



20  
वार्षिक रिपोर्ट  
Annual Report  
— 2019-2020 —



रेलटेल कार्पोरेशन ऑफ इण्डिया लिमिटेड  
(भारत सरकार का उपक्रम)

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



रेलटेल  
**RAILTEL**

A Mini Ratna Enterprise

INNOVATION

MISSION

PLAN

RESEARCH

STRATEGY

MARKETING

VISION

## 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](http://www.railtelindia.com)



## 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.	Shri Umesh Balonda	Part-time Govt. Director
6.	Shri Vinay Srivastava	Part-time Govt. Director
7.	Smt. Rashmi Jain	Part-time non- official Director/ Independent Director
8.	Shri Chinnsamy Ganesan	Part-time non- official Director/ Independent Director

### KEY MANAGERIAL PERSONNEL (KMPs)

1.	Shri Anand Kumar Singh	Chief Financial Officer
2.	Shri J. S. Marwah	Company Secretary & Compliance Officer



## REGIONAL OFFICES

#### Northern Region

Shri K.L. Kataria, Executive Director (1/c)  
6th Floor, Illrd Block, Delhi Technology Park , Shastri Park, New Delhi-110053  
Tele : 011-22185933/34 • Fax : 011-22185978

#### Southern Region

Shri Chandra Kishore Prasad , Executive Director (1/c)  
2nd Floor , B Block , Rail Nilayam , Secunderabad -500071  
Tele: 040-27821134 • Fax : 040-27820682

#### Eastern Region

Shri Arun Michael , Executive Director (1/c)  
3rd Floor Chatterjee International Centre ,33A, Jawaharlal Nehru Road, Kolkata - 700071  
Tele: 033-44041499 • Fax : 033-44041499

#### Western Region

Shri S.K. Albela, Executive Director  
Western Railway Microwave Complex, Senapati Bapat Marg, Mahalakshmi Mumbai – 400013  
Tele: 022-24923907 • Fax: 022-24923913

## REFERENCE INFORMATION



### REGISTERED & CORPORATE OFFICE:

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



Website : [www.railtelindia.com](http://www.railtelindia.com)



### BANKERS

- ➔ Axis Bank
- ➔ Yes Bank
- ➔ RBL Bank
- ➔ Syndicate Bank
- ➔ State Bank of India
- ➔ Union Bank of India
- ➔ Indusind Bank
- ➔ HDFC Bank
- ➔ Punjab & Sind 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](mailto: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](mailto:sca_ca_co@yahoo.com)

#### Southern Region

M/s. Tukaram & Co. LLP, Chartered Accountants 3-6-69 Flat No. 209, Venkatarama Towers,  
Opp. Talwalkars, Basheerbagh, Hyderabad-500029 • Tele: 040-23228785, 040-23221536  
E-mail: [tukaramco@gmail.com](mailto:tukaramco@gmail.com)

#### Eastern Region

M/s K.N. Gutgutia & Co, Chartered Accountants 6C, Middleton Street, Flat No. 23 (2nd Floor),  
Kolkata-700071 • Tele: 033-22873735/56 • Fax: 033-22873756,  
E-mail: [kngkol1938@gmail.com](mailto:kngkol1938@gmail.com)

#### Western Region

M/s Om Prakash S. Chaplot & Co., Chartered Accountants 102, Vatsalya Building, Ekta CHS  
Nr. RTO Office, RTO Road, Andheri (W) Mumbai – 400053 • Tele: +91-996-707-1844  
E-mail:- [opc.mum@gmail.com](mailto:opc.mum@gmail.com)



A Mini Ratna Enterprise



## INTERNAL AUDITORS

### Corporate Office

M/s. APT & Co. LLP

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 Agarwal & Dhandhania

204-205, SNS Interio, 4th Floor, Bhatar Althan Road, Near Gujarat Gas Pump, Surat,Gujarat-395017

Tel: 0261-2269131 • E mail : surat@adcaindia.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 AUDITORS

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

## COST AUDITORS

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



## REGISTRAR & SHARE TRANSFER AGENT:

KFin Technologies Private Limited  
Selenium Tower-B,  
Plot No. 31 & 32,  
Financial District, Nanakramguda,  
Serilingampally, Hyderabad,  
Rangareddi, Telangana  
India - 500 032  
Website: www.kfintech.com

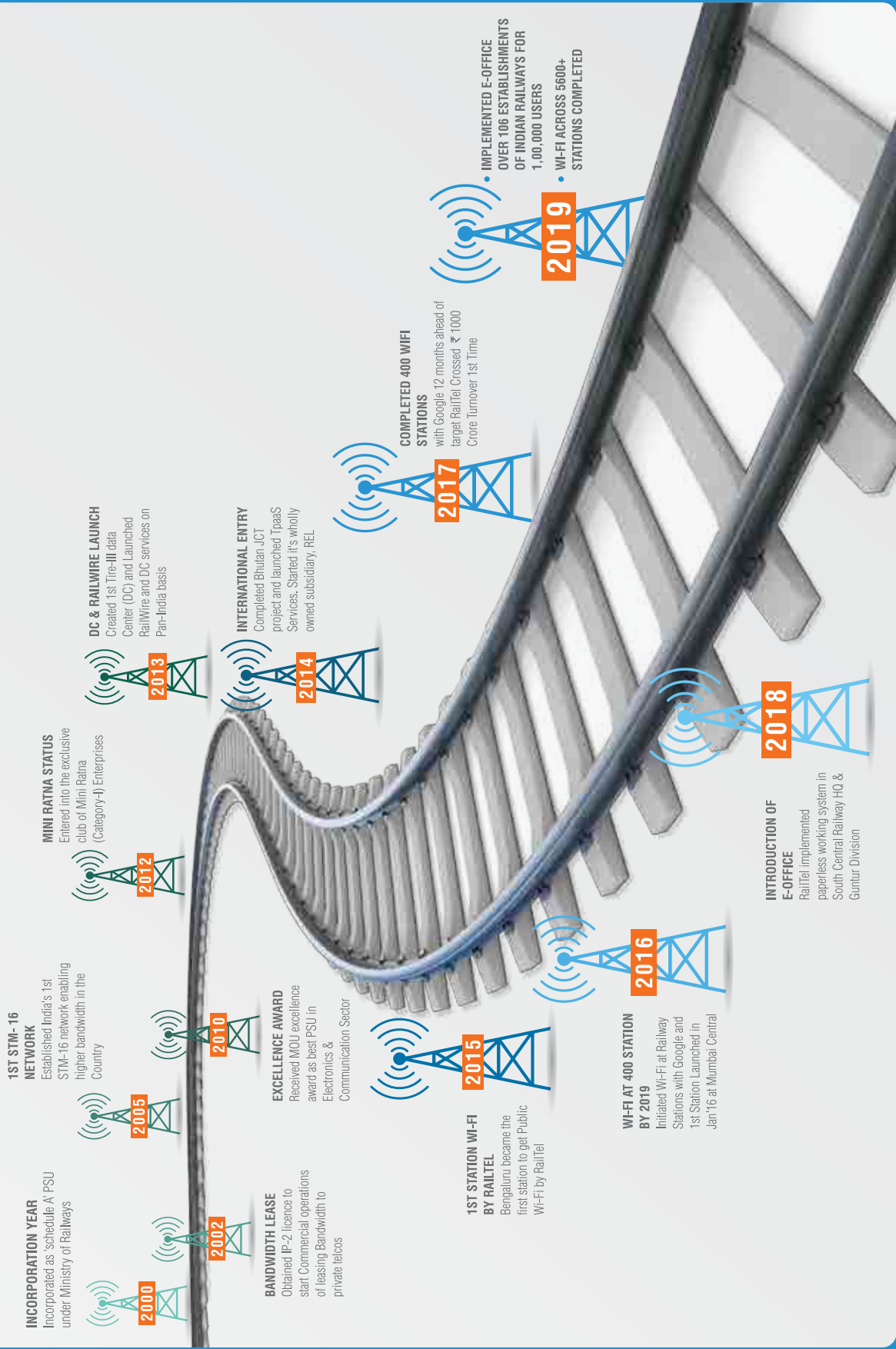
## DEPOSITORIES

National Securities Depository Ltd. (NSDL)  
Central Depository Services (India) Ltd. (CDSL)

## ISIN NO.

INE0DD101019

# COMPANY MILESTONES

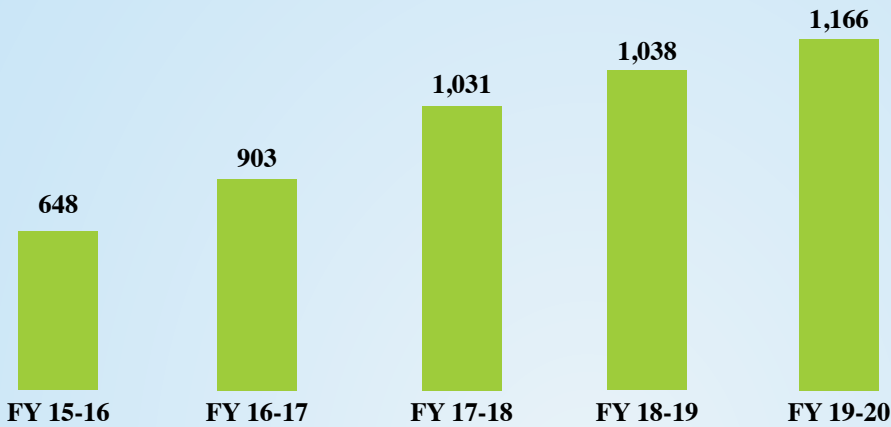


“ON PATH TO BECOME A PREFERRED TELECOM SOLUTIONS PROVIDER OF KNOWLEDGE ECONOMY”

# KEY FINANCIAL HIGHLIGHTS

## GROSS REVENUE (CONSOLIDATED)

IN ₹ CRORE

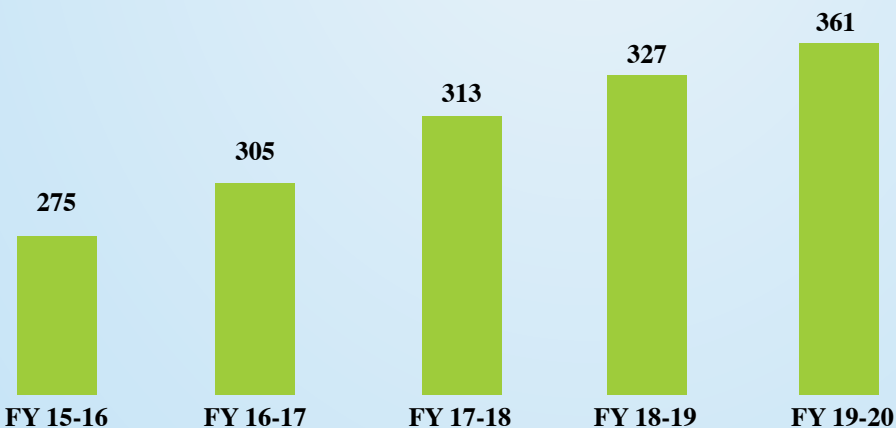


16%

CAGR

## GROSS MARGIN

IN ₹ CRORE

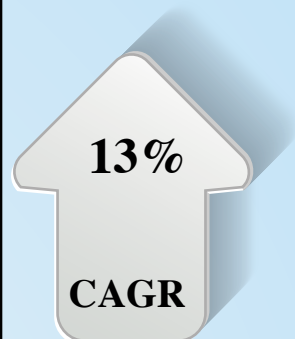
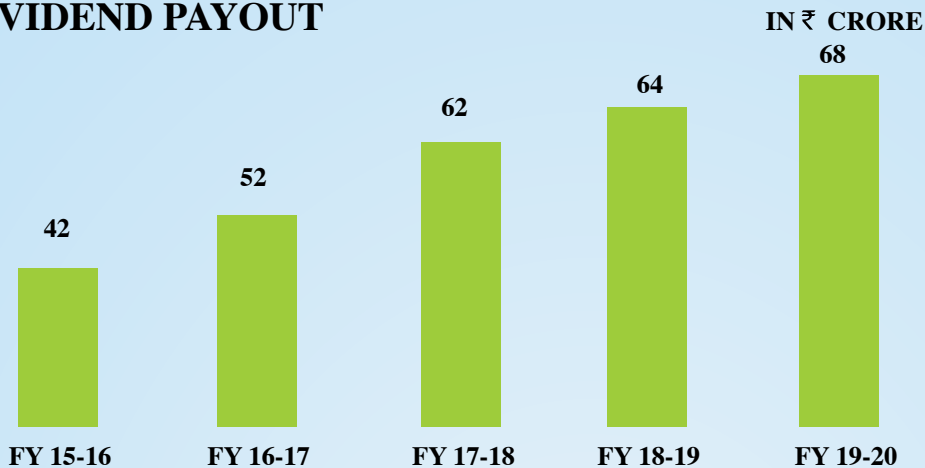


7%

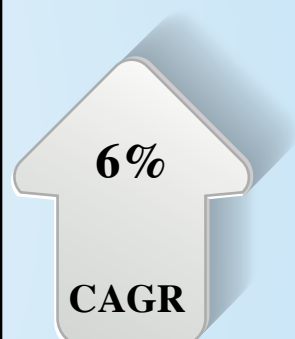
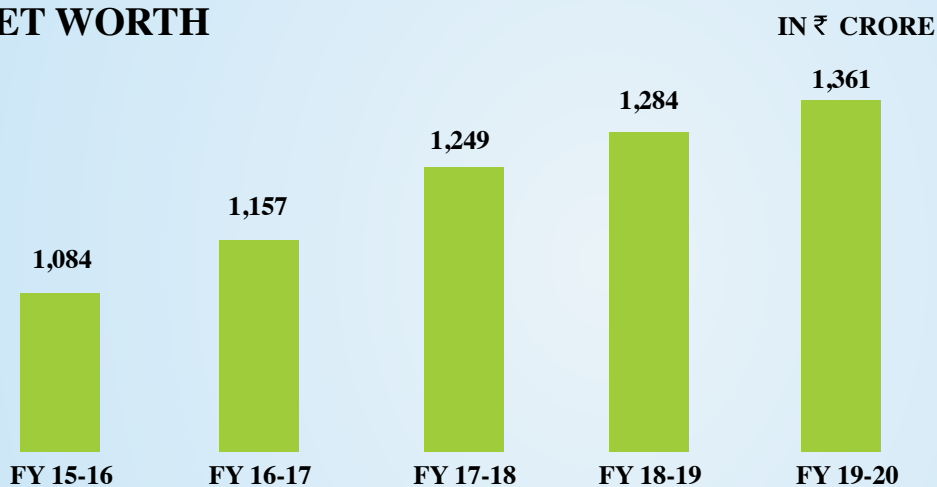
CAGR



