running a boarding school for children and persons with disability, providing education to the helpless and brilliant toddlers, social women victims. The organization is also providing vocational training to them for their employment and rehabilitation in civil life.

l) Monetary Grant to Janta Adarsh Andh Vidyalaya, New Delhi

Under this project RailTel will pay Rs. 23 lakh monetary grant to Janta Adarsh Andh Vidyalaya, New Delhi. The school provides education to visually impaired children studying in 1st to 8th class from various states of the country. The money will be spent for Upgradation and hosting of website, replacement of solar panel batteries, water harvesting and sponsoring of teachers etc.

		<p>m) Grant for setting up RO Plant and Generator set at ‘SabkaGhar’ a boarding school for special children and persons run by Asha Charitable Trust Under this project RailTel will provide grant for setting up RO Plant for safe and pure water and Generator set for stable power supply at ‘SabkaGhar’ boarding school for special children and persons being run by Asha Charitable Trust.</p> <p>n) Grant for providing a mini school bus for conveyance of persons of disabilities by Uma Educational & Technical Society, Kakinada Under this project RailTel will provide grant to Uma Educational & Technical Society, Kakinada for purchasing a mini school bus for conveyance of specially able persons and staffs of the organization</p> <p>o) Grant of two Mobile Medicare units to M/s Sewa Bharati, New Delhi Under this project RailTel will provide grant for procuring two Mobile Medicare units to M/s Sewa Bharati, New Delhi. These two mobile unit will be deployed to serve the poor/ underprivileged people of surrounding area.</p> <p>p) Monetary Grant to M/s. Shubhda Under this project RailTel will provide monetary grant of ₹ 7,23,000/- to M/s. Shubhda which is an NGO working towards welfare of children with special needs. The money will be spent in Training of 7 special students, and purchase of various items needed for the centre like chairs, ankle exerciser, physio wall etc.</p> <p>q) Building public toilets at designated Railway stations Under this project RailTel will support in building public toilets at designated Railway stations by Northern Railway & South-Central Railway through agency fixed by M/s RITES. The work is being done under the Swachh Bharat Mission</p> <p>r) Provision of OPEX & Support for existing various CSR Infrastructure Under this provision, RailTel will 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 31-03-2019	Dr. Anupam Alok- Chairman Sh. Ashok Goel- Member Sh. Sanjai Kumar- Member Sh. Sanjeeb Kumar- Member
3.	Average Net Profit of the company for last three financial years	₹ 193.3 Crore
4.	Prescribed CSR Expenditure (two percent of the amount as in item No. 3 above)	For the FY 2018-19, the Board had approved the CSR budget of ₹ 386.66 Lakh.
5.	Details of CSR spent during the financial year:	
	a. Total amount to be spent for the financial year	₹ 731.13 Lakh (₹ 386.66 Lakh for the FY 18-19, ₹ 294.47 Lakh carried forward from the previous year i.e. FY 2017-18 and 50 lakh carried forward from the FY 2016-17)
	b. Amount unspent, if any	₹ 428.1 Lakh

c. Manner in which the amount spent during the financial year is detailed below:- During FY 2018-19, ₹ 303.1 Lakh has been spent in the following manner:-

S. No	CSR project or activity identified	Sector in which the Project is covered	Projects / Programs 1.Local area or other 2.Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise (In Rs. Lakh)	Amount spent on as on date of report (31.3.2019) on the project /programs (In ₹ Lakh)	Amount spent: Direct or through implementing agency
i	Continuity of RailTel Akansha Super-30 at Dehradun	Education	Dehradun, Uttarakhand	72.60	71.55	Through Agency (CSRL)
ii	One Digital Literacy center at Lalbagh, Delhi in association with M/s Society for Advancement of village Economy (SAVE)	Skill Development	Delhi	31.16	4.88	Through Agency (SAVE)
iii	Continuity of two Digital Literacy centers at Varanasi, U.P. in association with M/s Society for Advancement of Village Economy (SAVE)	Skill Development	Varanasi, Uttar Pradesh	24.40	12.20	Through Agency (SAVE)
iv	Continuity of one skill development Centre women at Jahangirpuri, Delhi, in association with M/s Matrix society for Social Service (MASS)	Skill Development	Jahangirpuri, Delhi	19.60	9.80	Through Agency (Matrix)
v	Providing free Wi-Fi service at Bir Railway Station (Madhya Pradesh)	Rural Development	Bir, Madhya Pradesh	4.50	0.46	Direct
vi	Providing OPEX for Wi-Fi service at 98 rural Railway Stations	Rural Development	Karnataka	85.38	85.38	Direct
vii	Providing free Wi-Fi service at the rural Railway Stations of Himachal in the Kalka Shimla Section-	Rural Development	Himachal Pradesh	36.81	13.26	Direct
viii	02 Nos Digital Literacy Centres at Bokaro District of Jharkhand in association with M/s World Association for Small and Medium Enterprises (WASME)	Skill Development	Bokaro, Jharkhand	34.36	NIL *	Through Agency (WASME)
ix	Menstrual Hygiene Management (MHM) in Government Schools of Aspiration Districts of Uttar Pradesh through M/s Healthy Ageing India	Healthcare	Uttar Pradesh	49.97	NIL	Through Agency (Healthy Aging)
x	5 Mini Science Centres at school's through M/s Samabhavana Society	Promoting Education	Maharashtra	18	NIL	Through Agency (Samabhavana Society)
xi	Grant of an Ambulance Vehicle to Deep Vidya Mandir Samiti, Dausa Rajasthan	Healthcare	Dausa, Rajasthan	15.15	NIL	Direct Payment to dealer for the Ambulance being procured by the NGO
xii	Monetary Grant to Janta Adarsh Anndh Vidyalaya, New Delhi	Promoting Education	New Delhi	23	NIL	Direct Monetary support to the NGO
xiii	Grant for setting up RO Plant and Generator set at 'SabkaGhar' - a boarding school for special children and persons run by Asha Charitable Trust	Education	Rajasthan	4.45	4.45	Direct Monetary support to the NGO

xiv	Grant for providing a mini school bus to Uma Educational & Technical Society, Kakinada for conveyance of persons of disabilities	Education	Kakinada	14	14	Direct Payment to dealer for the Mini Bus being procured by the NGO
xv	Grant of two Mobile Medicare unit to M/s Sewa Bharati, New Delhi	Health care	New Delhi	13.20	NIL	Direct Payment to dealer for the Mobile Medicare units being procured by the NGO
xvi	Monetary grant to M/s Shubhda, a NGO working towards welfare of children with special needs.	Education	Rajasthan	7.23	NIL	Direct Monetary support to the NGO
xvii	Building public toilets at designated Railway stations by Northern Railway & South-Central Railway through agency fixed by M/s RITES	Swachh Bharat Mission		127	NIL	Project being executed by Northern Railway & South-Central Railway through agency fixed by M/s RITES
xviii	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 & Skill Development	Northern, Southern, Eastern & Western Region	38.21	31.98	Direct
xix	Administrative expenditure on CSR	Administrative expenditure	Gurgaon	8.77	8.77	
xx	Two Digital Literacy centers at Varanasi, UP- On going CSR project of FY 2016-17	Skill Development	Varanasi, UP	9.75	9.75	Through Agency (SAVE)
xxi	One Skill development Centre at Jahangirpuri, New Delhi- On going CSR project of FY 2016-17	Skill Development	New Delhi	3.15	3.15	Through Agency (MASS)
xxii	Providing Wi-Fi facility at National Rail Museum- On going CSR project of FY 2016-17	Education	Delhi	1.20	1.20	Direct
xxiii	Tele-medicine system at two nos. of Railway hospitals of kota Division- On going CSR project of FY 2016-17	Promoting healthcare	Shamgarh (MP) and Bayana (Raj)	36	NIL	
xxiv	One Digital literacy center at Satna, MP-On going CSR project of FY 2017-18	Skill Development	Satna	24.90	12.68	Through Agency (SAVE)
xxv	One Digital literacy center at Mewat, Haryana-On going CSR project of FY 2017-18	Skill Development	Mewat, Haryana	20	12.60	Through Agency (MASS)
xxvi	Providing ICT Infrastructure with broadband for Schools-On going CSR project of FY 2017-18	Education	All over India	8.44	6.99	Direct
	Total			731.2	303.1	

6.	In case the Company fails to spend the 2% of the Average Net Profit (INR) of the last 3 financial years or any part thereof, RailTel shall provide the reasons for not spending the amount in its Board Report.	The projects sanctioned during the year will be completed in subsequent years and there is milestone linked payment to various stages of completion of the Projects. Out of the unspent CSR amount of ₹ 428.1 Lakh, ₹ 384.42 Lakhs is scheduled to be spent on the already approved/ ongoing projects of FY 2018-19 and ₹ 43.68 Lakh will be carried forward for projects of FY2019-20.
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.	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.

Sd/-
Puneet Chawla
Chairman and Managing Director
(DIN 08303340)

Sd/-
Dr. Anupam Alok
Chairman CSR Committee
(DIN 07486492)



रेलटेल
RAILTEL

A Mini Ratna Enterprise

ANNEXURE-V

Form No. **MR-3**

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED AS ON 31st March, 2019

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

To,
The Members,
RailTel Corporation of India Limited
6th Floor, IIIrd Block, Delhi Technology Park,
Shastri Park, New Delhi-110053

Dear Members,

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 and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering from 1st April, 2018 to 31st March, 2019 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 maintained by the Company for the period covering from 1st April, 2018 to 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (‘**the Act**’) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (**SCRA**) and the rules made there under to the extent applicable on the company.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under to the extent applicable for unlisted company;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- **(Not applicable during the audit period)**
- a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 **(Not applicable during the audit period)**
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable during the audit period)**
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable during the audit period)**
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable during the audit period)**
 - e. The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014; **(Not applicable during the audit period)**
 - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable during the audit period)**
 - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of Securities issued; **(Not applicable during the audit period)**
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable during the audit period)**
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable during the audit period)**

(vi) As Confirmed and Certified by the management, following laws specifically applicable to the Company based on the Sectors/ Businesses.

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

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

- (ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange and National Stock Exchange read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. **(Not applicable during the audit period)**

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following:

During the period under review, the Company has not complied with the provisions of section 149(1) of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 for the period 1st April, 2018 to 24th July, 2018. However non-compliance was rectified from 25th July, 2018 by Appointment of Smt. Rashmi Jain as Independent Woman Director.

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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

The company has been generally regular in filing of e-forms/ documents with the Regulatory Authorities under the Companies Act, 2013 and the rules made thereunder.

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 no specific events/ actions were taken by the Company which has a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For P. C. Jain & Co.
Company Secretaries
(FRN: P2016HR051300)

Sd/-

(P C Jain)

Managing Partner

CP No. 3349

Place: Faridabad

Date: 16/08/2019

Note: 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, New Delhi-110053**

Sir,

Our Secretarial Audit Report for the year ended as on 31st March, 2019 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 Statutory Auditors Report of M/s.Suresh Chandra & Associates, Chartered Accountants for the period under review; hence we have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. 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.
6. 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 P. C. Jain & Co.
Company Secretaries
(FRN: P2016HR051300)**

**Sd/-
P C Jain
Partner
CP No. 3349**

**Place: Faridabad
Date: 16/08/2019**

ANNEXURE-VI

RAILTEL CORPORATION OF INDIA LIMITED
Replies to the observations/comments made by
Secretarial Auditor in their report

Sl. No.	Observations/comments of Secretarial Auditor in its report	Management Replies
1.	During the period under review, the Company has not complied with the provisions of section 149(1) of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 for the period 1st April, 2018 to 24th July, 2018. However, non-compliance was rectified from 25th July, 2018 by appointment of Smt. Rashmi Jain as Independent Woman Director.	It is true that Woman Director was not on the Board of RailTel during the said period. However, on appointment of Smt. Rashmi as Independent Directors on the Board of the Company w.e.f. 25th July, 2018, RailTel is complying with the provisions of section 149(1) of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

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

(i)	Steps taken or impact on conservation of energy	<p>1. Effective saving during FY 2018-19 by the work of Retrofitment (replacement of old luminaries with LED solution)-</p> <p>The overall yearly energy saving after execution of the project during the FY 2018-19 was around 40% (Approx.).</p> <p>2. BMS module (centralized AC Control) for HVAC system of RailTel, CO/ Building-</p> <p>Overall savings during the FY 2018-19 was around 12% (Approx.).</p> <p>3. Saving through Blanking panels-</p> <p>The overall savings during the FY 2018-19 was 11% in the total electricity billing during the year.</p>
(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 through M/s. RITES at CO building, Gurugram. M/s. RITES has already conducted site survey.
(iii)	Capital investment on energy conservation equipment's	No capital investment on energy conservation equipment was made during the FY 2018-19.

(B) Technology Absorption

(i)	Efforts made towards technology absorption	As an initiative towards redundancy and reliability of HT line source in the Corporate Office of RailTel and Data Center, RailTel has initiated steps for supply, installation, commissioning and testing of 11KV/2MVA redundant HT line from Sector 52 to RailTel's Corporate Office. This will help in reduction of fuel (HSD) consumption during any failure of HT cable (normally outage time as per past experience for any failure in HT line takes 15 to 40 Hrs) so for reducing HSD consumptions, RailTel is initiating for redundant HT line.
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(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 2018-19	FY 2017-18
i.	Foreign Exchange Earnings	NIL	NIL
ii.	Foreign Exchange Outgo	₹ 0.79 Crore	₹.1.55 Crore

Management Discussion and Analysis Report

1. Economy Overview

Introduction

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships.

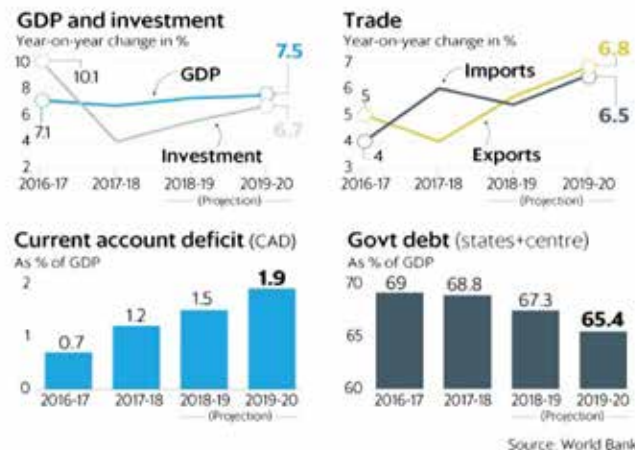
Market size

India's GDP is estimated to have increased 7.2 per cent in 2017-18 and 7 per cent in 2018-19. India has retained its position as the third largest startup base in the world with over 4,750 technology start-ups.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute. India's foreign exchange reserves were US\$ 405.64 billion in the week up to March 15, 2019, according to data from the RBI.

India seen growing at 7.3% in FY19

The World Bank has projected India's economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20.



Recent Developments

With the improvement in the economic scenario, there have been various investments in various sectors of the economy. The M&A activity in India reached record US\$ 129.4 billion in 2018 while private equity (PE) and venture capital (VC) investments reached US\$ 20.5 billion. Some of the important recent developments in Indian economy are as follows:

- ❖ During 2018-19 (up to February 2019), merchandise exports from India have increased 8.85 per cent year-on-year to US\$ 298.47 billion, while services exports have grown 8.54 per cent year-on-year to US\$ 185.51 billion.
- ❖ Nikkei India Manufacturing Purchasing Managers' Index (PMI) reached a 14-month high in February 2019 and stood at 54.3.
- ❖ Net direct tax collection for 2018-19 had crossed ₹ 10 trillion (US\$ 144.57 billion) by March 16, 2019, while goods and services tax (GST) collection stood at ₹ 10.70 trillion (US\$ 154.69 billion) as of February 2019.
- ❖ Proceeds through Initial Public Offers (IPO) in India reached US\$ 5.5 billion in 2018 and US\$ 0.9 billion in Q1 2018-19.
- ❖ India's Foreign Direct Investment (FDI) equity inflows reached US\$ 409.15 billion between April 2000 and December 2018, with maximum contribution from services, computer software and hardware, telecommunications, construction, trading and automobiles.
- ❖ India's Index of Industrial Production (IIP) rose 4.4 per cent year-on-year in 2018-19 (up to January 2019).
- ❖ Consumer Price Index (CPI) inflation stood at 2.57 per cent in February 2019.
- ❖ Net employment generation in the country reached a 17-month high in January 2019.

Government Initiatives

The interim Union Budget for 2019-20 was announced by Mr Piyush Goyal, Union Minister for Finance, Corporate Affairs, Railways and Coal, Government of India, in Parliament on February 01, 2019. It focuses on supporting the needy farmers, economically less privileged, workers in the unorganised sector and salaried employees, while continuing the Government of India's push towards better physical and social infrastructure.

Total expenditure for 2019-20 is budgeted at ₹ 2,784,200 crore (US\$ 391.53 billion), an increase of 13.30 per cent from 2018-19 (revised estimates).

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

Some of the recent initiatives and developments undertaken by the government are listed below:

- ❖ In February 2019, the Government of India approved the National Policy on Software Products – 2019, to develop the country as a software hub.
- ❖ The National Mineral Policy 2019, National Electronics Policy 2019 and Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles (FAME II) have also been approved by the Government of India in 2019.
- ❖ Village electrification in India was completed in April 2018. Universal household electrification is expected to be achieved by March 2019 end.
- ❖ The Government of India released the maiden Agriculture Export Policy, 2018 which seeks to double agricultural exports from the country to US\$ 60 billion by 2022.
- ❖ Around 1.29 million houses have been constructed up to December 24, 2018, under Government of India's housing scheme named Pradhan Mantri Awas Yojana (Urban).
- ❖ Prime Minister's Employment Generation Programme (PMEGP) will be continued with an outlay of ₹ 5,500 crore (US\$ 755.36 million) for three years from 2017-18 to 2019-20, according to the Cabinet Committee on Economic Affairs (CCEA).

Road Ahead

India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms.

India's revenue receipts are estimated to touch ₹ 28-30 trillion (US\$ 385-412 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST).

India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity to 175 GW by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by Price waterhouse Coopers.

2. Telecom Industry

2.1 Telecom Industry Characteristics

India is currently the world's second-largest telecommunications market with a subscriber base of 1.20 billion and has registered strong growth in the past decade and half. The Indian mobile economy is growing rapidly and will contribute substantially to India's Gross Domestic Product (GDP), according to report prepared by GSM Association (GSMA) in collaboration with the Boston Consulting Group (BCG). As of January 2019, India has witnessed a 165 per cent growth in app downloads in the past two years.

The liberal and reformist policies of the Government of India have been instrumental along with strong consumer demand in the rapid growth in the Indian telecom sector. The government has enabled easy market access to telecom equipment and a fair and proactive regulatory framework that has ensured availability of telecom services to consumer at affordable prices. The deregulation of Foreign Direct Investment (FDI) norms has made the sector one of the fastest growing and a top five employment opportunity generator in the country.

With 560.01 million internet subscribers, as of September 2018, India ranks as the world's second largest market in terms of total internet users. Further, India is also the world's second largest telecommunications market with 1,197.87 million subscribers, as of December 2018.

Moreover, in 2017, India surpassed USA to become the second largest market in terms of number of app downloads. During the first quarter of 2018, India became the world's fastest-growing market for mobile applications.

Over the next five years, rise in mobile-phone penetration and decline in data costs will add 500 million new internet users in India, creating opportunities for new businesses.

With daily increasing subscriber base, there have been a lot of investments and developments in the sector. The industry has attracted FDI worth US\$ 32.45 billion during the period April 2000 to December 2018, according to the data released by Department of Industrial Policy and Promotion (DIPP).

The number of mobile wallet transaction increased 5 per cent month-on-month to 325.28 million in July 2018.

Vodafone India and Idea Cellular have merged into 'Vodafone Idea' to become India's largest telecom company, as of September 2018.

The telecom market can be split into three segments – wireless, wireline and internet services. The wireless market segment comprises of 98.20 per cent of the total subscriber base, as of February 2019. Wireless subscriptions witnessed a CAGR of 19.61 per cent to reach 1,183.41 million at the end of FY18.

India is also the second largest country in terms of internet subscribers with 604.21 million internet subscribers, as of December 2018. India became the world's fastest-growing market for mobile applications in the first quarter of 2018 and remained as the world's fastest growing market for Google Play downloads in the second and third quarter of 2018.

Strong policy support from the government has been crucial to the sector's development. Foreign Direct Investment (FDI) cap in the telecom sector has been increased to 100 per cent from 74 per cent. FDI inflows into the telecom sector during April 2000 – December 2018 totaled to US\$ 32.45 billion.

To propel the sector on a growth path, the Government of India has launched the National Digital Communications Policy, 2018, which envisages attracting investments worth US\$ 100 billion in the telecommunications sector by 2022.



2.2 Government Initiatives

The government has fast-tracked reforms in the telecom sector and continues to be proactive in providing room for growth for telecom companies. Some of the other major initiatives taken by the government are as follows:

The Government of India has come out with a new National Telecom Policy 2018 in lieu of rapid technological advancement in the sector over the past few years. The policy has envisaged attracting investments worth US\$ 100 billion in the sector by 2022.

The Department of Information Technology intends to set up over 1 million internet-enabled common service centres across India as per the National e-Governance Plan.

FDI cap in the telecom sector has been increased to 100 per cent from 74 per cent; out of 100 per cent, 49 per cent will be done through automatic route and the rest will be done through the FIPB approval route. FDI of up to 100 per cent is permitted for infrastructure providers offering dark fibre, electronic mail and voice mail.

The Government of India has introduced Digital India programme under which all the sectors such as healthcare, retail, etc. will be connected through internet

Department of Telecommunication launched 'Tarang Sanchar' - a web portal sharing information on mobile towers and EMF Emission Compliances.

Six-fold increase in Government spending on telecommunications infrastructure and services in

the country– from ₹ 9,900 crores (US\$ 1.41 billion) during 2009-14 to ₹ 60,000 crores (US\$ 8.55 billion) (actual + planned) during 2014-19. Over 75 per cent increase in internet coverage – from 251 million users to 446 million . Country-wide Optical Fibre Cable (OFC) coverage doubled – from 700,000 km to 1.4 million km

2.3 TRAI Regulations

During the year, various recommendations were made to the Government by TRAI on diverse subjects including management of scarce sources such as spectrum, Interconnection Cloud Services, Net Neutrality, Improving Telecom Services etc. Under this mandate, TRAI had made following recommendations during the year.

- ❖ In Flight connectivity
- ❖ Public Protection and Disaster Relief (PPDR)
- ❖ ICT for All
- ❖ Data Security and Ownership
- ❖ Regulatory framework for Internet Telephony
- ❖ Spectrum related issues
- ❖ Promoting Local Manufacturing

Other Recommendations on Issues related to Telecom

- ❖ In-Building Access
- ❖ Licensing Agreements
- ❖ Ease of Doing Telecom Business
- ❖ Access Service authorization

Recommendations on Broadcasting Sector

- ❖ Digital Radio Broadcasting
- ❖ Ease of Doing Business in Broadcasting Sector
- ❖ Uplinking and Downlinking of TV Channels
- ❖ New DTH Licenses

During the year, TRAI initiated various consultations on “Method of allocation of spectrum for Public Mobile Radio Trunking Service (PMRTS), including auction, as a transparent mechanism, Voice Services to LTE users (including VoLTE and CS Fallback), Review of Mobile Number Portability (MNP) process, The Telecom Commercial Communications Customer Preference Regulations, 2018, Methodology for levy of Spectrum Charges for provision of Satellite based Services using

Gateway installed in India under ‘sui-generis’ category, Estimation of Access Facilitation Charges and Co-location charges at Cable Landing Stations, Issues related to Placing of Television Channel on Landing Page, Regulatory Framework for Over-the Top (OTT) communication Service, Review of Television Audience Measurement and Ratings in India, Monitoring and ensuring of Quality of Service & Audit.

3. RailTel – An Overview

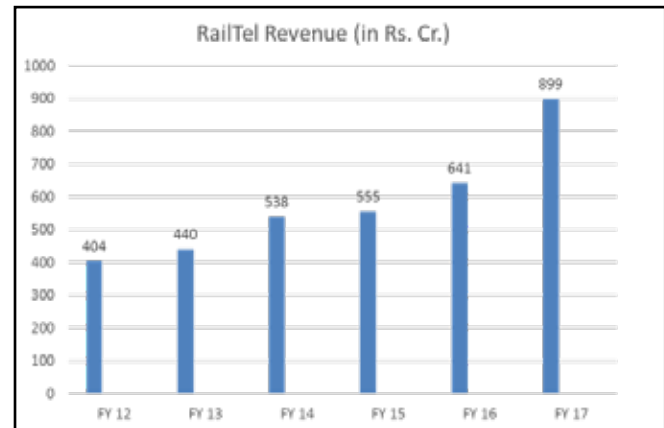
RailTel Corporation of India Ltd is a “**Mini Ratna (Category-I)**” CPSU formed in the year 2000 as a ‘Schedule A’ CPSU, under the Ministry of Railways, in line with NTP ‘99. RailTel has exclusive seamless Right of Way (ROW) along 67,368 KM of Railway Track passing through 7349 stations across the country. As on date the size of OFC laid has grown to 51933 RKM of OFC out of which 49931 RKM has been lit. Works on another 3698 KMs are in various stages of execution. We are one of the largest neutral telecom infrastructure providers in the country owning a Pan-India optic fiber network.

RailTel’s high speed OFC Backbone Network shall ultimately cover the entire railway network across the country. In high bandwidth backbone segment on a secured and distinct right of way, 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 Point of Presence at every Railway station enroute which are spaced at 8-10 Kms. At all the stations enroute STM-1/4 equipment offering bandwidth upto (155/622 Mbps) is deployed primarily to meet Railways requirement and serve the unserved and the underserved. 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 more than 600 cities in multiple rings of STM-64/16.

RailTel has PAN India Telecom Network with capability of Service delivery from 2Mbps to 100Gbps links. RailTel Network comprises of various technologies viz. Next Generation Network (NGN), Synchronous Digital Hierarchy (SDH), Packet Transport Network (PTN), Dense Wavelength Division Multiplexing (DWDM), Internet Protocol- Multi Protocol Label Switching

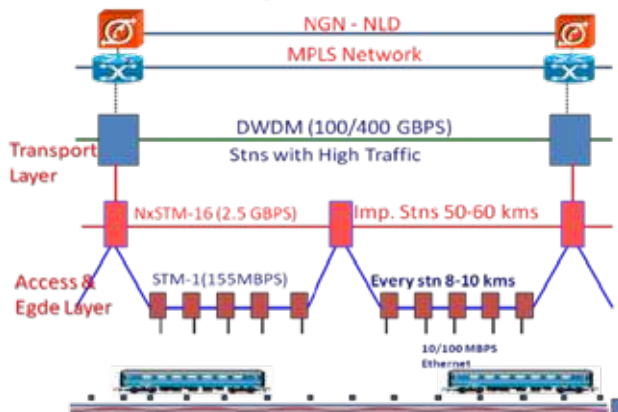
(IP-MPLS) which are maintained by round the clock Network Operation Centres and trained field manpower. Total 4400+ backbone PoPs are available. All the equipments provided on the network are of State-of-the-Art Technology and are as per International Telecom Standards. The network is spread along the length and breadth of the country covering all the important and major cities including small towns. With the spread and reach, RailTel is in a position to serve 70% of the country's population. With its collaborative RailWire retail broadband platform, RailTel is present on fiber in 1409 Govt schools in Kerala and offering reliable broadband services to a no of retail and enterprise customers across the country. The access network of RailTel in cities and towns spans to another 3438 kms and helps deliver high speed reliable connectivity to close to 669 institutes of higher learning like IITs, IIMs, IISC, SAC, Agricultural and research institutes and universities across the country.

and IT requirements of Indian Railways as well as of all government and private sectors. We take pride in sharing that RailTel remains the ONLY consistently profitable, consistently dividend paying and Debt free company in Telecom space under the Govt of India.



Snapshot of RailTel's 5 Year Performance

OFC System Architecture



RailTel's OFC based network is designed in defined hierarchical form with Core, distribution and edge layer.

RailTel's OFC based communication system comprises of various technologies and is capable of delivering telecom services to its customer with high SLA (Service Level Agreement)

With the presence of high speed, resilient and state of the art telecom network, backed with exclusive Right of way (RoW), RailTel is capable of delivering high SLA services to its esteemed customers. RailTel is a continuously growing company, technically and financially, to meet all the present and future Telecom

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 50251 RKMs of OFC and OFC lit is 48243 RKMs till March 31, 2019. Works on another 3698 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.

The glimpse of various networks is as follows:

- ❖ SDH (Synchronous Digital Hierarchy) Network: Presence across the nation (PAN) with more than 4500 nodes. The network is capable of providing various services like E1(2Mbps), DS3 (45 Mbps), STM-1/4/16/64 (155 Mbps/622 Mbps/2.5Gbps/10 Gbps). The Networks covers all major cities of India and provides high availability of synchronous services.

- ❖ PTN (Packet Transport Network) Network: PAN India Presence with more than 400 nodes. The network is capable of providing various services like 1G and 10G. The Networks covers all major cities of India and provides high availability of packet services.
- ❖ DWDM Network: PAN India Presence with more than 200 OADM (Optical Add/Drop Multiplexer) nodes. The network is capable of providing various services like 1G, 10G and 100G. The Network covers all major cities of India and provides high availability of services.
- ❖ IP-MPLS Network: PAN India Presence with Four Tier Architecture and High availability of Tier-I Nodes. The network is capable of providing services with granularity from 1 Mbps to 10 Gbps. The Network covers all major cities of India and provides high availability of services.

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

Contributing towards fulfillment of Hon'ble Prime Minister Sh. Narendra Modi Ji's Digital India dream and with a vision of Hon'ble Minister of Railway Sh Piyush Goyal of turning Railway stations into platforms for Digital inclusion, RailTel is transforming Railway stations into Digital hub by providing public Wi-Fi at all Railway Stations. As on March-2019 1600 stations were live with RailTel's RailWire Wi-Fi with 1.14 Crore unique users per month. This is one of the largest and fastest public Wi-Fi networks of the world. The response to the service has been phenomenal, with around 2.8 crore user login in a month and around 9882 TB of aggregated data consumption. Passengers use this facility for streaming High Definition (HD) Videos, download of movies, songs, games, and do their office work online.

The Station Wi-Fi was very popular with Railway users and the community around Railway stations that it generated global and domestic media attention. The stories were carried by media agencies like Wall Street, BBC, Financial Times and Reuters. One of the stories from Financial Times even compared the speed of internet with that of London and New York railway stations and declared that RailWire Wi-Fi was faster. The Station Wi-Fi is considered one of the largest public Wi-Fi network in the world with a million logins a day and more than 9 million unique users a month.



RailTel has started its flagship programme RailWire Saathi in which small kiosks are being deployed at 200 rural stations with RailWire Wi-Fi and will train local unemployed youth to leverage the kiosks infrastructure for becoming digital entrepreneur.

Through the RailWire Saathi model, unemployed youth would be trained and supported to set up a kiosk with high speed internet connectivity and provide a platform to provide an array of Digital services which will make the business sustainable and also provide access to the community services like citizen services which includes applying for government documents such as Aadhar, PAN etc.; loan eligibility check and health screening; assisted e-commerce; utility bill payments; financial inclusion would be provided on the Saathi platform.

Sustainable Digital Inclusion Platform



With these initiatives rail users and the community around the Railway station can find assistance on e-governance services, compare and find the best credit facilities and insurance, look for best deals on various e-commerce platforms, find out where to market their produce etc. Railway stations can truly become a digital hub befitting the Digital India vision.

5.2 Video Surveillance System (VSS)

RailTel is also executing provision of IP camera-based Video Surveillance System at 6124 railway stations and 7020 premium train coaches and EMU coaches. This will go a long way in enhancing the safety and security of the passengers travelling over the IR network. RailTel is also integrating the various standalone video surveillance system installed at various stations by respective zonal railways so that the video recordings can be seen and monitored at the Divisional and Zonal head quarter level centrally. 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.

5.3 E-office in Indian Railways

RailTel has also taken up the work of implementing E-Office system for Indian Railways. E-Office project is a Mission Mode Project (MMP) under the National e-Governance Programme of the Government of India. The project aims to usher in more efficient, effective and transparent inter-government and intra-government transactions and processes. Initially, Phase-I Project of e-Office has been sanctioned by Indian Railway for 50,000 User in which all Zonal Railway along

with one division (including entire SCR), 6 PUs, RDSO, NAIR and 6 CTIs are covered. South-Central Railways Head Quarter was the first Railway Zonal HQ where E- Office was implemented. Till date, E-Office has been implemented in 42 Units out of 57 Units of Indian Railways and Entire Project under Phase-I is to be completed by September '19.

5.4 European Train Control System (ETCS level 2)

RailTel Enterprises Limited (REL), a wholly owned subsidiary company of RailTel Corporation of India Ltd., has been entrusted with the work of European Train Control system Level 2 project for modernizing railway signaling system in 4 railway sections. The European Train Control system Level 2 project is one of the most ambitious modernization projects of Indian Railways which envisages upgradation of signaling system at par with the world class standard.

The Modern Train control system will be implemented for 165 Route KM (RKM) on Chennai Central-Mumbai section for South Central Railway, 145 RKM on Howrah-Chennai Central section for East Coast Railway, 155 RKM on New Delhi- Chennai central Section for North central Railway and 175 RKM on Mumbai- Howrah section for Central Railway. These are some of the busiest railway route with heavy traffic. ETCS Level 2 will help enhance safety drastically reduce congestion in rail network and increase line capacity, improving punctuality as it can eliminate train delays due to automated signaling and real time information of train movements, eliminating the need for manual data logging. It will also help to increase average speed of trains due to automation of train operations.

5.5 Modernization of Signaling System

RailTel Enterprises Ltd, a wholly owned subsidiary of RailTel Corporation of India Ltd., has been awarded the work of replacement of old mechanical signalling equipment with state-of-the-art electronic interlocking system at 13 stations of Northern Railway. The existing mechanical signalling systems are using lever frames to both lower the signal and change the tracks. The new Electronic Interlocking signalling system will now enable lowering the signal and changing of tracks by

click of a mouse and will enhance safety and improve efficiency of train operation. There are total 13 stations which have been assigned to REL, out of which 3 are in Delhi Division and 10 are in Umbala Division. The anticipated cost of this project is approximately ₹ 87 crores. A Memorandum of Understanding (MoU) has been inked between REL and Northern Railway to execute the work.

5.6 State Wide Area Network

RailTel is also helping create and maintain the State Wide Area Networks (SWAN) in various states of the country. In Haryana RailTel is maintaining the complete SWAN IT infrastructure and upgrading the same where ever required and in Rajasthan radio frequency connectivity and provision of Wi-Fi upto village level is being carried out. In Kerala RailTel is upgrading the State Wide Network with new generation equipment's and providing Facility Management Services.

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 collocation 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'19, RailTel has managed to generate ₹ 137 Cr. 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 3572 new subscribers each month, with 1,07,037 active subscriber base on Mar' 19. Around 3419 Local Cable Operators have partnered to provide last mile connectivity to end consumers. Total revenue of ₹ 162 crores (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 17 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 center 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:** RailTel facilitated Indian Railways by choosing an operator through an open process for Mobile CUG connections for 2,68,000 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 are entrusted by Railway Board.

6.5 Data Center

RailTel has two UPTIME (USA) certified Tier-III Data Centers in place at Secunderabad and Gurugram. RailTel offers a host of Data Centre services like Colocation Services, Managed services, Cloud Computing, Managed E-office, Aadhar Authentication, Dedicated Solutions etc, from these two state-of-the-Art Data Centres with combined total gross capacity of 6000 Sq.ft Server Farm area.

All RailTel hosting and co-location services are backed by SLA's of 99.983% which is best by industry standard.

The USP of RailTel Data centre is round the clock multi-layered Physical security at different levels, Very Early Smoke Detection System, IP CCTV System, Access Control System, Water Leak Detection System, Rodent Repellent System, and Building Management System. The on-site power system with redundant diesel generators feeding a N+N redundant UPS grid to offer the highest levels of power reliability. Besides Indian Railway, a number of customers trust RailTel for the Data Centre services, such as Central Board of Excise & Customs, EPFO, National Health Systems Resource Centre, Telangana State Technology Services, UTI Infrastructure Technology and Services Limited etc.

The provisioned space at Secundrabad is already working at the optimum levels and the expansion plans for the same are in process.



RailTel Data Center at Gurugram

6.6 Telepresence as a Service (TPaaS)

RailTel's TPaaS an end-to-end, high-definition videoconferencing service that gives users a virtual, face-to-face meeting experience was launched in January-2015. Before adoption of TPaaS Indian Railways were spending huge amount of money and man hours for meetings and events. Post adoption of TPaaS the number of travels for meetings and events has dropped drastically saving manhour, travel and lodging expenses. Being swifter, faster in decision making and crisis handling, lesser travel for meetings and events has also

helped in saving significant amount of carbon footprints. The service now serves 340 elite users across 40 plus customers. 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. The RailTel Telepresence Services have often served events for the Hon'ble Prime Minister of India, Minister of Railways, Minister of Industry & Commerce 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 has focused on SI Business during the year & various high volume orders for various government agencies are in pipeline.

Total revenue from the SI project business segment reached at around ₹199 Cr. ending Mar'19 as against ₹167.78 Cr. in Mar'18.

7. Facilitating Government of India Initiatives

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 10793 GPs covering 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'19, 24229 KM of duct has been laid covering nearly 90.8% of GPs and 22812 KM of optic fiber to cover nearly 83.9% of the GPs.



TPaaS Experience Centre at RailTel Corporate Office, Gurgaon



Train Inauguration by Hon'ble PM using RailTel's TPaaS services



Train Inauguration by Hon'ble PM using RailTel's TPaaS services



Train Inauguration by Hon'ble PM using RailTel's TPaaS services

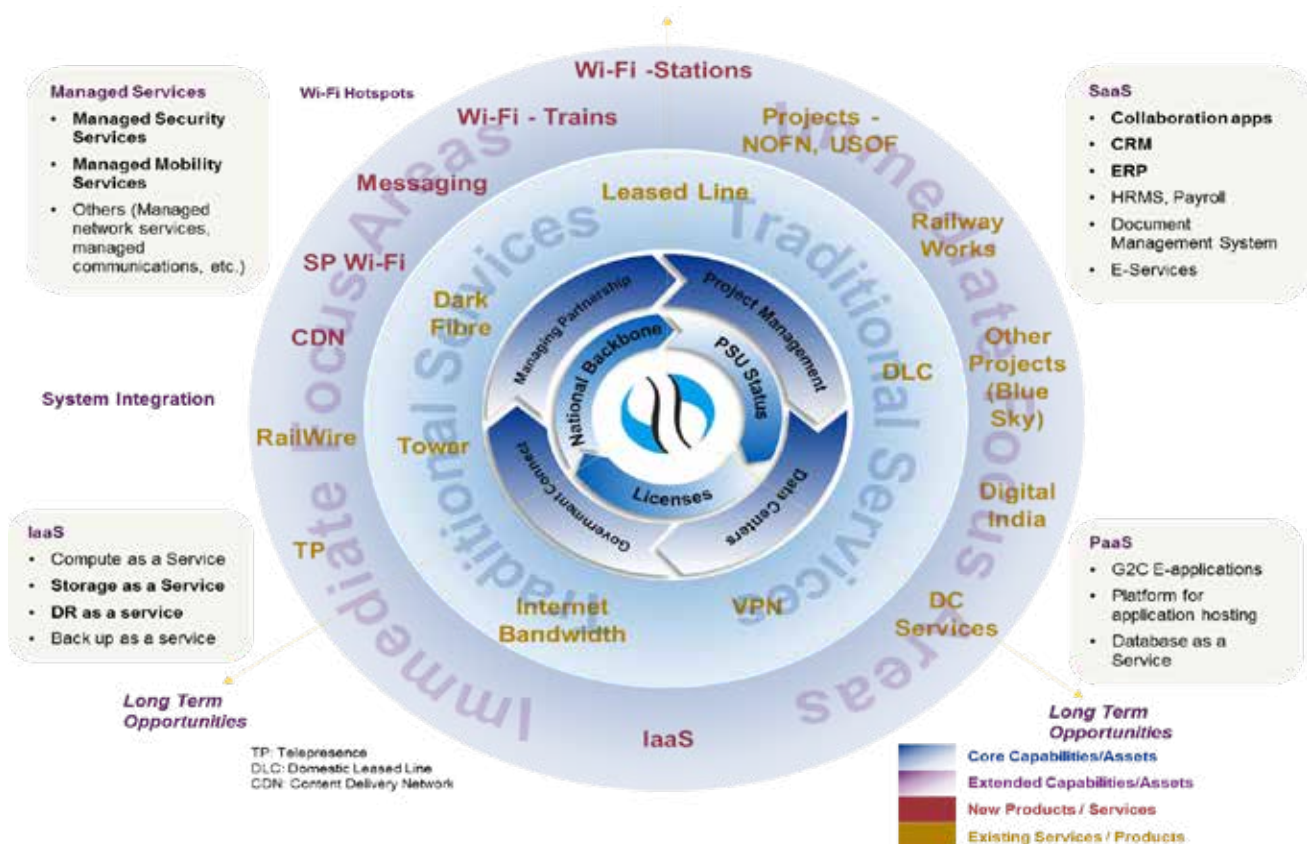
7.2 USOF Project in North-East

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 2019 work in NE-I 60.4% nodes were connected to the optic fiber under the phase-I. Under NE-II region 43.79% nodes got connected to the optic fiber and 102 Nodes have been connected to RailTel's NMS.

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. 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 service 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.

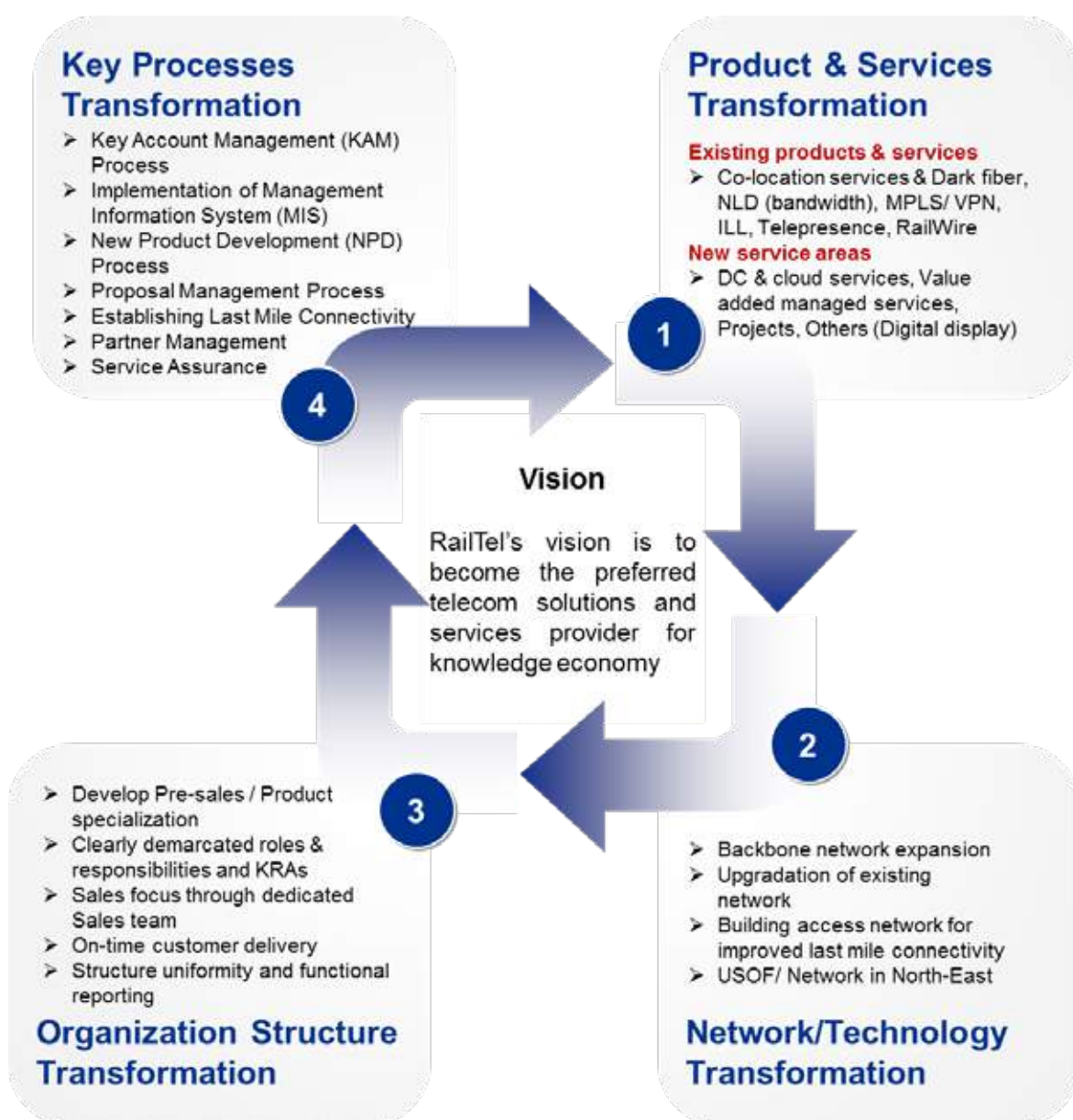


Products & Services: RailTel plans to enhance its focus on provision of services such as MPLS VPN, Internet Bandwidth, Telepresence, retail broadband (RailWire) that have high market attractiveness. At the same time, RailTel also plans to invest resources into building capability for higher margin services 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 2018-19, total revenue earned by RailTel is ₹ 1017 crore. Profit after Tax earned has been ₹ 110 crore and Profit before tax has been ₹ 179 crore. RailTel has also paid an interim dividend of ₹ 18 Crores to the Ministry of Railways during the year under report.

From NLD (Bandwidth & VPN) services, RailTel earned ₹ 372 Crore during the year. While earning from IP-1 services has been ₹ 137 Crores which includes revenues from tower & rack colocation and Dark fiber leasing. While under ISP license (Internet & Broadband) RailTel has achieved revenues of ₹ 162 Crores.

10. Awards

During the year 18-19, RailTel received following awards for its excellent performance from various organizations. The prestigious awards received by RailTel for various categories are as mentioned below:

- ❖ Digital Innovation and Cyber security Summit 2019 award for Railway Station Wi-Fi Project organised by Department of Information Technology and Electronics, Government of Haryana
- ❖ Digital Innovation and Cyber security Summit 2019 award for RailWire organised by Department of Information Technology and Electronics, Government of Haryana
- ❖ Best Social Wi-Fi project award by Digianalysys at My India Wi-Fi Summit 2018 for Rural station Wi-Fi



11. CSR Initiatives

RailTel is also actively involved in meeting its social obligations through the Corporate Social Responsibility programme and is actively supporting programmes for Digital Literacy, education, health and physically challenged children. RailTel is currently running 4 Digital Literacy Centres (2 at Varanasi, 1 at Satna, MP and 1 at Mewat Haryana) and 1 Skill Development Centre for women at Jahangirpuri, New Delhi. Recognizing the need of making digital infrastructure available to children RailTel has provided broadband and ICT infrastructure at 8 Government schools across country.

RailTel, in association with Centre for Social Responsibility and leadership, New Delhi, has established a RailTel- Akansha Super 30 center where 30 underprivileged but talented students from different corners of Uttarakhand are provided free residential coaching and mentoring for 11 months for admission in reputed engineering colleges like IIT, NIT and state engineering colleges.

It was a proud moment for RailTel when 30 students of its CSR initiative 'RailTel Akansha Super 30' (batch of FY 18-19), Dehradun made it to JEE Mains out of which 11 students crack the JEE advance exam securing admission to premiere league engineering colleges like IIT, NIT and other Govt. engineering colleges of India.

12. 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.

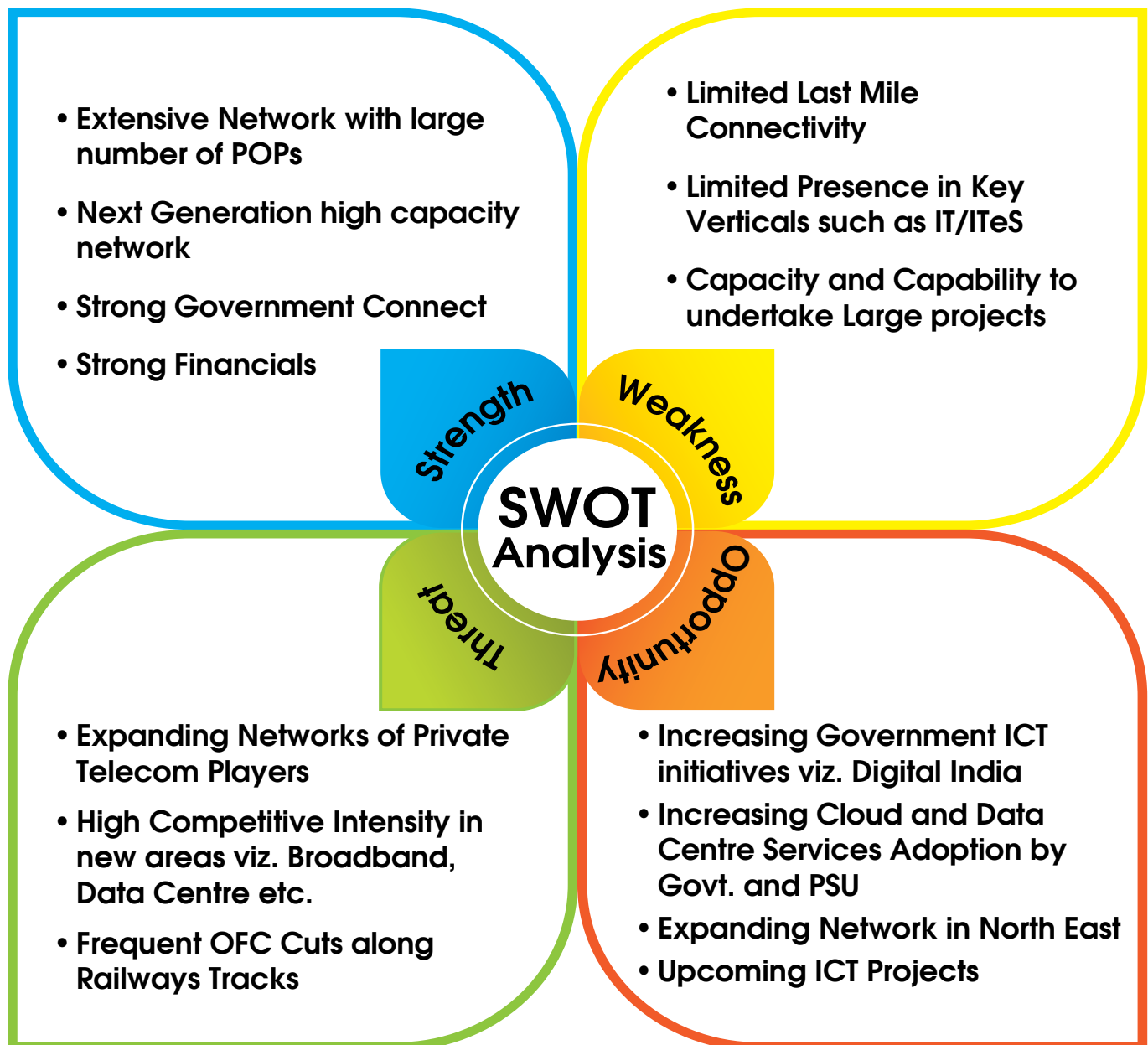
Further, RailTel is in process of implementing of e-office to bring transparency and efficiency in working.

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'19 total manpower strength was 730 including regular, deputationiest, contractual and consultants.



13. SWOT Analysis



14. Cautionary statement

Statements in the Director'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, 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 the Board as on 31/03/2019 is shown in

Table 1

Table 1

Director	Designation
Sh. Puneet Chawla	Chairman & Managing Director
Sh. Ashutosh Vasant	Director - Project Operation and Maintenance
Sh. Sanjai Kumar	Director - Network Planning & Marketing
Sh. Sanjeeb Kumar (Ceased to be the Director/Finance w.e.f. 03/04/2019)	Director/Finance (Addl. Charge).
Dr. Madhukar Sinha	Part-time Govt. Nominee Director
Sh. Sunil Gupta (Ceased to be the Part-time Govt. Nominee Director w.e.f. 06/05/2019)	Part-time Govt. Nominee Director
Dr. Anupam Alok (Ceased to be the Independent Director w.e.f. 01/04/2019 and re-appointed w.e.f. 12/07/2019)	Independent Director
Sh. Ashok Goel (Ceased to be the Independent Director w.e.f. 01/04/2019 and re-appointed w.e.f. 12/07/2019)	Independent Director
Smt. Rashmi Jain	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 10 (Ten), comprising of Four whole-time Directors (i.e. Chairman & Managing Director, Director/POM, Director/NPM and Director/Finance), Four Independent Directors and Two Part-time Govt. Nominee Directors.

Three Directors namely Sh. Sanjeev Jain (DIN:08415579; DOJ:11/04/2019), Sh. Umesh Balonda (DIN:08444478; DOJ: 06/05/2019) and Shri Chinnsamy Ganesan (DIN: 07615862; DOJ: 16/07/2019) have been appointed by the Ministry of Railways to the Board of RailTel Corporation of India Ltd. after 31/03/2019. Further, Two Independent Directors namely Dr. Anupam

Alok and Shri Ashok Goel who were ceased to be the Independent Director on the Board of the Company w.e.f. 01/04/2019, on completion of tenure, were re-appointed to the Board of the Company by the Ministry of Railways vide its letter no. 2009/PL/48/1(Pt.3) dated 11/07/2019 for a period of one year from the date of completion of existing tenure or until further orders, whichever is earlier. Accordingly, both of the Independent Directors had joined the Board of the Company w.e.f. 12/07/2019.

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 is shown in **Table 2:**

Table 2

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. Puneet Chawla	Chairman and Managing Director (Whole-time Director)	1	NIL	NIL
Shri Ashutosh Vasant	Director-Project, Operation & Maintenance (Whole-time Director)	NIL	NIL	NIL
Sh. Sanjai Kumar	Director-Network Planning & Marketing (Whole-time Director)	NIL	NIL	1
Sh. Sanjeev Jain	Director-Finance/Addl. Charge (Whole-time Director)	NIL	NIL	1
Dr. Madhukar Sinha	Part-time Govt. Nominee Director	NIL	NIL	2 (Audit and Nomination & Remuneration Committee)
Sh. Umesh Balonda	Part-time Govt. Nominee Director	NIL	NIL	1 (Nomination & Remuneration Committee)
Dr. Anupam Alok	Part Time non-official Director (Independent Director)	NIL	NIL	NIL
Shri Ashok Goel	Part Time non-official Director (Independent Director)	NIL	NIL	NIL
Smt. Rashmi Jain	Part Time non-official Director (Independent Director)	NIL	3 (Audit, CSR and Nomination & Remuneration Committee)	NIL
Shri Chinnsamy Ganesan	Part Time non-official Director (Independent Director)	NIL	NIL	1 (Audit Committee)

Note:

- ❖ The term whole-time director used in this report refers to functional/ executive directors.
- ❖ The term ‘Part-time Govt. Nominee Director’ 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, CSR Committee and Nomination & Remuneration 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 2018-19, following changes took place in the Board Composition as shown in **Table 3**.

Table 3

Name of Director	Appointment/Cessation
Smt. Anju Ranjan, Director/Finance (Addl. Charge)	Ceased to be the Director/Finance (Addl. Charge) of the Company w.e.f. 02/04/2018.
Sh. Sanjeeb Kumar Director/Finance (Addl. Charge)	Appointed as Director/Finance (Addl. Charge) w.e.f. 03/04/2018 to 03/04/2019.
Sh. Ashutosh Vasant	Cancellation of Addl. Charge to the post of Chairman and Managing Director w.e.f 23/04/2018.
Sh. N. Kashinath	Appointed as Chairman and Managing Director (Addl. Charge w.e.f. 23/04/2018 to 23/08/2018.
Sh. Anshul Gupta	Cancellation of Addl. Charge to the post Director/NPM w.e.f 23/05/2018. He ceased to be the Part time Govt. Nominee Director w.e.f. 10/07/2018.
Sh. Sanjai Kumar	Appointed as Director/NPM w.e.f. 23/05/2018.
Smt. Rashmi Jain	Appointed as Part Time non-official Director (Independent Director) w.e.f. 25/07/2018.
Sh. Sunil Gupta	Appointed as Part time Govt. Nominee Director w.e.f. 04/08/2018.
Sh. H. K. Agarwal	Appointed as Chairman and Managing Director (Addl. Charge w.e.f. 23/08/2018 to 12/12/2018.
Sh. Puneet Chawla	Appointed as Chairman and Managing Director (Addl. Charge w.e.f. 14/12/2018. He has been appointed as Chairman and Managing Director (earlier holding addl. Charge) w.e.f. 10/05/2019.

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 Govt. Nominee Directors 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 (Govt. Nominee & 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 7 (Seven) times during the financial year 2018-19 i.e. on 14/05/2018, 23/06/2018, 18/08/2018, 27/09/2018, 26/10/2018, 23/01/2019 and 19/02/2019.

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 2018-19.

Details of attendance of the Directors at the Board Meeting during FY 2018-19 is shown in **Table 4**.

Table 4

Director	No. of meetings during 2018-19		
	Held (during their respective tenures)	Attended	Attended last AGM
Shri Puneet Chawla	2	2	NA
Shri N. Kashinath	3	3	Yes
Shri H. K. Agarwal	2	2	Yes
Shri Ashutosh Vasant	7	7	Yes
Shri Sanjai Kumar	6	5	Yes
Shri Sanjeeb Kumar	7	6	Yes
Shri Anshul Gupta	2	2	N.A.
Dr. Madhukar Sinha	7	7	Yes
Shri Sunil Gupta	5	4	No
Dr. Anupam Alok	7	7	Yes
Shri Ashok Goel	7	7	Yes
Smt. Rashmi Jain	5	5	Yes

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 2018-19 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, 2019”

Sd/-
Puneet Chawla
DIN: 08303340
Chairman and Managing Director

Place: Gurugram
Date: 02/05/2019

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.

The remuneration paid to Directors during the FY 2018-19 was of ₹ 0.81 crore as against that of ₹ 1.04 crore in the previous year.

No stock option has been made available or offered by the Company during the FY 2018-19 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 31/03/2019 is shown in **Table 5**.

Table 5

Sl No.	Name of Director	Chairman/ Member
1.	Sh. Ashok Goel Independent Director	Chairman
2.	Dr. Anupam Alok Independent Director	Member
3.	Dr. Madhukar Sinha Part-Time Govt. Nominee Director	Member
4.	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 remuneration 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 2018-19, the Audit Committee met 6 (Six) times i.e. on 30/05/2018, 13/07/2018, 03/08/2018, 25/09/2018, 26/10/2018 and 21/01/2019. The attendance of the members at the meetings held during FY 2018-19 is shown in **Table 6**.