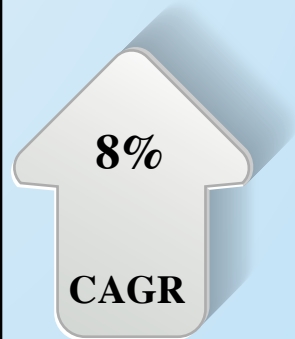
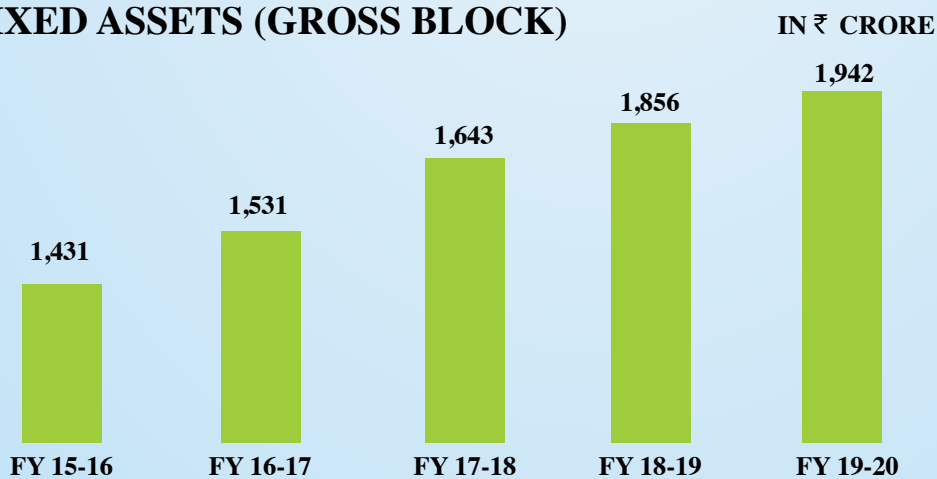
### DIVIDEND PAYOUT



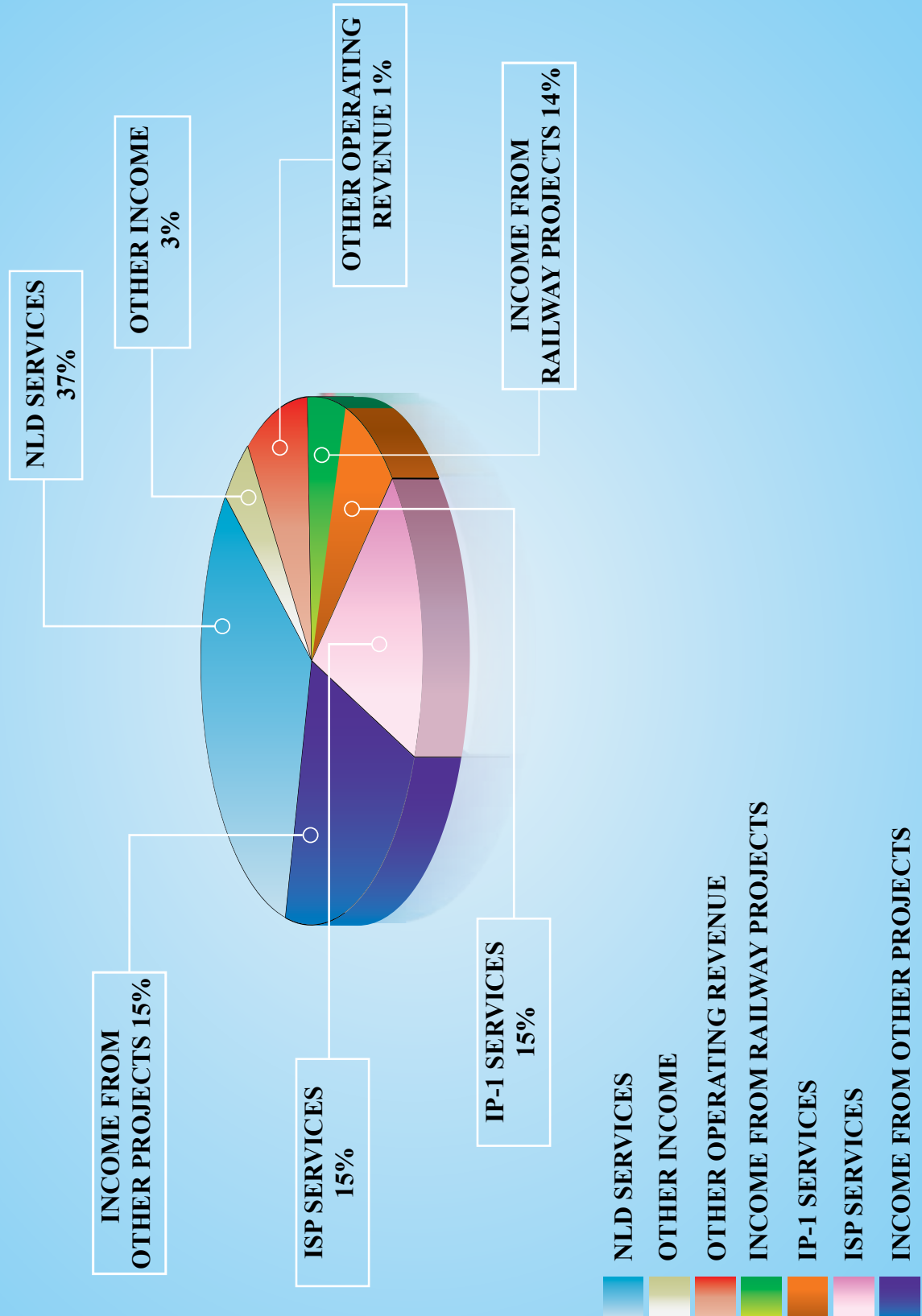
### NET WORTH



### FIXED ASSETS (GROSS BLOCK)



## REVENUE MIX



# Chairman's Speech



**The current crisis has thrown up new challenges and has preponed the investment cycle in ICT space which we intend to harness for future growth.**



**Dear Shareholders,**

I welcome you all to this 20th Annual General Meeting of your Company. The Directors' Report and the Audited Accounts for the year 2019-20 are already with you and with your permission; I may take these as 'Read'.

## **Financial Performance**

In the current year, your company, achieved Rs. 1112 crores turnover, with an operating margin of Rs. 199 crores. The profit before tax amounted to Rs 181 crores and net profit to Rs. 138 crores. On consolidated basis, RailTel has achieved highest ever turnover of Rs. 1166 Crore , an increase of 12.3% over 2018-19. Profit before tax & profit after tax were Rs.185 Crore & Rs. 141 crore respectively.

The company has paid an interim dividend of Rs. 20 crores and has proposed total dividend of Rs 68.06 Cr. Your Company is also required to pay Rs. 31.81 crores towards revenue share to



Railways during the year. The company is constantly paying license fee to DoT and has paid Rs 47.93 crores in FY 2019-20. All other statutory liabilities including Income Tax, GST etc. are also being paid timely.

I am happy to inform you that despite competition in the telecom market RailTel is a profit making CPSU in telecom sector.

### OFC Network

During the year, the OFC network of RailTel stood at 52025 RKM. As on date the OFC networks spans 58000+ RKM along the Railway track and 13000 KMs of access networks.

### RailCloud and Security Operation Centre

Your company has also created a RailCloud at its two tier III certified Data Centres at Gurgaon and Secunderabad from where the e office suite and other applications are deployed using the Cloud with shared compute power and storage resources along with managed Network and Data Security resources, reducing the time to deploy services

As our dependence on telecom infrastructure grows exponentially, security and reliability of this infrastructure assumes ever greater importance. Your company has also created a SOC (Security Operations Center) where tools are deployed and dedicated personnel track all suspicious activity and ensure proactive defense of the system rather than reactive forensic approach.

### Projects for Indian Railways

Continuing our endeavour of providing Wi-Fi facilities at railway stations in the country we are now rolling out Wi-Fi at all feasible (except the halts) railway stations. By March 2020, we had provided Wi-Fi services at 5655 stations. Presently, 5800+ stations are Wi Fi enabled.

**e-Office** Project is a Mission Mode Project under the National e-Governance Programme of the GoI being implemented by RailTel. I am happy to inform the august gathering that RailTel has completed

implementation at 106 locations of IR planned in phase – I & II and the balance locations are sanctioned in Phase-III. There are 1.14 lacs users on IR with 7.6 lac e-files and 27.6 lac e-receipts created till 30th Sept'20.

RailTel is in the process of providing **Content on Demand** service to passengers in trains by preloading multilingual content (Movies, Music Videos, General Entertainment, Lifestyle etc) on media servers installed in trains. The Content on Demand service will not only improve overall passenger experience but at the same time will increase the non-fare revenue through multiple monetization models.

**Hospital Management Information System (HMIS)** is an Integrated clinical information system for improved patient services, health care and hospital administration which helps in creation of an accurate, electronically stored, secure and easily accessible medical record. RailTel is implementing the project for 2 Railway Hospitals and 13 Health Units of Delhi Area as a pilot project.

Indian Railways have mandated RailTel to provide IP based Video Surveillance Systems across 6124 railway stations and 14787 premium train and EMU coaches. We have completed 231 stations in FY'19-20. Tender for 928 nos. stations under Nirbhaya funding are being invited shortly.

### RailWire-Retail Broadband Initiative

RailTel has registered an impressive growth in its retail broadband business service RailWire. It is a collaborative model in partnership with local entrepreneurs & local cable operators for providing access network. There are more than 2.6 lakh RailWire broadband customers in the SMEs/household segment upto Sep-20 which is a 100% growth over March'20 numbers.

### Maintenance of State Wide Area Networks

RailTel is also providing managed services viz building & maintaining the OFC network, manning and maintaining the Network Operation Centre, providing

broadband and radio connectivity for State Wide Area Networks for the states of Rajasthan, Haryana and Kerala. We intend to expand this business to other states also as the network requirements grow due to the IT expansion plans of various states.

### Impact of Covid

The Covid-19 pandemic is shaping a new world order, triggering a transformative impact on economies and altering the ecosystem of businesses. The global outbreak has not only compelled businesses across industries to turn to technology-enabled platforms for safe operations and business continuity, but also accelerated the adoption of digital imperatives. There is a substantial increase in usage of RailTel Services such as TpasS, e office, BW usage & increase in RailWire subscribers due to people working from Home, Schools & colleges starting online classes and digital access to services across every domain.

### HD Video Conference Service

RailTel's HD Video Conference Service was extensively used by MR, MoSR, Chairman CEO and other officials of Ministry of Railways, during the lock down to conduct regular virtual meetings to monitor movement of freight trains and Covid preparedness. The usage during lock down increased by 25 times as compared to pre-Covid times. This service is also being utilized by Coal India and its subsidiaries, AAI, Ministry of Commerce & Industry, CBIC, Patna High Court etc.

### Diversification efforts

Continuing the efforts in systems Integrator business, RailTel has focused on this Business during the year & has been able to get high volume orders as well as extension orders from various government agencies such as: DRDO, OFB, SAIL and Mahanadi Coal Fields etc.

To avoid dependence on just one sector, the opportunities for diversification of telecom business activities is being planned by the company in other related avenues of business including in the field of

IT, Signalling and other Railway projects which could be conveniently and advantageously be combined with the existing business.

### Human Resource

The company at present has an employee base of 690 including 47 deputationists & 175 contractual employees taken for project activities. Regular training in technology & management is being provided to them.

### Corporate Social Responsibility

RailTel has contributed Rs 12.15 Cr to the PM CARES FUND to help fight the pandemic through CSR funds as well as donation.

Under CSR initiative, RailTel continued its support to RailTel Akansha Super-30 at Dehradun for coaching students who are talented but from economically weaker section. I am proud to announce that this year also 30 out of 30 students qualified JEE mains & 14 in JEE Advanced. We also operate 6 Digital Learning centres (two at Varanasi, UP, one at Lalbagh, Delhi, One at Satna two at Bokaro, Jharkhand) for local people. We also operated one skill development centre for women at Jahangirpuri, Delhi, for training local women in various skills like, tailoring, stitching, embroidery etc. We have started Mini Science Centre at 5 Govt schools of aspirational district of Bihar. We have also made monetary contribution to Janta Adarsh Andh Vidyalaya, Delhi and ISKCON for imparting moral education to children of Kendriya Vidyalayas.

### Corporate Governance

Your Company is also conscious of concept of corporate governance. As a part of corporate governance practice, RailTel has adopted the Risk management policy. Various Committees such as Audit Committee, CSR Committee, Remuneration Committee etc are already in place to effectuate the functioning of the Company.

### Awards and Accolades

During the year 2019-20, RailTel bagged the following awards :

Express Computer Award for e-office implementation, Dun & Bradstreet PSU Award 2019 in the Telecommunications and Information Technology services category, 7th Governance Now PSU Award in Digital PSU (Mini Ratna) category, Voice & Data Leadership Award for CSR, Digitally Empowered PSU Award by Var India at the 3rd Cyber Security Conclave 2019, top Rankers Excellence Award for 'Excellence in Leadership' at the 21st National Management Summit 2020. These awards give wide recognition to RailTel in the Industry and enhance the company's credibility.

#### **Acknowledgment**

I would like to take this opportunity to express my gratitude to Ministry of Railways and other Departments of Govt. of India including DoT, MoC,

NIC, HRD and DPE etc. for their continued support, patronage and encouragement. I also wish to thank our esteemed customers from Ministries, PSUs, State Govt., Enterprises, Telcos, Banks, etc. who have kept faith in RailTel's services.

I also thank my seniors & colleagues in Railway Board for providing wise counsel and guidance and to the team of dedicated work force of RailTel for their commitment in accelerating the Company's growth.

With these words, I propose that the annual accounts together with the reports thereon may be considered and adopted.

**Sd/-**  
**(Puneet Chawla)**  
**Chairman & Managing Director**

# RAILTEL CORPORATION OF INDIA LIMITED

(A Govt. of India Undertaking)  
CIN: U64202DL2000GOI107905

Regd. & Corporate Office: Plate-A, 6th Floor, Office Block Tower-2, East Kidwai Nagar, New Delhi-110023  
Website: [www.railtelindia.com](http://www.railtelindia.com) E-mail: [jsmarwah@railtelindia.com](mailto:jsmarwah@railtelindia.com)

## NOTICE

NOTICE is hereby given that the 20<sup>th</sup> Annual General Meeting of the Members of RailTel Corporation of India Limited will be held on Wednesday, 28<sup>th</sup> October, 2020 at 11:30 Hrs. through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”) 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 31<sup>st</sup> March, 2020 together with the Report of Board of Directors and Auditor’s thereon and Comments of the Comptroller & Auditor General of India thereon.
2. To confirm the payment of interim dividend for the FY 2019-20 and to declare final dividend on equity shares for the FY 2019-20.
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 2020-21 and authorising the Board of Directors of the Company 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 Vinay Srivastava, (DIN: 08638850), ED/PSU/Railway Board who has been appointed as Part-time Govt. Director, by the President of India through Ministry of Railways vide letter no. 2019/PL/77/02 dated 30/12/2019 and such appointment subsequently noted by the Board of Directors in its meeting held on 22/01/2020, be and is hereby noted as Part-time Govt. Director of the Company, on such terms & conditions as may be determined by the Govt. of India.”

5. To ratify the remuneration of Cost Auditor for the Financial year 2019-20 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,



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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, 2020 at a remuneration of Rs. 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: 23/10/2020**

**NOTES:**

1. In view of the global COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide General Circular No. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, followed by Circular No. 20/2020 dated May 05, 2020, has allowed companies to conduct the Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without the physical presence of the Members at a common venue. In compliance with the Circulars, the AGM of the Company is being held through VC/OAVM.
2. Since this AGM is being held pursuant to MCA circulars through VC/OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. The link for joining the AGM will be send in advance, separately, to all the persons eligible to attend the meeting at their registered email address available in the records of the Company. The facility for joining the meeting will be kept open for 15 minutes before the time scheduled to start the meeting and may be closed after expiry of 15 minutes from scheduled time.
4. Members attending the AGM through VC/OAVM shall be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013 (Act).
5. The members can convey their vote, when poll is required to be taken during the meeting on resolution at the email id of the Company Secretary i.e. at [jsmarwah@railtelindia.com](mailto:jsmarwah@railtelindia.com) (Designated email address of the Company).
6. During the meeting, where a poll on any item is required, the members shall cast their vote on the resolutions only by sending emails through their email address which are registered with the Company. The said emails shall only be sent to the designated email address circulated by the Company.
7. Members entitled to vote at the meeting have agreed for shorter notice than 21 days as being given for the



meeting.

8. 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.
9. Members having any questions on item set out in the Agenda are requested to send their queries at least 7 days in advance to the Company at the designated email address of the Company to enable the Company to collect the relevant information and to keep the information ready at the meeting.
10. None of the Directors of the Company is in any way related to each other.
11. All relevant documents referred to in the Notice will be available for inspection by the Members at the Registered & Corporate Office of the Company from the date of circulation of this notice upto the date of the AGM on all working days during business hours. Members seeking to inspect such documents are requested to send a notice email to [jsmarwah@railtelindia.com](mailto:jsmarwah@railtelindia.com).
12. Since the AGM will be held through VC/OAVM, the route map is not annexed in this notice.

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 67 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 of Railways are being put up for noting by the shareholders.
3. Ministry of Railways vide letter no. 2019/PL/77/02 dated 30/12/2019 has appointed Shri Vinay Srivastava, ED/PSU/RB as Part time Government Director on the Board of RailTel. The appointment shall be effective for a period till he holds the post of ED/PSU/RB or further orders, whichever is earlier.

4. The terms and conditions regulating the appointment of Shri Vinay Srivastava is to be determine by the President of India as contained in article 67(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 Vinay Srivastava, being the appointee himself, is in any way, concerned or interested, financially or otherwise, in the resolution.

**Item No 5:**

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 2019-20. 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 2019-20 in their meeting held on 16/08/2019 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. During his tenure as CMD RailTel, the company achieved highest ever consolidated turnover of Rs. 1166 Cr in FY-19-20, marking an overall growth of 12.3% in revenue and 25% in PAT. Under his leadership RailTel implemented Wi-Fi at 5000 Railway stations which is one of the largest Public Wi-Fi Networks in the world & e-office pan IR having more than 1.1 Lakh users. Also, the subscribers base of Retail Broadband Services of RailTel was increased by 150% in the last one year. He has held many important positions i.e. Executive Director (Safety) Ministry of Railways, Divisional Railway Manager (DRM) Ajmer, Chief Project Manager, Indian Railways Project Management Unit (IRPMU) etc.

While working as Divisional Railway Manager (DRM), Ajmer, 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, 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.

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.

He has 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  
(DIN: 07783222)

He has been divested of the Charge/duties of the post of Director (Project Operation & Maintenance) w.e.f 24/09/2020 as per MoR letter.

“ 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.

“ Sh. Sanjai Kumar is a 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)

He has been entrusted with Additional Charge of the post of Director (Project Operation & Maintenance) w.e.f 28/09/2020 as per MoR letter.



**Shri Anand Kumar Singh**

Director/Finance & CFO  
(DIN: 07018776)



Shri Anand Kumar Singh, joined RailTel Corporation of India Ltd. as Director (Finance) on 4th September, 2019 and he was appointed as Chief Financial Officer on 26.09.2019. Prior to his joining, he was Executive Director/ Finance in Ircon International Limited. He was also non-functional Director in four SPVs of Ircon 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 Ircon International Limited and was Chief Investor Relation Officer of the company.



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.



**Shri Umesh Balonda**

Part-time Government Director  
(DIN: 08444478)



“ Shri Vinay Srivastava has 26 years of multifaceted experience in Government Service. A Mechanical Engineer from Jamalpur with a Masters Degree in Public Administration from Syracuse University, he has experience of Rolling Stock Design, Manufacture, Testing and Operations. He is presently working as Executive Director in Railway Board looking after Passenger Rolling Stock and Public Sector Units of the Railways.

He has worked as Chief Mechanical Engineer in Indian Railways Organization for Alternate Fuels where his charge includes solar energy, biofuels, fuel cell propelled vehicles and other alternate sources of energy. He has worked in RCF Kapurthala in Coach Production and Coach Design, and Sr DME Hyderabad in South Central Railway. He has also worked in RDSO in Administration, Testing and Carriage Directorate.

Apart from Railways he has also worked in public facing role as Regional Passport Officer Lucknow in MEA. He also has policy experience at the highest levels while working as Director in Cabinet Secretariat handling infrastructure ministries including MoUD HUPA Railways, Road Transport, Civil Aviation etc as well as Coordination with State Governments. He has also worked as an aide to Minister in the Ministries of Environment Forest and Climate Change, HRD and Information and Broadcasting.



**Shri Vinay Srivastava**  
Part-time Government Director  
(DIN: 08638850)



**Smt. Rashmi Jain**  
Independent Director  
(DIN: 08187234)

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

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



“

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.



**Shri Chinnsamy Ganesan**

Independent Director  
(DIN:07615862)

”

# Board's Report

Dear Shareholders,

Your Company's Directors are pleased to present 20<sup>th</sup> Annual Report of the Company, along with Audited Accounts, for the financial year ended 31<sup>st</sup> March, 2020, prepared in accordance with the provisions of Companies Act, 2013 and rules made thereunder.

## 1. Company Overview

RailTel Corporation of India Ltd. 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 biggest USP of RailTel is its ownership of a Pan-India 58000+ RKM of Optic fibre network which 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. 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 RailTel e-office, 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 ₹ 1166 crore. The Company has observed an increase of 9.63 % in its revenue from operations which comes out to be ₹ 1081 Crore on standalone basis. The total turnover of the Company during the year is ₹ 1112 Crore comprising of other income of ₹ 31 Crore. The summarized financial results of your Company are shown in **Table 1**.

## 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 31<sup>st</sup> March, 2020 including ₹ 305.94 crore issued for consideration other than cash.



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

Particulars	Year ended 31/03/2020	Year ended 31/03/2019	Year ended 31/03/2020	Year ended 31/03/2019
	Consolidated		Standalone	
<b>Total Revenue</b>	<b>1166</b>	<b>1038</b>	<b>1112</b>	<b>1017</b>
- Revenue from Operations	1128	1003	1081	986
- Other Income	38	35	31	31
Expenditure	801	708	751	690
<b>Gross Margin</b>	<b>365</b>	<b>330</b>	<b>361</b>	<b>327</b>
Depreciation	131	112	131	112
<b>Profit Before Interest, Tax &amp; Exceptional items</b>	<b>234</b>	<b>218</b>	<b>230</b>	<b>215</b>
Interest	Nil	Nil	Nil	Nil
Exceptional Item	49	37	49	37
Tax/ Others	44	69	43	68
<b>Profit for the Year</b>	<b>141</b>	<b>112</b>	<b>138</b>	<b>110</b>
Basic EPS (₹)	4.40	3.48	4.31	3.42

#### 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 ₹ 20 Crore. Further, the Board has recommended payment of final dividend of ₹ 48.06 Crore for the FY 2019-20. The total dividend payment for the FY 2019-20 will be ₹ 68.06 crore as compared to ₹ 64.20 Crore (excluding dividend distribution tax) for the FY 2018-19. In terms of Regulation 43A of SEBI (LODR) Regulations and the guidelines on “Capital Restructuring of Central Public Enterprises” issued by the Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, the Board of Directors of the Company has formulated and adopted the Dividend Distribution Policy. The said Policy is annexed to this report

at **Page No-57** and is also available on the Company’s website i.e [www.railtelindia.com](http://www.railtelindia.com)

#### 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 ₹ 31.81 crore as against such share of ₹ 28.43 crore in the preceding year. The cumulative revenue share to Railways amounting to ₹ 268 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 2019-20 is ₹ 1040 crore (Standalone).

## 8. Capital Expenditure

During the year, Capital expenditure of ₹ 62 crore approx. was incurred mainly on NBCC Quarters, OFC related assets, Telecom & Radio equipment's etc. The Company made commitments to the tune of ₹ 62.69 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 2019-20.

## 9. Directors and Key Managerial Personnel

During the FY 2019-20, following changes took place in the Board Composition.

- ❖ Shri Puneet Chawla the then ED/Mobility (S&T)/RB was appointed as Chairman and Managing Director of the Company w.e.f. 10/05/2019 (earlier holding additional charge).
- ❖ Shri Sanjeeb Kumar has ceased to be Director/Finance (Addl. Charge) of the Company w.e.f. 03/04/2019.
- ❖ Shri Sanjeev Jain was ED/Finance/RB and was entrusted with the additional charge to the post of Director/Finance of the Company w.e.f. 11/04/2019 to 04/09/2019.
- ❖ Shri Sunil Gupta has ceased to be Part time Govt. Nominee Director of the Company w.e.f. 06/05/2019.
- ❖ Shri Umesh Balonda was ED/Tele/RB and was appointed as Part time Govt. Nominee Director of the Company w.e.f. 06/05/2019.
- ❖ Dr. Anupam Alok had earlier ceased to be Part-time non-official/Independent Director of the Company

w.e.f. 01/04/2019. However, he was further re-appointed as Part-time non-official/Independent Director of the Company w.e.f.12/07/2019 to 31/03/2020.

- ❖ Shri Ashok Goel had earlier ceased to be Part-time non-official/Independent Director of the Company w.e.f. 01/04/2019. However, he was further re-appointed as Part-time non-official/Independent Director of the Company w.e.f.12/07/2019 to 31/03/2020.
- ❖ Shri Chinnsamy Ganesan has been appointed as Part-time non official/Independent Director of the Company w.e.f. 16/07/2019.
- ❖ Sh. Anand Kumar Singh has been appointed as Director/Finance of the Company w.e.f. 04/09/2019.
- ❖ Sh. Anand Kumar Singh has been appointed as Chief Financial Officer of the Company w.e.f. 26/09/2019.
- ❖ Dr. Madhukar Sinha has ceased to be Part time Govt. Nominee Director of the Company w.e.f. 11/11/2019.
- ❖ Shri Vinay Srivastava was ED/PSU/RB and was appointed as Part time Govt. Nominee Director of the Company w.e.f. 30/12/2019.

## 10. Declaration from Independent Directors

RailTel has received a declaration from its Independent Director 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. 2019-20 i.e. on 24/05/2019, 09/07/2019, 16/08/2019, 26/09/2019, 26/12/2019, 22/01/2020 and 12/02/2020.

## 12. Remuneration to Directors

RailTel, being a Government Company under the provisions of the Companies Act, 2013, the whole time Directors of the Company are appointed by the

President of India acting through Ministry of Railways. The functional Directors are appointed by the Government of India who draw remunerations under IDA pattern of pay scale except in case of CMD who is on deputation to RailTel from Ministry of Railways and is drawing Central Dearness Allowance (CDA) pay scales as pre-determined by the Government and as per the terms and conditions of their appointment 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, 2020, the Board had three committees namely the Audit Committee, the Corporate Social Responsibilities Committee, and the Nomination & Remuneration Committee. Further, on 07/08/2020, the Board has constituted one more Committee namely Stakeholders Relationship 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 12<sup>th</sup> August, 2014 under the provisions of the Companies Act, 2013.

The authorised share capital of REL is ₹ 50 Crore and paid up share capital is ₹ 10 Crore. The entire 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’s Board.

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 2019-20 in compliance to the aforementioned Public Procurement Policy is shown in **Table-2**:

**Table 2**

Sl.	Particulars	2019-20 (₹ in Cr.)
1	Total annual procurement (in value)	539.19
2	Total value of procurement from MSEs	197.73
3	% age of procurement from MSEs (including SC/ST and women)	36.67%
4	Total value of procurement from only MSEs owned by SC/ST entrepreneurs	1.82
5	% age of procurement from MSEs owned by SC/ST entrepreneurs	0.92%
6	Total value of procurement from only MSEs owned by Women entrepreneurs	3.82
7	% age of procurement from MSEs owned by Women entrepreneurs	1.93%

## 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 the 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 1.4.2019	:-	16
Received during the Year	:-	119
Disposed off during the year	:-	114
Pending as on 31/3/2020	:-	5

## 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 2019-

20, RailTel's IT team continuously worked towards strengthening of core processes of these implemented modules so that users could effectively and efficiently use ERP for day to day work.

The ERP System is implemented for RailTel's Subsidiary company i.e. RailTel Enterprises Limited. The ERP application was functional and live w.e.f 1st Oct 2019. The integration of Railwire in ERP is also successfully completed. New ERP Customer Applications like Outsource Employee records, DG module for Data Centre, new features in Dash Board Application, REL supplier BG Application, new attendance system, Supplier BG application, EMD application, Vendor deduction module, JV approval process, Asset transfer application, PO vetting checker Maker functionality were also developed during FY 2019-20, apart from regular O&M and enhancements works including development of new reports. Further as per management and business requirement, During FY 2020-21 ERP team shall be working for development of new applications like Supplier BG application, EMD application, Vendor deduction form, JV approval process, Asset tagging process for CO, Auto invoicing logic for Railwire billing, payment integration with Bank, Dark Fiber Billing Application, Last Mile Provisioning Application, Mobile Based Dashboard Application, New Implementation for E-Invoicing.

In next financial year RailTel's IT team shall be working towards strengthening of existing ERP modules and development of other additional requirements including strengthening/updation of ERP Infra.

## 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 is forming 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](http://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 31<sup>st</sup> March, 2020, the Company had total manpower strength of 721 employees including regular, deputationist, contractual and consultants. The details are shown in **Table-3**. During the year, Company has also availed the services of 1325 outsourced employees.

**Table 3**

Category	No. of Employees for the year ended 31.03.2019	No. of Employees for the year ended 31.03.2020
Regular Employees	486	468
Deputationist	45	47
On Contract	199	175
Consultants	24	31

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 31.03.2019	No. of Employees for the year ended 31.03.2020	% of total no. of regular employees during Financial year ended 31.03.2020	No. of recruitment made in these categories
Women Employees	60	57	12.4	0
SC Personnel	63	63	13.7	0
ST Personnel	17	18	3.9	1
Other Backward Classes	120	119	25.7	0
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 follows guidelines of Directorate of Official Language, Ministry of Railways and Department of Official Language, Ministry of Home Affairs for effective implementation of Official Language. 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 involving Regional Heads also. 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, 2019, Hindi Pakhwada was observed from 9<sup>th</sup> Sept to 23<sup>rd</sup> Sept, 2019 in RailTel Corporation of India Ltd. During the Hindi Pakhwada various activities were organized i.e-

(1) Noting & Drafting Competition (2) Short Story competition (3) Self written poetry competition (4) Hindi Dictation competition and (5) Hindi quiz competition. On the concluding day of Hindi Pakhwara, Hindi Workshop was organized wherein Retd. Professor/JNU Sh Ram Vaksh was invited as Chief Guest. He exchanged his valuable views over importance of Rajbhasha. Winners of competitions were awarded with cash prizes and Hindi Books.