Table 6

Member	Status	Meetings held (During their respective tenures)	Meetings attended
Sh. Ashok Goel	Chairman	6	6
Dr. Anupam Alok	Member	6	6
Dr. Madhukar Sinha	Member	6	5
Smt. Rashmi Jain	Member	3	3

*Smt. Rashmi Jain was appointed as a member of the Audit Committee w.e.f. 18/08/2018.

Note:

- (a) Shri Sanjeeb Kumar, Director/Finance has attended all the meetings of Audit Committee as a Special Invitee held during the Financial Year 2018-19.
- (b) Sh. J.S. Marwah, Secretary to the Committee has attended all the meetings held during the Financial Year 2018-19.

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 Nominee 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 31/03/2019 is Shown in **Table 7**.

Table 7

Sl No.	Name of Director	Chairman/Member
1.	Dr. Anupam Alok Independent Director	Chairman
2.	Sh. Ashok Goel Independent Director	Member
3.	Dr. Madhukar Sinha Part-Time official Director	Member
4.	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:

- (a) To decide the annual bonus/variable pay pool and policy for its distribution across the executives and non-unionized supervisors, within the prescribed limits.
- (b) 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.
- (c) 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 2018-19, the Nomination & Remuneration Committee met 2 (two) times i.e. on 21/01/2019 & 18/03/2019. The attendance of the members at the meetings held during FY 2018-19 is shown in **Table 8**.

Table 8

Member	Status	Meetings held (During their respective tenures)	Meetings attended
Dr. Anupam Alok	Chairman	2	2
Sh. Ashok Goel	Member	2	2
Dr. Madhukar Sinha	Member	2	2
Smt. Rashmi Jain	Member	2	2

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 31/03/2019 is shown in **Table 9**.

Table 9

Sl No.	Name of Director	Chairman/ Member
1.	Dr. Anupam Alok Independent Director	Chairman
2.	Shri Ashok Goel, Independent Director	Member
3.	Shri Sanjai Kumar, Director/ NPM	Member
4.	Shri Sanjeeb 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 2018-19, the CSR Committee met 4 (four) times i.e. on 05/09/2018, 23/10/2018, 04/01/2019 and 31/01/2019. The attendance of the

members at the meetings held during FY 2018-19 is shown in **Table 10**.

Table 10

Member	Status	Meetings held (During their respective tenures)	Meetings attended
Dr. Anupam Alok	Chairman	4	4
Shri Ashok Goel	Member	4	4
Shri Sanjai Kumar	Member	4	4
Shri Sanjeeb Kumar	Member	4	4

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
2015-16	12th September, 2016	4:00 PM	Committee Room, Rail Bhawan
2016-17	22 nd September, 2017	4:00 PM	Committee Room, Rail Bhawan
2017-18	27 th September, 2018	11:30 AM	Committee Room, Rail Bhawan

11. Disclosures:

- (a) 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.
- (b) The Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India in the preparation of Financial Statements.
- (c) 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 2018-19. Therefore, it is not considered as a “material subsidiary” as per DPE guidelines.

12. 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 Boucher, 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.
- (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 5TH 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.

13. General Shareholders' Information

19th Annual General Meeting

Date:	27 th September 2019
Time:	14:30 PM
Venue:	2 nd Floor, Committee Room, Rail Bhawan, New Delhi-110001

14. Factual Calendar for Approving Matters pertaining to FY 2018-19

Approval of Annual Accounts by BoD: 16/08/2019
Adoption of Audited Annual Accounts by Shareholders:- As per date of AGM

15. 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.

16. Dividend and Pay-Out Date

Dividend when declared is normally paid within 5 days. During the financial year 2018-19 the Company had paid on 06/02/2019, an interim dividend to its shareholders of ₹ 18 crore on the paid-up share capital of ₹ 320.94 crore. The final dividend of ₹ 46.20 Crore has been recommended for payment to the shareholders.

17. 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.

18. 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 & Jt. GM (Law), RailTel Corporation of India Ltd. Corporate office: Plate-A, 6th Floor, Office Tower-2, NBCC Building, East Kidwai Nagar, New Delhi-110023 Tele: 011-22900600 and Fax 011-22900699 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 Ltd.
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of RailTel Corporation of India Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the company’s Annual Report but does not include the standalone financial statements and our auditor’s report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Emphasis of Matter

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

- a) Item No. 9 of Note No. 38 regarding reversal of income of Rs. 3655 Lakhs in respect of National Optical Fiber Network (NOFN) project on account of downward revision of Administration Expenses & Establishment charges with retrospective effect.
- b) Item no. 23 of Note no. 38 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.30810 lakhs and has received a subsidy of Rs.3146 lakhs with a net cash outflow of Rs. 27664 lakhs up to 31.03.2019.

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

Other Matters

We did not audit the separate financial statements of Eastern Region, Western region and Southern Region included in these standalone financial statements; whose financial statements reflect total assets of Rs. 1027.32 Crores, total liabilities of Rs. 378.26 Crores as at 31st March 2019 and total revenues of Rs. 556.20 Crores for the year ended on that date, as considered in these standalone financial statements. The company had prepared separate set of statutory financial statements of these regional offices for the year ended 31st March 2019 in accordance with accounting principles generally accepted in India and which have been audited by other auditors appointed by the CAG 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 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 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;
- g) With respect to the other matters to be included in the auditors’ report in accordance with the requirement of section 197(16) of the act, as amended:

“In view of the exemption given in terms of Notification No. G.S.R. No. 463E 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”.

- h) 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 Financial Statements – Refer Item No. 27.1 to Note no. 38 to the Standalone Financial Statements;
 - II. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - 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
UDIN: 19500369AAAAAT8867

Place: New Delhi
Date: 16/08/2019

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 financial statement of the Company for the year ended 31 March 2019, 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 case of leasehold building situated at Kidwai Nagar, Delhi where the lease deed is yet to be executed between the company and NBCC though the building space has already been handed over to the company.
- (ii) (a) In our opinion, the 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 2019 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 except as under-

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	Notice no. SCN C no. V (15) 126/ ST-Adjn/ADC/12 / 22532 DT 21-09-2012 issued by Additional Commissioner Service Tax, Kolkata for payment of service tax based on certain credit notes.	47.00	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.	225.00	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 maintain 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, Appeal filed with CESTAT
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	Income Tax Act 1961	TDS demand due to short deduction of TDS.	0.27	2010-11 to 2012-13	TDS (Commissioner)

9	Income Tax Act 1961	TDS demand due to short deduction of TDS.	0.34	2017-18	TDS (Commissioner)
10	RVAT Act	Levy of entry Tax and demand raised under the act.	18.64	2014-15 to 2016-17	RVAT Department
11	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
12	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
13	Finance Act 1994	TAX on passive infrastructure Like IP-1, before commencement of concept of Telecommunication Service. The case is pending before Supreme Court (Demand Rs. 101.82Lakhs + Penalty Rs. 101.82 Lakhs + Interest as per law as applicable).	203.64	1.04.03 to 31.12.05	Supreme Court
14	Finance Act 1994	Service tax audit report for the year 2012-2013 & SCN for that no. 22/2016. (Rs. 25.41 Lakhs and penalty Rs. 25.41/- + Applicable interest)	50.82	2012-2013	Commissioner (Appeals), Hyderabad, Appeal filed with CESTAT
15	Income Tax Act 1961	Appeal filed against re-assessment order of AO for addition of Rs. 8.13 Crore in book profits (As per AO' order Dt.29-11-2018)	1629.81	AY 2011-12	CIT-(A), New Delhi
16	UP VAT Act	Demand raised on assessment.	71.47	FY 2012-13 to 14-15	UPVAT Department
17	HVAT Act	Demand raised on assessment.	7.74	FY 2015-16	HVAT Department
		Total	3253.71		

- (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(E) 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
UDIN: 19500369AAAAAT8867

Place: New Delhi
Date: 16/08/2019

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

S. No.	Directions	Reply
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implication of processing of accounting transactions outside Its system on the integrity of the accounts along with the financial implication, if any may be stated.	Yes, the company has implemented Oracle- ERP system which is processing all the accounting transactions except Railwire activity on Tally platform which are being migrated to Oracle-ERP on periodical basis. Currently, the company is not prone to any such risk and hence, there is no financial implication of it.
2	Whether there are any restructuring of an existing loans or cases of waiver/ write off of debts/ loans/ interest etc. made by a lender to the company due to company’s inability to repay the loan? If yes, the financial impact may be stated.	The company has not availed any loan from any bank or financial institution.
3	Whether funds received / receivable for specific schemes from Central / State agencies were properly accounted for / utilised as per its term and conditions? List the cases of deviation.	The company is in receipt of subsidy in respect of the following project – <ul style="list-style-type: none"> a) NE-1 & NE-2 project – the company has received subsidy of Rs. 3146 lakhs till 31.03.2019 against the execution of the project. b) Rural Wi-Fi Project – the company is in receipt of subsidy to the tune of Rs. 939 lakhs till 31.03.2019. The said subsidy has been utilised for the project for which it has been received and balance unutilised amount of subsidy has been shown under the head Other Non-Current Liabilities.

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
UDIN: 19500369AAAAAT8867

Place: New Delhi
Date: 16/08/2019

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, 2019 in conjunction with our audit of the standalone 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 authorizations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 2019, 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
UDIN: 19500369AAAAAT8867

Place: New Delhi
Date: 16/08/2019

RailTel Corporation of India Limited

Standalone Balance Sheet as at 31.03.2019

(Amount in Lakhs)

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
ASSETS			
NON CURRENT ASSETS			
Property, Plant and Equipments	2	78,591	68,435
Capital Work-in-Progress	3	29,990	36,417
Intangible Assets	2	396	364
Financial Assets			
Investment	4	1,000	1,000
Loans and Advances	5	347	377
Other Non Current Assets	6	3,118	9,886
CURRENT ASSETS			
Inventories	7	87	-
Financial Assets			
Investment	8	704	-
Trade Receivables	9	45,700	46,538
Cash and Cash Equivalents	10	7,082	7,238
Other Bank Balances	11	26,425	37,246
Loans and Advances	12	430	252
Other Current Financial Assets	13	11,386	10,971
Current Tax Assets (Net)	14	3,066	2,060
Other Current Assets	15	7,233	5,108
TOTAL ASSETS		2,15,555	2,25,892
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	32,094	32,094
Other Equity		96,279	92,844
LIABILITIES			
NON CURRENT LIABILITIES			
Financial Liabilities			
Borrowings		-	-
Other Non Current Financial Liabilities	17	1,331	9,048
Provisions	18	469	185
Deferred Tax Liabilities (net)	19	1,694	877
Other Non Current Liabilities	20	11,210	26,026
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings		-	-
Trade Payables		-	-
Total outstanding dues of micro enterprises and small enterprises		3,561	1,726
Total outstanding dues of creditors other than micro enterprises and small enterprises	21	23,339	25,682
Other Current Financial Liabilities	22	14,858	6,783
Provisions	23	3,671	3,836
Other Current Liabilities	24	27,049	26,791
TOTAL EQUITY AND LIABILITIES		2,15,555	2,25,892

Significant Accounting Policies

Note No 1

The accompanying notes referred to above form an integral part of financial statement (from Note No 2 to 38)

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: 16/08/2019

Sd/-

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

Sd/-

Sanjeev Jain
Director Finance
(DIN : 08415579)

Sd/-

Puneet Chawla
Chairman and Managing Director
(DIN: 08303340)

RailTel Corporation of India Limited

Standalone Statement of Profit and Loss for the year ended 31.03.2019

(Amount in Lakhs)

Particulars	Notes No.	For Year Ended 31st March 2019	For Year Ended 31st March 2018
Income			
Revenue from operations	25	98,605	98,385
Other Income	26	3,125	3,926
Finance Income	27	(20)	153
Total Income		1,01,710	1,02,464
Expenses			
Access and other Charges	28	26,352	25,008
License fee and spectrum charges	29	4,599	4,734
Expenses on Project	30	23,569	25,127
Employee Benefits Expenses	31	11,052	11,799
Administrative & Other Expenses	32	2,639	4,312
Corporate Social Responsibility		303	76
Depreciation and amortisation	33	11,156	11,864
Finance Expenses	34	520	160
Total Expenses		80,190	83,080
Profit before tax and Exceptional Item		21,520	19,384
Exceptional Items	35	(3,655)	-
Profit before tax		17,865	19,384
Tax expenses			
Current tax		5,738	7,882
Deffered tax	36	816	(1,086)
Tax impact of earlier years		331	(3,029)
Profit for the period	A	10,980	15,617
Other comprehensive income(OCI):			
i Items that will not be reclassified to Profit & Loss			
Remeasurement losses on defined benefit plans	37	(21)	(321)
Income tax relating to item that will not be reclassified to Profit & Loss		7	111
ii Items that will be reclassified to Profit & Loss			
Other comprehensive income/(Loss)	B	(14)	(210)
Total comprehensive income for the period (A+B)		10,966	15,407
Earning per Equity Share of Rs 10/- each			
(a) Basic		3.42	4.87
(b) Diluted		3.42	4.87

Significant Accounting Policies

Note No 1

The accompanying notes referred to above form an integral part of financial statement (from Note No 2 to 38)

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(DIN: 08303340)

RailTel Corporation of India Limited

Standalone Statement of Changes in Equity for the year ended 31.03.2019

A. EQUITY SHARE CAPITAL

(Amount in Lakhs)

As on 01.04.2017	32,094
Change in Equity Share Capital during the Period	-
As on 31.03.2018	32,094
As on 01.04.2018	32,094
Change in Equity Share Capital during the Period	-
As on 31.03.2019	32,094

B. OTHER EQUITY

(Amount in Lakhs)

Particulars	Retained Earnings	General Reserve	Corporate Social Development Reserve, Sustainable Development Reserve	Self Insurance Reserve	Total Equity
Balance as at 1st April 2017	43,517	40,000	122	-	83,639
Add: Total Comprehensive Income for the year ending on 31st March'2018	15,407				15,407
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 for the F.Y. 2016-17	(3,353)				(3,353)
Less: Tax on Final Dividend for the F.Y. 2016-17	(683)				(683)
Less: Transfer to General Reserve	(4,000)	4,000			-
Balance as at 31st March 2018	48,722	44,000	122	-	92,844
Opening balance as on 1st April 2018	48,722	44,000	122	-	92,844
Add: Total Comprehensive Income for the year ending on 31st March'2019	10,966				10,966
Less: Interim dividend for the F.Y. 2018-19	(1,800)				(1,800)
Less: Tax on Interim Dividend for the F.Y. 2018-19	(370)				(370)
Less: Final Dividend Paid (2017-18)	(4,447)				(4,447)

Particulars	Retained Earnings	General Reserve	Corporate Social Development Reserve, Sustainable Development Reserve	Self Insurance Reserve	Total Equity
Less: Dividend Distribution Tax on Final Dividend Paid (2017-18)	(914)				(914)
Add: Transfer from Corporate Social Development Reserve, Sustainable Development Reserve as approved by the Board	122		(122)		-
Add: Transfer to Self Insurance Reserve (Refer item no.7 of Note No. 38)	(109)			109	-
Less: Transfer to General Reserve	(4,000)	4,000			-
Balance as at 31st March 2019	48,170	48,000	-	109	96,279

Significant Accounting Policies Note No 1

The accompanying notes referred to above form an integral part of financial statement (from Note No 2 to 38)

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

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Sd/-

Puneet Chawla
Chairman and Managing
Director
(DIN: 08303340)

Place New Delhi
Date: 16/08/2019

RailTel Corporation of India Limited

Standalone Cash Flow Statement for the period ended March 31, 2019

Particulars	For the period ended March 31, 2019	For the period ended March 31, 2018
Profit for the period	17,865	19384
Adjustments for:		
Depreciation and Amortisation Expense	11,156	11864
Amortisation of Deferred Govt Grant	(132)	(58)
Other Comprehensive Income	(14)	(210)
Provision for doubtful debts (net)	(29)	(359)
Interest income (considered separately)	(2,386)	(3,093)
Operating profit/(loss) before working capital changes	26,460	27528
(Increase)/decrease in Trade Receivables	867	(9,374)
(increase)/decrease in Loans and security Deposit	31	(6)
(increase)/decrease in Other Non Currents Assets	218	(1,393)
(increase)/decrease in Inventories	(87)	22
(increase)/decrease in Short term investment	(704)	0
(increase)/decrease in Short terms Loans and Security Deposit	(178)	(138)
(increase)/decrease in Other Financial Assets	(416)	1798
(Increase)/decrease in Other Current Tax Assets	(1,006)	(276)
(Increase)/decrease in Other Current Assets	(2,125)	(695)
Increase/(decrease) in Other Non Financial Liabilities	(7,717)	5150
Increase/(decrease) in Other Non Current Financial Liabilities	(14,470)	(5,546)
Increase/(decrease) in Trade Payables	(507)	5663
Increase/(decrease) in Other Financial Liabilities (Current)	8,075	(2,969)
Increase/(decrease) in Short Term Provisions	(164)	1693
Increase/(decrease) in Other Non Financial Liabilities (Current)	123	(17,466)
Net cash generated from Operation before Tax	8,400	3991
Income Tax Paid	6,068	4978
Net cash generated from Operating Activities	2,332	(987)
Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment	(8,576)	(11,718)
Capital Advances	210	(1,579)
Interest income received	2,387	3838
Subsidy received	201	739
Increase in Term Deposit	10,821	13865
Net cash used in Investing Activities	5,043	5,145

Particulars	For the period ended March 31, 2019	For the period ended March 31, 2018
Cash Flow from Financing Activities		
Increase/(decrease) in short-term borrowings		
Dividend paid	(6,247)	(5,153)
Dividend Distribution Tax Paid	(1,284)	(1,049)
Net cash generated from / (used in) financing activities	(7,531)	(6,202)
Effect of exchange difference on translation of cash and cash equivalents		
Net increase /(decrease) in cash and cash equivalents during the year	(156)	(2,044)
Cash and cash equivalents at the beginning of the year	7,238	9282
Cash and cash equivalents at the end of the year	7,082	7238

Significant Accounting Policies

Note No 1

The accompanying notes referred to above form an integral part of financial statement (from Note No 2 to 38)

1. Cash and Cash Equivalents include the following Balance Sheet amounts		
(i) Cash and Cash Equivalent (Maturity <= 3 Months)		
a. Flexi Deposits	315	355
b. Deposits with Banks for Ex-Gratia	0	40
(ii) Balances with Scheduled Bank		
a. In Current A/c	906	1599
b. In Collection A/c	5,846	5234
c. In Imprest A/c	15	10
Total	7,082	7238

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 2018-19 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	387	257	130
Total	387	257	130

Details of amount spent on CSR activities during the current year in relation to earlier years is given hereunder:

Particulars	Unpaid amount as on 01.04.2018	Amount Paid	Amount yet to be paid
Construction/Acquisition of any asset	Nil	Nil	Nil
On any other purpose	344	46	298
Total	344	46	298

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/-
Sanjeev Jain
Director Finance
(DIN : 08415579)

Sd/-
Puneet Chawla
Chairman and Managing
Director
(DIN: 08303340)

Place New Delhi
Date: 16/08/2019

Significant Accounting Policy

Note No. – 1

A. 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: -

- a. 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.
- b. Data Centre Services - RailTel has its own Data Centres at Secunderabad and Gurugram.
- c. Retail Broadband - Rail Wire is a retail Broadband initiative of the RailTel.
- d. Leased Line Service
- e. Virtual Private Network Service
- f. Internet Leased Line Service
- g. Rack and Space Collocation Service
- h. Tower Co-location Service

B. Summary of Significant Accounting Policies as per Ind-AS

1. Basis for Preparation of Standalone 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.

2. 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.

2A. Critical Accounting Estimates and Management Judgements

In application of the accounting policies, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is stated here under:

Property, Plant and Equipment (PPE)

The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

Current tax

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Deferred Tax Assets

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained/ recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Impairment of Trade Receivables

The impairment assessment for trade receivables are done based on assumptions about risk of default and expected loss . The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

Impairment of Non-financial assets (PPE)

The impairment assessment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined Benefit Plans and Other long term employee benefits

The cost of the defined benefit plan and other long term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

3. 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.

4. 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.

5. Property Plant and Equipment's (PPE)

- a) 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.

- b) 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.
- c) 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.
- d) 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.
- e) 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.
- f) 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.
- g) Fixed assets under construction and cost of assets not put to use before the year end, are disclosed as capital work in progress.
- h) 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.
- i) 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.

Sr No	Name of Assets	Main asset/Component	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 Building	Main Assets	Period of Lease
4	Freehold Building	Main Assets	60 Years, 1.67%
5	Leasehold Improvements	Main Assets	Period of lease
6	Prefabricated Building	Main Assets	15 Year 6.67%
7	Computer	Main Assets	3 Year 31.67%
8	Office Equipment’s	Main Assets	5 Year 19%
9	Software-ERP	Main Assets	5 Year with 20%
10	Furniture	Main Assets	10 Year 9.5%
11	Licenses	Main Assets	Period of license
12	ERP Hardware	Main Assets	6 Year 15.83%
13	Vehicle	Main Assets	8 Year 11.875%
14	Temporary Fixtures	Main Assets	Fully Depreciated
15	Telecom Equipment’s	Main Assets	8 Year. 12.5%
16	Last Mile/Access Equipment’s	Main Assets	8 Year. 12.5%
	Radio/Access Switches	Component	3 Year 33.33%
17	Power Plant Equipment’s	Main Assets	8 Year. 12.5%
	Battery	Component	5 Year. 20%
18	Data Centre	Main Assets	8 Year. 12.5%
	Data Centre infrastructure	Component	13 Year. 7.31%
19	Other Infrastructure	Main Assets	8 Year. 12.5%
	Data Network	Main Assets	8 Year. 12.5%

6. Intangible Assets

- a. 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.
- b. 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.
- c. 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.

7. 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 105 “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.

8. 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.

9. 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. Infeasible Right to Use ('IRU')- The Company enters into agreement for leasing assets (capacity) under "Infeasible 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.

10. 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.

11. 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.

12. 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.

13. Revenue Recognition and Receivables

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Income from Telecom Services

Income from Telecom Services include incomes from National Long Distance services, Internet Service, infrastructure provider services such as co-location, dark fiber, Tower Space etc. Service revenue also includes revenues associated with access and Inter connection for usage of the network of other operators. Corporation's performance Obligation in such kind of contracts is providing infrastructure bandwidth/connectivity as per the agreed norms. Since the customer simultaneously receives and consumed benefit provided by the Corporation's performance as the Corporation's performs, Corporation's transfer control of service overtime and, therefore, satisfies a performance obligation and recognizes revenue overtime. The Corporation uses output methods to recognize revenue as the output selected faithfully depict the Corporation's performance towards complete satisfaction of the performance obligation. Since the performance obligation is being satisfied directly in relation to time, the passage of time is the best output which would depict the satisfaction of the performance obligation. Generally payment against provision of such services becomes due as per payment terms, and fixed transaction price as per contracts with customers, which is generally is on periodical basis. Warranties are commonly included in arrangements to sell services. They can be explicitly stated, required by law or implied based on the 'RCIL' customary business practices. The price of a warranty may be included in the overall purchase price or listed separately as an optional product. All the assurance type warranties are considered as part of primary performance obligation, while the service type warranties are considered as distinct performance obligation.

The determination of transaction price, its allocation to promised services and allocation of discount or variable consideration (if any) is done based on the contract with the customers. Penalties, if inherent in determination of transaction price, are considered as variable consideration. The transaction price is also allocated separately for the service type warranties.

Income from Projects

Income from Projects include laying of Optical Fiber Cable, installation of Network Operations Center, installation of Indoor/ Outdoor Wireless Access Points, Load Balancer, Wi-Fi Access Controller, installation of software, chats, Anti-Virus, Fire walls etc. Corporation's performance obligation in such kind of contracts is installation, testing and commissioning of various equipment as per the agreed norms. Under this type of contract, generally assets are installed at customer's site. However, customer does not have ability to direct the use of, and obtain substantially all of the remaining benefits from, these assets unless they are connected to main server/data center or commissioned properly. Since the customer receives control of the goods and/ or service after Successful commissioning of indented facilities, Corporation's transfer control of goods and/ or service at a point in time and, therefore, satisfies a performance obligation and Recognizes revenue at a point in time. The Corporation uses output methods to recognize Revenue as the output selected faithfully depict the Corporation's performance towards Complete satisfaction of the performance obligation. Customer's acceptance of Commissioning report is the best output which would depict the satisfaction of the Performance obligation. Generally payment against provision of such contracts becomes due as per payment terms, and fixed transaction price as per contracts with customers, Which is generally is on milestone basis.

Warranties are commonly included in such arrangements. They can be explicitly stated, required by law or implied based on the 'RICL' customary business practices. The price of a warranty may be included in the Overall purchase price or listed separately as an optional product. All the assurance type Warranties are considered as part of primary performance obligation, while the service Type warranties are considered as distinct performance obligation.

The determination of transaction price, its allocation to promised services and allocation of discount or variable consideration (if any) is done based on the contract with the customers. Penalties, if inherent in determination of transaction price, are considered as variable consideration. The transaction price is also allocated separately for the service type warranties.

The incremental costs that the Corporation incurs to obtain a contract with a customer that it Would not have incurred if the contract had not been obtained are recognized as an asset if its Recovery is expected and its amortization period is more than one year, all other such costs Are recognized as an expense in statement of profit and loss. The incremental cost recognized as an asset is amortized over the period till when such cost is expected to be recovered. Amount so recovered is recognized as revenue in statement of profit and loss.

Subsidy

Revenue from subsidy are accounted for on commissioning of specified projects, if the Entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

14. 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 ageing 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.

15. 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.

16. 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.

17. 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.
- iv) 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.

18. 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.

19. 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.

20. Taxes

a) 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.

b) 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.

c) 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.

21. 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.

22. 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.

23. 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.

24. 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.

25. 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.

26. 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.

27. 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.

28. 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.

29. 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.

30. 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.

Note 2. Property Plant & Equipment

Particulars	TANGIBLE ASSETS										INTANGIBLE ASSETS				
	Freehold Land	Leasehold Land	Building	Prefabricated Building	Plant & Machinery	Leasehold Improvements	ERP Hardware	Computers	Furniture & Fixtures	Vehicles	Office Equipments	Total	Licenses	Software	Total
Year ended 31st March 2018															
Gross Carrying amount															
Cost as at 1st April 2017	253	1,512	4,119	1,433	141,462	1,194	222	840	321	39	735	152,130	546	423	969
Additions	-	96	150	2	10,800	33	-	73	24	-	61	11,239	-	41	41
Disposal	-	-	-	-	-	-	-	(48)	-	-	(5)	(53)	-	-	-
Transfer/Adjustments	(30)	30	-	-	(8)	10	-	(0)	(10)	-	0	(8)	(16)	12	(4)
Closing Gross Carrying amount (31.03.2018)	223	1,638	4,269	1,435	152,254	1,237	222	865	335	39	791	163,308	530	476	1,006
Accumulated Depreciation/ amortisation															
Accumulated Depreciation as at 1st April 2017	-	44	1,239	1,346	78,409	639	120	689	203	23	492	83,204	239	266	505
Charge during the year	-	18	354	7	11,012	113	30	91	16	4	82	11,727	16	121	137
Disposal	-	(0)	0	(0)	0	-	0	(48)	0	(0)	(5)	(53)	(1)	1	(0)
Transfer/Adjustments	-	-	195	-	(5)	(185)	-	-	(10)	-	-	(5)	-	-	-
Closing accumulated depreciation/ amortisation (31.03.2018)	-	62	1,788	1,353	89,416	567	150	732	209	27	569	94,873	254	388	642
NET CARRYING AMOUNT- 31.03.2018	223	1,576	2,481	82	62,838	670	72	133	126	12	222	68,435	276	88	364
Year ended 31st March 2019															
Gross Carrying amount															
Cost as at 1 Apr 2018	223	1,638	4,269	1,435	152,254	1,237	222	865	335	39	791	163,308	530	476	1,006
Additions	-	-	9,898	1	11,604	-	-	43	3	-	43	21,592	-	40	40
Disposal	-	-	-	-	(48)	-	-	(11)	-	-	(3)	(62)	-	-	-
Transfer/adjustments	-	(238)	(1)	(0)	(27)	1	-	(0)	0	-	(0)	(265)	-	(0)	(0)
Closing Gross Carrying amount (31.03.2019)	223	1,400	14,166	1,436	163,783	1,238	222	897	338	39	831	184,573	530	516	1,046
Accumulated Depreciation/ amortisation															
Accumulated Depreciation as at 1st April 2018	-	62	1,788	1,353	89,416	567	150	732	209	27	569	94,873	254	388	642
Charge during the year	-	13	(292)	7	11,112	110	30	71	17	4	76	11,148	(63)	71	8
Disposal	-	-	-	-	(27)	-	-	(10)	-	-	(2)	(39)	-	-	-
Transfer/adjustments	-	0	20	0	0	(20)	0	(0)	(0)	(0)	(0)	(0)	0	0	0
Closing accumulated depreciation/ amortisation (31.03.2019)	-	75	1,516	1,360	100,501	657	180	793	226	31	643	105,982	191	459	650
NET CARRYING AMOUNT- 31.03.2019	223	1,325	12,650	76	63,282	581	42	104	112	8	188	78,591	339	57	396

Note 3. Capital Work in Progress

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
NE-1	6,225	7,567
NE-2	17,756	20,327
OFC Laying Works	2,137	1,822
MPLS, STM, Other Telecom Radio Equipment, Data Centre & OSS/BSS	2,578	4,486
Capital Stores lying at project site	1,012	1,966
Building	166	115
Rural Wi-Fi	80	131
Others	36	3
Total	29,990	36,417

NON CURRENT ASSETS

Note 4. Investment (At amortised cost)

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Long Term Investments-at Cost		
Trade (Unquoted)		
Investment in Shares of subsidiaries		
Railtel Enterprises Limited (Fully Owned Subsidiary)		
100,00,000 equity shares of Rs.10 each fully paid	1,000	1,000
Total Carrying Value	1,000	1,000

Investment in subsidiary has been valued at cost

Note 5. Loans and Advances

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured Considered Good unless stated otherwise		
Security Deposits		
Considered Good	347	377
Loans and Receivables which have significant risk increase in credit risk	-	-
Loans and Receivables credit impaired	-	-
Total	347	377

Note 6. Other Non Current Assets

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured Considered Good unless stated otherwise		
Capital Advances		
Considered Good	210	6,760
Other		
Lease prepayment/Prepaid Expenses	2,908	3,126
Total	3,118	9,886

CURRENT ASSETS

Note 7. Inventories (Valued at lower of cost or net realisable value)

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Inventory (Consumables for O&M Work)	87	-
Total	87	-

Note 8. Investment (At fair value through Profit & Loss Account)

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Mutual Fund (Unquoted)	704	-
Total	704	-

Aggregate Value of quoted investments	-	-
Market value of quoted investments	-	-
Aggregate Value of unquoted investments	701	-
Market value of unquoted investments	704	-
Aggregate value of impairment of investments	-	-

Note 9. Trade Receivables

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, Unless Stated Otherwise		
Telecommunication Business		
Considered Good	37,273	33,525
Considered Doubtful	2,995	3,024
Total	40,268	36,549
Less: Provision for Bad & Doubtful Receivables	2,995	3,024
Trade Receivables (Telecommunications)	37,273	33,525
Project works		
Considered Good	8,427	13,013
Considered Doubtful	-	-

Particulars	As at 31 March 2019	As at 31 March 2018
Total	8,427	13,013
Less: Provision for Bad & Doubtful Receivables	-	-
Trade Receivables (Project Works)	8,427	13,013
Trade Receivables which have significant risk increase in credit risk	-	-
Trade Receivables credit impaired	-	-
Total	45,700	46,538

Movement of Provision for bad and doubtful debt

Balance at the beginning of the year	3,024	3,383
Add: Additional provision during the year	132	512
Less: Provision written back/adjusted during the year	161	871
Balance at the end of the year	2,995	3,024

Note 10. Cash and Cash Equivalents

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Cash and Cash Equivalent (Maturity ≤ 3 Months)		
a. Flexi Deposits	315	355
b. Deposits with Banks for Ex-Gratia	0	40
(ii) Balances with Scheduled Bank		
a. In Current A/c	906	1,599
b. In Collection A/c	5,846	5,234
c. In Imprest A/c	15	10
Total	7,082	7,238

Note 11. Other Bank Balances

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
BG Margin Money A/c *	276	244
In Term Deposit (Having original maturity of more than 3 months but less than 12 months)	26,099	37,002
Deposits with Banks for Ex-Gratia	50	-
Total	26,425	37,246

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

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Note 12. Loans and Advances

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, Considered Good Unless Stated Otherwise		
Advances to Employee	60	36
Security Deposit	370	216
Loans and Receivables which have significant risk increase in credit risk	-	-
Loans and Receivables credit impaired	-	-
Total	430	252

Note 13. Other Current Financial Assets

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, Considered good unless stated otherwise		
Accrued interest on term deposit	1,394	1,396
Recoverable from Railways	1,748	2,410
Unbilled Revenue	8,156	6,968
EMD Deposited	88	197
Total	11,386	10,971

Note 14. Current Tax Assets (Net)

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Income Tax/TDS	3,066	2,060
Total	3,066	2,060

Note 15. Other Current Assets

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Advances recoverable in cash or in kind for value to be received	649	571
Indirect Tax Credit Available	5,436	3,758
Others *	254	184
Advance Indirect Tax	562	344
Prepaid expenses	332	251
Total	7,233	5,108

*The Company has deposited a sum of Rs 379 lakhs with the Department of Telecommunication, under protest, on account of DoT share interest income and penalty. The company had 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. Presently this case is pending before Supreme Court.