RailTel has published quarterly pictorial newsletter regularly under title “RailTel Gatividhiyan” in Hindi starting its first Edition from Oct. to Dec., 2018 quarter and thereafter the same is being published regularly. Besides, issue of Hindi Magazine “RailTel Pragati” has also been published on half yearly basis. So far three editions have been published.

The Company takes part in Railway Board’s Official Language Implementation Committee’s Quarterly Meetings regularly and sends Quarterly progress reports to Railway Board. The Company is also a member of Town Official Language Implementation Committee (TOLIC). The periodical Hindi Progress report is also submitted to the TOLIC.

### 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 thereunder.

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 office(s) 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 one complaint under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 at the Corporate Office and the same is under process.

### 25. Risk Management Policy

The Board of Directors of your Company at their 78<sup>th</sup> meeting has adopted a risk management policy prepared by M/s. PricewaterhouseCoopers (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 has been done.

## 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 forms part of this Annual Report and is placed at **Annexure-III**.

In compliance with the directives of DPE, the Company is also regularly sending its quarterly and consolidated annual report in the prescribed manner to its Administrative Ministry/DPE. For each quarter, CPSEs are graded under various heads viz; Composition of Board, Non-Official Directors, Board Meetings, Code of Conduct, Audit Committee, Remuneration Committee, Board Disclosures, Directors' Remuneration etc. on the basis of scores prescribed for each head. For the year under review, RailTel has scored an average score of 94.97% 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 2019-20, RailTel has undertaken to spend ₹ 804.66 lakh on CSR activities which includes, ₹ 376.56 Lakh which is 2% of average net profit before tax (PBT) of the company earned during the immediately preceding three Financial Years plus ₹ 428.10 Lakh as unspent amount from previously sanctioned ongoing projects. Out of the CSR budget, ₹ 510.56 lakh was spent during FY 2019-20.

During the year, RailTel has carried out various CSR activities like providing free coaching for engineering to under privileged children, establishing Digital Learning centres, Skill Development Centre for Women, Menstrual Health Management program in Govt. upper primary school, establishing Mini Science Centre in Schools, Contribution to PM Cares Fund etc.

One of the RailTel's CSR initiative namely 'Menstrual Health Management' is related to menstrual hygiene ailments in adolescent girls and women. This project aims to solve the problem by educating the educators & adolescent girls and by providing them sanitary pads with facility for disposal through incinerators. The project covers 180 Government Upper Primary Schools in 8 Aspirational districts of Uttar Pradesh (Chitrakoot, Balrampur, Bahraich, Sonbhadra, Shraswati, Chandauli, Siddharth Nagar, Fatehpur) covering around 25 thousand girl students across the state in selected districts in government upper primary schools.

RailTel has contributed an amount of ₹ 2 Crore, out of the CSR budget of FY 2019-20, to the PM CARES Fund to support the Govt. of India in its crusade against unprecedented COVID-19 pandemic across the country. The fund, Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund' (PM CARES Fund) has been setup by the Government of India with the primary objective of dealing with any kind of emergency or distress situation such as that posed by COVID 19 pandemic.

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. Amendment in existing Articles of Association

The Company with the approval of its shareholders in the Extraordinary General Meeting held on 28/09/2020 has adopted revised set of Articles of Association to make them sync with the provisions of the Companies Act, 2013 and SEBI Listing regulations. Subsequently, the Company has also filed the requisite e-form MGT-14 and obtained approval of the Ministry of Corporate Affairs/Registrar of Companies to this effect.

## 30. Secretarial Standards

During the year, the Company is in compliance with the applicable Secretarial Standard issued by the Institute of Company Secretaries of India (ICSI).

## 31. Impact of COVID-19

In late 2019, COVID-19, commonly known as the “novel coronavirus was declared a global pandemic by the World Health Organization. Governments and municipalities around the world instituted measures in an effort to control the spread of COVID-19, including quarantines, shelter-in-place orders, school closings, travel restrictions, and closure of non-essential businesses. By the end of March, the macroeconomic impacts became significant, exhibited by, among other things, a rise in unemployment and market volatility. In order to contain the spread of COVID-19 virus, the Government of India initially announced a 21-day lockdown on March 24, 2020, which, after being subject to successive extensions, has been relaxed.

The impact of the Covid-19 pandemic is likely to be minimal on telecom companies. With increasing number of people working from home, data volume is likely to jump in the short term. The subscriber base of RailWire has also increased substantially. RailTel has also created Virtual Private Network for 10,000 users of Indian Railways. During the lockdown period, there was phenomenal increase in usage of video conferencing service with 25 times increase as compared to pre COVID time to 83,58,336-man minutes of meeting time.

As a responsible Corporate citizen, the Company stood with the nation in the fight against COVID-19. The Company has also taken various initiatives towards implementation of all precautionary measures to deal

with the pandemic. RailTel has also extended financial support of ₹ 12.15 crores towards Prime Minister’s Citizen Assistance and Relief in Emergency Situation Fund (PM CARES Fund) [₹ 2 crores contributed during the FY 2019-20 and ₹10.15 crores contributed after the close of this year which includes the contribution of ₹ 15 lakhs by the employees].

## 32. Vigil Mechanism

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

During the year, first full-time Chief Vigilance Officer has been appointed as per CVC requirement. This shall enable RailTel to pro-actively ensure transparency in various spheres of Company’s activities as well as also take punitive measures wherever required.

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 01.04.2019	6	Related to tender/contract management procedure violation
2	Number of Vigilance cases received for investigation during the year	3	Related to tender/contract management procedure violation
3	Number of Vigilance cases disposed off during the year	5	
4	Number of Vigilance cases pending as on 31.03.2020	4	Related to tender/contract management procedure violation



### 33. Vigilance awareness week

As per the CVCs directives, Vigilance Awareness Week was observed in RailTel from 28.10.2019 to 02.11.2019 with the theme “Integrity – A Way of Life (ईमानदारी - एक जीवन शैली)

During the week, a number of vigilance awareness activities were carried out and events organized involving RailTel’s Officials as well as for other Citizens. At the onset of the Vigilance week on 28/10/2019, RailTel officials undertook the integrity pledge administered by CMD to all 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. For connecting with the vendors & suppliers, customers and general public, an E-pledge link of CVC was posted on RailTel’s website and also promoted through social accounts for public awareness with request to take integrity pledge online. Banners and posters were setup across all offices i.e. Corporate Office and Regional/Territorial offices including at reception as well as outside and inside of the building for awareness of the employees, visitors and general public. An in-house training session was also organized highlighting various procurement guidelines and policies to provide transparency in the organisation.

### 34. 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.

### 35. 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 31<sup>st</sup> March, 2020.

Besides, the CAG has also appointed the following named firms of Chartered Accountants as Branch Auditors for auditing of four Regional Office(s) of the Company:

Auditor	Region
Om Prakash S Chaplot & Co.	Western Region
K.N. Gutgutia & Co.	Eastern Region
Tukaram & Co. LLP	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 ₹ 23.88 lakh excluding GST.

### 36. 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 2019-20.

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

### 37. 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 2019-20. The Secretarial Auditors 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 31<sup>st</sup> March, 2020 in Form MR-3 and the Management’s reply on the observation/comments of Secretarial auditor forms part of this report and are placed at **Annexure-V&VI** respectively.

### 38. Comments of CAG

The comment(s) of CAG, if any, shall form part of this report.

### 39. Auditors’ Report

The Auditors’ Report of the Company for the year ended 31<sup>st</sup> March, 2020, is attached with the Financial Statement of the Company. There is no qualification in the Auditors Report on the Financial Statements of the company.

### 40. 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



A Mini Ratna Enterprise

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 is forming part of this Report and is placed at **Annexure-VII**.

#### 41. Presidential Directives

No Presidential Directive was received during the year.

#### 42. 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 2020-21 has been signed with Ministry of Railways within stipulated time. During the year 2018-19, RailTel has got “Good” rating from DPE.

#### 43. 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.

#### 44. 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 Ministry of Railways disinvest its certain shareholding in the RailTel through “Initial Public Offering” (IPO) in the domestic market. Accordingly, the Department of Investment and Public Asset Management (DIPAM), Ministry of Finance has appointed ICICI Securities Limited, IDBI Capital Markets & Securities Limited and SBI Capital Markets Limited as the book running lead managers (“BRLMs”) and Crawford Bayley & Co. and Squire Patton Boggs Singapore LLP as Domestic and International Legal Advisors for carrying out the process of disinvestment. Further, the Company has filed its Draft Red Herring Prospectus (DRHP) with capital market regulator (i.e. Securities and Exchange Board of India) for Initial Public Offering on September 30, 2020. The issue size consists of 8,66,53,369 equity shares excluding employee reservation portion, out of the holding of the Government of India.

#### 45. Directors’ Responsibility Statement

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis; and
- the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 46. 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: 20/10/2020**

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 31<sup>st</sup> March, 2020

[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	Plate-A, 6th Floor, Office Block Tower-2, East Kidwai Nagar, New Delhi-110023 Ph - 011-22900600
vi)	Whether listed company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>KFin Technologies Private Limited</b> Selenium Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana India - 500 032 Website: www.kfintech.com

## 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	67.51%
2	Project Income	-	29.65%

## 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 shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(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
<b>Sub-total (A)(1):-</b>	<b>Nil</b>	<b>320938407</b>	<b>320938407</b>	<b>100%</b>	<b>Nil</b>	<b>320938407</b>	<b>320938407</b>	<b>100%</b>	<b>Nil</b>
<b>(2) Foreign</b>									
(a) 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
<b>Sub-total (A)(2):-</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>Nil</b>	<b>320938407</b>	<b>320938407</b>	<b>100%</b>	<b>Nil</b>	<b>320938407</b>	<b>320938407</b>	<b>100%</b>	<b>Nil</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
(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
<b>Sub-total (B)(1):-</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp</b>									
i) Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>b) Individuals</b>									
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 company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	President of India & nominees	320938407	100	NA	320938407	100	NA	Nil
	<b>Total</b>	<b>320938407</b>	<b>100</b>	<b>NA</b>	<b>320938407</b>	<b>100</b>	<b>NA</b>	<b>Nil</b>

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

Sl. No.	Particulars	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.	<b>President of India</b> 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**

Perticulars	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	NIL	NIL	NIL	NIL
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Change in Indebtedness during the financial year				
• Addition	NIL	NIL	NIL	NIL
• Reduction				
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

## 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	Ashutosh Vasant D/POM	Sanjai Kumar D/NPM	Anand Kumar Singh D/Finance	Sanjeev Jain Ex-D/Finance (Addl. Charge w.e.f. 11/04/2019 to 04/09/2019)	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	26	51	56	33	-	-	166
	(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, Please specify							
	Leave encashment/ gratuity on retirement	-	16	22	13	-	-	51
	Performance incentive provision/ payment	-	-	-	-	-	-	-
	Company Contribution to PF	-	3	3	2	-	-	8
	Provision for leave, gratuity and postretirement benefits as per AS-15	7	15	16	1	-	-	39
	<b>Total (A)</b>	<b>33</b>	<b>85</b>	<b>97</b>	<b>49</b>	<b>-</b>	<b>-</b>	<b>264</b>
	Overall 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)	Chinnsamy Ganesan (Independent Director)	
1.	Independent Directors					
	Fee for attending board/committee meetings	1.6	1	2.2	1.6	6.4
	Commission	-	-	-	-	-
	Others, please specify					
	<b>Total (1)</b>	<b>1.6</b>	<b>1</b>	<b>2.2</b>	<b>1.6</b>	<b>6.4</b>
2.	Other Non-Executive Directors##					
	Fee for attending board/committee meetings	NIL	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	NIL	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act##					

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

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

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(In ₹ Lakh)

Sl No.	Particulars of Remuneration	Key Managerial Personnel	
		J S Marwah Company Secretary (In ₹ Lakh)	Total (In ₹ Lakh)
1.	Gross salary	22	22
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	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- Provision for PRP, Provision under AS-15, Contribution to PF, EPS, Reimbursement of employer paid taxes, Reimbursement not included under 17(2)	14	14
	<b>Total</b>	<b>36</b>	<b>36</b>

**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)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
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)	RailTel providing staff/ executives, who are nominated for devoting limited time for looking after and attending to REL's work.  5% salary of limited officers of RailTel has been charged to REL.  Arrangement is temporary till the staff strength in company (REL) is developed.	2019-20	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. 561 dated 12.09.2019 and OO No 564 dated 10.10.2019 by considering the time being devoted and nature of work being handled.  The total amount of salary charged from REL is Rs. 44.54 lakhs excluding taxes.	12/02/2020	
2.	RailTel Enterprises Ltd (REL) (Wholly owned Subsidiary Company of RailTel)	REL transferred the work of DRDO SPIC to RailTel on turnkey basis for laying of Optical Fiber Cable from RailTel PoP at 26 Nos. of DRDO test Centre and it's maintenance for the period of 3 years. RailTel will undertake complete execution of fibre laying work of approx. 470 RKM which may increase as per the actual work at the site.	2019-20	The total work cost is around Rs 71.96 Cr. (including RoW charges of Rs 14.96 Cr) Payment Terms: The payment to RailTel shall be 96% of the work order value placed by DRDO SPIC on REL(RoW Charges shall be paid on 100% basis to RailTel). The payment received by REL under the project will be proportionately released to RailTel on back -to-back basis. Tax invoice for the same may be generated by both the parties as per arrangement signed.  RailTel would raise tax invoice to REL for processing payment as per milestones set in the work order and REL would in turn realize the payment from customer.	12/02/2020	

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:
3.	RailTel Enterprises Ltd (REL) (Wholly owned Subsidiary Company of RailTel)	M/s CONCOR has awarded work to REL for providing "Project Management Consultancy Services" to CONCOR for implementation of Hardware & Software, setting up of DR site and Set up of Network connectivity for all locations on PAN India basis. RailTel has provided DC consultancy Services to REL for CONCOR PMC project implementation.	2019-20	The total value of PO. No. REL/CO/DNM/2019-20/LOA-RCIL-01, Dated 19.03.2020 is Rs. 1,00,00,000/- The service period/validity of the PO No REL/CO/DNM/2019-20/LOA-RCIL-01, Dated 19.03.2020 is for F.Y. 2019-20	28/08/2020	