Note No. -16 Equity Share capital

Particulars	As at 31 March 2019	As at 31 March 2018
Authorized Share Capital		
Equity Shares		
1,00,00,00,000 equity shares of Rs 10 each	100,000	100,000
Issued, Subscribed and fully paid-up shares		
1,50,00,007 equity shares of Rs 10 each in Cash	1,500	1,500
30,59,38,400 equity shares of Rs 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 2019			
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 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

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 Rs 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 31st March 2019	As at 31st March 2018
	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 31st March 2019	As at 31st March 2018
	Number	305,938,400	305,938,400
Ministry of Railways (in the name of President of India)	%	100	100

NON CURRENT LIABILITIES

Note 17. Other Non Current Financial Liabilities

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured		
Security Deposit	480	3,157
Retention Money	439	5,891
Finance Lease Obligation	412	-
Total	1,331	9,048

Note 18. Provisions

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for Post Retirement Medical Benefit	423	139
Provision for Arbitration Claim	46	46
Total	469	185

Note 19. Deferred Tax Liabilities (Net)

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred Tax Liabilities		
Depreciation claimed as deduction under Income Tax Act but chargeable in the statement of profit and loss in future years	3,255	3,162
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	1,047	1,057
Expenditure to be allowed on payment basis under Income Tax Law/Provisions	514	1,228
Total	1,694	877

Note 20. Other Non Current Liabilities

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred Revenue and Advance from Customers*	4,207	17,415
Deferred Revenue from Government Grant		
NE 1 & NE 2***	1,409	307
Rural WiFi***	277	-
Advances from Railways**	3,271	4,813
Government Grant		
Subsidy of NE-1 & NE-2***	1,468	2,752
Rural WiFi Subsidy***	578	739
Total	11,210	26,026

*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. 38 regarding receipt of capital grant.

CURRENT LIABILITIES

Note 21. Trade Payables

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Trade Payables		
Micro and Small Enterprises	3,561	1,726
Other than Micro and Small Enterprises		
Revenue Share Payable to Indian Railway	5,055	4,977
Towards purchase of Goods and Services	18,262	20,681
Amount Payables to DoT	22	24
Total	26,900	27,408

Note 22. Other Current Financial liabilities

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Security Deposits	3,299	464
Retention Money	10,755	5,372
EMD Payable	653	947
Finance Lease Obligation	136	-
Interest Accrued but not due on Noida Instalment	15	-
Total	14,858	6,783

Note 23. Provisions

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Provisions for Employee Benefits		
Provision for Post Retirement Medical Benefit	-	3
Provision for Pension	1,312	906
Provision for Gratuity & Leave Encashment	653	1,002
Provision for PRP	1,706	1,925
Total	3,671	3,836

Note 24. Other Current Liabilities

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred Revenue and Advance from Customers*	12,572	14,842
Advance for Railway Deposits#	3,295	-
Advance-Others**	7,380	7,785
Deferred Revenue from Government Grant		
NE 1 & NE 2***	119	30
Rural WiFi***	45	-
Payable to Others	3,638	4,134
Total	27,049	26,791

*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. Refer Point no. 9 of Note no. 38 on Exceptional Item

***Refer item no. 23 of Note no. 38

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

Note 25. Revenue from operations

(Amount in Lakhs)

Particulars	For Period Ended 31st March 2019	For Period Ended 31st March 2018
Income from Telecom Services		
NLD Services	37,197	38,969
ISP Services	16,227	14,783
IP-1 Services	13,722	14,746
Income from Projects		
Railways Project Works	2,915	3,489
Other Projects	25,049	26,340
Other Operating Revenue (Refer item no. 8 of Note no. 38)	3,495	58
Total	98,605	98,385

Note 26. Other income

(Amount in Lakhs)

Particulars	For Period Ended 31st March 2019	For Period Ended 31st March 2018
Interest Income		
Interest Income on deposits with Bank	2,366	3,093
Interest on Income Tax Refunds	20	-
Other Non Operating Income		
Miscellaneous Income	393	497
Income on Mutual Funds	82	68
Gain on Fair Valuation of Mutual Funds	3	-
Liabilities/Provision written back	246	268
Gain on foreign Exchange transaction	15	-
Total	3,125	3,926

Note 27. Finance Income

(Amount in Lakhs)

Particulars	For Period Ended 31st March 2019	For Period Ended 31st March 2018
Reversal of Discounting impact of Assets as on 31/03/2017		294
Discounting Impact of Security Deposits Assets 17-18		(141)
Reversal of Discounting impact of Assets as on 31/03/2018	141	
Discounting Impact of Assets 2018-19	(161)	
Total	(20)	153

Note 28. Access & Other Charges

(Amount in Lakhs)

Particulars	For Period Ended 31st March 2019	For Period Ended 31st March 2018
Operation & Maintenance of Fiber & Equipment	6,138	6,158
Share of Revenue with Konkan Railway	17	28
Hire Charges Radio Modem/Optic Fibers and Internet Access	5,558	4,649
Interconnect & Port charges	583	732
Railwire Expenses	6,844	6,469
Rent	265	297
Power & Fuel Expenses on network	4,104	3,911
Revenue Share to Railways	2,843	2,764
Total	26,352	25,008

Note 29. License fee and Spectrum charges

(Amount in Lakhs)

Particulars	For Period Ended 31st March 2019	For Period Ended 31st March 2018
Licence Fee to DoT (Revenue Share)	4,521	4,501
Spectrum Charges to DoT	78	233
Total	4,599	4,734

Note 30. Expenses on Project

(Amount in Lakhs)

Particulars	For Period Ended 31st March 2019	For Period Ended 31st March 2018
Expenses on Railway Projects	2,707	2,851
Expenses on Projects (Other Than Railway)	19,116	20,415
Allocation of Employee Benefit Expenses (Refer Note No. 31)	1,091	1,163
Allocation of Administrative & Other Expenses (Refer Note No. 32)	655	698
Total	23,569	25,127

Note 31. Employee Benefits Expenses

(Amount in Lakhs)

Particulars	For Period Ended 31st March 2019	For Period Ended 31st March 2018
Salaries & Wages	11,558	12,360
Contribution to Provident fund	564	578
Staff welfare expenses	21	24
Less: Alloation of Expenses to Projects (Refer to Note no. 30)	1,091	1,163
Total	11,052	11,799

Note 32. Administrative & Other Expenses

(Amount in Lakhs)

Particulars	For Period Ended 31st March 2019	For Period Ended 31st March 2018
<u>Auditor Remuneration</u>		
As Auditor	17	17
As Tax Auditors	6	6
Books & Periodicals	2	2

Particulars	For Period Ended 31st March 2019	For Period Ended 31st March 2018
Communication Expenses	106	126
Conveyance Expenses	27	32
Bank Charges & Commission	10	10
Legal & Professional Expenses	361	568
Insurance	42	7
Rates & Taxes	85	78
Rent	1,254	1,443
Repair & Maintenance – Others	241	554
Tender Expenses.	60	148
Training & Recruitment Expenses	32	51
Travelling Expenses	295	419
Printing & Stationary Expenses	57	66
Vehicle Hire charges	272	272
Inspection Charges	-	15
Business promotion Expenses	55	120
Other Miscellaneous Expenses	239	259
Loss on sale of Fixed Assets	1	1
Interest Expenses	-	4
Provision for Bad and Doubtful Debts	132	512
Research and Development expenses	-	200
Loss on foreign Exchange transactions	-	100
Less:- Allocation of Expenses to Project (Refer to Note no. 30)	655	698
Total	2,639	4,312

Note 33. Depreciation and Amortisation

(Amount in Lakhs)

Particulars	For Period Ended 31st March 2019	For Period Ended 31st March 2018
Depreciation on tangible Assets	11,148	11,727
Amortization on Intangible Assets	8	137
Sub Total	11,156	11,864

Note 34. Finance Expenses

(Amount in Lakhs)

Particulars	For Period Ended 31st March 2019	For Period Ended 31st March 2018
Reversal of Discounting impact of Liability as on 31/03/2017		
a. Security Deposit		32
b. Retention Money		212
Discounting impact of Liability 2017-18		(84)
Reversal of Discounting impact of Liability as on 31/03/2018	84	
Discounting impact of Liability 2018-19	(95)	
Finance charge on Instalment of Noida land	531	-
Total	520	160

Note 35. Exceptional Items

(Amount in Lakhs)

Particulars	For Period Ended 31st March 2019	For Period Ended 31st March 2018
Exceptional Item (NOFN) *	(3,655)	-
* Refer point No. 9 of Note No. 38		
Total	(3,655)	-

Note 36. Tax Expenses

(Amount in Lakhs)

Particulars	For Period Ended 31st March 2019	For Period Ended 31st March 2018
Current Tax (Income Tax)	5,738	7,882
Tax impact of earlier Years	331	(3,029)
Deferred Tax Asset	816	(1,086)
Total	6,885	3,767

Note 37. Other comprehensive income(OCI)

(Amount in Lakhs)

Particulars	For Period Ended 31st March 2019	For Period Ended 31st March 2018
Items that will not be reclassified to Profit & Loss		
Remeasurement Gain/losses on defined benefit plans	(21)	(321)
Income tax relating to item that will not be reclassified to Profit & Loss	7	111
Other comprehensive income/(Loss)	(14)	(210)

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Note-38

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR FINANCIAL YEAR 2018-19

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. 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.
4. License fee to DoT and Railways Revenue Share computed at prescribed rate of 8% and 7% respectively.
5. Employees benefit expenses and administrative expenses are apportioned to project works based on 5% and 3% respectively of expenses incurred on projects.
6. 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.
7. During the year, Management has decided to create Self-Insurance Reserve @ 0.12% on the Gross Block of Property, Plant & Equipment's installed at PoPs and customer premises to meet future losses which may arise from un-insured risks.
8. In terms of contractual Clause of agreement, if the customer terminates the services of the link during minimum subscription period, RailTel shall refund or adjust (against the future orders) the already paid IRU charges after deducting the termination penalty. Accordingly, RailTel has deducted the termination penalty of Rs.3364 lakhs during the year and has been recognized as other operating revenue.
9. In case of work of National Optical Fiber Network (NOFN) Project executed on behalf of Bharat Broadband Network Limited (BBNL) for connecting the gram panchayat, income was recognized on the basis of terms of agreement executed between the two companies till 31.03.2018. However, during the year, an amount of Rs.3655 Lakhs was reversed on the strength of cabinet decision communicated by BBNL vide letter No. BBNL/Finance/AE & EC/Corr./2017-18/14 dated 28.06.2018 for downward revision of Administrative Expenditure & Establishment Charges with retrospective effect. The amount of Rs. 3655 lakhs, being amount reversed for income recognized till 31.03.2018, has been disclosed as exceptional item considering the materiality and non-recurring nature of transaction.
10. Disclosure relating to dues to Micro, Small and Medium Enterprise:

(Amount in Lakhs)

S. No.	Particulars	2018-19	2017-18
	Amount remaining unpaid to any supplier:		
1	a) Principal Amount	3561	1726
	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
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:

(Amount in Lakhs)

Particulars	F.Y. 2018-19	F.Y. 2017-18
Statutory Audit Fee	17	17
Tax Audit	6	6
Total	23	23

12. Capital commitments:

(Amount in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Estimated amounts of contracts remaining to be executed on capital account	22320	25,406

13. Value of imports calculated on CIF basis

(Amount in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Raw materials	Nil	Nil
Consumables and Spare parts	Nil	Nil
Capital goods	Nil	155
Total	Nil	155

14. Expenditure in foreign currency (accrual basis)

(Amount in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Travelling & conveyance	3	21
Repair & Maintenance	Nil	Nil
Service charges	Nil	Nil

15. Corporate Social Responsibility Expenditure

For the year, the gross amount required to be spent by the company on CSR activities amounted to Rs. 387 lakhs. Details of amount spent for FY 2018-19 in relation to CSR activities is mentioned below –

(Amount in Lakhs)

Particulars	Approved Budget	Amount incurred	Amount yet to be incurred
Construction/Acquisition of any asset	Nil	Nil	Nil
On any other purpose	387	257	130
Total	387	257	130

Details of amount spent on CSR activities during the current year in relation to earlier years is given hereunder –

(Amount in Lakhs)

Particulars	Unpaid amount as on 01.04.2018	Amount Paid	Amount yet to be paid
Construction/Acquisition of any asset	Nil	Nil	Nil
On any other purpose	344	46	298
Total	344	46	298

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

16. Financial Instruments

FINANCIAL ASSETS

Trade receivables

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

Security Deposits

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.

Investments

Company has made investment in liquid mutual funds which have been fair valued based on the unit price prevailing as at year end and consequent gain/loss has been taken to the profit and loss A/c.

FINANCIAL LIABILITIES

Security deposits & Retention Money

Security Deposits & Retention Money are classified as Financial Liabilities.

17. IND AS 2: Inventories

1. The total carrying amounts of inventories as at 31.3.2019 is Rs. 87 Lakhs (PY Rs. NIL) as shown in Note no 7 of Balance Sheet.
2. There is no reversal or 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.
3. Nothing out of carrying amounts 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. Disclosures as required by IND AS 12 – Income Taxes

(Amount in Lakhs)

Particulars	Provided during the FY 18-19 year in Profit & Loss	As on 31-Mar-2019	Provided during the FY 17-18 year in Profit & Loss	As on 31-Mar-2018
Deferred Tax Liability				
Related to Depreciation on Fixed Assets	93	3255	-830	3162
Total Deferred Tax Liabilities (A)	93	3255	-830	3162
Deferred Tax Assets				
Provision on debtors	-10	1047	-114	1057
43B Disallowances etc.	-790	274	543	1064
Others	76	240	-173	164
Total Deferred Tax Assets (B)	-724	1561	256	2285
Deferred Tax Liability Net (A-B)	816	1694	-1086	877

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

Figures in %

Particulars	Mar-19	Mar-18
Applicable Tax Rate	34.94	34.61
1. Tax effect of income that are not taxable in determining taxable profit	0	0
2. Tax effect of expenses that are not deductible in determining taxable profit	2.96	8.30
3. Tax effect on recognition of previously unrecognized allowance/disallowances	2.17	-2.56
4. Tax effect of additional deductions	0.11	-0.26
5. Tax expenses/income related to prior year	0.00	0.00
6. difference in tax due to reclassification of income and expenses	0.00	0.00
Average Effective Tax Rate	40.18	40.09

20. Disclosures as required by IND AS 16 – Property, Plant & Equipment & IND AS 38 – Intangible Assets

- The depreciation / amortization 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.
- The useful life of all the PPE / Intangible Assets 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.

7. 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
8. No Capital expenses was incurred on Assets not owned by the Company during the Financial Year ended 31.03.2019 except:
 - a. On leasehold improvement of Rs. NIL. (Previous Year- Rs.33 lakhs).
 - b. 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 31.03.2019 for Rs. 91 lakhs (Previous Year Rs. 43 lakhs) has been shown under Capital Work in Progress.
 - c. Purchase of leasehold Building at East Kidwai Nagar for 30 years term for creation of Corporate Office. Possession has been given by the lessor, but lease deed is yet to be executed. The total amount paid upto 31.03.2019 amounting to Rs. 9786 lakhs for purchase of leasehold Building has been capitalized in the current year.
9. There is no obsolete asset which has been so far held under CWIP/Fixed Asset.
10. Depreciation / amortization on all the PPE / Intangible assets have been disclosed separately
11. There is no restriction on title of PPE / Intangible Assets, and nothing has been pledged as security and liability
12. The amount of contractual commitment for acquisition of PPE is Rs. 22320 lakhs (Rs. 25406 lakhs in previous year)
13. There is no amount to be received on account of compensation from third party for items of PPE / Intangible assets that were impaired, lost or given to Company that is to be recognized in the statement of profit & Loss account
14. Entire depreciation / amortization 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.
15. There is no temporarily idle PPE / intangible assets.
16. Rs. 39140 Lakhs Gross Carrying value of assets have been fully depreciated, but still are in use.
17. During the reporting Period Assets having Net Book Value of Rs. 23 Lakh (Gross Book Value 62 Lakhs) has been retired with sale proceeds of Rs. 22 Lakh and loss of Rs 1 Lakh has been booked.
18. In the following asset category, depreciation is charged at different rates as compare to the rates prescribed in part C of Schedule II of the Companies Act'2013 on the basis of useful life determined by technical committee:

S. No	Assets Category	Useful life as specified in Part C of schedule II	Useful life as per company's policy
1	Prefabricated Building	RCC 60 years and others 30 years	15 Years
2	Temporary Structure	3 Years	Fully Depreciated
3	Telecom Equipment's	13 Years	8 Years
4	Last Mile/Access Equipment's	13 Years	8 Years
5	Data Centre	13 Years	8 Years

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

- The Company has been offering NLD Services, infrastructure services (Dark Fibers, Tower space and co-location etc.) under IP-I registration, ILD and Internet services under unified license to its customers under respective operating lease.
- 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, 2019 and accordingly respective disclosures required by IND AS 17 are not provided.
- Future minimum lease rentals receivable under operating lease for each of the following period as on 31st March 2019 are as under to the extent of advanced received: -

(Amount in Lakhs)

Particulars	31-Mar-19	31-Mar-18
Not later than one year	10818	14842
Later than one year and upto five years	2233	12048
Later than five years	565	5367

AS A LESSEE

FINANCE LEASE

Assets taken on lease by the company in its capacity as lessee, where the company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of the lease at lower of the fair value or present value of the minimum lease payments and a liability is recognized for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year. Finance charges are charged directly to the statement of profit and loss, unless they are directly attributable to qualifying assets. Lease rentals are recognized as expenses in the periods in which they are incurred.

Finance lease obligation of the Company is as follows: -

(Amount in Lakhs)

Particulars	2018-19			2017-18		
	Future Minimum Lease Payments	Interest	Present Value	Future Minimum Lease Payments	Interest	Present Value
Not later than one year	193	57	136	N.A	N.A	N.A
Later than one year and up to five year	482	70	412	N.A	N.A	N.A
Later than five year	Nil	Nil	Nil	N.A	N.A	N.A

OPERATING LEASE

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. The disclosure of minimum lease is not required as there is no non-cancellable lease.

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

Employee Benefits – Defined Contribution

Pension:

RailTel will pay an amount equal to 10% of Basic pay+ DA of the eligible employees.

Provident Fund:

All regular employees of the Company (excluding those on deputations) are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and employer make monthly contribution to the plan at a pre-determined rate (presently 12%) of the employees' salary consisting of Basic pay and Dearness allowance. These contributions are made to the fund administered and managed by Provident Fund Commissioner. The contributions of PF of the employee on deputation are made to the funds of their parent department

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.

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

Table I: Assumptions

(Amount in Lakhs)

Assumptions	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Discount Rate	7.77% per annum	7.60% per annum	7.77% per annum	7.60% per annum
Rate of increase in Compensation levels	6.00% per annum	6.00% per annum	6.00% per annum	6.00% per annum
Rate of Return on Plan Assets	7.60% per annum	7.60% per annum	7.60% per annum	7.60% per annum

Table II: Service Cost

(Amount in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Current Service Cost	139	153	197	195
Past Service Cost (including curtailment Gains/Losses)	0	82	0	0
Gains or losses on Non Routine settlements	0	0	0	0
Total	139	235	197	195

Table III: Net Interest Cost

(Amount in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Interest Cost on Defined Benefit Obligation	104	60	123	91
Interest Income on Plan Assets	61	57	89	49
Net Interest Cost (Income)	43	3	34	42

Table IV: Change in Present Value of Obligations

(Amount in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Opening of defined benefit obligations	1,362	789	1,621	1,199
Service cost	139	235	197	195
Interest Cost	104	60	123	91
Benefit Paid	-36	-41	-52	-87
Actuarial (Gain)/Loss on total liabilities:	-229	319	-66	224
- due to change in financial assumptions	-23	320	-24	1
- due to change in demographic assumptions	0	0	0	0
- due to experience variance	-206	-1	-42	223
Closing of defined benefit obligation	1,340	1,362	1,823	1,622

Table V: Change in Fair Value of Plan Assets

(Amount in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Opening fair value of plan assets	805	747	1,176	642
Actual Return on Plan Assets	61	54	86	63
Employer Contribution	185	45	286	558
Benefit Paid	-36	-41	-52	-87
Closing fair value of plan assets	1,015	805	1,496	1,176

Table VI: Actuarial (Gain)/Loss on Plan Asset

(Amount in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Expected Interest Income	61	57	89	49
Actual Income on Plan Asset	61	54	86	63
Actuarial gain / (loss) on Assets	0	-3	-3	14

Table VII: Other Comprehensive Income/(Loss)

(Amount in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Opening amount recognized in OCI outside P&L account	0	0	N/A	N/A
Actuarial gain / (loss) on liabilities	229	-319	N/A	N/A
Actuarial gain / (loss) on assets	0	-3	N/A	N/A
Closing amount recognized in OCI outside P&L account	229	-322	N/A	N/A

Table VIII: The amount to be recognized in Balance Sheet Statement

(Amount in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Present Value of Obligations	1,340	1,362	1,823	1,622
Fair value of plan assets	1,015	805	1,495	1,176
Net Obligations	325	557	328	446
Amount not recognized due to asset limit	0	0	0	0
Net defined benefit liability / (assets) recognized in balance sheet	325	557	328	446

Table IX: Expense Recognized in Statement of Profit and Loss

(Amount in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Service cost	139	235	197	195
Net Interest Cost	42	3	34	42
Net actuarial (gain)/ loss	0	0	-63	209
Expenses Recognized in the statement of Profit & Loss	181	238	168	446

Table X: Major categories of plan assets (as percentage of total plan assets)

Item	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Fund Managed by Insurer	100%	100%	100%	100%
Total	100%	100%	100%	100%

Table XI: Change in Net Defined Obligations

(Amount in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Opening of Net defined benefit liability	557	42	446	557
Service cost	139	235	197	195
Net Interest Cost	42	3	34	42
Re-measurements	-229	321	-63	209
Contribution paid to fund	-185	-45	-286	-558
Closing of Net defined benefit liability	325	557	328	446

Table XII: Reconciliation of Expense in Profit and Loss Statement

(Amount in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Present Value of Obligation as at the end of the year	1,340	1,362	1,823	1,622
Present Value of Obligation as at the beginning of the year	-1,362	-789	-1,621	-1,199
Benefit Paid	36	41	52	87
Actual Return on Assets	-61	-54	-86	-63
OCI	229	-321	0	0
Expenses Recognised in the Statement of Profit and Loss	182	239	168	446

Table XIII: Reconciliation of Liability in Balance Sheet

(Amount in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Opening net defined benefit liability / (asset)	557	42	446	557
Expense charged to profit and loss account	182	239	168	446
Amount recognized outside profit & loss account	0	0	0	0
Employer Contributions	-185	-45	-286	-558
OCI	-229	321	0	0
Closing net defined benefit liability / (asset)	325	557	328	446



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Table XIV: Sensitivity Analysis

Following table shows the sensitivity results on liability due to change in the assumptions:

(Amount in Lakhs)

Item	Gratuity			Leave Encashment		
	March 31, 2019	Impact (Absolute)	Impact %	March 31, 2019	Impact (Absolute)	Impact %
Base Liability	1,340	0		1,823	0	
Increase Discount Rate by 0.50%	1,275	-65	-4.87%	1,757	-67	-3.66%
Decrease Discount Rate by 0.50%	1,411	71	5.30%	1,895	72	3.94%
Increase Salary Inflation by 1.00%	1,451	111	8.28%	1,970	147	8.05%
Decrease Salary Inflation by 1.00%	1,230	-110	-8.18%	1,694	-130	-7.10%
Increase Withdrawal Rate by 1.00%	1,369	29	2.19%	1,713	-111	-6.08%
Decrease Withdrawal Rate by 1.00%	1,306	-34	-2.54%	1,972	149	8.15%

Table XV: Maturity Profile of Defined Benefit Obligation (Valued on discounted basis)

(Amount in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Year 1	94	81	192	NA
Year 2	48	99	169	NA
Year 3	94	108	141	NA
Year 4	75	85	125	NA
Year 5	65	76	130	NA
After 5th Year	963	1,191	1,066	NA
Total	1,339	1,640	1,823	NA

Post-Retirement Medical Scheme

Table I: Change in Present Value of Obligations

(Amount in Lakhs)

All Figures in INR	31-Mar-2019	31-Mar-2018
Defined Benefit Obligation at beginning of year	142	0
Current Service Cost	20	142
Past Service Cost	0	0
(Gain) / Loss on settlements	0	0
Interest Expense	11	0
Benefit Payments from Plan Assets	0	0
Benefit Payments from Employer	0	0
Settlement Payments from Plan Assets	0	0
Settlement Payments from Employer	0	0
Other (Employee Contribution, Taxes, Expenses)	0	0
Increase / (Decrease) due to effect of any business combination / divesture / transfer)	0	0

Increase / (Decrease) due to Plan combination	0	0
Remeasurements - Due to Demographic Assumptions	0	0
Remeasurements - Due to Financial Assumptions	0	0
Remeasurements - Due to Experience Adjustments	-18	0
Defined Benefit Obligation at end of year	268	0
Discount Rate (%)	7.77%	7.60%
Medical Inflation Rate (%)	5.00%	5.00%

Table II: Change in Fair Value of Plan Assets

(Amount in Lakhs)

All Figures in INR	31-Mar-2019	31-Mar-2018
Fair Value of Plan Assets at beginning of year	0	0
Interest Income	0	0
Employer Contributions	0	0
Employer Direct Benefit Payments	0	0
Employer Direct Settlement Payments	0	0
Benefit Payments from Plan Assets	0	0
Benefit Payments from Employer	0	0
Settlement Payments from Plan Assets	0	0
Settlement Payments from Employer	0	0
Other (Employee Contribution, Taxes, Expenses)	0	0
Increase / (Decrease) due to effect of any business combination / divestiture / transfer)	0	0
Increase / (Decrease) due to Plan combination	0	0
Remeasurements - Return on Assets (Excluding Interest Income)	0	0
Fair Value of Plan Assets at end of year	0	0