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)	RailTel has provided rack space services (5 rack Space for CCTV project) to REL's Customer Gurgaon Metropolitan Development Authority (GMDA)	2019-20	The total value of the PO no. 19510033 issued by REL for the said service was Rs. 98,23,500/- The validity/service period of PO no. 19510033 dated 13.12.2019 is from 01.07.2019 to 30.06.2022. The annual value of PO for the said service received from RailTel was Rs. 32,74,500 incl 18% GST. The price/charges for services were determined as per approved DC tariff policy of RailTel.	N/A	-
2.	RailTel Enterprises Ltd (REL) (Wholly owned Subsidiary Company of RailTel)	RailTel has provided Hosting Services(4 core, 8GB RAM, 500GB Storage) to REL Customer MCF Raebareli in RailTel's Data Centre, Gurgaon.	2019-20	The total value of PO No. 19510032 Dated 20.12.2019 for hosting charges is Rs 3,39,840/- The service period/validity of the PO No. 19510032 is 02.08.2019 to 01.08.2020 The price/charges for services were determined as per approved DC tariff policy of RailTel.	N/A	-
3.	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 Services (4core, 8 GB RAM, 715.42 GB) to REL Customer RDSO-QAM in RailTel's Data Centre Gurgaon.	2019-20	The total value of PO. No. 19510019 Dated 20.12.2019 is Rs. 3,39,840/- The service period/validity of the PO No 19510019 is 01.04.2019 to 31.03.2020 The price/charges for services were determined as per approved DC tariff policy of RailTel.	N/A	-

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:
4.	RailTel Enterprises Ltd (REL) (Wholly owned Subsidiary Company of RailTel)	RDSO standards Electrical Directorate has signed MOU with REL for providing Software Development, Hosting, AMC, and SMS pack of failure portal for Electric Locos of RDSO – Electrical Directorate. REL has received Data centre service for from RailTel hosting of the applications.	2019-20	The total value of PO. No. Order No. 19510018 Dated 20.12.2019 is Rs. 3,11,520/- The service period/validity of the PO No 19510018 is 16.04.2019 to 15.04.2020 The price/charges for services were determined as per approved DC tariff policy of RailTel.	N/A	-
5.	RailTel Enterprises Ltd (REL) (Wholly owned Subsidiary Company of RailTel)	RailTel has provided Hosting Services to REL Customer RDSO-CLW in RailTel's Data Centre Gurgaon.	2019-20	The total value of PO. No. 19510017 Dated 20.12.2019 is Rs. 3,11,520/- The service period/validity of the PO No 19510017 is 01.04.2019 to 31.03.2020 The price/charges for services were determined as per approved DC tariff policy of RailTel.	N/A	-
6.	RailTel Enterprises Ltd (REL) (Wholly owned Subsidiary Company of RailTel)	RailTel has provided Hosting Services (8 Core, 16GB RAM, 1 TB STORAGE-5DC & 2DR) to REL Customer GMDA in RailTel's Data Centre Gurgaon.	2019-20	The total value of PO. No. 19510016 Dated 22.01.2020 is Rs. 26,96,064/- The service period/validity of the PO No 19510016 is 01.01.2020 to 31.12.2020 The price/charges for services were determined as per approved DC tariff policy of RailTel.	N/A	-
7.	RailTel Enterprises Ltd (REL) (Wholly owned Subsidiary Company of RailTel)	RailTel has provided Hosting Services (Processor & CPU cores-16 cores, 256 GB RAM, 5TB Storage) to REL Customer HARSAC in RailTel's Data Centre Gurgaon.	2019-20	The total value of PO. No. 19510015 Dated 24.01.2020 is Rs. 5,65,692/- The service period/validity of the PO No 19510015 is 22.04.2019 to 21.04.2020. The price/charges for services were determined as per approved DC tariff policy of RailTel.	N/A	-
8.	RailTel Enterprises Ltd (REL) (Wholly owned Subsidiary Company of RailTel)	RailTel has provided Hosting Services (8 core, 16 GB RAM, 1TB Storage) to REL Customer NHRCL in RailTel's Data Centre Gurgaon.	2019-20	The total value of PO. No. 19510014 Dated 24.01.2020 is Rs. 7,70,304/- The service period/validity of the PO No 19510014 is 01.07.2019 to 30.06.2020. The price/charges for services were determined as per approved DC tariff policy of RailTel.	N/A	-
9.	RailTel Enterprises Ltd (REL) (Wholly owned Subsidiary Company of RailTel)	RailTel has provided Hosting Services (8core, 32 GB RAM, 1TB STORAGE, Firewall, Network Port, Bandwidth) to REL Customer VM(GMDA) in RailTel's Data Centre Gurgaon.	2019-20	The total value of PO. No. 19510013 Dated 22.01.2020 is Rs. 3,85,152/- The service period/validity of the PO No 19510013 is 01.03.2019 to 29.02.2020 The price/charges for services were determined as per approved DC tariff policy of RailTel.	N/A	-
10.	RailTel Enterprises Ltd (REL) (Wholly owned Subsidiary Company of RailTel)	RailTel has provided rack space services (9 rack Space) to REL's Customer i.e. GMDA	2019-20	The total value of the PO No. 19510012 Dated 24.01.2020 issued by REL for the said service was Rs. 1,76,82,300/- The validity/service period of PO no. 19510012 Dated 24.01.2020 is from 01.04.2019 to 31.03.2022 The annual value of PO for the said service received from RailTel was Rs. 58,94,100/- incl 18% GST. The price/charges for services were determined as per approved DC tariff policy of RailTel.	N/A	-

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:
11.	RailTel Enterprises Ltd (REL) (Wholly owned Subsidiary Company of RailTel)	RailTel has provided Hosting Services (8core, 32 GB RAM, 1TB STORAGE) to REL Customer GMDA in RailTel's Data Centre Gurgaon.	2019-20	The total value of PO. No. 19510011 Dated 22.01.2020 is Rs. 7,70,304/- The service period/validity of the PO No 19510011 is 22.05.2019 to 21.05.2020 The price/charges for services were determined as per approved DC tariff policy of RailTel.	N/A	
12.	RailTel Enterprises Ltd (REL) (Wholly owned Subsidiary Company of RailTel)	RailTel has provided Hosting Services (Shared Firewall Service, Rack Space(Full rack), Nexus/Catalyst 1G Fiber, Public IP, secured VPN for 10 users for FY 2019-20) to REL Customer City Bus & GIS (GMDA) in RailTel's Data Centre Gurgaon.	2019-20	The total value of the PO No. 19510010 Dated 24.01.2020 issued by REL for the said service was Rs. 29,94,698/-  The validity/service period of 19510010 Dated 24.01.2020 is from 19.07.2019 to 18.07.2021  The annual value of PO for the said service received from RailTel was Rs. 14,97,349/- incl 18% GST.  The price/charges for services were determined as per approved DC tariff policy of RailTel.	N/A	
13.	RailTel Enterprises Ltd (REL) (Wholly owned Subsidiary Company of RailTel)	RailTel has provided Hosting services (16 Core, 32 GB RAM, 5 TB STORAGE – 2 qty & 8 Core, 32 GB RAM, 1 TB STORAGE-1DC & 1DR) to REL's Customer MCG, in RailTel's Data Centre Gurgaon.	2019-20	The total value of PO. No. 19510009 Dated 31.01.2020 is Rs. 19,01,688/-  The service period/validity of the PO No 19510009 Dated 31.01.2020 is 01.12.2019 to 30.11.2020  The price/charges for services were determined as per approved DC tariff policy of RailTel.	N/A	
14.	RailTel Enterprises Ltd (REL) (Wholly owned Subsidiary Company of RailTel)	RailTel has provided Collocation services (Half Rack space at DC and Half Rack Space in DR) to REL's Customer MCG, in RailTel's Data Centre Gurgaon.	2019-20	The total value of PO. No. 19510008 Dated 24.01.2020 is Rs. 10,47,840/-  The service period/validity of the PO No 19510008 Dated 24.01.2020 is 07.04.2019 to 06.04.2020  The price/charges for services were determined as per approved DC tariff policy of RailTel.	N/A	

\*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  
Plate-A, 6th Floor, Office Block, Tower-2,  
East Kidwai Nagar  
New Delhi-110023

Dear Sir,

1. We have examined the compliance of DPE guidelines of Corporate Governance of **RailTel Corporation of India Limited** having its Registered Office at Plate-A, 6th Floor, Office Block, Tower-2, East Kidwai Nagar New Delhi-110023, for the Financial Year ended on 31<sup>st</sup> March, 2020, 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 **except with the clause 3.1.1, 4.1.1 and 5.1 of DPE Guidelines in respect of composition of Board, Audit Committee and Remuneration Committee due to non-availability of requisite number of Independent Director till 11<sup>th</sup> July 2019.**

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/-  
(Purvika Jain)  
Partner  
CP No. 21942  
M.No: 47373

Place: Faridabad  
Date: 13/10/2020  
(UDIN: A047373B000935634)

ANNEXURE-IV

## RAILTEL CORPORATION OF INDIA LIMITED

### ANNUAL REPORT ON CSR ACTIVITIES FOR THE YEAR 2019-20 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 &amp; Economic Development of communities in an inclusive manner and adhering to sustainable &amp; 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 &amp; 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, DPE guidelines and Rules framed thereunder.</p> <p>The CSR policy is available at RailTel's website: <a href="http://www.railtelindia.com">www.railtelindia.com</a></p> <p>During the year 2019-20, the following CSR activities were approved by the Board level CSR committee of RailTel:</p> <p><b>a) Continuity of RailTel Akansha Super-30 at Dehradun</b></p> <p>The program provides for 11-months long free of cost boarding, lodging and coaching to 30 students, who are talented but are from economically weaker sections of society, for IIT JEE and other premier engineering exams.</p> <p><b>b) Continuity of two Digital Literacy Center at Varanasi, U.P, in association with M/s Society for Advancement of Village Economy (SAVE)</b></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.</p> <p><b>c) Continuity of one Digital Literacy Center at Satna, M.P, in association with M/s Society for Advancement of Village Economy (SAVE)</b></p> <p>Under this project RailTel will continue to support one Digital Literacy Centre at Satna, Madhya Pradesh, in association with M/s Society for Advancement of Village Economy (SAVE). This center is for helping local people with digital literacy, skill development and information on developmental schemes, facilities and programmes of Government.</p> <p><b>d) Continuity of one skill development Centre for women at Jahangirpuri, Delhi, in association with M/s Matrix society for Social Service (MASS)</b></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 girls/women of surrounding community in various skills like, tailoring, stitching, embroidery, computers etc.</p> <p><b>e) One Digital Literacy center at Lalbagh, Delhi in association with M/s Society for Advancement of village Economy (SAVE)</b></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.</p>
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		<p><b>f) One Digital Literacy Center at Nuh, Mewat, Haryana in association with M/s Matrix society for Social Service (MASS)</b></p> <p>Under this project RailTel will support one Digital Literacy center at Nuh, Mewat, in association with M/s Matrix society for Social Service (MASS). This center is for helping local people and students of school with digital literacy, skill development and information on developmental schemes, facilities and programmes of Government.</p> <p><b>g) Financial Grant to M/s Janta Adarsh Anndh Vidyalaya, New Delhi</b></p> <p>Under this project RailTel will provide monetary grant to M/s Janta Adarsh Anndh Vidyalaya at New Delhi, towards salary of teachers at school. The school provides education to visually impaired children studying in classes 1<sup>st</sup> to 8<sup>th</sup> from various states of the country.</p> <p><b>h) Adoption of 2 Nos of ITI's</b></p> <p>Under this project RailTel will adopt and provide infrastructure like provision of Industrial RO and other basic infrastructure for 2 Nos of ITI's at Palwal and Hathin in Haryana.</p> <p><b>i) Promoting School Education by providing value education kits and organizing counselling session by ISKCON</b></p> <p>Under this project RailTel will support distribution of value education kits and conducting counselling sessions in Kendriya Vidyalaya Schools in association with M/s International Society of Krishna Consciousness (ISKCON) in Delhi.</p> <p><b>j) 5 Mini Science Centres at 5 Govt. school's in Motihari district, Bihar through M/s Samabhavana Society</b></p> <p>Under this project RailTel will support creating 5 Mini Science Centres at 5 schools in Motihari, District, Bihar 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.</p> <p><b>k) PM CARES FUND</b></p> <p>The Government of India has set up the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund' (PM CARES Fund) with the primary objective of dealing with any kind of emergency or distress situation such as that posed by COVID 19 pandemic. The Ministry of Corporate Affairs vide its Office Memorandum dated 28/03/2020 has clarified that any contribution made to the PM CARES Fund shall qualify as CSR expenditure under the Companies Act, 2013. Accordingly, RailTel has contributed an amount of Rs. 2 Crore, out of the CSR budget of FY 2019-20, to the PM CARES Fund to support the Govt. of India in its crusade against COVID-19 pandemic.</p> <p><b>l) Provision of OPEX &amp; Support for various existing CSR Infrastructure</b></p> <p>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 31-03-2020	Dr. Anupam Alok - Chairman Sh. Sanjai Kumar - Member Sh. Anand Kumar Singh – Member
3.	Average Net Profit of the company for last three financial years	₹ 188.28 Crore
4.	Prescribed CSR Expenditure (two percent of the amount as in item No. 3 above)	For the FY 2019-20, the Board had approved the CSR budget of ₹ 376.56 Lakh.

5. **Details of CSR spent during the financial year:**

a. Total amount to be spent for the financial year	Total amount to be spent for the FY 2019-20 including unspent amount of previous FY is ₹ 804.66 Lakh. The breakup of the same is given below:- i) ₹ 376.56 Lakh for the FY 19-20. ii) ₹ 428.10 Lakh unspent amount of sanctioned ongoing projects previous FY
b. Amount unspent, if any	Amount unspent is ₹ 294.10 Lakh. The breakup of the same is given below:- i) ₹ 146.92 Lakh for the FY 19-20. ii) ₹ 147.18 Lakh for the FY 18-19.

c. **Manner in which the amount spent during the financial year is detailed below:-** Rs. 804.66 Lakh has been earmarked for spending on CSR projects during FY 2019-20. This includes the CSR budget of Rs. 376.56 Lakh of the FY 2019-20 and unspent carried forward amount of Rs. 428.10 Lakh of FY 2018-19. Out of Rs. 804.66 Lakh, only Rs. 799.29 Lakh has been allocated for spending on CSR Projects. However, an amount of Rs. 5.37 Lakh remained unallocated during FY 2019-20 as Rs 25 lakhs of upsent amount of project of construction of toilets at Stations of FY2018-19 was transferred to budget of FY19-20 cancelling construction of one Toilet. During the FY 2019-20, Rs. 510.56 Lakh has been spent on the CSR Projects 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 (31.3.2020) on the project / programs (in Rs. Lakh)	Amount spent: Direct or through implementing agency
i	Continuity of RailTel Akansha Super-30 at Dehradun	Education	Dehradun, Uttarakhand	70	49.00	Through Agency (CSRL)
ii	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	6.10	Through Agency (SAVE)
iii	One Digital literacy center at Satna, MP-On going CSR project of FY 2019-20 in association with M/s Society for Advancement of Village Economy (SAVE)	Skill Development	Satna	15.90	3.98	Through Agency (SAVE)
iv	One Digital Literacy center at Lalbagh, Delhi in association with M/s Society for Advancement of village Economy (SAVE)	Skill Development	Delhi	20.96	NIL	Through Agency (SAVE)
v	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	17.80	4.45	Through Agency (MASS)
vi	One Digital literacy center at Mewat, Haryana-On going CSR project	Skill Development	Mewat, Haryana	14.28	NIL	Through Agency (MASS)
vii	Grant to Janta Adarsh Andh Vidyalaya	Promoting Education	New Delhi	4.90	NIL	Direct
viii	Adoption of 2 Nos of ITI's	Promoting Education	Delhi/NCR	10	NIL	Direct