Table III: Changes in Reimbursement Rights

(Amount in Lakhs)

All Figures in INR	31-Mar-2019	31-Mar-2018
Reimbursement Rights at beginning of year	0	0
Reimbursement Service Cost	0	0
Gain/ (loss) on Settlements	0	0
Interest Income	0	0
Employer Contributions to Reimbursement Rights	0	0
Reimbursements to Employer	0	0
Increase / (Decrease) due to effect of any business combination / divestiture / transfer)	0	0
Increase / (Decrease) due to Plan combination	0	0

Benefits paid by the Company in Prior Year and settled by Fund Manager in current year	0	0
Net Transfer In / (Out) (Including the effect of any business combination / divesture)	0	0
Remeasurements - Return on Reimbursement Rights (Excluding Interest Income)	0	0
Reimbursement Rights at end of year	0	0

Table IV: Changes in Asset Ceiling / Onerous Liability

(Amount in Lakhs)

All Figures in INR	31-Mar-2019	31-Mar-2018
Asset Ceiling / Onerous Liability at beginning of year	0	0
Interest Income	0	0
Gain / (Loss) on Settlements	0	0
Remeasurement - Due to Asset Ceiling / Onerous Liability (Excluding Interest Income)	0	0
Asset Ceiling / Onerous Liability at end of year	0	0

Table V: Components of Defined Benefit Cost

(Amount in Lakhs)

All Figures in INR	31-Mar-2019	31-Mar-2018
Current Service Cost	20	142
Past Service Cost	0	0
(Gain) / Loss on Settlements	0	0
Reimbursement Service Cost	0	0
Total Service Cost	20	142
Interest Expense on DBO	11	0
Interest (Income) on Plan Assets	0	0
Interest (Income) on Reimbursement Rights	0	0
Interest Expense on (Asset Ceiling) / Onerous Liability	0	0
Total Net Interest Cost	11	0
Reimbursement of Other Long-Term Benefits	0	0
Defined Benefit Cost included in P & L	31	142
Remeasurements - Due to Demographic Assumptions	0	0
Remeasurements - Due to Financial Assumptions	-18	0
Remeasurements - Due to Experience Adjustments	268	0
(Return) on Plan Assets (Excluding Interest Income)	0	0
(Return) on Reimbursement Rights	0	0
Changes in Asset Ceiling / Onerous Liability	0	0
Total Remeasurements in OCI	250	0
Total Defined Benefit Cost recognized in P&L and OCI	281	142
Discount Rate (%)	7.77%	7.60%
Medical Inflation Rate (%)	NA	NA

Table VI: Amounts recognized in the Statement of Financial Position

(Amount in Lakhs)

All Figures in INR	31-Mar-2019	31-Mar-2018
Defined Benefit Obligation	423	142
Fair Value of Plan Assets	0	0
Funded Status	423	142
Effect of Asset Ceiling / Onerous Liability	0	0
Net Defined Benefit Liability / (Asset)	423	142

Table VII: Net Defined Benefit Liability / (Asset) reconciliation

(Amount in Lakhs)

All Figures in INR	31-Mar-2019	31-Mar-2018
Net Defined Benefit Liability / (Asset) at beginning of year	142	0
Defined Benefit Cost included in P & L	31	142
Total Remeasurements included in OCI	250	0
Net Transfer In / (Out) (Including the effect of any business combination / divestiture)	0	0
Amount recognized due to Plan Combinations	0	0
Employer Contributions	0	0
Employer Direct Benefit Payments	0	0
Employer Direct Settlement Payments	0	0
Credit to Reimbursements	0	0
Net Defined Benefit Liability / (Asset) at end of year	423	142

Table VIII: Sensitivity Analysis

Discount Rate and Medical Inflation Rate are significant actuarial assumptions. The change in the Present Value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below:

Particulars		Base	+ 100 Basis Points	-100 Basis Points
Discount Rate	Assumptions (%)	7.77%	8.77%	6.77%
	PV of DBO (In lakhs)	423	318	518
	Variation (%)	0.00%	-24.69%	22.62%
Medical Inflation Rate	Assumptions (%)	5.00%	6.00%	4.00%
	PV of DBO (In lakhs)	423	590	367
	Variation (%)	0.00%	39.69%	-13.15%

Table IX: Maturity Profile of Defined Benefit Obligation(Amount in Lakhs)

All Figures in INR	March 31, 2019	March 31, 2018
Year 1	21	3
Year 2	17	3
Year 3	17	3
Year 4	11	3
Year 5	8	3
After 5th Year	348	126

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 2018-19 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/subsidy received up to 31.03.2019 for various purposes is as under: -

(Amount in Lakhs)

Grant/Subsidy Received For	As At 31.03.2019	As At 31.03.2018
North East Project	3146	3,146
Rural Wi-Fi	939	739
Total	4085	3,885

Grant/Subsidy on NE Project:

- The Company had undertaken projects of NE-1 and NE-2 with a total capital outlay of Rs. 45125 Lakhs for which anticipated subsidy of Universal Service Obligation Fund of Department of Telecommunication, Government of India was pegged at Rs. 38800 Lakhs and net cash outflow of Rs. 6325 Lakhs. Against this, the Company has incurred total capital expenditure of Rs. 30810 Lakhs and has received subsidy of Rs. 3146 Lakhs with a net cash outflow of Rs. 27664 Lakhs up to 31.03.2019.
- The Company has incurred a total capital expenditure of Rs. 30810 Lakhs upto 31.03.2019 on the aforesaid project against which the company has received subsidy of Rs. 3146 Lakhs upto 31.03.2019 from Department of Telecommunication. Out of the amount so far incurred, the company has capitalized a sum of Rs. 4602 Lakhs on account of commissioning of certain districts during the year resulting in total capitalization of Rs. 6829 Lakhs upto 31.03.2019. The subsidy received against the said capitalization is Rs. Rs. 1678 Lakhs up to 31.03.2019 (Rs.395 Lakhs up to previous year).

During the financial year 2018-19, depreciation of Rs. 414 Lakhs (PY – Rs. 313 lakhs) have been charged to Statement of Profit and Loss due to capitalization and accordingly impact of amortization of subsidy is recognized in Statement of Profit and Loss for Rs.92 Lakhs (PY – Rs. 58 lakhs) in proportion to depreciation which is shown under the head other operating revenue.

Grant/Subsidy on Rural Wi-Fi:

The Company has received Rural Wi-Fi Subsidy amounting to Rs. 201 lakhs during the year and a total subsidy of Rs.939 lakhs upto 31.03.2019 from Department of Telecommunication (DoT) for installation of Wi-Fi in rural areas. An amount of Rs. 644 lakhs have been capitalized during the year on account of partial commissioning of wi-fi services at the stations. Accordingly, the Company has amortized an amount of Rs.39 lakhs out of the subsidy received in proportion to the depreciation of Rs. 70 lakhs on assets capitalized and the same i.e. Rs. 39 lakhs have been recognized under the head other operating revenue.

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

Exchange Difference

(Amount in Lakhs)

S.No	Particulars	2018-19	2017-18
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.	15	(100)
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:

- (i) Enterprises under common control: NA
- (ii) Subsidiaries: RailTel Enterprises Limited
- (iii) Key Management Persons:

S. No.	Name	Designation	Date of appointment	Date of Cessation (If any)
1	Sh. Ashutosh Vasant	CMD (Addl. Charge) and Director/POM	- D/POM-30/03/2017 - CMD-03/10/2017	Cessation of Addl. Charge of the post of CMD w.e.f. 23/04/2018
2	Sh. Anshul Gupta	Director/NPM (Addl. Charge)	- D/NPM-16/11/2017	Cessation of Addl. Charge of the post of D/NPM w.e.f. 23/05/2018
3	Smt. Anju Ranjan	Director/Finance (Addl. Charge) and CFO	- D/F- 03/04/2017 - CFO- 28/06/2017	Ceased to be the Director/Finance & CFO w.e.f. 02/04/2018
4	Sh. N. Kashinath	CMD (Addl. Charge)	23/04/2018	Ceased to be the CMD w.e.f. 23/08/2018
5	Sh. Sanjeeb Kumar	Director/Finance (Addl. Charge) and CFO	D/F- 03/04/2018 - CFO- 14/05/2018	Ceased to be D/F and CFO w.e.f. 03/04/2019
6	Sh. Sanjai Kumar	Director/NPM	23/05/2018	NA
7	Sh. H. K. Agarwal	CMD (Addl. Charge)	23/08/2018	Ceased to be CMD w.e.f. 12/12/2018
8	Sh. Puneet Chawla	CMD (Addl. Charge)	14/12/2018	Appointed as CMD (earlier holding additional charge) w.e.f. 10/05/2019
9	Sh. J S Marwah	Company Secretary	05/02/2015	NA

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

(Amount in Lakhs)

Particulars	Name	Mr. Sanjai Kumar	Shri Ashutosh Vasant	Shri J S Marwah
	Designation	Director/NPM	CMD(Addl. Charge) and Director/ POM	Company Secretary
Salaries and Allowances	2018-19	41	40	21
	2017-18		41	19
Retirement Benefit Paid	2018-19	-	-	-
	2017-18	-	-	-

(v) The Actuarial liability for the key managerial personnel is as follows:

(Amount in Lakhs)

Employee Name	Designation	Gratuity		Leave Encashment	
		As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Mr. Sanjai Kumar	(Director/NPM)	10.86	NA	17.82	NA
Mr. J. S. Marwah	Company Secretary	1.88	1.29	5.50	5.75
Mr. Ashutosh Vasant	(Director/POM)	10.10	15.42	11.88	11.72



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(vi) Contribution to defined contribution plans for key managerial personnel:

(Amount in Lakhs)

Employee Name	Designation	Provident Fund		Pension	
		As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Mr. Sanjai Kumar	(Director/NPM)	2.90	Nil	2.42	Nil
Mr. J. S. Marwah	Company Secretary	1.40	1.33	1.17	1.11
Mr. Ashutosh Vasant	(Director/POM)	3.04	2.76	2.54	2.30

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

(Amount in Lakhs)

Nature of Transactions	Amount
On account of operating Income	Rs. 77 Lakhs (Rs. 33 Lakhs)
On account of Non-Operating Income	Rs. 73 Lakhs (Rs. 45 Lakhs)
Receivable from RailTel Enterprises Limited	Rs. 176 Lakhs (Rs. 143 Lakhs)

Nature of Transactions	Amount
Payable to RailTel Enterprises Limited	Rs. 44 Lakhs (Rs. 46 Lakhs)

(Figure in bracket represents previous year figures)

(viii) Transactions with Railway PSUs & Railway Units

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

(Amount in Lakhs)

Particulars	Years	Revenue	Expenditure	Receivable	Payable	Advance Received
Central Railside Warehouse Company Limited	2018-19	22	-	15	-	-
	2017-18	28	-	22	-	-
Centre For Railway Information Systems	2018-19	241	-	213	-	-
	2017-18	-	-	138	-	-
Container Corporation of India Ltd	2018-19	24	-	24	-	-
	2017-18	18	-	29	-	-
Dedicated freight corridor Corporation of India Limited	2018-19	215	30	121	-	921
	2017-18	204	-	52	-	466
Indian Railway Catering and Tourism Corporation Limited	2018-19	51	-	42	-	1
	2017-18	21	-	19	-	1
IRCON International Limited	2018-19	39	-	7	-	-
	2017-18	35	-	7	-	-
Konkan Railway Corporation of India Limited	2018-19	103	52	36	30	113
	2017-18	42	28	7	15	7

Rail Land Development Authority	2018-19	4	-	5	-	-
	2017-18	4	-	4	-	-
Rail Vikas Nigam Limited	2018-19	330	187	90	-	777
	2017-18	291	-	50	-	621
Rail Wheel Factory	2018-19	10	-	11	-	-
	2017-18	6	-	10	-	-
RITES Limited	2018-19	37	-	16	1	-
	2017-18	11	-	9	-	-
India Railways	2018-19	11257	2707	12099	5055	6566
	2017-18	11826	2851	10949	4977	4813
Total	2018-19	12333	2976	12679	5086	8378
	2017-18	12486	2879	11296	4992	5908

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

Numerator	(FY 2018-19)	(FY 2017-18)
Profit after tax as per Profit and Loss Account (Used as Numerator (Rs. in Lakhs))	10980	15617
Denominator		
-Number of Equity Shares (Face value of Rs.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 (Rs./ per share) (Face value of Rs.10/- each)	3.42	4.87
-Diluted Earnings Per Share (Rs. / per share) (Face value of Rs.10/each)	3.42	4.87

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.

(Amount in Lakhs)

Particulars	Provision for Arbitration Claim	Provision for Employee Benefits				Total
		Performance Related Pay	Provision for pension	Provision for Post-Retirement Medical	Provision for Gratuity & Leave Encashment	
Carrying Amount at the beginning of the period	46	1925	906	142	1002	4021
Additional provision made in the period	0	361	406	281	653	1701
Amount utilized/adjusted during the period	0	420	0	0	471	891
Unused amount reversed during the period	0	160	0	0	531	691
Carrying amount at the end of the period	46	1706	1312	423	653	4140

27.1 Contingent liabilities:

Contingent liabilities are determined based on available information. These liabilities are not provided for and are disclosed by way of notes on accounts.

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

(Amount in Lakhs)

Particulars	Service Tax	VAT	Income Tax	DoT	Other	Total
Carrying Amount at the beginning of the period	1475	83	1366	10756	572	14252
Additions during the period	136	176	1630	410	0	2352
Amount adjusted during the period	(120)	(128)	(28)	0	0	(276)
Carrying amount at the end of the period	1491	131	2968	11166	572	16328

27.1 (b) Bank Guarantees given by the Company to Customers/Government as on 31.03.2019 is Rs. 15577 lakhs (PY Rs. 14991lakhs).

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, 2019 and March 31, 2018 is presented below:

(Amount in Lakhs)

Sr. No.	Particulars	2018-19			2017-18		
		Telecom Services	Project Work Services	Total	Telecom Services	Project Work Services	Total
		A	B	A+B	A	B	A+B
1	Segment Revenue						
	Revenue from operations	70641	27964	98605	68556	29829	98385
	Sales/Revenue from Operations	70641	27964	98605	68556	29829	98385
2	Segment Results						
	Profit/Loss before Taxes						
	Segment Operating Income/(Loss)	14649	4396	19045	11700	4703	16403
	Total	14649	4396	19045	11700	4703	16403
	Add/Less: (i) Other Un-allocable expenditure net of un-allocable income			-640			2988
	(ii) Finance cost net of Finance income			-540			-7
	Total Profit before Tax	14649	4396	17865	11700	4703	19384
3	Segment Assets						
	a. Property, Plant & Equipment Assets (Net Blocks)	63621	0	63621	63115	0	63115
	b. Other Assets	58039	10175	68214	57709	15423	73132
	c. Capital CWIP	29990	0	29990	36417	0	36417
	d. Un-allocable assets	0	0	53730	0	0	53228
	Total Assets	151650	10175	215555	157241	15423	225892
4	Segment Liabilities						
	a. Segment Liabilities	70697	10651	81348	83458	12598	96056
	b. Deferred Tax Liabilities	1694	0	1694	877	0	877
	c. Un-allocable Liabilities	0	0	4140	0	0	4021
	Total liabilities	72391	10651	87182	84335	12598	100954

Information about major customers:

Following are the customers who contributed 10% or more to the Company's revenue for year ended on 31st March 2019.

- NICSI-Revenue for the year is Rs. 12225 lakhs (Previous year 13456 lakhs).
- Railways- Revenue for the year is Rs.11257 lakhs (Previous Year 11826 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. 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 6.25% (SBI Rate) has been used for balances as on 31/03/2019.

Financial Instrument

Financial Instruments by Category

The carrying value of financial instruments by each category were as follows: -

(Amount in Lakhs)

Particulars	Financial Assets/ Liabilities at amortised costs		Financial Assets/ Liabilities at FVTPL		Financial Assets/ Liabilities at FVTOCI	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Assets						
Trade Receivables (Refer to Note No. 9)	45,700	46,538	Nil	Nil	Nil	Nil
Investments (Refer to Note No. 8)	Nil	Nil	704	Nil	Nil	Nil
Cash & Cash Equivalents (Refer to Note No. 10 & 11)	33,507	44,484	Nil	Nil	Nil	Nil
Other Financial Assets (Refer to Note No. 5, 12 & 13)	12,163	11,600	Nil	Nil	Nil	Nil
Liabilities						
Trade Payables (Refer to Note No. 21)	26,900	27,408	Nil	Nil	Nil	Nil
Other Financial Liabilities (Refer to Note No. 17 & 22)	16,189	15,831	Nil	Nil	Nil	Nil

Interest Income/(Expenses) recognized on financial assets and liabilities:

(Amount in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets at amortised cost		
Interest income on other financial assets	Nil	Nil
Interest expenses on other financial assets	(161)	(141)
Interest income on other financial liabilities	95	84
Interest expenses on other financial liabilities	Nil	Nil
Financial assets at Fair Value through Profit or Loss (FVTPL)	3	Nil
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 2019 & March 31, 2018 was as follows: -

(Amount in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Gross Carrying Value	Net Value after Impairment	Gross Carrying Value	Net Value after Impairment
Trade Receivables (Refer to Note No. 9)	45,700	45,700	46,538	46,538
Other Financial Assets (Refer to Note No. 5, 12 & 13)	12,163	12,163	11,600	11,600

Financial assets that are past due but not impaired, Trade Receivables, Employee Loans, 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.

The Company has investment in mutual fund and investment held by the Company are exposed to price risk. Hence,

the investment is classified in the Balance Sheet at fair value through profit and loss (FVTPL) and profit the period as a result of gain/loss on investment is classified as FVTPL. However, to manage the price risk, the Company has invested in liquid funds and the level of the investments is insignificant in view of the level of the operation of the Company.

31. IND AS 115 – Revenue from Contracts with Customers

Effective from April 1, 2018, Company adopted Ind AS 115 ‘Revenue from Contract with Customer’. The Standard is applied retrospectively with the cumulative effect of initially applying this standard as an adjustment to the opening balance of retained earnings at the date of initial application.

However, there is no significant impact on the Company due to adoption of revised Ind AS.

Disaggregation of Revenue

The company disaggregates revenue from contract with customer into categories that depicts how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. The following table illustrates the disaggregation of disclosure by primary geographical region, major product line, market or type of customer, type of contract, contract duration, sales channel and timing of revenue recognition in accordance with Ind AS 115.

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.

(Amount in Lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
<u>Geographical Segment</u>		
Pan India	98,605	98,385
Abroad	Nil	Nil
Total	98,605	98,385

(Amount in lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
<u>Major Product Line</u>		
NLD Service	37,197	38,969
ISP Service	16,227	14,783
IP-1 Service	13,722	14,746
Railway Project Works	2915	3489
Other Projects	25,049	26,340
Other Operating Revenue	3,495	58
Total	98,605	98,385

(Amount in lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
<u>Type of Customer</u>		
Government Customers	67789	57934
Non - Government Customers	30816	40451
Total	98,605	98,385

(Amount in lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Type of Contract		
Fixed Price Contracts	95690	94896
Time- and- Materials Con- tracts	2915	3489
Total	98,605	98,385

(Amount in lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Sales Channel		
Direct to Customer	98,605	98,385
Through Intermediaries	Nil	Nil
Total	98,605	98,385

(Amount in lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Duration of Contract		
Short Term	78,049	80,652
Long Term	20,556	17,733
Total	98,605	98,385

Contract Balances

The following table illustrates the disclosure of the opening and closing balances of receivables, contract assets and contract liabilities from contract with customers; revenue recognized in the reporting period that was included in the contract liability balance at the beginning of the period and revenue recognized in the reporting period from performance obligations satisfied (or partially satisfied) in previous period in accordance with Ind AS 115.

Contract Assets

(Amount in Lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Trade Receivable	45700	46538
Unbilled Revenue	8156	6968
Project Work in Progress	-	-
Total	53856	53506

(Amount in lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Contract Liability	13616	32257
Total	13616	32257

Revenue Recognized during the year from the contract liability balance at the beginning

(Amount in lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Revenue Recognized during the year out of contract liability balance at the beginning of the year	14842	19508
Total	14842	19508

Revenue Recognized from performance obligations satisfied partially in Previous Period

(Amount in lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Revenue recognized due to Change in Transaction Price	Nil	Nil
Total	Nil	Nil

The Company has claimed from customer an amount of Rs. 2240 lakhs towards SLA deduction. Further, interest for delayed payment has also been claimed. However, the same has not been recognized in the books of accounts on conservative basis as per Ind AS-115.

Revenue Recognition-

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Income from Telecom Services

Income from Telecom Services include incomes from National Long-Distance services, ILLD, Internet Service, infrastructure provider services such as co-location, dark fiber, tower Space, VPN, Bandwidth etc. Service revenue also includes revenues associated with access and Inter connection for usage of the network of other operators. Corporation's performance Obligation in such kind of contracts is providing infrastructure bandwidth/connectivity as per the agreed norms. Since the customer simultaneously receives and consumed benefit provided by the Corporation's performance as the Corporation's performs, Corporation's transfer control of service overtime and, therefore, satisfies a performance Obligation and recognizes revenue overtime. The Corporation uses output methods to recognize revenue as the output selected faithfully depict the Corporation's performance Towards complete satisfaction of the performance obligation. Since the performance Obligation is being satisfied directly in relation to time, the passage of time is the best Output which would depict the satisfaction of the performance obligation. Generally, payment against provision of such services becomes due as per payment terms, and Fixed transaction price as per contracts with customers, which is generally is on Periodical basis. Warranties are commonly included in arrangements to sell services. They can be explicitly stated, required by law or implied based on the 'RCIL' customary Business practices. The price of a warranty may be included in the overall purchase price or listed separately as an optional product. All the assurance type warranties are Considered as part of primary performance obligation, while the service type warranties Are considered as distinct performance obligation.

The determination of transaction price, its allocation to promised services and allocation of discount or variable consideration (if any) is done based on the contract with the customers. Penalties, if inherent in determination of transaction price, are considered as variable consideration. The transaction price is also allocated separately for the service type warranties.

Income from Projects

Income from Projects include laying of Optical Fiber Cable, installation of Network Operations Center, installation of Indoor/Outdoor Wireless Access Points, Load Balancer, Wi-Fi Access Controller, installation of software, chats, Anti-Virus, Firewalls etc. Corporation's performance obligation in such kind of contracts is installation, testing and commissioning of various equipment as per the agreed norms. Under this type of contract, generally assets are installed at customer's site. However, customer does not have ability to direct the use of, and obtain substantially all of the remaining benefits from, these assets unless they are connected to main server/data center or commissioned properly. Since the customer receives control of the goods and/or service after Successful commissioning of indented facilities, Corporation's transfer control of goods and/or service at a point in time and, therefore, satisfies a performance obligation and Recognizes revenue at a point in time. The Corporation uses output methods to recognize Revenue as the output selected faithfully depict the Corporation's performance towards Complete satisfaction of the performance obligation. Customer's acceptance of Commissioning report is the best output which would depict the satisfaction of the Performance obligation. Generally, payment against provision of such contracts becomes Due as per payment terms, and fixed transaction price as per contracts with customers, which is generally is on milestone basis. Warranties are commonly included in such arrangements. They can be explicitly stated, required by law or implied based on the 'RCIL' customary business practices. The price of a warranty may be included in the Overall purchase price or listed separately as an optional product. All the assurance type Warranties are considered as part of primary performance obligation, while the service Type warranties are considered as distinct performance obligation.

The determination of transaction price, its allocation to promised services and allocation of discount or variable consideration (if any) is done based on the contract with the customers. Penalties, if inherent in determination of transaction price, are considered as variable consideration.

The incremental costs that the Corporation incurs to obtain a contract with a customer that it Would not have incurred if the contract had not been obtained are recognized as an asset if its Recovery is expected and its amortization period is more than one year, all other such costs are recognized as an expense in statement of profit and loss. The incremental cost recognized as an asset is amortized over the period till when such cost is expected to be recovered. Amount so recovered is recognized as revenue in statement of profit and loss.

Subsidy

Revenue from subsidy are accounted for on commissioning of specified projects, if the Entitlements can be estimated with reasonable assurance and conditions precedent to Claim are fulfilled.

32. Recent accounting pronouncements

Ind AS 116 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognizes right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure

requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company is currently evaluating the impact on account of implementation of Ind AS 116 which may have impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortization (EBITDA), Asset coverage, debt equity, interest coverage, etc.

Ind AS 12

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The effect on adoption of Ind AS 12 Appendix C is not considered to be significant.

Amendment to Ind AS 12 – Income taxes: On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, ‘Income Taxes’, in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Ind AS 19

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, ‘Employee Benefits’, in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

33. Proposed Dividend

The Board of Directors have recommended dividend on equity share of Rs. 4620 lakhs at their meeting held on 16th August’2019. As per Companies (Accounting Standard) amendment rules 2016, the dividend will be recorded after approval of shareholders in ensuing Annual General Meeting.

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/-

Sanjeev Jain
Director Finance
(DIN : 08415579)

Sd/-

Puneet Chawla
Chairman and
Managing Director
(DIN: 08303340)

Place New Delhi
Date:16/08/2019

**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 Ltd.
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of RailTel Corporation of India Limited (“the Company”) and its Subsidiary (the company and its subsidiary together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, Consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the company's Annual Report but does not include the Consolidated financial statements and our auditor's report thereon.

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance, Consolidated total comprehensive income, Consolidated changes in equity and Consolidated cash flows of the group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the group are 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; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, the respective board of directors of the companies in the group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the group are responsible for overseeing the financial reporting process of the group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary company incorporated in India has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in such consolidated financial statements.

Materiality is the magnitude of misstatements in the Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Emphasis of Matter

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

- a) Item No. 9 of Note No. 38 regarding reversal of income of Rs. 3655 Lakhs in respect of National Optical Fiber Network (NOFN) project on account of downward revision of Administration Expenses & Establishment charges with retrospective effect.
- b) Item no. 23 of Note no. 38 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.30810 lakhs and has received a subsidy of Rs.3146 lakhs with a net cash outflow of Rs. 27664 lakhs up to 31.03.2019.

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

Other Matters

We did not audit the financial statements / financial information of subsidiary (RailTel Enterprises Ltd.), whose financial statements / financial information reflect total asset of Rs. 8428.66 Lakhs as at 31st March 2019, total revenues of Rs 2267.24 Lakhs and net cash flow amounting to Rs. (25.95) Lakhs for the year ended on that date as considered in the Consolidated Financial Statements. This financial statement / financial information has been audited by other auditors whose report has been furnished to us by the management and our opinion on the Consolidated 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 Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of other auditor.

Our opinion on the Consolidated 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 auditor and the financial statement and financial information certified by 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 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 financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
- c) The Consolidated financial statements i.e. Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including the Consolidated Statement of Other Comprehensive Income, the Consolidated statement of Cash Flow and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of Consolidated Financial Statements;
- d) In our opinion, the aforesaid consolidated 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-B**” to this report, which is based on the auditor’s report of the company and its subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies for reasons stated therein;
- g) With respect to the other matters to be included in the auditor’s report in accordance with the requirement of section 197(16) of the act, as amended:

“In view of the exemption given in terms of Notification No. G.S.R. No. 463(E) 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”.

- h) 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 financial statement discloses impact of pending litigations on the consolidated financial position of the group. Refer Item No. 27.1 to Note no. 38 to the Consolidated Financial Statements;
 - II. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - III. The provision of transferring the amount to the Investor Education and Protection Fund is not applicable to the group.

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

Sd/-
(**Ved Prakash Bansal**)
Partner

M. No: 500369

UDIN: 19500369AAAAAV6365

Place: New Delhi
Date: 16/08/2019

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

S. No.	Directions	Reply
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implication of processing of accounting transactions outside Its system on the integrity of the accounts along with the financial implication, if any may be stated.	Yes, the company has implemented Oracle- ERP system which is processing all the accounting transactions except Railwire activity on Tally platform which are being migrated to Oracle-ERP on periodical basis. Currently, the company is not prone to any such risk and hence, there is no financial implication of it.
2	Whether there are any restructuring of an existing loans or cases of waiver/ write off of debts/ loans/ interest etc. made by a lender to the company due to company’s inability to repay the loan? If yes, the financial impact may be stated.	The company has not availed any loan from any bank or financial institution.
3	Whether funds received / receivable for specific schemes from Central / State agencies were properly accounted for / utilised as per its term and conditions? List the cases of deviation.	The company is in receipt of subsidy in respect of the following project – a) NE-1 & NE-2 project – the company has received subsidy of Rs. 3146 lakhs till 31.03.2019 against the execution of the project. b) Rural Wi-Fi Project – the company is in receipt of subsidy to the tune of Rs. 939 lakhs till 31.03.2019. The said subsidy has been utilised for the project for which it has been received and balance unutilised amount of subsidy has been shown under the head Other Non-Current Liabilities.

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
UDIN: 19500369AAAAAV6365

Place: New Delhi
Date: 16/08/2019

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 financial statements of the company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Railtel Corporation of India Ltd. ("the Company") and its subsidiary company which is incorporated in India as of that date .

Management's Responsibility for Internal Financial Controls

The Board of directors of the company and its subsidiary company which are companies incorporated in India are 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 internal financial controls over financial reporting of the company and its subsidiary company which is incorporated in India, 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 internal financial control over financial reporting of the Company's and its subsidiary company incorporated in India.