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 (31.3.2020) on the project / programs (in Rs. Lakh)	Amount spent: Direct or through implementing agency
ix	Promoting School Education by distributing value educations kits	Promoting Education	New Delhi	8.75	NIL	Through Agency (ISKCON)
x	5 Mini Science Centres at 5 Govt. School's	Promoting Education	Motihari, Bihar	18	NIL	Through Agency (Samabhavana Society)
xi	Contribution made to PM CARES Fund	Disaster Management	Delhi	200	200	Direct
xii	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 IBW)	Rural Development & Skill Development	Northern, Southern, Eastern & Western Region	16.44	16.35	Direct
xiii	Administrative Expenditure		At the Corporate and Regional offices.	18.41	18.41	Direct
xiv	Continuity of RailTel Akansa Super-30 at Dehradun – ongoing CSR project of 2018-19	Education	Dehradun, Uttarakhand	1.05	Nil	Through Agency (CSRL)
xv	One Digital Literacy center at Lalbagh, Delhi in association with M/s Society for Advancement of village Economy – ongoing CSR project of 2018-19	Skill Development	Delhi	26.28	18.22	Through Agency (SAVE)
xvi	Continuity of two Digital Literacy centers at Varanasi, U.P, in association with M/s Society for Advancement of Village Economy – ongoing CSR project of 2018-19	Skill Development	Varanasi, Uttar Pradesh	12.20	12.20	Through Agency (SAVE)
xvii	One Digital literacy center at Satna, MP – ongoing CSR project of 2018-19	Skill Development	Satna	12.22	7.20	Through Agency (SAVE)
xviii	Continuity of one skill development Centre women at Jahangirpuri, Delhi – ongoing CSR project of 2018-19	Skill Development	Jahangirpuri, Delhi	9.80	9.80	Through Agency (Matrix)
xix	One Digital literacy center at Mewat, Haryana – ongoing CSR project of 2018-19	Skill Development	Mewat, Haryana	7.40	2	Through Agency (Matrix)
xx	Providing free Wi-Fi service at Bir Railway Station (Madhya Pradesh) – ongoing CSR project of 2018-19	Rural Development	Bir, Madhya Pradesh	4.04	0	Direct
xxi	Providing free Wi-Fi service at the rural Railway Stations of Himachal in the Kalka Shimla Section- – ongoing CSR project of 2018-19	Rural Development	Himachal Pradesh	23.55	14	Direct

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 (31.3.2020) on the project / programs (in Rs. Lakh)	Amount spent: Direct or through implementing agency
xxii	02 Nos Digital Literacy Centres at Bokaro District of Jharkhand – ongoing CSR project of 2018-19	Skill Development	Bokaro, Jharkhand	34.36	27.30	Through Agency (WASME)
xxiii	Menstrual Hygien Management (MHM) in Government Schools of Aspiration Districts of Uttar Pradesh - ongoing CSR projects of 2018-19	Healthcare	Uttar Pradesh	49.97	44.97	Through Agency (Healthy Aging India)
xxiv	5 Mini Science Centres at school's through M/s Samabhavana Society – ongoing CSR project of 2018-19	Promoting Education	Chandauli, Uttar Pradesh	18	18	Through Agency (Samabhavna Society)
xxv	Grant of an Ambulance Vehicle to Deep Vidya Mandir Samiti, Dausa, Rajasthan – ongoing CSR project of 2018-19	Healthcare	Dausa, Rajasthan	15.15	15.15	Direct Payment to dealer for the Ambulance being procured by the NGO
xxvi	Monetary Grant to Janta Adarsh Andh Vidyalaya, New Delhi – ongoing CSR project of 2018-19	Promoting Education	New Delhi	23	23	Direct Monetary support to the NGO
xxvii	Grant of two Mobile Medicare unit to M/s Sewa Bharati, New Delhi – ongoing CSR project of 2018-19	Health care	New Delhi	13.20	13.20	Direct Payment to dealer for the Mobile Medicare units being procured by the NGO
xxviii	Monetary grant to M/s Shubhda, a NGO working towards welfare of children with special needs – ongoing CSR project of 2018-19	Education	Rajasthan	7.23	7.23	Direct Monetary support to the NGO
xxix	Building public toilets at designated Railway stations by Northern Railway & South-Central Railway through agency fixed by M/s RITES – ongoing CSR project of 2018-19	Swachh Bharat Mission	Delhi & Andhra Pradesh	102	0	Project being executed by Northern Railway & South-Central Railway through agency fixed by M/s RITES
			<b>Total</b>	799.29	510.56	

\*Apart from details of CSR expenditure stated above, an amount of ₹ 8.8 Lakh has been accounted in the Books of accounts this FY on account of expenditure incurred on CSR projects during previous FY 2017-18 & 2015-16.

Details of Implementing agencies: -

1. Center for Social Responsibility & Leadership (CSRL), A-33, 2<sup>nd</sup> floor, Swasthya Vihar, New Delhi-110092, Ph:9810492420
2. Society for Advancement of Village Economy (SAVE), A-153, 2<sup>nd</sup> floor, Jhilmil Colony, Delhi-110095, Ph:9811783723
3. Matrix Society for Social Services (MASS), B-08, Shri Ram Apartment Plot No. – 32, Sector – 4, Dwarka, New Delhi – 110075, Ph: 9891954044
4. International Society for Krishna Consciousness (ISKCON), Sant Nagar, East of Kailash, New Delhi, Delhi 110065, Ph: 011 2623 5133
5. Samabhavna Society, 6 Samangal Coop Housing Society, Opp D.M. Engg College, Sector-2, Airoli, Navi Mumbai-40048, Ph: 9820238574
6. World Association For Small And Medium Enterprises (WASME), Plot No. 4, Sector - 16 A, Institutional Area, Gautam Budh Nagar, Noida, Uttar Pradesh 201301, Ph: 0120-421628
7. Healthy Aging India (HAI) Country wide Apartment, 98 , G-105, Gautam Nagar, New Delhi, Delhi 110049, Ph: 011 4023 0917
8. RITES: 1 RITES Bhawan, Leisure Valley Rd, Sector 29, Gurugram, Haryana 122009, Ph: 0124 2571666

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.  For FY 2019-20, out of the unspent CSR amount of ₹ 294.10 Lakh, ₹ 260.68 Lakhs is scheduled to be spent on the already approved/ ongoing projects of FY 2019-20 and 2018-19 and ₹ 33.42 Lakh will be carried forward for projects of FY 2020-21.
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/-**  
**Chinnsamy Ganesan**  
**Chairman CSR Committee**  
**(DIN 07615862)**

# Form No. **MR-3**

## SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED AS ON 31<sup>st</sup> March, 2020

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

To,  
The Members,  
RailTel Corporation of India Limited  
Plate-A, 6th Floor, Office Block, Tower-2,  
East Kidwai Nagar New Delhi South Delhi,  
DL 110023 IN

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 (CIN:U64202DL2000GOI107905), 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 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020 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 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020 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;
- (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 the 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, 2018; **(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, 2018; **(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 period of audit)**

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:

**Observation 1:**

- (a) **The Company has not complied with the clause 3.1.1, 4.1.1 and 5.1 of DPE Guidelines in respect of composition of Board, Audit Committee and Remuneration Committee, provisions of Section 177, 178 of the Companies Act, 2013 & rules made there under and Sub-Section 4 of Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Schedule IV of the Companies Act, 2013 due to non-availability of requisite number of Independent Director till 11<sup>th</sup> July 2019.**

**We further report that:**

The Board of Directors of the Company is duly constituted except Independent Director on the Board till 11<sup>th</sup> July 2019. 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 there under.

**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/-**  
**(Purvika Jain)**  
**Partner**  
**CP No. 21942**  
**M. No: 47373**

**Place: Faridabad**  
**Date: 13/10/2020**  
**(UDIN: A047373B000935051)**

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  
Plate-A, 6th Floor, Office Block, Tower-2,  
East Kidwai Nagar New Delhi South Delhi,  
DL 110023 IN**

Sir,

Our Secretarial Audit Report for the year ended as on 31st March, 2020 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 not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and our report is not covering observations/ comments/ remark already pointed out by the other Auditors.
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/-

**(Purvika Jain)**

**Partner**

**CP No. 21942**

**M. No: 47373**

**Place: Faridabad**

**Date: 13/10/2020**

**(UDIN: A047373B000935051)**

## 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.	The Company has not complied with Clause 3.1.1, 4.1.1, and 5.1 of DPE Guidelines in respect of Composition of Board, Audit Committee and Remuneration Committee, provisions of Section 177 & 178 of the Companies Act, 2013 & rules made there under and Sub-Section 4 of Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Schedule IV of the Companies Act, 2013 due to non-appointment of requisite number of Independent Director till 11 <sup>th</sup> July 2019.	The Company has no role to play for appointment of Independent Directors unless nominated by the Government. In terms of the provisions contained in Article 67 of the Articles of Association of RailTel, the President of India shall have the power to appoint Directors on the Board of the Company. Being a CPSE, selection of all Board level appointment is processed by the administrative Ministry i.e. Ministry of Railways. The Company kept on following up the matter with the Ministry of Railways for early appointment of requisite number of Independent Directors on the Board to ensure compliance of provisions of Section 149, Section 177, Section 178 and Schedule-IV of the Companies Act, 2013 and DPE Guidelines. However, subsequent to re-appointment of two nos. of Independent Directors on the Board of the Company w.e.f. 12 <sup>th</sup> July, 2019, the provisions of the section 149 of the Companies Act, 2013 and DPE Guidelines stand complied with.



## 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)	<b>Steps taken or impact on conservation of energy</b>	<ol style="list-style-type: none"> <li><b>Effective saving during FY 2019-20 by the work of Retrofitment (replacement of old luminaries with LED solution)-</b> The overall yearly energy saving after execution of the project during the FY 2019-20 was around 25% (Approx.).</li> <li><b>BMS module (centralized AC Control) for HVAC system of RailTel, CO/ Building-</b> Overall savings during the FY 2019-20 was around 10% (Approx.).</li> <li><b>Saving through Blanking panels-</b> The overall savings during the FY 2019-20 was 10% in the total electricity billing during the year.</li> </ol>
(ii)	<b>Steps taken by the company for utilising alternate sources of energy</b>	<ol style="list-style-type: none"> <li>For better Utilization and efficiency of solar panels, initiated the steps for schedule and preventive maintenance of present solar system and replacement if required.</li> <li>RailTel is further planning to install solar panel at terrace of the building of capacity equivalent to 5% of sanctioned electrical power.</li> </ol>
(iii)	<b>Capital investment on energy conservation equipment's</b>	No capital investment on energy conservation equipment was made during the FY 2019-20.

### (B) Technology Absorption

(i)	<b>Efforts made towards technology absorption</b>	<ol style="list-style-type: none"> <li>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.</li> <li>Energy Audit of Data Center, Gurugram &amp; office Building</li> <li>Drive to ensure the loading in such a way so as to maintain unit power factor</li> <li>Separating/bifurcation of Load of various floor for conservation of energy.</li> <li>Drive for major schedules of all equipment's</li> </ol>
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(ii)	<b>Benefits derived like product improvement, cost reduction, product development or import substitution</b>	<ul style="list-style-type: none"> <li>Operational Efficiency-Regular scheduling of all equipment's,</li> <li>Service Quality improvement -Major overhauling of data centre equipments</li> </ul>
(iii)	<b>In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-</b>	NA
(a)	<b>Details of technology imported</b>	NA
(b)	<b>Year of import</b>	NA
(c)	<b>Whether the technology been fully absorbed</b>	NA
(d)	<b>If not fully absorbed, areas where absorption has not taken place, and the reasons thereof</b>	NA
(iv)	<b>Expenditure incurred on Research and Development</b>	NIL

### (C) Foreign Exchange Earnings & Outgo

Sl. No.	Particulars	FY 2019-20	FY 2018-19
i.	Foreign Exchange Earnings	NIL	NIL
ii.	Foreign Exchange Outgo	₹ 0.15 Crore	₹ 0.03 Crore

# RAILTEL CORPORATION OF INDIA LIMITED

## DIVIDEND DISTRIBUTION POLICY

### 1. PREAMBLE

Securities and Exchange Board of India (“SEBI”) vide its notification dated 08.07.2016 has inserted Regulation 43A in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“Listing Regulations”) which requires top five hundred (500) listed entities based on market capitalization (calculated as on March 31 of every financial year) to formulate a Dividend Distribution Policy (“Policy”) which shall be disclosed in their annual reports and on their websites.

Since, RailTel Corporation of India Limited (“RailTel” or “Company”) is in the process of launching an Initial Public Offer (IPO) by way of listing its equity shares on the Stock Exchange, the said regulation may become equally applicable on RailTel.

In accordance with the Regulation 43A of the Listing Regulations, the Company has framed a Dividend Distribution Policy. The Board of Directors of RailTel, at its meeting held on 26/09/2020 approved this Policy. This Policy will be effective from 26/09/2020. This Policy shall be known as RailTel’s Dividend Distribution Policy (the “Policy”).

### 2. REGULATORY/ POLICY FRAMEWORK

- (i) The policy has been framed broadly in line with the provisions of the Companies Act, 2013 and rules made thereunder (the Act), and the Listing Regulations;
- (ii) Taking into consideration, guidelines on “Capital Restructuring of Central Public Sector Enterprises” issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance;
- (iii) Any other law, regulations, guidelines, to the extent applicable.

### 3. OBJECTIVE AND SCOPE OF THE POLICY

- (i) This Policy is aimed at increasing the Company’s fundamental value ensuring an annual dividend payout based on the amount of profit to be distributed amongst shareholders of the Company after balancing the requirement of deployment of internal accruals for its sustenance and growth plans.
- (ii) The Company’s commitment is to deliver sustainable value to all its stakeholders.
- (iii) The Company has been consistently paying dividend and this trend is expected to continue in future as well unless the company is unable to declare dividend due to any of the factors listed ahead.
- (iv) The Company endeavors to declare dividend as per the guidelines on capital restructuring issued by Department of Investment & Public Asset Management (DIPAM), Govt. of India from time to time.

### 4. INTENT OF THIS POLICY

The intent of this Policy is to broadly specify the following parameters:

- (i) The circumstances under which the shareholders of the Company may or may not expect dividend;
- (ii) The financial parameters that shall be considered while declaring dividend;
- (iii) Internal and external factors that shall be considered for the declaration of dividend;
- (iv) Policy as to how the retained earnings shall be utilized and;
- (v) Parameters that shall be adopted with regard to various classes of shares.

Provided that if the Company proposes to declare dividend on the basis of parameters in addition to clauses i) to v) or proposes to change such additional parameters or the dividend distribution policy contained in any of the parameters, the Company shall disclose such changes along with the rationale for the same in its annual report and on its website.