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 authorizations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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 and to the best of our information and according to the explanations given to us, the Company and its subsidiary which is incorporated in India, has 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, 2019, based on the internal control over financial reporting criteria established by the respective companies 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
UDIN: 19500369AAAAAV6365

Place: New Delhi
Date: 16/08/2019

रेलटेल
RAILTEL

A Mini Ratna Enterprise

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. 2018-19	F.Y. 2017-18
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	01.04.2018 to 31.03.2019 (same as Holding Company)	01.04.2017 to 31.03.2018 (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	533.74	354.22
6.	Total assets	8428.66	7187.22
7.	Total Liabilities	6894.92	5833.00
8.	Investments	Nil	Nil
9.	Turnover	2267.24	738.54
10.	Profit before taxation	251.59	229.87
11.	Provision for taxation	72.07	70.87
12.	Profit after taxation	179.52	158.99
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

Sd/-

Ved Prakash Bansal
M.No. 500369
Place New Delhi
Date: 16/08/2019

Sd/-

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

Sd/-

Sanjeev Jain
Director Finance
(DIN : 08415579)

Sd/-

Puneet Chawla
Chairman and Managing Director
(DIN: 08303340)

RailTel Corporation of India Limited

Consolidated Balance Sheet as at 31.03.2019

(Amount in Lakhs)

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
ASSETS			
NON CURRENT ASSETS			
Property, Plant and Equipments	2	78,599	68,436
Capital Work-in-Progress	3	29,990	36,417
Intangible Assets	2	396	364
Financial Assets			
Investment	4	-	-
Loans and Advances	5	347	377
Other Non Current Assets	6	3,118	9,886
CURRENT ASSETS			
Inventories	7	87	-
Financial Assets			
Investment	8	704	-
Trade Receivables	9	45,841	46,668
Cash and Cash Equivalents	10	7,102	7,284
Other Bank Balances	11	33,642	43,639
Loans and Advances	12	431	252
Other Current Financial Assets	13	11,917	11,218
Current Tax Assets (Net)	14	3,273	2,209
Other Current Assets	15	7,317	5,138
TOTAL ASSETS		2,22,764	2,31,888
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	32,094	32,094
Other Equity		96,812	93,200
LIABILITIES			
NON CURRENT LIABILITIES			
Financial Liabilities			
Borrowings		-	-
Other Non Current Financial Liabilities	17	1,331	9,048
Provisions	18	469	185
Deferred Tax Liabilities (net)	19	1,694	874
Other Non Current Liabilities	20	11,210	26,026
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings		-	-
Trade Payables		-	-
Total outstanding dues of micro enterprises and small enterprises		3,591	1,773
Total outstanding dues of creditors other than micro enterprises and small enterprises	21	23,298	25,837
Other Current Financial Liabilities	22	15,272	6,837
Provisions	23	3,671	3,836
Other Current Liabilities	24	33,322	32,178
TOTAL EQUITY AND LIABILITIES		2,22,764	2,31,888

Significant Accounting Policies

Note No 1

The accompanying notes referred to above form an integral part of financial statement (from Note No 2 to 38)

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: 16/08/2019

Sd/-

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

Sd/-

Sanjeev Jain
Director Finance
(DIN : 08415579)

Sd/-

Puneet Chawla
Chairman and Managing Director
(DIN: 08303340)

RailTel Corporation of India Limited

Consolidated Statement of Profit and Loss for the year ended 31.03.2019

(Amount in Lakhs)

Particulars	Notes No.	For Year Ended 31st March 2019	For Year Ended 31st March 2018
Income			
Revenue from operations	25	1,00,326	98,681
Other Income	26	3,520	4,290
Finance Income	27	(20)	153
Total Income		1,03,826	1,03,124
Expenses			
Access and other Charges	28	26,352	25,008
License fee and spectrum charges	29	4,599	4,734
Expenses on Project	30	24,941	25,331
Employee Benefits Expenses	31	11,202	11,800
Administrative & Other Expenses	32	2,714	4,316
Corporate Social Responsibility		303	76
Depreciation and amortisation	33	11,158	11,864
Finance Expenses	34	789	381
Total Expenses		82,058	83,510
Profit before tax and Exceptional Item		21,768	19,614
Exceptional Items	35	(3,655)	-
Profit before tax		18,113	19,614
Tax expenses			
Current tax		5,807	7,943
Deffered tax	36	819	(1,083)
Tax impact of earlier years		330	(3,023)
Profit for the period		11,157	15,777
Net Profit attributable to			
a) Owners of the company	A	11,157	15,777
b) Non Controlling Interest		-	-
Other comprehensive income(OCI):			
i Items that will not be reclassified to Profit & Loss			
Remeasurement losses on defined benefit plans	37	(21)	(321)
Income tax relating to item that will not be reclassified to Profit & Loss		7	111
ii Items that will be reclassified to Profit & Loss			
Other comprehensive income/(Loss)	B	(14)	(210)
Total comprehensive income for the period (A+B)		11,143	15,567
Earning per Equity Share of Rs 10/- each			
(a) Basic		3.48	4.92
(b) Diluted		3.48	4.92

Significant Accounting Policies

Note No 1

The accompanying notes referred to above form an integral part of financial statement (from Note No 2 to 38)

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: 16/08/2019

Sd/-

J S Marwah
Company Secretary
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Sanjeev Jain
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(DIN : 08415579)

Sd/-

Puneet Chawla
Chairman and Managing Director
(DIN : 08303340)

RailTel Corporation of India Limited

Consolidated Statement of Changes in Equity for the year ended 31.03.2019

A. EQUITY SHARE CAPITAL

(Amount in Lakhs)

As on 01.04.2017	32,094
Change in Equity Share Capital during the Period	-
As on 31.03.2018	32,094
As on 01.04.2018	32,094
Change in Equity Share Capital during the Period	-
As on 31.03.2019	32,094

B. OTHER EQUITY

Particulars	Retained Earnings	General Reserve	Corporate Social Development Reserve, Sustainable Development Reserve	Self Insurance Reserve	Total Equity
Balance as at 1st April 2017	43,713	40,000	122	-	83,835
Add: Total Comprehensive Income for the year ending on 31st March 2018	15,567				15,567
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 for the F.Y. 2016-17	(3,353)				(3,353)
Less: Tax on Final Dividend for the F.Y. 2016-17	(683)				(683)
Less: Transfer to General Reserve	(4,000)	4,000			-
Balance as at 31st March 2018	49,078	44,000	122	-	93,200
Opening balance as on 1st April 2018	49,078	44,000	122	-	93,200
Add: Total Comprehensive Income for the year ending on 31st March 2019	11,143				11,143
Less: Interim dividend for the F.Y. 2018-19	(1,800)				(1,800)
Less: Tax on Interim Dividend for the F.Y. 2018-19	(370)				(370)
Less: Final Dividend Paid (2017-18)	(4,447)				(4,447)
Less: Dividend Distribution Tax on Final Dividend Paid (2017-18)	(914)				(914)
Add: Transfer from Corporate Social Development Reserve, Sustainable Development Reserve as approved by the Board	122		(122)		-
Add: Transfer to Self Insurance Reserve (Refer to item no. 7 of Note no. 38)	(109)			109	-
Less: Transfer to General Reserve	(4,000)	4,000			-
Balance as at 31st March 2019	48,703	48,000	-	109	96,812

Significant Accounting Policies

Note No 1

The accompanying notes referred to above form an integral part of financial statement (from Note No 2 to 38)

As per our report of even date attached

For M/s Suresh chandra & Associates
Chartered Accountants

FRN 001359N

Sd/-

Ved Prakash Bansal
M.No. 500369
Place New Delhi
Date: 16/08/2019

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

Sd/-

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

Sd/-

Sanjeev Jain
Director Finance
(DIN : 08415579)

Sd/-

Puneet Chawla
Chairman and Managing Director
(DIN: 08303340)

RailTel Corporation of India Limited

Consolidated Cash Flow Statement for the year ended March 31, 2019

(Amount in Lakhs)

Particulars	For the period ended March 31, 2019	For the period ended March 31, 2018
Profit for the period	18,113	19614
Adjustments for:		
Depreciation and Amortisation Expense	11,158	11864
Amortisation of Deferred Govt Grant	(132)	(58)
Other Comprehensive Income	(14)	(210)
Provision for doubtful debts (net)	(29)	(359)
Interest income (considered separately)	(2,854)	(3,492)
Operating profit/(loss) before working capital changes	26,242	27359
(Increase)/decrease in Trade Receivables	856	(8,890)
(increase)/decrease in Loans and security Deposit	31	(6)
(increase)/decrease in Other Non Currents Assets	218	(1,393)
(increase)/decrease in Inventories	(87)	22
(increase)/decrease in Short term investment	(704)	0
(increase)/decrease in Short terms Loans and Security Deposit	(179)	(138)
(increase)/decrease in Other Financial Assets	(566)	1674
(Increase)/decrease in Other Current Tax Assets	(1,064)	(289)
(Increase)/decrease in Other Current Assets	(2,179)	(716)
Increase/(decrease) in Other Non Financial Liabilities	(7,717)	5150
Increase/(decrease) in Other Non Current Financial Liabilities	(14,467)	(5,546)
Increase/(decrease) in Trade Payables	(721)	5290
Increase/(decrease) in Other Financial Liabilities (Current)	8,434	(2,931)
Increase/(decrease) in Short Term Provisions	(165)	1693
Increase/(decrease) in Other Non Financial Liabilities (Current)	1,010	(12,187)
Net cash generated from Operation before Tax	8,942	9092
Income Tax Paid	6,137	5045
Net cash generated from Operating Activities	2,805	4047
Cash Flow from Investing Activities		
Investment in Subsidiary	-	0
Purchase of Property, Plant and Equipment	(14,925)	(11,718)
Capital Advances	6,550	(1,579)
Interest income received	2,721	4034
Subsidy received	201	739
Increase in Term Deposit	9,997	8680
Net cash used in Investing Activities	4,544	156

Cash Flow from Financing Activities		
Increase/(decrease) in short-term borrowings		
Dividend paid	(6,247)	(5,153)
Dividend Distribution Tax Paid	(1,284)	(1,049)
Net cash generated from / (used in) financing activities	(7,531)	(6,202)
Effect of exchange difference on translation of cash and cash equivalents		
Net increase /(decrease) in cash and cash equivalents during the year	(182)	(1,999)
Cash and cash equivalents at the beginning of the year	7,284	9283
Cash and cash equivalents at the end of the year	7,102	7284

Significant Accounting Policies

Note No 1

The accompanying notes referred to above form an integral part of financial statement (from Note No 2 to 38)

(Amount in Lakhs)

1. Cash and Cash Equivalents include the following Balance Sheet amounts		
(i) Cash and Cash Equivalent (Maturity <= 3 Months)		
a. Flexi Deposits	315	355
b. Deposits with Banks for Ex-Gratia	0	40
(ii) Balances with Scheduled Bank		
a. In Current A/c	926	1645
b. In Collection A/c	5,846	5234
c. In Imprest A/c	15	10
Total	7,102	7284

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 2018-19 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	387	257	130
Total	387	257	130

Details of amount spent on CSR activities during the current year in relation to earlier years is given hereunder:

Particulars	Unpaid amount as on 01.04.2018	Amount Paid	Amount yet to be paid
Construction/Acquisition of any asset	Nil	Nil	Nil
On any other purpose	344	46	298
Total	344	46	298

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/-

Sanjeev Jain
Director Finance
(DIN : 08415579)

Sd/-

Puneet Chawla
Chairman and Managing
Director
(DIN: 08303340)

Place New Delhi
Date: 16/08/2019

Significant Accounting Policy

Note No. – 1

A. 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: -

- a. 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.
- b. Data Centre Services - RailTel has its own Data Centers at Secunderabad and Gurugram.
- c. Retail Broadband - Rail Wire is a retail Broadband initiative of the RailTel.
- d. Leased Line Service
- e. Virtual Private Network Service
- f. Internet Leased Line Service
- g. Rack and Space Collocation Service
- h. Tower Co-location Service

B. Summary of Significant Accounting Policies as per Ind-AS

1. 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.

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%

2. 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.

2A. Critical Accounting Estimates and Management Judgements

In application of the accounting policies, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is stated here under:

Property, Plant and Equipment (PPE)

The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

Current tax

Calculations of income taxes for the current period are done based on applicable tax laws and management’s judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Deferred Tax Assets

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained/ recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Impairment of Trade Receivables

The impairment assessment for trade receivables are done based on assumptions about risk of default and expected loss. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

Impairment of Non-financial assets (PPE)

The impairment assessment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined Benefit Plans and Other long-term employee benefits

The cost of the defined benefit plan and other long term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

3. 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.

4. 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.

5. Property Plant and Equipment's (PPE)

- a) 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.
- b) 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.
- c) 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.
- d) 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.
- e) 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.
- f) 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.
- g) Fixed assets under construction and cost of assets not put to use before the year end, are disclosed as capital work in progress.
- h) 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.
- i) 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.

Sr No	Name of Assets	Main asset/Component	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 Building	Main Assets	Period of Lease
4	Freehold Building	Main Assets	60 Years, 1.67%
5	Leasehold Improvements	Main Assets	Period of lease
6	Prefabricated Building	Main Assets	15 Year 6.67%
7	Computer	Main Assets	3 Year 31.67%

8	Office Equipment's	Main Assets	5 Year 19%
9	Software-ERP	Main Assets	5 Year with 20%
10	Furniture	Main Assets	10 Year 9.5%
11	Licenses	Main Assets	Period of license
12	ERP Hardware	Main Assets	6 Year 15.83%
13	Vehicle	Main Assets	8 Year 11.875%
14	Temporary Fixtures	Main Assets	Fully Depreciated
15	Telecom Equipment's	Main Assets	8 Year. 12.5%
16	Last Mile/Access Equipment's	Main Assets	8 Year. 12.5%
	Radio/Access Switches	Component	3 Year 33.33%
17	Power Plant Equipment's	Main Assets	8 Year. 12.5%
	Battery	Component	5 Year. 20%
18	Data Centre	Main Assets	8 Year. 12.5%
	Data Centre infrastructure	Component	13 Year. 7.31%
19	Other Infrastructure	Main Assets	8 Year. 12.5%
	Data Network	Main Assets	8 Year. 12.5%

6. Intangible Assets

- a) 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.
- b) 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.
- c) 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.

7. 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 105 "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.

8. 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.

9. 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. Infeasible Right to Use ('IRU')-The Company enters into agreement for leasing assets (capacity) under "Infeasible 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.

10. 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.

11. 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.

12. 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.

13. Revenue Recognition and Receivables

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Income from Telecom Services

Income from Telecom Services include incomes from National Long Distance services, Internet Service, infrastructure provider services such as co-location, dark fiber, Tower Space etc. Service revenue also includes revenues associated with access and Inter connection for usage of the network of other operators. Corporation's performance Obligation in such kind of contracts is providing infrastructure bandwidth/connectivity as per the agreed norms. Since the customer simultaneously receives and consumed benefit provided by the Corporation's performance as the Corporation's performs, Corporation's transfer control of service overtime and, therefore, satisfies a performance obligation and recognizes revenue overtime. The Corporation uses output methods to recognize revenue as the output selected faithfully depict the Corporation's performance towards complete satisfaction of the performance obligation. Since the performance obligation is being satisfied directly in relation to time, the passage of time is the best output which would depict the satisfaction of the performance obligation. Generally payment against provision of such services becomes due as per payment terms, and fixed transaction price as per contracts with customers, which is generally is on periodical basis. Warranties are commonly included in arrangements to sell services. They can be explicitly stated, required by law or implied based on the 'RCIL' customary business practices. The price of a warranty may be included in the overall purchase price or listed separately as an optional product. All the assurance type warranties are considered as part of primary performance obligation, while the service type warranties are considered as distinct performance obligation.

The determination of transaction price, its allocation to promised services and allocation of discount or variable consideration (if any) is done based on the contract with the customers. Penalties, if inherent in determination of transaction price, are considered as variable consideration. The transaction price is also allocated separately for the service type warranties.

Income from Projects

Income from Projects include laying of Optical Fiber Cable, installation of Network Operations Center, installation of Indoor/Outdoor Wireless Access Points, Load Balancer, Wi-Fi Access Controller, installation of software, chats, Anti-Virus, Fire walls etc. Corporation's performance obligation in such kind of contracts is installation, testing and commissioning of

various equipment as per the agreed norms. Under this type of contract, generally assets are installed at customer's site. However, customer does not have ability to direct the use of, and obtain substantially all of the remaining benefits from, these assets unless they are connected to main server/data center or commissioned properly. Since the customer receives control of the goods and/or service after Successful commissioning of indented facilities, Corporation's transfer control of goods and/or service at a point in time and, therefore, satisfies a performance obligation and Recognizes revenue at a point in time. The Corporation uses output methods to recognize Revenue as the output selected faithfully depict the Corporation's performance towards Complete satisfaction of the performance obligation. Customer's acceptance of Commissioning report is the best output which would depict the satisfaction of the Performance obligation. Generally payment against provision of such contracts becomes due as per payment terms, and fixed transaction price as per contracts with customers, Which is generally is on milestone basis. Warranties are commonly included in such arrangements. They can be explicitly stated, required by law or implied based on the 'RICL' customary business practices. The price of a warranty may be included in the Overall purchase price or listed separately as an optional product. All the assurance type Warranties are considered as part of primary performance obligation, while the service Type warranties are considered as distinct performance obligation.

The determination of transaction price, its allocation to promised services and allocation of discount or variable consideration (if any) is done based on the contract with the customers. Penalties, if inherent in determination of transaction price, are considered as variable consideration. The transaction price is also allocated separately for the service type warranties.

The incremental costs that the Corporation incurs to obtain a contract with a customer that it Would not have incurred if the contract had not been obtained are recognized as an asset if its Recovery is expected and its amortization period is more than one year, all other such costs Are recognized as an expense in statement of profit and loss. The incremental cost recognized as an asset is amortized over the period till when such cost is expected to be recovered. Amount so recovered is recognized as revenue in statement of profit and loss.

Subsidy

Revenue from subsidy are accounted for on commissioning of specified projects, if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

14. 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 ageing 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.

15. 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.

16. 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.

17. 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.

iv) 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.

18. 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.

19. 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.

20. Taxes

a) 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.

b) 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.

c) 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.

21. 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.

22. 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.

23. 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.

24. 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.

25. 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.

26. 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.

27. 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.

28. 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.

29. 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.

30. 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.

Note 2. Property Plant & Equipment

(Amount in Lakhs)

Particulars	Freehold Land	Leasehold Land	Building	Prefabricated Building	Plant & Machinery	Leasehold Improvements	ERP Hardware	Computers	Furniture & Fixtures	Vehicles	Office Equipments	Total	Licenses	Software	Total	
Year ended 31st March 2018																
Gross Carrying amount																
Cost as at 1st April 2017	253	1,512	4,119	1,433	141,462	1,194	222	841	321	39	735	152,131	546	423	969	
Additions	-	96	150	2	10,800	33	-	73	24	-	61	11,239	-	41	41	
Disposal	-	-	-	-	-	-	-	(48)	-	-	(5)	(53)	-	-	-	
Transfer/Adjustments	(30)	30	-	-	(8)	10	-	(0)	(10)	-	0	(8)	(16)	12	(4)	
Closing Gross Carrying amount (31.03.2018)	223	1,638	4,269	1,435	152,254	1,237	222	866	335	39	791	163,309	530	476	1,006	
Accumulated Depreciation/ amortisation																
Accumulated Depreciation as at 1st April 2017	-	44	1,239	1,346	78,409	639	120	689	203	23	492	83,204	239	266	505	
Charge during the year	-	18	354	7	11,012	113	30	91	16	4	82	11,727	16	121	137	
Disposal	-	(0)	0	(0)	0	-	0	(48)	0	(0)	(5)	(53)	(1)	1	(0)	
Transfer/Adjustments	-	-	195	-	(5)	(185)	-	-	(10)	-	-	(5)	-	-	-	
Closing accumulated depreciation/ amortisation (31.03.2018)	-	62	1,788	1,353	89,416	567	150	732	209	27	569	94,873	254	388	642	
NET CARRYING AMOUNT- 31.03.2018	223	1,576	2,481	82	62,838	670	72	133	126	12	222	68,436	276	88	364	
Year ended 31st March 2019																
Gross Carrying amount																
Cost as at 1 Apr 2018	223	1,638	4,269	1,435	152,254	1,237	222	866	335	39	791	163,309	530	476	1,006	
Additions	-	-	9,898	1	11,604	-	-	50	3	-	44	21,600	-	40	40	
Disposal	-	-	-	-	(48)	-	-	(11)	-	-	(3)	(62)	-	-	-	
Transfer/adjustments	-	(238)	(1)	(0)	(27)	1	-	(0)	0	-	(0)	(265)	-	(0)	(0)	
Closing Gross Carrying amount (31.03.2019)	223	1,400	14,166	1,436	163,783	1,238	222	905	338	39	832	184,582	530	516	1,046	
Accumulated Depreciation/ amortisation																
Accumulated Depreciation as at 1st April 2018	-	62	1,788	1,353	89,416	567	150	732	209	27	569	94,873	254	388	642	
Charge during the year	-	13	(292)	7	11,112	110	30	72	17	4	76	11,149	(63)	71	8	
Disposal	-	-	-	-	(27)	-	-	(10)	-	-	(2)	(39)	-	-	-	
Transfer/adjustments	-	0	20	0	0	(20)	0	(0)	(0)	(0)	(0)	(0)	0	0	0	
Closing accumulated depreciation/ amortisation (31.03.2019)	-	75	1,516	1,360	100,501	657	180	794	226	31	643	105,983	191	459	650	
NET CARRYING AMOUNT- 31.03.2019	223	1,325	12,650	76	63,282	581	42	111	112	8	189	78,599	339	57	396	

Note 3. Capital Work in Progress

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
NE-1	6,225	7,567
NE-2	17,756	20,327
OFC Laying Works	2,137	1,822
MPLS, STM, Other Telecom Radio Equipment, Data Centre & OSS/BSS	2,578	4,486
Capital Stores lying at project site	1,012	1,966
Building	166	115
Rural Wi-Fi	80	131
Others	36	3
Total	29,990	36,417

NON CURRENT ASSETS

Note 4. Investment (At amortised cost)

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Long Term Investments-at Cost		
Trade (Unquoted)		
Total Carrying Value	-	-

Note 5. Loans and Advances

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured unless stated otherwise		
Security Deposits		
Considered Good	347	377
Loans and Receivables which have significant risk increase in credit risk	-	-
Loans and Receivables credit impaired	-	-
Total	347	377

Note 6. Other Non Current Assets

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured Considered Good unless stated otherwise		
Capital Advances		
Considered Good	210	6,760
Other		
Lease prepayment/Prepaid Expenses	2,908	3,126
Total	3,118	9,886

CURRENT ASSETS

Note 7. Inventories (Valued at lower of cost or net realisable value) (Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Inventory (Consumables for O&M Work)	87	-
Total	87	

Note 8. Investment (At fair value through Profit & Loss Account) (Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Mutual Fund (Unquoted)	704	-
Total	704	

Aggregate Value of quoted investments	-	-
Market value of quoted investments	-	-
Aggregate Value of unquoted investments	701	-
Market value of unquoted investments	704	-
Aggregate value of impairment of investments	-	-

Note 9. Trade Receivables (Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, Unless Stated Otherwise		
Telecommunication Business		
Considered Good	37,273	33,525
Considered Doubtful	2,995	3,024
Total	40,268	36,549
Less: Provision for Bad & Doubtful Receivables	2,995	3,024
Trade Receivables (Telecommunications)	37,273	33,525
Project works		
Considered Good	8,568	13,143
Considered Doubtful	-	-
Total	8,568	13,143
Less: Provision for Bad & Doubtful Receivables	-	-
Trade Receivables (Project Works)	8,568	13,143
Trade Receivables which have significant risk increase in credit risk	-	-
Trade Receivables credit impaired	-	-
Total	45,841	46,668

Movement of Provision for bad and doubtful debt

Balance at the beginning of the year	3,024	3,383
Add: Additional provision during the year	132	512
Less: Provision written back/adjusted during the year	160	871
Balance at the end of the year	2,995	3,024

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Note 10. Cash and Cash Equivalents

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Cash and Cash Equivalent (Maturity<= 3 Months)		
a. Flexi Deposits	315	355
b. Deposits with Banks for Ex-Gratia	0	40
(ii) Balances with Scheduled Bank		
a. In Current A/c	926	1,645
b. In Collection A/c	5,846	5,234
c. In Imprest A/c	15	10
Total	7,102	7,284

Note 11. Other Bank Balances

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
BG Margin Money A/c*	413	336
In Term Deposit (Having original maturity of more than 3 months but less than 12 months)**	33,179	43,303
Deposits with Banks for Ex-Gratia	50	-
Total	33,642	43,639

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

** Balance in Term deposit includes FDR's from VSS project funds of Rs. 51.36 crores.

Note 12. Loans and Advances

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, Considered Good Unless Stated Otherwise		
Advances to Employee	61	36
Security Deposit	370	216
Loans and Receivables which have significant risk increase in credit risk	-	-
Loans and Receivables credit impaired	-	-
Total	431	252

Note 13. Other Current Financial Assets

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, Considered good unless stated otherwise		
Accrued interest on term deposit	1,770	1,637
Recoverable from Railways	1,748	2,410
Unbilled Revenue	8,311	6,968
EMD Deposited	88	203
Total	11,917	11,218

Note 14. Current Tax Assets (Net)

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Income Tax/TDS	3,273	2,209
Total	3,273	2,209

Note 15. Other Current Assets

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Advances recoverable in cash or in kind for value to be received	652	574
Indirect Tax Credit Available	5,497	3,784
Others *	254	185
Advance Indirect Tax	562	344
Prepaid expenses	332	251
Project Work in Progress (DRDO)	20	-
Total	7,317	5,138

*The Company has deposited a sum of Rs 379 lakhs with the Department of Telecommunication, under protest, on account of DoT share interest income and penalty. The company had 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. Presently this case is pending before Supreme Court.

Note No. -16 Equity Share capital

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Authorized Share Capital		
Equity Shares		
1,00,00,00,000 equity shares of Rs 10 each	100,000	100,000
Issued, Subscribed and fully paid-up shares		
1,50,00,007 equity shares of Rs 10 each in Cash	1,500	1,500
30,59,38,400 equity shares of Rs 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 2019			
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 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

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 Rs 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 31st March 2019	As at 31st March 2018
	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 31st March 2019	As at 31st March 2018
	Number	305,938,400	305,938,400
Ministry of Railways (in the name of President of India)	%	100	100

NON CURRENT LIABILITIES

Note 17. Other Non Current Financial Liabilities

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured		
Security Deposit	480	3,157
Retention Money	439	5,891
Finance Lease Obligation	412	-
Total	1,331	9,048

Note 18. Provisions

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for Post Retirement Medical Benefit	423	139
Provision for Arbitration Claim	46	46
Total	469	185

Note 19. Deferred Tax Liabilities (Net)

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred Tax Liabilities		
Depreciation claimed as deduction under Income Tax Act but chargeable in the statement of profit and loss in future years	3,255	3,162
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	1,047	1,057
Preliminary Expenses chargeable in the statement of profit and loss claimed as deduction under Income Tax Act in future years	-	3
Expenditure to be allowed on payment basis under Income Tax Law/Provisions	514	1,228
Total	1,694	874

Note 20. Other Non Current Liabilities

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred Revenue and Advance from Customers*	4,207	17,415
Deferred Revenue from Government Grant		
NE 1 & NE 2***	1,409	307
Rural WiFi***	277	-
Advances from Railways**	3,271	4,813
Government Grant		
Subsidy of NE-1 & NE-2***	1,468	2,752
Rural WiFi Subsidy***	578	739
Total	11,210	26,026

*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. 38 regarding receipt of capital grant/subsidy.

CURRENT LIABILITIES

Note 21. Trade Payables

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Trade Payables		
Micro and Small Enterprises	3,591	1,773
Other than Micro and Small Enterprises		
Revenue Share Payable to Indian Railway	5,055	4,977
Towards purchase of Goods and Services	18,221	20,836
Amount Payables to DoT	22	24
Total	26,889	27,610

Note 22. Other Current Financial liabilities

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Security Deposits	3,312	466
Retention Money	10,797	5,393
EMD Payable	675	978
Expense payable	337	-
Finance Lease Obligation	136	-
Interest Accrued but not due on Noida Instalment	15	-
Total	15,272	6,837

Note 23. Provisions

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Provisions for Employee Benefits		
Provision for Post Retirement Medical Benefit	-	3
Provision for Pension	1,312	906
Provision for Gratuity & Leave Encashment	653	1,002
Provision for PRP	1,706	1,925
Total	3,671	3,836

Note 24. Other Current Liabilities

(Amount in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred Revenue and Advance from Customers*	12,572	14,864
Advances VSS Project	5,000	5,000
Advance for Railway Deposits#	3,295	-
Advance-Others**	8,255	7,889
Project Control Account (VSS)##	259	221
Deferred Revenue from Government Grant		
NE 1 & NE 2***	119	30
Rural WiFi ***	45	-
Payable to Others	3,777	4,174
Total	33,322	32,178

*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. Refer Point no. 9 of Note no. 38 on Exceptional Item

*** Refer item no. 23 of Note no. 38 regarding Government Grant/Subsidy

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

During the year. The Company segregated the Opening balance of advance received against VSS project (Rs. 50 crore) and interest accrued (Rs. 2.21 crore) in accordance with the agreement. Now with effect from current year, the interest accrued is adjusted/credited back to the project control A/c in accordance with the contract.