**A. Circumstances under which the shareholders of the Company may or may not expect dividend.**

The company has been consistently paying out dividends to its shareholders and is expected to continue in future as well, unless the company is restrained to declare dividends due to financial and other internal and external factors as mentioned below. The company would aim to strike a balance between rewarding shareholders through dividend and ensuring that sufficient profits are retained for growth of the Company and other needs.

Further, though the Company endeavors to declare the dividend as per the guidelines issued by DIPAM, Govt. of India, however, the Company may propose lower dividend after analysis of various financial parameters, cash flow position and funds required for future growth.

**B. Financial Parameters that shall be considered while declaring dividend.**

Being a Central Public Sector Enterprise (CPSE), the Company endeavors to declare the dividend as per the guidelines on “Capital Restructuring of Central Public Sector Enterprises” issued by DIPAM, Govt. of India dated 27.05.2016, mandating every CPSE to pay a minimum annual dividend of 30% of PAT or 5% of the net-worth, whichever is higher subject to the maximum dividend permissible under the extant legal provisions. Nonetheless, CPSEs are expected to pay the maximum dividend permissible under the Act under which a CPSE has been set up, unless lower dividend proposed to be paid is justified on case to case basis at the level of Administrative Ministry/ Department after considering the following financial parameters:

- (i) Realized and projected profitability;
- (ii) Net-worth of the Company and its capacity to borrow;
- (iii) Earning per share;
- (iv) Long-term borrowings;
- (v) CAPEX/Business Expansion needs;
- (vi) Retention of profit for further leveraging in line with the CAPEX needs; and
- (vii) Cash and bank balance.

**C. Internal and External factors to be considered while declaring Dividend**

- (i) Capital expenditure requirements considering expansion and other opportunities.

- (ii) Borrowing levels and the capacity to borrow
- (iii) Cost and availability of alternative source of financing.
- (iv) Macroeconomic and business condition
- (v) Regulatory norms
- (vi) Any other relevant factors that the Board may deem fit to consider before declaring dividend.

#### **D. Utilization of Retained Earnings**

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- (i) Capital and Revenue Expenditures for the growth of the business and operations of the Company.
- (ii) Issue of bonus shares or buy back of shares as per DIPAM guidelines.
- (iii) Any other purpose which the Board may consider appropriate.

#### **E. Parameters to be adopted with regard to various classes of shares**

The holders of the equity shares of the Company, as on the record date, are entitled to receive dividends. Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

### **5. STATUTORY REQUIREMENTS**

The Board shall ensure compliance with the requirement of the Companies Act, 2013 and Rules framed thereunder, the guidelines on “Capital Restructuring of Central Public Sector Enterprises” issued by DIPAM, Govt. of India dated 27.05.2016 and all other applicable law while taking decision of a dividend payout during a particular year.

### **6. MANNER AND TIMELINES FOR DIVIDEND PAYOUT**

- (i) Dividend for every financial year shall be decided by the Board considering various statutory requirements, financial performance of the company and other internal and external factors enumerated earlier in the policy.
- (ii) Interim dividend(s), if any, may be declared by the Board in addition to Final Dividend.
- (iii) Subject to applicable laws, the payment of interim dividend shall be made within 30 days from the date of approval by the Board to the shareholders entitled to receive dividend on the record date.
- (iv) Recommendation for final dividend, if any, shall be done by the Board usually in the Board meeting that considers and approves the annual financial statements, subject to approval of shareholders of the company.
- (v) Subject to applicable laws, the payment of final dividend shall be made within 30 days from the date of approval by the members to the shareholders entitled to receive dividend on the record date.
- (vi) The payment of Interim Dividend shall be subject to Shareholders’ ratification.

## **7. DISCLOSURE OF THIS POLICY**

The policy shall be disclosed in the Annual report of the Company as well as on Company's website, as required under Companies Act, 2013 and Rules framed thereunder and the Listing Regulations or as may be required under any other law for the time being in force.

## **8. REVIEW**

This Policy shall be subject to review / changes as may be deemed necessary and in accordance with regulatory amendments from time to time. The Chairman and Managing Director of the Company shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy in accordance with regulatory amendments from time to time and the same should be placed before the Board for their information.

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# Management Discussion and Analysis Report

## 1. Economy Overview

### Introduction

India is a developing country and our economy is a mixed economy where the public sector co-exists with the private sector.

India is likely to be the third largest economy with a GDP size of \$15 trillion by 2030 says Standard Chartered's Super-Cycle Report. The economy of India is currently the world's fourth largest in terms of real GDP (purchasing power parity) after the USA, China and Japan and the second fastest growing major economy in the world after China.

### Market size

India's gross domestic product (GDP) (at constant 2011-12 prices) was estimated to be Rs 145.65 lakh crore (US\$ 2.06 trillion) for 2019-20, growing 4.2 per cent over the previous year according to IBEF reports.

India retained its position as the third largest start-up base in the world with over 8,900-9,300 start-ups with 1,300 new start-ups getting incorporated in 2019 according to a report by NASSCOM. India also witnessed the addition of 7 unicorns in 2019 (till August 2019), taking the total tally to 24.

India's labour force is expected to touch 160-170 million by 2020 based on the 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 reached Rs 37.31 lakh crore (US\$ 493.48 billion) in the week up to May 29, 2020 according to the data from RBI.

### Recent Developments

With an improvement in the economic scenario, there have been investments across various sectors of the

economy. The mergers and acquisition (M&A) activity in India stood at US\$ 28 billion in 2019, while private equity (PE) deals reached US\$ 48 billion. Some of the important recent developments in Indian economy according to IBEF reports are as follows:

- ❖ Merchandise export and import (in US\$ terms) declined by 4.8 per cent and 9.1 per cent, respectively, in 2019-20.
- ❖ The Purchasing Managers' Index (PMI) stood at 30.8 in May 2020, showing contraction in the sector because of coronavirus-related restrictions.
- ❖ Gross tax revenue stood at Rs 15.04 lakh crore (US\$ 215.28 billion) in 2019-20 – income tax collection contributed Rs 4.80 lakh crore (US\$ 68.14 billion) to it.
- ❖ In 2019, companies in India raised around US\$ 2.5 billion through 17 initial public offers (IPO).
- ❖ India's Foreign Direct Investment (FDI) equity inflow reached US\$ 469.99 billion between April 2000 to March 2020, with maximum contribution from services, computer software and hardware, telecommunications, construction, trading, and automobiles.
- ❖ India's Index of Industrial Production (IIP) for 2019-20 stood at 129.2.
- ❖ The combined index of eight core industries stood at 137 in March 2020. Its cumulative growth was 0.6 per cent in 2019-20.
- ❖ Consumer Price Index (CPI) – Combined inflation was 5.9 per cent in March 2020 as compared to 6.6 per cent in February 2020. The annual consumer price inflation increased to 4.8 per cent in 2019-20 from 3.4 per cent in 2018-19.
- ❖ Around 12 million jobs in a year were created in India during 2015-19.

- ❖ India improved its ranking in World Bank's Doing Business Report by 14 spots over last year and was ranked 63 among 190 countries in the 2020 edition of the report.
- ❖ India is expected to have 100,000 start-ups by 2025, which will create employment for 3.25 million people and generate US\$ 500 billion in value as per Mr T V Mohan Das Pai, Chairman, Manipal Global Education.

## Government Initiatives

The first Union Budget of the third decade of 21st century was presented by Minister for Finance & Corporate Affairs, Ms Nirmala Sitharaman in the Parliament on February 1, 2020. The budget aimed at energising the Indian economy through a combination of short-term, medium-term, and long-term measures.

Total expenditure for 2020-21 is budgeted at Rs 37.14 lakh crore (US\$ 531.53 billion), an increase of 13 per cent from 2019-20 (revised budget 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, launched Make in India initiative with an aim to boost country's manufacturing sector and increase purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it 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:

- ❖ The Prime Minister of India, Mr Narendra Modi announced various economic packages, having a cumulative worth of around Rs 20 lakh crore (US\$ 283.73 billion) and being almost 10 per cent of India's GDP.

- ❖ Pradhan Mantri Garib Kalyan Package (PMGK) was introduced in April 2020 to provide relief to underprivileged and help them fight the battle against COVID-19. The budget allocated to the scheme was Rs 1.70 lakh crore (US\$ 24.12 billion).
- ❖ India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- ❖ The Government of India is going to increase public health spending to 2.5 per cent of the GDP by 2025.
- ❖ For implementation of Agriculture Export Policy, Government approved an outlay Rs 206.8 crore (US\$ 29.59 million) for 2019, aimed at doubling farmers income by 2022.
- ❖ Under the Pradhan Mantri Awas Yojana (Urban), Government has sanctioned more than 96.50 lakh houses under PMAY(U) and approved 606 proposals for the construction of 3,31,075 houses with an overall investment of Rs 15,125 crore (US\$ 2.16 billion).
- ❖ India has registered a 26.9 per cent reduction in Maternal Mortality Ratio (MMR) since 2013.
- ❖ Around 26.02 million households were electrified by 31<sup>st</sup> March 2019 under Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA).
- ❖ In the mid-term review of Foreign Trade Policy (FTP) 2015-20, the Ministry of Commerce and Industry enhanced the scope of Merchandise Exports from India Scheme (MEIS) and Service Exports from India Scheme (SEIS), increased MEIS incentive for ready-made garments and made-ups by 2 per cent, SEIS incentive by 2 per cent and increased the validity of Duty Credit Scrips from 18 months to 24 months. In April 2020, Government extended Foreign Trade Policy for one more year (up to March 31, 2021)

## Road Ahead

India's GDP is expected to reach US\$ 5 trillion by FY25 and achieve upper-middle income status on the back of digitization, globalization, favorable demographics, and reforms.



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 have plans to increase its renewable energy capacity to 175 gigawatt (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. It is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by 2040 as per a report by PricewaterhouseCoopers.

## 2. Telecom Industry

### 2.1 Telecom Industry Characteristics

India is the world's second-largest telecommunications market. The telecom market can be split into three segments – wireless, wireline and internet services. The wireless market segment accounted for 98.25 per cent of the total subscriber base as of January 2020. Rural subscribers comprised 43.69 per cent of the total telephone subscribers as of January 2020.

India is also the second largest country in terms of internet subscribers. As of 2019, India holds the world's highest data usage per smartphone, averaging 9.8 GB per month. It is expected to double to 18 GB by 2024. App downloads in the country increased from 12.07 billion in 2017 to 19 billion in 2019 and is expected to reach 37.21 billion by 2022.

The contribution of 3G and 4G data usage in total volume of wireless data usage was about 5.72 per cent and 93.65 per cent, respectively, during Q2 FY19-20. Share of 2G data usage remained 0.62 per cent during this quarter. India had over 500 million active internet users (accessed Internet in the last one month) as of May 2020.

Gross revenue of the telecom sector stood at Rs 121,527 crore (US\$ 17.39 billion) in FY 19-20 (till September

2019). 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 inflow into the telecom sector during April 2000-December 2019 totalled US\$ 37.11 billion.

The Government of India, through its National Digital Communications Policy, foresee investment worth US\$ 100 billion in the telecommunications sector by 2022.

India ranks as the world's second largest market in terms of total internet users. The number of internet subscribers in the country increased at a CAGR of 45.74 per cent during FY 06-FY19 to reach 636.73 million in 2018-19. The internet subscribers reached 687.62 million till September 2019. Total wireless data usage in India grew 10.58 per cent year-on-year to 19,838,886 terabytes between July-September 2019.

Further, India is also the world's second largest telecommunications market, total telephone subscriber base and tele-density reached 1,177.02 million and 87.45 per cent, respectively, as on January 2020.

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.

### 2.2 Investment/Major development

With daily increasing subscriber base, there have been a lot of investments and developments in the sector. FDI inflows into the telecom sector during April 2000 – December 2019 totalled to US\$ 37.11 billion, according to the data released by Department for Promotion of Industry and Internal Trade (DPIIT).

Some of the developments in the recent past are:

- ❖ As of January 2020, more than 542 banks have been permitted to provide mobile banking services in India.

- ❖ In December 2019, Airtel disclosed its plans to invest US\$ 2.86 billion in its business as a part of company's annual target.
- ❖ As of August 2019, Jio's IoT platform is ready to be commercially available from January 2020.
- ❖ In August 2019, Reliance commercially launched Jio GigaFiber as wired broadband service.

### 2.3 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. The Indian Government is planning to develop 100 smart city projects, where IoT would play a vital role in development of those cities. The National Digital Communications Policy 2018 has envisaged attracting investments worth US\$ 100 billion in the telecommunications sector by 2022.

Some of the other major initiatives taken by the government are as follows:

- ❖ In January 2020, Government of India allowed 100 per cent FDI in Bharti Airtel.
- ❖ By March 2020, the government aims to achieve 45 billion digital transactions for banks with the help of PoS machines, transactions enabled merchants, which have been added in firms. As of January 2020, more than 542 banks have been permitted to provide mobile banking services in India.
- ❖ 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

### Achievements

Following are the achievements of the government in the past four years:

- ❖ Department of Telecommunication launched 'Tarang Sanchar' - a web portal sharing information on mobile towers and EMF Emission Compliances.
- ❖ Value of Unified Payments Interface (UPI) transactions crossed 1 billion-mark and witnessed transaction value of Rs 1.91 lakh crore (US\$ 27.33 billion) in October 2019.
- ❖ As of July 2019, India achieved 100 percent digitisation of cable TV network.
- ❖ Six-fold increase in Government spending on telecommunications infrastructure and services in the country – from Rs 9,900 crores (US\$ 1.41 billion) during 2009-14 to Rs 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.

### 2.4 Impact of COVID on adoption of Digital services

The Covid-19 pandemic is shaping a new world order, triggering a transformative impact on economies and altering the ecosystem of businesses. The global outbreak has not only compelled businesses across industries to turn to technology-enabled platforms for safe operations and business continuity, but also accelerated the adoption of digital imperatives. Even as the pandemic has transformed business models globally, organizations are augmenting their digital capabilities and increasingly relying on digital solutions to future-proof their businesses.

There is substantial increase in usage of RailTel Services such as TpasS, e office, BW usage & increase in RailWire subscribers due to people working from Home, Schools started online classes and digital access to services across every domain.

## 2.5 National Broadband Mission

In Dec-19, government launched the National Broadband Mission which aims to fast track growth of digital communications infrastructure, bridge the digital divide and provide affordable and universal access of broadband for all. The main objective of the NBM is to provide broadband access to all villages by 2022. The ambitious project will involve laying down around 30 Lakhs kilometre route Optical Fiber Cable, increase tower density from 0.42 to 1.0 tower per thousand of population by 2024 and significantly improve quality of services for mobile and internet. The mission envisages Rs 7 lakh crore investment in next 3 to 4 years.

## 2.6 TRAI Regulations

Telecommunication has emerged as a key driver of economic and social development in an increasingly knowledge-intensive global scenario. After going through a pioneering transition in the last two decades, the Indian telecommunication sector has become the World's second largest telecommunication market in terms of the number of subscribers. In the upcoming years, this sector will play a prominent role in the growth of Digital Economy, Industry 4.0, and in successful implementation of Government programmes such as Digital India, Make in India, Startup India, Smart Cities, etc. Latest technological developments and the aforementioned programmes will provide more opportunities for the telecom sector

During 19-20, various recommendations were made to the Government by TRAI during the year.