Note 25. Revenue from operations

(Amount in Lakhs)

Particulars	For Period Ended 31st March 2019	For Period Ended 31st March 2018
Income from Telecom Services		
NLD Services	37,197	38,969
ISP Services	16,227	14,783
IP-1 Services	13,722	14,746
Income from Projects		
Railways Project Works	2,915	3,489
Other Projects	26,770	26,636
Other Operating Revenue (Refer item no. 8 of Note no. 38)	3,495	58
Total	100,326	98,681

Note 26. Other income

(Amount in Lakhs)

Particulars	For Period Ended 31st March 2019	For Period Ended 31st March 2018
Interest Income		
Interest Income on deposits with Bank*	2,833	3,492
Interest on Income Tax Refunds	22	-
Other Non Operating Income		
Miscellaneous Income	319	452
Income on Mutual Funds	82	68
Gain on Fair Valuation of Mutual Funds	3	-
Liabilities/Provision written back	246	278
Gain on foreign Exchange transaction	15	0
Total	3,520	4,290

* Interest income includes Rs. 3.72 crore as interest income on VSS project funds.

Note 27. Finance Income

(Amount in Lakhs)

Particulars	For Period Ended 31st March 2019	For Period Ended 31st March 2018
Reversal of Discounting impact of Assets as on 31/03/2017		294
Discounting Impact of Security Deposits Assets 17-18		(141)
Reversal of Discounting impact of Assets as on 31/03/2018	141	
Discounting Impact of Assets 2018-19	(161)	
Total	(20)	153

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Note 28. Access & Other Charges

(Amount in Lakhs)

Particulars	For Period Ended 31st March 2019	For Period Ended 31st March 2018
Operation & Maintenance of Fiber & Equipment	6,138	6,158
Share of Revenue with Konkan Railway	17	28
Hire Charges Radio Modem/Optic Fibers and Internet Access	5,558	4,649
Interconnect & Port charges	583	732
Railwire Expenses	6,844	6,469
Rent	265	297
Power & Fuel Expenses on network	4,104	3,911
Revenue Share to Railways	2,843	2,764
Total	26,352	25,008

Note 29. License fee and Spectrum charges

(Amount in Lakhs)

Particulars	For Period Ended 31st March 2019	For Period Ended 31st March 2018
Licence Fee to DoT (Revenue Share)	4,521	4,501
Spectrum Charges to DoT	78	233
Total	4,599	4,734

Note 30. Expenses on Project

(Amount in Lakhs)

Particulars	For Period Ended 31st March 2019	For Period Ended 31st March 2018
Expenses on Railway Projects	2,707	2,851
Expenses on Projects (Other Than Railway)	20,488	20,619
Allocation of Employee Benefit Expenses (Refer Note No. 31)	1,091	1,163
Allocation of Administrative & Other Expenses (Refer Note No. 32)	655	698
Total	24,941	25,331

Note 31. Employee Benefits Expenses

(Amount in Lakhs)

Particulars	For Period Ended 31st March 2019	For Period Ended 31st March 2018
Salaries & Wages	11,700	12,361
Contribution to Provident fund	572	578
Staff welfare expenses	21	24
Less: Allocation of Expenses to Projects (Refer to Note no. 30)	1,091	1,163
Total	11,202	11,800

Note 32. Administrative & Other Expenses

(Amount in Lakhs)

Particulars	For Period Ended 31st March 2019	For Period Ended 31st March 2018
<u>Auditor Remuneration</u>		
As Auditor	18	18
As Tax Auditors	6	6
Books & Periodicals	3	2
Communication Expenses	106	126
Conveyance Expenses	27	32
Bank Charges & Commission	10	10
Legal & Professional Expenses	382	568
Insurance	42	7
Rates & Taxes	85	78
Rent	1,254	1,443
Repair & Maintenance – Others	243	555
Tender Expenses.	63	149
Training & Recruitment Expenses	58	51
Travelling Expenses	311	419
Printing & Stationary Expenses	58	66
Vehicle Hire charges	272	272
Inspection Charges	-	15
Business promotion Expenses	57	120
Other Miscellaneous Expenses	241	260
Loss on sale of Fixed Assets	1	1
Interest Expenses	-	4
Provision for Bad and Doubtful Debts	132	512
Research and Development expenses	-	200
Loss on foreign Exchange transactions	-	100
Less:- Allocation of Expenses to Project (Refer to Note no. 30)	655	698
Total	2,714	4,316

Note 33. Depreciation and Amortisation

(Amount in Lakhs)

Particulars	For Period Ended 31st March 2019	For Period Ended 31st March 2018
Depreciation on tangible Assets	11,150	11,727
Amortization on Intangible Assets	8	137
Sub Total	11,158	11,864

Note 34. Finance Expenses

(Amount in Lakhs)

Particulars	For Period Ended 31st March 2019	For Period Ended 31st March 2018
Reversal of Discounting impact of Liability as on 31/03/2017		
a. Security Deposit		32
b. Retention Money		212
Discounting impact of Liability 2017-18		(84)
Reversal of Discounting impact of Liability as on 31/03/2018	84	
Discounting impact of Liability 2018-19	(95)	
Finance charge on Instalment of Noida land	531	-
Finance Charges on VSS Project*	269	221
Total	789	381

* Interest income (Net of Corporate Tax) from VSS project FDRs is transferred to VSS project funds.

Note 35. Exceptional Items

(Amount in Lakhs)

Particulars	For Period Ended 31st March 2019	For Period Ended 31st March 2018
Exceptional Item (NOFN) *	(3,655)	-
* Refer point No. 9 of Note No. 38		
Total	(3,655)	

Note 36. Tax Expenses

(Amount in Lakhs)

Particulars	For Period Ended 31st March 2019	For Period Ended 31st March 2018
Current Tax (Income Tax)	5,807	7,943
Tax impact of earlier Years	330	(3,023)
Deferred Tax Asset	819	(1,083)
Total	6,956	3,837

Note 37. Other comprehensive income(OCI)

(Amount in Lakhs)

Particulars	For Period Ended 31st March 2019	For Period Ended 31st March 2018
Items that will not be reclassified to Profit & Loss		
Remeasurement Gain/losses on defined benefit plans	(21)	(321)
Income tax relating to item that will not be reclassified to Profit & Loss	7	111
Other comprehensive income/(Loss)	(14)	(210)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2018-19

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. Figures have been rounded off to nearest Rupees in lakhs. Previous year's figures, wherever necessary, have been rearranged/regrouped to conform the presentation of the Current year.
4. License fee to DOT and Railways Revenue Share computed at prescribed rate of 8% and 7% respectively.
5. Employees benefit expenses and administrative expenses are apportioned to project works based on 5% and 3% respectively of expenses incurred on each project work.
6. 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.
7. During the year, Management has decided to create Self-Insurance Reserve @ 0.12% on the Gross Block of Property, Plant & Equipment's installed at PoPs and customer premises to meet future losses which may arise from un-insured risks.
8. In terms of contractual Clause of agreement, if the customer terminates the services of the link during minimum subscription period, RailTel shall refund or adjust (against the future orders) the already paid IRU charges after deducting the termination penalty. Accordingly, RailTel has deducted the termination penalty of Rs.3364 lakhs during the year and has been recognized as other operating revenue.
9. In case of work of National Optical Fiber Network (NOFN) Project executed on behalf of Bharat Broadband Network Limited (BBNL) for connecting the gram panchayat, income was recognized on the basis of terms of agreement executed between the two companies till 31.03.2018. However, during the year, an amount of Rs.3655 Lakhs was reversed on the strength of cabinet decision communicated by BBNL vide letter No. BBNL/Finance/AE & EC/Corr./2017-18/14 dated 28.06.2018 for downward revision of Administrative Expenditure & Establishment Charges with retrospective effect. The amount of Rs. 3655 lakhs, being amount reversed for income recognized till 31.03.2018, has been disclosed as exceptional item considering the materiality and non-recurring nature of transaction.

10. Disclosure relating to dues to Micro, Small and Medium Enterprise: (Amount in Lakhs)

S. No.	Particulars	2018-19	2017-18
1	Amount remaining unpaid to any supplier:	3591	1773
	a) Principal Amount	NIL	NIL
	b) Interest due thereon		
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
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:

(Amount in Lakhs)

Particulars	2018-19	2017-18
Statutory Audit Fee	18	18
Tax Audit	6	6
Total	24	24

12. Capital commitments:

(Amount in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Estimated amount of contracts remaining to be executed on capital account	22320	25406

13. Value of imports calculated on CIF basis

(Amount in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Raw materials	Nil	Nil
Consumables and Spare parts	Nil	Nil
Capital goods	Nil	155
Total	Nil	155

14. Expenditure in foreign currency (accrual basis)

(Amount in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Travelling & conveyance	3	21
Repair & Maintenance	Nil	Nil
Service charges	Nil	Nil

15. Corporate Social Responsibility Expenditure

For the year, the gross amount required to be spent by the company on CSR activities amounted to Rs. 387 lakhs.

Details of amount spent for FY 2018-19 in relation to CSR activities is mentioned below –

(Amount in Lakhs)

Particulars	Approved Budget	Amount incurred	Amount yet to be incurred
Construction/Acquisition of any asset	Nil	Nil	Nil
On any other purpose	387	257	130
Total	387	257	130

Details of amount spent on CSR activities during the current year in relation to 2017-18 is given hereunder –

(Amount in Lakhs)

Particulars	Unpaid amount as on 01.04.2018	Amount Paid	Amount yet to be paid
Construction/Acquisition of any asset	Nil	Nil	Nil
On any other purpose	344	46	298
Total	344	46	298

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

16. Financial Instruments

FINANCIAL ASSETS

Trade receivables

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

Security Deposits

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.

Investments

Company has made investment in liquid mutual funds which have been fair valued based on the unit price prevailing as at year end and consequent gain/loss has been taken to the profit and loss A/c.

FINANCIAL LIABILITIES

Security Deposits & Retention Money (Liabilities)

Security Deposits & Retention Money are classified as Financial Liabilities.

17. IND AS 2: Inventories

- The total carrying amount of inventories as at 31.3.2019 is Rs. 87 Lakhs (PY Rs. NIL) as shown in Note no 7 of Balance Sheet.
- There is no reversal or 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. Disclosures as required by IND AS 12 – Income Taxes

Particulars	Provided during the FY 18-19 year in Profit & Loss	As on 31-Mar-2019	Provided during the FY 17-18 year in Profit & Loss	As on 31-Mar-2018
Deferred Tax Liability				
Related to Depreciation on Fixed Assets	94	3256	-830	3162
Total Deferred Tax Liabilities (A)	94	3256	-830	3162
Deferred Tax Assets				
Provision on debtors	-10	1047	-114	1057
43B Disallowances etc.	-790	274	543	1064
Others	75	241	-177	167
Total Deferred Tax Assets (B)	-725	1562	253	2288
Deferred Tax Liability Net (A-B)	819	1694	-1083	874

Figures in %

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

Particulars	Mar-19 (RCIL)	Mar-18 (RCIL)	Mar-19 (REL)	Mar-18 (REL)
Applicable Tax Rate	34.94	34.61	27.82	27.55
1. Tax effect of income that are not taxable in determining taxable profit	0	0	0	0
2. Tax effect of expenses that are not deductible in determining taxable profit	2.96	8.30	0	0
3. Tax effect on recognition of previously unrecognized allowance/disallowances	2.17	-2.56	0	0
4. Tax effect of additional deductions	0.11	-0.26	0	0
5. Tax expenses/income related to prior year	0.00	0	0	0
6. difference in tax due to reclassification of income and expenses	0.00	0	0	0
Average Effective Tax Rate	40.18	40.09	27.82	27.55

Particulars	Holding Company (RCIL)		Subsidiary Company (REL)	
	Mar-19	Mar-18	Mar-19	Mar-18
Average effective tax rate	40.18	40.09	27.82	27.55
Weighted average consolidated effective tax rate for FY 2017-18				40.00
Weighted average consolidated effective tax rate for FY 2018-19				40.11

20. Disclosures as required by IND AS 16 – Property, Plant & Equipment and IND AS 38 - Intangible Assets

- 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 .
- The useful life of all the PPE/Intangible Assets 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
- No Capital expenses was incurred on Assets not owned by the Company during the Financial Year ended 31.03.2019 except:
 - On leasehold improvement of Rs. NIL. (Previous Year- Rs.33 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 31.03.2019 for Rs. 91 lakhs (Previous Year Rs. 43 lakhs) has been shown under Capital Work in Progress.
 - Purchase of leasehold Building at East Kidwai Nagar for 30 years term for creation of Corporate Office. Possession has been given by the lessor, but lease deed is yet to be executed. The total amount paid upto 31.03.2019 amounting to Rs. 9786 lakhs for purchase of leasehold Building has been capitalized in the current year.
- There is no obsolete asset which has been so far held under CWIP/Fixed Asset.
- Depreciation / amortization on all the PPE / Intangible assets have been disclosed separately

11. There is no restriction on title of PPE / Intangible Assets, and nothing has been pledged as security and liability
12. The amount of contractual commitment for acquisition of PPE is Rs. 22320 lakhs (Rs. 25406 lakhs in previous year)
13. There is no amount to be received on account of compensation from third party for items of PPE/Intangible Assets that were impaired, lost or given to Company that is to be recognized in the statement of profit & Loss account
14. Entire Depreciation / amortization has been recognized in the statement of Profit and loss account, nothing has been charged to cost of other assets. Accumulated depreciation at the end of the period has been shown separately.
15. There is no temporarily idle PPE/ Intangible Assets.
16. Rs. 39140 Lakhs Gross Carrying value of assets have been fully depreciated, but still are in use.
17. During the reporting Period Assets having Net Book Value of Rs. 23 Lakh (Gross Book Value 62 Lakhs) has been retired with sale proceeds of Rs. 22 Lakh and loss of Rs 1 Lakh has been booked.
18. In the following asset category, depreciation is charged at different rates as compared to the rates described in part C of Schedule II of the companies act 2013 on the basis of useful life determined by the technical committee.

S. N	Assets Category	Useful life as specified in Part C of schedule II	Useful life as per company's policy
1	Prefabricated Building	RCC 60 years and others 30years	15 Years
2	Temporary Structure	3 Years	Fully Depreciated
3	Telecom Equipment's	13 Years	8 Years
4	Last Mile/Access Equipment's	13 Years	8 Years
5	Data Centre	13 Years	8 Years

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, ILD and Internet services under unified 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, 2019 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 2019 are as under to the extent of advanced received: -

Particulars	31-Mar-19	31-Mar-18
Not later than one year	10818	14842
Later than one year and upto five years	2233	12048
Later than five years	565	5367

AS A LESSEE

FINANCE LEASE

Assets taken on lease by the company in its capacity as lessee, where the company has substantially all the risks and rewards of ownership, are classified as finance lease. Such leases are capitalized at the inception of the lease at lower of the fair value or present value of the minimum lease payments and a liability is recognized for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year. Finance charges are charged directly to the statement of profit and loss, unless they are directly attributable to qualifying assets. Lease rentals are recognized as expenses in the periods in which they are incurred.

Finance lease obligation of the Company is as follows: -

(Amount in Lakhs)

Particulars	2018-19			2017-18		
	Future Minimum Lease Payments	Interest	Present Value	Future Minimum Lease Payments	Interest	Present Value
Not later than one year	193	57	136	N.A	N.A	N.A
Later than one year and up to five year	482	70	412	N.A	N.A	N.A
Later than five year	Nil	Nil	Nil	N.A	N.A	N.A

OPERATING LEASE

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. The disclosure of minimum lease is not required as there is no non-cancellable lease.

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

Employee Benefits – Defined Contribution

Pension:

RailTel will pay an amount equal to 10% of Basic pay+ DA of the eligible employees.

Provident Fund:

All regular employees of the Company (excluding those on deputations) are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and employer make monthly contribution to the plan at a pre-determined rate (presently 12%) of the employees' salary consisting of Basic pay and Dearness allowance. These contributions are made to the fund administered and managed by Provident Fund Commissioner. The contributions of PF of the employee on deputation are made to the funds of their parent department.

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.

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

Table I: Assumptions

Assumptions	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Discount Rate	7.77% per annum	7.60% per annum	7.77% per annum	7.60% per annum
Rate of increase in Compensation levels	6.00% per annum	6.00% per annum	6.00% per annum	6.00% per annum
Rate of Return on Plan Assets	7.60% per annum	7.60% per annum	7.60% per annum	7.60% per annum

Table II: Service Cost

(Amount in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Current Service Cost	139	153	197	195
Past Service Cost (including curtailment Gains/Losses)	0	82	0	0
Gains or losses on Non Routine settlements	0	0	0	0
Total	139	235	197	195

Table III: Net Interest Cost

(Amount in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Interest Cost on Defined Benefit Obligation	104	60	123	91
Interest Income on Plan Assets	61	57	89	49
Net Interest Cost (Income)	43	3	34	42

Table IV: Change in Present Value of Obligations

(Amount in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Opening of defined benefit obligations	1,362	789	1,621	1,199
Service cost	139	235	197	195
Interest Cost	104	60	123	91
Benefit Paid	-36	-41	-52	-87
Actuarial (Gain)/Loss on total liabilities:	-229	319	-66	224
- due to change in financial assumptions	-23	320	-24	1
- due to change in demographic assumptions	0	0	0	0
- due to experience variance	-206	-1	-42	223
Closing of defined benefit obligation	1,340	1,362	1,823	1,622

Table V: Change in Fair Value of Plan Assets

(Amount in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Opening fair value of plan assets	805	747	1,176	642
Actual Return on Plan Assets	61	54	86	63
Employer Contribution	185	45	286	558
Benefit Paid	-36	-41	-52	-87
Closing fair value of plan assets	1,015	805	1,496	1,176

Table VI: Actuarial (Gain)/Loss on Plan Asset

(Amount in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Expected Interest Income	61	57	89	49
Actual Income on Plan Asset	61	54	86	63
Actuarial gain /(loss) on Assets	0	-3	-3	14

Table VII: Other Comprehensive Income/(Loss)

(Amount in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Opening amount recognized in OCI outside P&L account	0	0	N/A	N/A
Actuarial gain / (loss) on liabilities	229	-319	N/A	N/A
Actuarial gain / (loss) on assets	0	-3	N/A	N/A
Closing amount recognized in OCI outside P&L account	229	-322	N/A	N/A

Table VIII: The amount to be recognized in Balance Sheet Statement

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Present Value of Obligations	1,340	1,362	1,823	1,622
Fair value of plan assets	1,015	805	1,495	1,176
Net Obligations	325	557	328	446
Amount not recognized due to asset limit	0	0	0	0
Net defined benefit liability / (assets) recognized in balance sheet	325	557	328	446

Table IX: Expense Recognized in Statement of Profit and Loss

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Service cost	139	235	197	195
Net Interest Cost	42	3	34	42
Net actuarial (gain)/ loss	0	0	-63	209
Expenses Recognized in the statement of Profit & Loss	181	238	168	446

Table X: Major categories of plan assets (as percentage of total plan assets)

Item	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Fund Managed by Insurer	100%	100%	100%	100%
Total	100%	100%	100%	100%

Table XI: Change in Net Defined Obligations

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Opening of Net defined benefit liability	557	42	446	557
Service cost	139	235	197	195
Net Interest Cost	42	3	34	42
Re-measurements	-229	321	-63	209
Contribution paid to fund	-185	-45	-286	-558
Closing of Net defined benefit liability	325	557	328	446

Table XII: Reconciliation of Expense in Profit and Loss Statement

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Present Value of Obligation as at the end of the year	1,340	1,362	1,823	1,622
Present Value of Obligation as at the beginning of the year	-1,362	-789	-1,621	-1,199
Benefit Paid	36	41	52	87
Actual Return on Assets	-61	-54	-86	-63
OCI	229	-321	0	0
Expenses Recognized in the Statement of Profit and Loss	182	239	168	446

Table XIII: Reconciliation of Liability in Balance Sheet

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Opening net defined benefit liability / (asset)	557	42	446	557
Expense charged to profit and loss account	182	239	168	447
Amount recognized outside profit & loss account	0	0	0	0
Employer Contributions	-185	-45	-286	-558
OCI	-229	321	0	0
Closing net defined benefit liability / (asset)	325	557	328	446

Table XIV: Sensitivity Analysis

Following table shows the sensitivity results on liability due to change in the assumptions:

Item	Gratuity			Leave Encashment		
	March 31, 2019	Impact (Absolute)	Impact %	March 31, 2019	Impact (Absolute)	Impact %
Base Liability	1,340	0		1,823	0	
Increase Discount Rate by 0.50%	1,275	-65	-4.87%	1,757	-67	-3.66%

Decrease Discount Rate by 0.50%	1,411	71	5.30%	1,895	72	3.94%
Increase Salary Inflation by 1.00%	1,451	111	8.28%	1,970	147	8.05%
Decrease Salary Inflation by 1.00%	1,230	-110	-8.18%	1,694	-130	-7.10%
Increase Withdrawal Rate by 1.00%	1,369	29	2.19%	1,713	-111	-6.08%
Decrease Withdrawal Rate by 1.00%	1,306	-34	-2.54%	1,972	149	8.15%

Table XV: Maturity Profile of Defined Benefit Obligation (Valued on discounted basis)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Year 1	94	81	192	NA
Year 2	48	99	169	NA
Year 3	94	108	141	NA
Year 4	75	85	125	NA
Year 5	65	76	130	NA
After 5th Year	963	1,191	1,066	NA
Total	1,339	1,640	1,823	NA

Post-Retirement Medical Scheme

Table I: Change in Present Value of Obligations

All Figures in INR	31-Mar-2019	31-Mar-2018
Defined Benefit Obligation at beginning of year	142	0
Current Service Cost	20	142
Past Service Cost	0	0
(Gain) / Loss on settlements	0	0
Interest Expense	11	0
Benefit Payments from Plan Assets	0	0
Benefit Payments from Employer	0	0
Settlement Payments from Plan Assets	0	0
Settlement Payments from Employer	0	0
Other (Employee Contribution, Taxes, Expenses)	0	0
Increase / (Decrease) due to effect of any business combination / divesture / transfer)	0	0
Increase / (Decrease) due to Plan combination	0	0
Remeasurements - Due to Demographic Assumptions	0	0
Remeasurements - Due to Financial Assumptions	0	0
Remeasurements - Due to Experience Adjustments	-18	0
Defined Benefit Obligation at end of year	268	0
Discount Rate	7.77%	7.60%
Medical Inflation Rate	5.00%	5.00%

Table II: Change in Fair Value of Plan Assets

All Figures in INR	31-Mar-2019	31-Mar-2018
Fair Value of Plan Assets at beginning of year	0	0
Interest Income	0	0
Employer Contributions	0	0
Employer Direct Benefit Payments	0	0
Employer Direct Settlement Payments	0	0
Benefit Payments from Plan Assets	0	0
Benefit Payments from Employer	0	0
Settlement Payments from Plan Assets	0	0
Settlement Payments from Employer	0	0
Other (Employee Contribution, Taxes, Expenses)	0	0
Increase / (Decrease) due to effect of any business combination / divestiture / transfer)	0	0
Increase / (Decrease) due to Plan combination	0	0
Remeasurements - Return on Assets (Excluding Interest Income)	0	0
Fair Value of Plan Assets at end of year	0	0

Table III: Changes in Reimbursement Rights

All Figures in INR	31-Mar-2019	31-Mar-2018
Reimbursement Rights at beginning of year	0	0
Reimbursement Service Cost	0	0
Gain/ (loss) on Settlements	0	0
Interest Income	0	0
Employer Contributions to Reimbursement Rights	0	0
Reimbursements to Employer	0	0
Increase / (Decrease) due to effect of any business combination / divestiture / transfer)	0	0
Increase / (Decrease) due to Plan combination	0	0
Benefits paid by the Company in Prior Year and settled by Fund Manager in current year	0	0
Net Transfer In / (Out) (Including the effect of any business combination / divestiture)	0	0
Remeasurements - Return on Reimbursement Rights (Excluding Interest Income)	0	0
Reimbursement Rights at end of year	0	0

Table IV: Changes in Asset Ceiling / Onerous Liability

All Figures in INR	31-Mar-2019	31-Mar-2018
Asset Ceiling / Onerous Liability at beginning of year	0	0
Interest Income	0	0
Gain / (Loss) on Settlements	0	0
Remeasurement - Due to Asset Ceiling / Onerous Liability (Excluding Interest Income)	0	0
Asset Ceiling / Onerous Liability at end of year	0	0

Table V: Components of Defined Benefit Cost

(Amount in Lakhs)

All Figures in INR	31-Mar-2019	31-Mar-2018
Current Service Cost	20	142
Past Service Cost	0	0
(Gain) / Loss on Settlements	0	0
Reimbursement Service Cost	0	0
Total Service Cost	20	142
Interest Expense on DBO	11	0
Interest (Income) on Plan Assets	0	0
Interest (Income) on Reimbursement Rights	0	0
Interest Expense on (Asset Ceiling) / Onerous Liability	0	0
Total Net Interest Cost	11	0
Reimbursement of Other Long-Term Benefits	0	0
Defined Benefit Cost included in P & L	31	142
Remeasurements - Due to Demographic Assumptions	0	0
Remeasurements - Due to Financial Assumptions	-18	0
Remeasurements - Due to Experience Adjustments	268	0
(Return) on Plan Assets (Excluding Interest Income)	0	0
(Return) on Reimbursement Rights	0	0
Changes in Asset Ceiling / Onerous Liability	0	0
Total Remeasurements in OCI	250	0
Total Defined Benefit Cost recognized in P&L and OCI	281	142
Discount Rate	7.77%	7.60%
Medical Inflation Rate	NA	NA

Table VI: Amounts recognized in the Statement of Financial Position

All Figures in INR	31-Mar-2019	31-Mar-2018
Defined Benefit Obligation	423	142
Fair Value of Plan Assets	0	0
Funded Status	423	142
Effect of Asset Ceiling / Onerous Liability	0	0
Net Defined Benefit Liability / (Asset)	423	142

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Table VII: Net Defined Benefit Liability / (Asset) reconciliation

All Figures in INR	31-Mar-2019	31-Mar-2018
Net Defined Benefit Liability / (Asset) at beginning of year	142	0
Defined Benefit Cost included in P & L	31	142
Total Remeasurements included in OCI	250	0
Net Transfer In / (Out) (Including the effect of any business combination / divesture)	0	0
Amount recognized due to Plan Combinations	0	0
Employer Contributions	0	0
Employer Direct Benefit Payments	0	0
Employer Direct Settlement Payments	0	0
Credit to Reimbursements	0	0
Net Defined Benefit Liability / (Asset) at end of year	423	142

Table VIII: Sensitivity Analysis

Discount Rate and Medical Inflation Rate are significant actuarial assumptions. The change in the Present Value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below:

Particulars		Base	+ 100 Basis Points	-100 Basis Points
Discount Rate	Assumptions	7.77%	8.77%	6.77%
	PV of DBO	423	318	518
	Variation	0.00%	-24.69%	22.62%
Medical Inflation Rate	Assumptions	5.00%	6.00%	4.00%
	PV of DBO	423	590	367
	Variation	0.00%	39.69%	-13.15%

Table IX: Maturity Profile of Defined Benefit Obligation

All Figures in INR	March 31, 2019	March 31, 2018
Year 1	21	3
Year 2	17	3
Year 3	17	3
Year 4	11	3
Year 5	8	3
After 5th Year	348	126

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 2018-19 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/subsidy received up to 31.03.2019 for various purposes is as under: -

(Amount in Lakhs)

Grant Received For	As At 31.03.2019	As At 31.03.2018
North East Project	3146	3146
Rural Wi-Fi	939	739
Total	4085	3885

Grant/Subsidy on NE Project:

1. The Company had undertaken projects of NE-1 and NE-2 with a total capital outlay of Rs. 45125 Lakhs for which anticipated subsidy of Universal Service Obligation Fund of Department of Telecommunication, Government of India was pegged at Rs. 38800 Lakhs and net cash outflow of Rs. 6325 Lakhs. Against this, the Company has incurred total capital expenditure of Rs. 30810 Lakhs and has received subsidy of Rs. 3146 Lakhs with a net cash outflow of Rs. 27664 Lakhs up to 31.03.2019.

2. The Company has incurred a total capital expenditure of Rs. 30810 Lakhs upto 31.03.2019 on the aforesaid project against which the company has received subsidy of Rs. 3146 Lakhs upto 31.03.2019 from Department of Telecommunication. Out of the amount so far incurred, the company has capitalized a sum of Rs. 4602 Lakhs on account of commissioning of certain districts during the year resulting in total capitalization of Rs. 6829 Lakhs upto 31.03.2019. The subsidy received against the said capitalization is Rs.1678 Lakhs up to 31.03.2019 (Rs.395 Lakhs up to previous year).

During the financial year 2018-19, depreciation of Rs. 414 Lakhs (PY – Rs. 313 lakhs) have been charged to Statement of Profit and Loss due to capitalization and accordingly impact of amortization of subsidy is recognized in Statement of Profit and Loss for Rs.92 Lakhs (PY – Rs. 58 lakhs) in proportion to depreciation which is shown under the head other operating revenue.

Grant/Subsidy on Rural Wi-Fi:

The Company has received Rural Wi-Fi Subsidy amounting to Rs. 201 lakhs during the year and a total subsidy of Rs.939 lakhs upto 31.03.2019 from Department of Telecommunication (DoT) for installation of Wi-Fi in rural areas. An amount of Rs. 644 lakhs have been capitalized during the year on account of partial commissioning of wi-fi services at the stations. Accordingly, the Company has amortized an amount of Rs.39 lakhs out of the subsidy received in proportion to the depreciation of Rs. 70 lakhs on assets capitalized and the same i.e. Rs. 39 lakhs has been recognized under the head other operating revenue.

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

(Amount in Lakhs)

Sr. No.	Particulars	2018-19	2017-18
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.	15	(100)
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:

- (i) Enterprises under common control: NA
- (ii) Subsidiaries: RailTel Enterprises Limited
- (iii) Key Management Persons:

S. No.	Name	Designation	Date of appointment	Date of Cessation (If any)
1	Sh. Ashutosh Vasant	CMD (Addl. Charge) and Director/POM	- D/POM-30/03/2017 - CMD-03/10/2017	Cessation of Addl. Charge of the post of CMD w.e.f. 23/04/2018
2	Sh. Anshul Gupta	Director/NPM (Addl. Charge)	- D/NPM-16/11/2017	Cessation of Addl. Charge of the post of D/NPM w.e.f. 23/05/2018
3	Smt. Anju Ranjan	Director/Finance (Addl. Charge) and CFO	- D/F- 03/04/2017 - CFO- 28/06/2017	Ceased to be the Director/ Finance & CFO w.e.f. 02/04/2018
4	Sh. N. Kashinath	CMD (Addl. Charge)	23/04/2018	Ceased to be the CMD w.e.f. 23/08/2018
5	Sh. Sanjeeb Kumar	Director/Finance (Addl. Charge) and CFO	D/F- 03/04/2018 - CFO- 14/05/2018	Ceased to be D/F and CFO w.e.f. 03/04/2019
6	Sh. Sanjai Kumar	Director/NPM	23/05/2018	NA
7	Sh. H. K. Agarwal	CMD (Addl. Charge)	23/08/2018	Ceased to be CMD w.e.f. 12/12/2018
8	Sh. Puneet Chawla	CMD (Addl. Charge)	14/12/2018	Appointed as CMD (earlier holding additional charge) w.e.f. 10/05/2019
9	Sh. J S Marwah	Company Secretary	05/02/2015	NA
10	Smt. Madhulika Pathak	Director	12.08.2014	17.05.2018
		CFO	28.02.2018	25.06.2018
11	Sh. Harish Chandra Batra	Director	18.05.2018	NA
		CFO	26.06.2018	
12	Sh. A.K. Sablania	Director	18.05.2018	NA
		CEO	26.06.2018	
13	Sh. Yudhveer	Company Secretary	24.05.2017	NA

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

(Amount in Lakhs)

Particulars	Name	Sh. Sanjai Kumar	Sh. Ashutosh Vasant	Sh. J S Marwah	Sh. Yudhveer
	Designation	Director/NPM	CMD(Addl. Charge) and Director/ POM	Company Secretary	Company Secretary
Salaries and Allowances	2018-19	41	40	21	11
	2017-18		41	19	3
Retirement Benefit Paid	2018-19	-	-	-	-
	2017-18	-	-	-	-

(v) The Actuarial liability for the key managerial personnel areas follows:

Employee Name	Designation	Gratuity		Leave Encashment	
		As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Mr. Sanjai Kumar	(Director/ NPM)	10.86	NA	17.82	NA
Mr. Jasmeet Singh Marwah	Company Secretary	1.88	1.29	5.50	5.75
Mr. Ashutosh Vasant	(Director/ POM)	10.10	15.42	11.88	11.72

(vi) Contribution to defined contribution plans for key managerial personnel:

Employee Name	Designation	Provident Fund		Pension	
		As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Mr. Sanjai Kumar	(Director/ NPM)	2.90	Nil	2.42	Nil
Mr. Jasmeet Singh Marwah	Company Secretary	1.40	1.33	1.17	1.11
Mr. Ashutosh Vasant	(Director/ POM)	3.04	2.76	2.54	2.30

(vii) Transactions with Railway PSUs & Railway Units

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

(Amount in Lakhs)

Particulars	Years	Revenue	Expenditure	Receivable	Payable	Advance Received
Central Railside Warehouse Company Limited	2018-19	22	-	15	-	-
	2017-18	28	-	22	-	-
Centre For Railway Information Systems	2018-19	241	-	213	-	-
	2017-18	-	-	138	-	-
Container Corporation of India Ltd	2018-19	84	-	92	-	-
	2017-18	18	-	29	-	-

Dedicated freight corridor Corporation of India Limited	2018-19	281	30	147	-	921
	2017-18	204	-	52	-	466
Indian Railway Catering and Tourism Corporation Limited	2018-19	613	-	134	-	1
	2017-18	156	-	95	-	1
IRCON International Limited	2018-19	39	-	7	-	-
	2017-18	35	-	7	-	-
Konkan Railway Corporation of India Limited	2018-19	103	52	36	30	113
	2017-18	42	28	7	15	7
National High-Speed Rail Corporation Limited (NHSRCL)	2018-19	15	-	-	-	-
	2017-18	20	-	4	-	-
Research Design and Standards Organization (RDSO)	2018-19	51	-	10	-	-
	2017-18	25	-	16	-	-
Chittaranjan Locomotive Works (CLW)	2018-19	16	-	23	-	-
	2017-18	49	-	6	-	-
Rail Land Development Authority	2018-19	4	-	5	-	-
	2017-18	4	-	4	-	-
Rail Vikas Nigam Limited	2018-19	330	187	90	-	777
	2017-18	291	-	50	-	621
Rail Wheel Factory	2018-19	10	-	11	-	-
	2017-18	6	-	10	-	-
RITES Limited	2018-19	37	-	16	1	-
	2017-18	11	-	9	-	-
India Railways	2018-19	11462	2708	12100	5055	12337
	2017-18	11873	2851	11005	4977	9813
Total	2018-19	13308	2977	12899	5086	14149
	2017-18	12762	2879	11454	4992	10908

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

Numerator	FY 2018-19	FY 2017-18
Profit after tax as per Profit and Loss Account (Used as Numerator (Rs. in Lakhs))	11157	15777
Denominator		
-Number of Equity Shares (Face value of Rs.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 (Rs./ per share) (Face value of Rs.10/- each)	3.48	4.92
-Diluted Earnings Per Share (Rs. / per share) (Face value of Rs.10/each)	3.48	4.92

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.

(Amount in Lakhs)

Particulars	Provision for Arbitration Claim	Provision for Employee Benefits				Total
		Performance Related Pay	Provision for pension	Provision for Post-Retirement Medical	Provision for Gratuity & Leave Encashment	
Carrying Amount at the beginning of the period	46	1925	906	142	1002	4021
Additional provision made in the period	0	361	406	281	653	1701
Amount utilized/adjusted during the period	0	420	0	0	471	891
Unused amount reversed during the period	0	160	0	0	531	691
Carrying amount at the end of the period	46	1706	1312	423	653	4140

27.1 Contingent liabilities:

Contingent liabilities are determined based on available information. These liabilities are not provided for and are disclosed by way of notes on accounts.

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

(Amount in Lakhs)

Particulars	Service Tax	VAT	Income Tax	DoT	Other	Total
Carrying Amount at the beginning of the period	1475	83	1366	10756	572	14252
Additions during the period	136	176	1630	410	0	2352
Amount adjusted during the period	(120)	(128)	(28)	0	0	(276)
Carrying amount at the end of the period	1491	131	2968	11166	572	16328

27.1 (b): Bank Guarantees given by the Company to Customers/Government as on 31.03.2019 is Rs. 15714 lakhs (PY Rs. 15083 lakhs).

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, 2019 and March 31, 2018 is presented below:

(Amount in Lakhs)

Sr. No.	Particulars	2018-19			2017-18		
		Telecom Services	Project Work Services	Total	Telecom Services	Project Work Services	Total
		A	B	A+B	A	B	A+B
1	Segment Revenue						
	Revenue from operations	70641	29685	100326	68556	30125	98681
	Sales/Revenue from Operations	70641	29685	100326	68556	30125	98681
2	Segment Results						
	Profit/Loss before Taxes						
	Segment Operating Income/(Loss)	14424	4744	19168	11695	4794	16489
	Total	14424	4744	19168	11695	4794	16489
	Add/Less: (i) Other Unallocable expenditure net of unallocable income			-246			3353
	(ii) Finance cost net of Finance income			-809			-228
	Total Profit before Tax	14424	4744	18113	11695	4794	19614
3	Segment Assets						
	a. Property, Plant & Equipment Assets (Net Blocks)	63621	0	63621	63114	0	63114
	b. Other Assets	58656	10316	68972	57987	15553	73540

	c. Capital CWIP	29990	0	29990	36417	0	36417
	d. Unalloacble assets	0	0	60181	0	0	58817
	Total Assets	152267	10316	222764	157518	15553	231888
4	Segment Liabilities						
	a. Segment Liabilities	76498	11526	88024	88997	12702	101699
	b. Deferred Tax Liabilities	1694	0	1694	874	0	874
	c. Unalloacble Liabilities	0	0	4140	0	0	4021
	Total liabilities	78192	11526	93858	89871	12702	106594

Information about major customers:

Following are the customers who contributed 10% or more to the Company's revenue for year ended on 31st March 2019.

- NICSI-Revenue for the year is Rs. 12225 lakhs (Previous year 13456 lakhs).
- Railways- Revenue for the year is Rs.11257 lakhs (Previous Year 11826 lakhs)

29. Disclosure Requirement as per IND AS 112 – Disclosure of Interest in Other entities

30. 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 6.25% (SBI Rate) has been used for balances as on 31/03/2019.

Financial Instrument

Financial Instruments by Category

The carrying values of financial instruments by each category were as follows: -

(Amount in Lakhs)

Particulars	Financial Assets/ Liabilities at amortised costs		Financial Assets/ Liabilities at FVTPL		Financial Assets/ Liabilities at FVTOCI	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Assets						
Trade Receivables (Refer to Note No. 9)	45841	46668	Nil	Nil	Nil	Nil
Investments (Refer to Note No. 8)	Nil	Nil	704	Nil	Nil	Nil
Cash & Cash Equivalents (Refer to Note No. 10& 11)	40744	50923	Nil	Nil	Nil	Nil
Other Financial Assets (Refer to Note No. 5,12& 13)	12695	11847	Nil	Nil	Nil	Nil
Liabilities						
Trade Payables (Refer to Note No. 21)	26889	27610	Nil	Nil	Nil	Nil
Other Financial Liabilities (Refer to Note No. 17& 22)	16603	15885	Nil	Nil	Nil	Nil

Interest Income/(Expenses) recognized on financial assets and liabilities:

(Amount in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets at amortised cost		
Interest income on other financial assets	Nil	Nil
Interest expenses on other financial assets	(161)	(141)
Interest income on other financial liabilities	95	84
Interest expenses on other financial liabilities	Nil	Nil
Financial assets at Fair Value through Profit or Loss (FVTPL)	3	Nil
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 2019 & March 31, 2018 was as follows: -

(Amount in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Gross Carrying Value	Net Value after Impairment	Gross Carrying Value	Net Value after Impairment
Trade Receivables (Refer to Note No. 9)	45841	45841	46668	46668
Other Financial Assets (Refer to Note No. 5,12& 13)	12695	12695	11847	11847

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.

The Company has investment in mutual fund and investment held by the Company are exposed to price risk. Hence, the investment is classified in the Balance Sheet at fair value through profit and loss (FVTPL) and profit the period as a result of gain/loss on investment is classified as FVTPL. However, to manage the price risk, the Company has invested in liquid funds and the level of the investments is insignificant in view of the level of the operation of the Company.

31. IND AS 115 – Revenue from Contracts with Customers

Effective from April 1, 2018, Company adopted Ind AS 115 'Revenue from Contract with Customer'. The Standard is applied retrospectively with the cumulative effect of initially applying this standard as an adjustment to the opening balance of retained earnings at the date of initial application.

However, there is no significant impact on the Company due to adoption of revised Ind AS.

Disaggregation of Revenue

The company disaggregates revenue from contract with customer into categories that depicts how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. The following table illustrates the disaggregation of disclosure by primary geographical region, major product line, market or type of customer, type of contract, contract duration, sales channel and timing of revenue recognition in accordance with Ind AS 115.

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.

(Amount in Lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Geographical Segment		
Pan India	100326	98681
Abroad	Nil	Nil
Total	100326	98681

(Amount in Lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Major Product Line		
NLD Service	37197	38969
ISP Service	16227	14783
IP-1 Service	13722	14746
Railway Project Works	2915	3489
Other Projects	26770	26636
Other Operating Revenue	3495	58
Total	100326	98681

(Amount in Lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Type of Customer		
Government Customers	69510	58230
Non - Government Customers	30816	40451
Total	100326	98681

(Amount in Lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Type of Contract		
Fixed Price Contracts	97411	95192
Time- and- Materials Contracts	2915	3489
Total (A+B)	100326	98681

(Amount in Lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Sales Channel		
Direct to Customer	100326	98681
Through Intermediaries	-	-
Total	100326	98681

(Amount in Lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Duration of Contract		
Short Term Contracts	79770	80948
Long Term Contracts	20556	17733
Total	100326	98681

Contract Balances

The following table illustrates the disclosure of the opening and closing balances of receivables, contract assets and contract liabilities from contract with customers; revenue recognized in the reporting period that was included in the contract liability balance at the beginning of the period and revenue recognized in the reporting period from performance obligations satisfied (or partially satisfied) in previous period in accordance with Ind AS 115.

Contract Assets

(Amount in Lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Trade Receivable	45841	46668
Unbilled Revenue	8311	6968
Project Work in Progress	20	-
Total	54172	53636

(Amount in Lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Contract Liability	19750	37582
Total	19750	37582

Revenue Recognized during the year from the contract liability balance at the beginning

(Amount in Lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Revenue Recognized during the year out of contract liability balance at the beginning of the year	15046	19555
Total	15046	19555

Revenue Recognized from performance obligations satisfied partially in Previous Period

(Amount in Lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Revenue recognized due to Change in Transaction Price	Nil	Nil
Total	Nil	Nil

The Company has claimed from customer an amount of Rs. 2240 lakhs towards SLA deduction. Further, interest for delayed payment has also been claimed. However, the same has not been recognized in the books of accounts on conservative basis as per Ind AS-115.

Revenue Recognition-

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Income from Telecom Services

Income from Telecom Services include incomes from National Long-Distance services, ILD, Internet Service, infrastructure provider services such as co-location, dark fiber, tower Space, VPN, Bandwidth etc. Service revenue also includes revenues associated with access and Inter connection for usage of the network of other operators. Corporation's performance Obligation in such kind of contracts is providing infrastructure bandwidth/connectivity as per the agreed norms. Since the customer simultaneously receives and consumed benefit provided by the Corporation's performance as the Corporation's performs, Corporation's transfer control of service overtime and, therefore, satisfies a performance Obligation and recognizes revenue overtime. The Corporation uses output methods to recognize revenue as the output selected faithfully depict the Corporation's performance Towards complete satisfaction of the performance obligation. Since the performance Obligation is being satisfied directly in relation to time, the passage of time is the best Output which would depict the satisfaction of the performance obligation. Generally, payment against provision of such services becomes due as per payment terms, and Fixed transaction price as per contracts with customers, which is generally is on Periodical basis. Warranties are commonly included in arrangements to sell services. They can be explicitly stated, required by law or implied based on the 'RCIL' customary Business practices. The price of a warranty may be included in the overall purchase price or listed separately as an optional product. All the assurance type warranties are Considered as part of primary performance obligation, while the service type warranties Are considered as distinct performance obligation.

The determination of transaction price, its allocation to promised services and allocation of discount or variable consideration (if any) is done based on the contract with the customers. Penalties, if inherent in determination of transaction price, are considered as variable consideration. The transaction price is also allocated separately for the service type warranties.

Income from Projects

Income from Projects include laying of Optical Fiber Cable, installation of Network Operations Center, installation of Indoor/ Outdoor Wireless Access Points, Load Balancer, Wi-Fi Access Controller, installation of software, chats, Anti-Virus, Firewalls etc.

Corporation's performance obligation in such kind of contracts is installation, testing and commissioning of various equipment as per the agreed norms. Under this type of contract, generally assets are installed at customer's site. However, customer does not have ability to direct the use of, and obtain substantially all of the remaining benefits from, these assets unless they are connected to main server/data center or commissioned properly. Since the customer receives control of the goods and/or service after Successful commissioning of indented facilities, Corporation's transfer control of goods and/or service at a point in time and, therefore, satisfies a performance obligation and Recognizes revenue at a point in time. The Corporation uses output methods to recognize Revenue as the output selected faithfully depict the Corporation's performance towards Complete satisfaction of the performance obligation. Customer's acceptance of Commissioning report is the best output which would depict the satisfaction of the Performance obligation. Generally, payment against provision of such contracts becomes due as per payment terms, and fixed transaction price as per contracts with customers, which is generally is on milestone basis. Warranties are commonly included in such arrangements. They can be explicitly stated, required by law or implied based on the 'RCIL' customary business practices. The price of a warranty may be included in the Overall purchase price or listed separately as an optional product. All the assurance type Warranties are considered as part of primary performance obligation, while the service Type warranties are considered as distinct performance obligation.

The determination of transaction price, its allocation to promised services and allocation of discount or variable consideration (if any) is done based on the contract with the customers. Penalties, if inherent in determination of transaction price, are considered as variable consideration.

The incremental costs that the Corporation incurs to obtain a contract with a customer that it Would not have incurred if the contract had not been obtained are recognized as an asset if its Recovery is expected and its amortization period is more than one year, all other such costs are recognized as an expense in statement of profit and loss. The incremental cost recognized as an asset is amortized over the period till when such cost is expected to be recovered. Amount so recovered is recognized as revenue in statement of profit and loss.

Subsidy

Revenue from subsidy are accounted for on commissioning of specified projects, if the Entitlements can be estimated with reasonable assurance and conditions precedent to Claim are fulfilled.

32. Recent accounting pronouncements

Ind AS 116 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognizes right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company is currently evaluating the impact on account of implementation of Ind AS 116 which may have impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortization (EBITDA), Asset coverage, debt equity, interest coverage, etc.

Ind AS 12

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The effect on adoption of Ind AS 12 Appendix C is not considered to be significant.

Amendment to Ind AS 12 – Income taxes: On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Ind AS 19

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

33. Proposed Dividend

The Board of Directors have recommended dividend on equity share of Rs. 4620 lakhs at their meeting held on 16th August'2019. As per Companies (Accounting Standard) amendment rules 2016, the dividend will be recorded after approval of shareholders in ensuing Annual General Meeting.

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/-

Sanjeev Jain
Director Finance
(DIN : 08415579)

Sd/-

Puneet Chawla
Chairman and Managing
Director
(DIN: 08303340)

Place New Delhi
Date: 16/08/2019

FINANCIAL DATA FOR LAST 10 YEARS

		(₹ in Crore)													
S. No.	Particulars	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	2018-19
1	Total Income (incl. other income)	60.44	114	200	386	400	363	404	440	538	554	642	900	1025	1017
2	Expenditure (incl. increase/decrease in stock)	26.78	52	82	222	224	193	171	209	284	298	367	595	712	690
3	Gross Margin	33.66	63	118	164	175	170	233	231	254	256	275	305	313	327
4	Interest Expenses	12.77	16	23	20	15	11	6	1	-	-	0	0	0	0
5	Depreciation	31.32	5	39	42	47	51	110	88	85	90	81	116	119	112
6	Profit before tax and Exceptional Item	-	-	-	-	-	-	-	-	-	-	-	-	194	215
7	Exceptional Items	-	-	-	-	-	-	-	-	-	-	-	-	-	36
8	Profit before tax	-10.01	41	62	103	113	108	116	142	169	166	194	189	194	179
9	Profit after tax	-10.27	41	56	102	112	95	86	113	138	121	102	127	156	110
10	Dividend pertaining to FY	0	0	5	8	15	13	14	15	17	17	41.53	51.53	62.47	64.20
11	Reserves & surplus	0	-	44	137	232	312	382	476	592	683	763	836	928	963
12	Fixed Assets (Gross block)	763.06	611	728	773	869	911	938	983	1,078	1,236	1,431	1,531	1,643	1,856
13	Inventories	0.91	0.91	0.79	0.50	1.15	0.65	2.30	3.80	2.92	1	0.59	0.22	0	0.87
14	Share Capital	234.4	321	321	321	321	321	321	321	321	321	321	321	321	321
15	Capital employed	566.18	533	560	565	660	706	696	770	851	833	1,084	1,153	1,249	1,284
16	Net Worth	187.53	315	365	458	553	633	703	797	913	1,004	1,084	1,153	1,249	1,284
17	Number of Employees (no)	263	278	332	382	361	360	359	490	490	525	537	814	793	730
18	Income per employee	0.23	0.41	0.60	1.01	1.11	1.01	1.13	0.90	1.10	1.06	1.19	1.11	1.29	1.39
19	Current ratio	0.38:1	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	1.69:1	1.41:1
20	Debt/equity ratio	1.15:1	0.86:1	0.63:1	0.41:1	0.27:1	0.16:1	0.06:1	-	-	-	-	-	-	-
21	Operating margin/ capital employed	5.95%	11.74%	21.03%	29.04%	26.53%	24.09%	33.42%	30.07%	29.80%	30.73%	25.33%	26.45%	25.06%	25.47%
22	Expenditure / income	44.31%	45.27%	41.02%	57.56%	56.16%	53.16%	42.43%	47.43%	52.83%	53.79%	57.20%	66.11%	69.46%	67.85%
23	PBT Before Exceptional Item/ Capital Employed													15.33%	16.74%
24	PBT/ Capital Employed	-1.77%	7.71%	11.09%	18.18%	17.16%	15.26%	16.67%	18.51%	19.84%	19.93%	17.89%	16.36%	15.33%	13.94%
25	PAT/ Share capital	-4.38%	12.73%	17.49%	31.79%	34.99%	29.71%	26.74%	35.07%	42.98%	37.68%	31.77%	39.48%	48.60%	34.27%
26	PBT Before Exceptional Item/Turnover													18.93%	21.14%
27	PBT/ Turnover	-16.56%	35.93%	31.10%	26.57%	28.36%	29.67%	28.72%	32.37%	31.41%	29.96%	30.23%	20.95%	18.93%	17.60%
28	PAT/ Turnover	-16.99%	35.73%	28.10%	26.41%	28.09%	26.28%	21.25%	25.57%	25.65%	21.83%	15.89%	14.08%	15.22%	10.82%
29	PAT/Net Worth	-5.48%	12.97%	15.37%	22.29%	20.32%	15.07%	12.22%	14.13%	15.11%	12.05%	9.40%	10.99%	12.49%	8.57%
30	Dividend/PAT	NA	NA	8.91%	7.84%	13.36%	13.63%	16.31%	13.33%	12.33%	14.06%	40.73%	40.66%	40.04%	58.36%
31	Dividend/Net worth	NA	NA	1.37%	1.75%	2.71%	2.05%	1.99%	1.88%	1.86%	1.69%	3.83%	4.47%	5.00%	5.00%
32	Book Value per share		10	11	14	17	20	22	25	28	31	34	36	39	40
33	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	3.42



RailTel signs MoU with Indian Railways for providing E-office



MoU 2019-20 signing at Rail Bhawan



रेलटेल
RAILTEL

A Mini Ratna Enterprise



RailTel signs MoU with Tata Trust for providing wifi at rural stations



18th Annual General Meeting of RailTel



RailTel wins the V and D Leadership Award in CSR category for Super 30 project



International
Yoga day
2018

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 2019.

The Preparation of financial statements of RAILTEL CORPORATION OF INDIA LIMITED for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/ auditors appointed by the Comptroller and Auditor General of India under section 139 (5) or 139 (7) of the Act is/ 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 16.08.2019.

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 ended 31 March 2019 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 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**

**Place: New Delhi
Dated: 18th September, 2019**

**Sd/-
(B.R.Mondal)
Principal Director of Audit
Railway Commercial, New Delhi**

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 2019.

The preparation of consolidated financial statements of RAILTEL CORPORATION OF INDIA LIMITED for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory auditor/auditors appointed by the Comptroller and Auditor General of India under Section 139(5) or 139(7) read with section 129(4) of the Act is/ are responsible for expressing opinion on the financial statements under section 143 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 16.08.2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted supplementary audit of the consolidated financial statements of RAILTEL CORPORATION OF INDIA LIMITED for the year ended 31 March 2019 under section 143(6) (a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of 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 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: 18th September, 2019

Notes:

A series of horizontal dotted lines for writing notes.

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 19th Annual General Meeting of the Company, to be held on Friday, 27th September, 2019 at 14:30 Hrs 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:

Sr. No.	Resolutions	For	Against
Ordinary Business			
1.	To receive, consider and adopt the Audited Financial Statements (including audited Consolidated Financial Statements of the Company) for the Financial Year ended 31st March, 2019 together with the Report of Board of Directors and Auditor's thereon.		
2.	To confirm the payment of interim dividend for the FY 2018-19 and declare final dividend on equity shares for the Financial Year 2018-19.		
3.	To take note of the appointment of Statutory Auditors and Branch Auditors as appointed by Comptroller and Auditor General of India for the FY 2019-20 and to fix their remuneration.		
Special Business			
4.	Ordinary Resolution for taking note of the appointment of Shri Puneet Chawla as Chairman and Managing Director on the Board of RailTel.		
5.	Ordinary Resolution for taking note of the appointment of Shri Sanjeev Jain as Director/Finance on the Board of RailTel.		
6.	Ordinary Resolution for taking note of the appointment of Shri Umesh Balonda as Part-time Govt. Director on the Board of RailTel.		
7.	Ordinary Resolution for taking note of the appointment of Shri Chinnsamy Ganesan as Independent Director on the Board of RailTel.		
8.	Special Resolution for taking note of the re-appointment of Dr. Anupam Alok on the Board of RailTel.		
9.	Special Resolution for taking note of the re-appointment of Shri Ashok Goel on the Board of RailTel.		
10.	Ordinary Resolution for taking note of the appointment of Shri Anand Kumar Singh on the Board of RailTel.		
11.	Ordinary resolution for ratification of the Remuneration of Cost Auditor for the Financial year 2018-19.		

Signed this..... day of..... 2019.

STAMP

Signature of the Shareholder.....

Signature of first proxy holder

Signature of second proxy holder

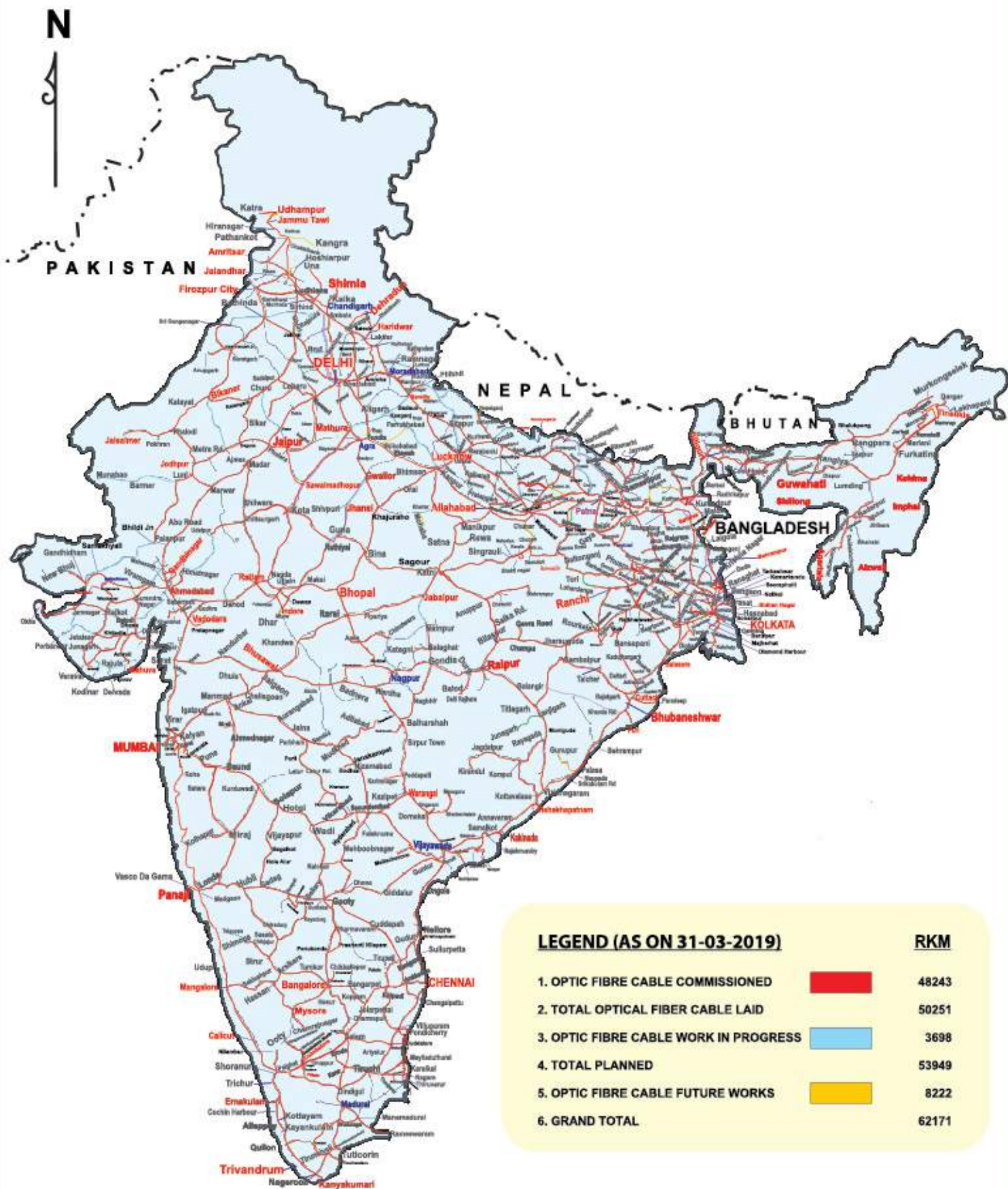
Signature of third proxy holder

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.

RAILTEL'S OPTICAL FIBRE CABLE NETWORK



LEGEND (AS ON 31-03-2019)

	RKM
1. OPTIC FIBRE CABLE COMMISSIONED	48243
2. TOTAL OPTICAL FIBER CABLE LAID	50251
3. OPTIC FIBRE CABLE WORK IN PROGRESS	3698
4. TOTAL PLANNED	53949
5. OPTIC FIBRE CABLE FUTURE WORKS	8222
6. GRAND TOTAL	62171



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