- ❖ Enhancement of Scope of Infrastructure Providers Category-I (IP-I) Registration
- ❖ Licensing framework for Audio Conferencing/ Audiotex/ Voice Mail Services'

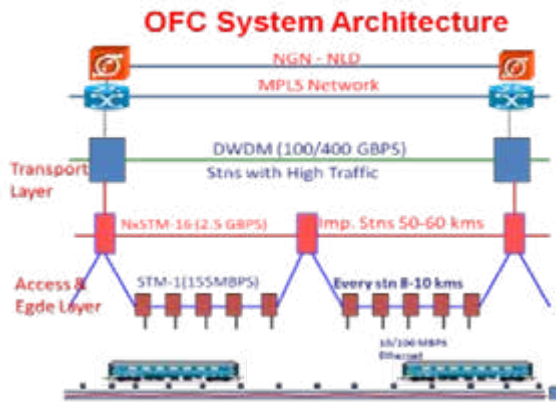
- ❖ Platform Services offered by DTH Operators
- ❖ Allotment of spectrum to Indian Railways for Public Safety and Security services
- ❖ KYC of DTH Set Top Boxes , Review of Terms and Conditions for registration of Other Service Providers (OSPs)
- ❖ Entry Level Net worth requirement of Multi-system Operators in Cable TV services.

During 19-20, TRAI initiated various consultations on the following

- ❖ Provision of Cellular backhaul connectivity via Satellite through VSAT under Commercial VSAT CUG Service Authorization'
- ❖ Traffic Management Practices (TMPs) and Multi-Stakeholder Body for Net Neutrality
- ❖ Tariff Issues of Telecom Services
- ❖ Interoperability of Set Top Box
- ❖ Review of Interconnection Usage Charges
- ❖ Cloud Services
- ❖ Reserve Price for auction of FM Radio channels
- ❖ Developing a unified numbering plan for fixed line and mobile services
- ❖ Reforming the Guidelines for Transfer/Merger of Telecom Licenses
- ❖ Platform Services offered by DTH Operators

## 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 67,415 KM of Railway Track passing through 7321 stations across the country. 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.

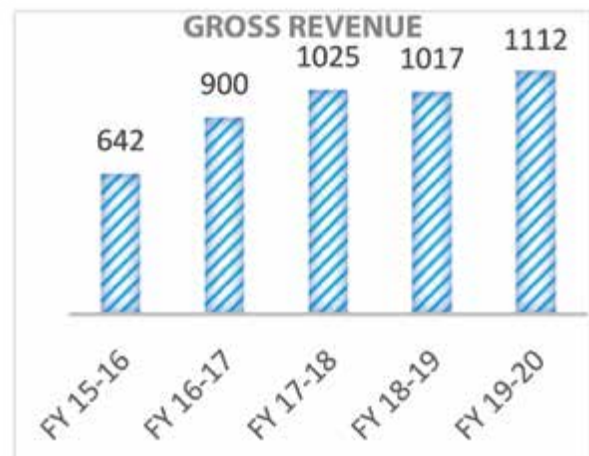
RailTel has PAN India Telecom Network with capability of Service delivery from 2Mbps to 100Gbps links. RailTel Network comprises of various technologies viz. Next Generation Network (NGN), Synchronous Digital Hierarchy (SDH), Packet Transport Network (PTN), Dense Wavelength Division Multiplexing (DWDM), Internet Protocol- Multi Protocol Label Switching (IP-MPLS) which are maintained by round the clock Network Operation Centres and trained field manpower. Total 5500+ Backbone & Access 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 5805 kms and helps deliver high speed reliable connectivity to close to 728 institutes of higher learning like IITs, IIMs, IISC, SAC, Agricultural and research institutes and universities across the country.

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 it's 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 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

## 4. Network Strength

RailTel has exclusive seamless Right of Way (ROW) along 67,415 KM of Railway Track passing through 7321 stations across the country. Using this ROW, RailTel has so far laid 56692 RKM of OFC and OFC lit is 53944 RKM till March 31, 2020. Works on another >4000 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 / 10Gbps). 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 :

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 has 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-2020 5655 stations were live with RailTel's RailWire Wi-Fi with 1.59 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 2.22 crore user login in a month and around 9000 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.



रेलटेल  
RAILTEL

A Mini Ratna Enterprise



RailTel has started a programme RailWire Saathi in which small kiosks have been set up at 193 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 youths are being 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. CCTV cameras have already been provided at 225 stations.

### 5.3 E-office in Indian Railways

RailTel has also taken up the work of implementing NIC 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. Currently, e-Office has been implemented in all 106 Units of Indian Railways against the sanctioned work of Phase-I and Phase-II. Under Phase-I Project of e-Office, 60 Railway Units consist of all Zonal Railway along with one division (including entire SCR), PUs, RDSO, NAIR, CTIs & Metro Kolkata and under Phase-II Project, balance 46 Divisions have been covered. As one date, more than 1 lakh users of Indian Railways are using e-Office Application. After implementation of e-Office in 60 Workshops which has been sanctioned

by Railway Board, entire Indian Railways will be in e-Office Platform.

During the COVID crisis 25 new establishments were commissioned with NIC e-office. This has proven to be boon in a crisis time and part of Railway workforce was able to **WORK FROM HOME**, which would have been impossible in case of manual filing system. RailTel has also created **Virtual Private Network** for 10,000 users of Indian Railways.

### 5.4 CoD (Content on Demand)

RailTel will be providing the Content on Demand service to passengers in trains by preloading multilingual content (Movies, Music Videos, General Entertainment, Lifestyle etc) on media servers installed in trains. With COD, passengers will be able to enjoy uninterrupted free/ Subscription based high Quality buffer free entertainment streaming service on their personal devices during their train journey despite unstable mobile network in a moving train. The content will be periodically refreshed. CoD platform will also provide e-commerce/m-commerce services in various domains e.g. travel bookings (cab, bus, train) etc. and provide various innovative solutions in digital marketing domain.

The Content on Demand service will not only improve overall passenger experience but at the same time will increase the non-fare revenue through multiple monetization models.

The digital entertainment service provider has been finalised and work has been initiated. Service to be provided on 8731 trains including 5728 Suburban Trains for which Roll out will be done over a period of 2 years.

### 5.5 Railway Display Network

This is an initiative to provide contextually rich and relevant information to Rail users along with public awareness messages & entertainment content and use the latest digital technologies to unlock the true advertisement potential of the footfalls in stations. RDN is planned to be built and operated on a self-sustainable model.

The display screens will be provided at the station buildings, entrance, concourse, platforms, waiting

rooms and foot-over-bridges but excludes circulating areas. Various passenger related information from most appropriate sources like train charting server, NTES, PRS etc shall be provided. The Railway display network with the cloud analytics will provide the ability to generate rich analytics and context to provide Railway users accurate and relevant information to improve the Railway travel experience. RDN will also be a platform for targeted live messaging on audio, video or social media to display information of national importance and citizen services. The analytics and ad exchange provides a transparent way to unlock the true advertising potential of the footfalls in the Railways.

Project is to be implemented at 2000 stations (all A1,A,B,C & D category stations). Tender have already been invited

### 5.6 Hospital Management Information System (HMIS)

RailTel has been entrusted with the work of Hospital Management Information System over Northern Railway Central Hospital and Delhi Division hospitals. This is integrated clinical information system for improved hospital administration and patient health care for providing an accurate, electronically stored medical records.

Proof of Concept for HMIS implementation over SCR has already been completed successfully.

### 5.7 Modern Train Control System

RailTel Enterprises Limited (REL), a wholly owned subsidiary company of RailTel Corporation of India Ltd., has been entrusted with the work of Modern Train Control system project for modernizing railway signaling system in 4 railway sections. The Modern Train Control system project is one of the most ambitious modernization projects of Indian Railways which envisages upgradation of signalling 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. MTCS 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. Tender have already been invited and are under final stages of evaluation.

### 5.8 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 Ambala Division. Work has already been started on provision of Electronic Interlocking.

### 5.9 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. RailTel has managed to generate ₹ 415 Cr. revenue from this segment.

### 6.2 IP-1 Services

Tower colocation business translates to a good alternative for RailTel to monetize its towers infrastructure. Dark fiber leasing is a strategic customer engagement product for RailTel. The sector needs renewed focus as it is the highest bottom line business with added advantage of extensive last mile access as a reciprocal arrangement. 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 colocation purposes. Till Mar'20, RailTel has managed to generate ₹ 163 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 registered 3572 new subscribers each month, with 1,30,104 active subscriber base on Mar' 20.** Around 3361 Local Cable Operators have partnered to provide last mile connectivity to end consumers. Total revenue of ₹ 166 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 18 Zonal HQs, 70 Divisions and 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

2,88,500 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.

## 6.5 Data Center

RailTel has two UPTIME (USA) certified Tier-III Data Centers in place at Secunderabad and Gurugram.



RailTel Data Center at Gurugram

RailTel offers a host of Data Centre services like Colocation Services, Managed services, Cloud Computing, Managed e-Office, Aadhaar Authentication Services, Dedicated Solutions etc, from these two state-of-the-Art Data Centres with combined total gross capacity of more than 6000 Sq.ft Server Farm area. RailTel has started Security Operations Centre (SOC) for monitoring, analyzing and protecting Data centre services from cyber-attacks. The Data Centre and SOC support services are available 24\* 7.

RailTel cloud services are backed by SLA of 99.95% and colocation services by SLA's of 99.983% which is one of the 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

Government customers trust RailTel for the Data Centre services. Data Centers Being registered with MeitY for providing cloud services to Govt. Departments & PSUs

### 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. Extensively used for inauguration of Rly facilities (131 events in last 1 year).

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 530 elite users across 45 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.



Hon'ble PM addressing Ministers using RailTel's TPaaS services



Hon'ble MR & MoSR addressing CRB, Members & CMD RailTel using TPaaS

The RailTel Telepresence Services have often served events for the Hon'ble Prime Minister of India, Minister of Railways, Minister of Industry & Commerce & Minister of Civil Aviation reaching out to places where making available even OB Vans would have been difficult at short notice. The services are offered on a monthly subscription basis requiring no investment into CAPEX by the customer while obviating the recurring need for investment due to technology obsolescence.

In the current Covid-19 crisis situation, to facilitate meetings from home, video conferencing facilities has been installed in the residence of General Managers of Zonal Railways and Production units of Railways for Meeting with Hon'ble Minister of Railways, Hon'ble Minister of State for Railways and Chairman Railway Board. This service is also being used for coordination between GMs and DRMs and other officers who are participating through either Telepresence or WebEx from their residence. During the lockdown period there was phenomenal increase in usage of video conferring service with 25 times increase in usage of video conferring service with 25 times increase as compared to pre COVID time to 83,58,336-man minutes of meeting time.



Hon'ble MR addressing RailTel Staff on Annual day using RailTel on TPaaS

### 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 ₹ 330 Cr. ending Mar'20 as against ₹280 Cr. in Mar'19.

## 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’.

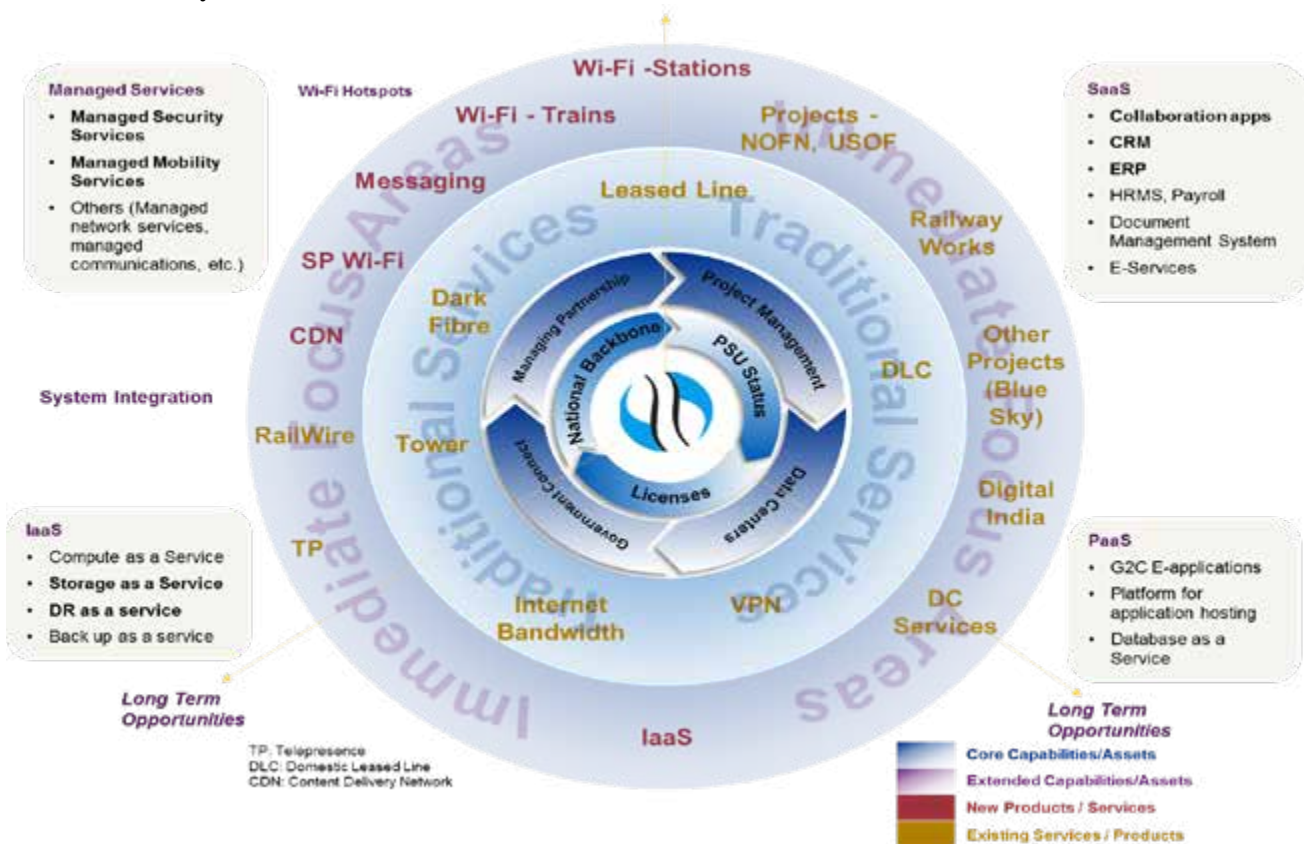
Under the Phase-I of this project, RailTel is mandated to cover 10793 GPs covering 317 Blocks across Northern Eastern region states (Tripura, Meghalaya, Manipur, Mizoram, Nagaland & Arunachal Pradesh), Pondicherry in South & Gujarat (incl. Daman & Diu and Dadra & Nagar Haveli) in West. As of Mar’20, 24691 KM of duct has been laid covering nearly 93.09% of GPs and 24037 KM of optic fiber to cover nearly 87..22% of the GPs.

## 8. Blueprint for the Future

Considering the dynamic nature of Telecom & IT industry in the shadow of COVID-19, 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 e-office, CoD, RDN, VSS, Data Center centric services such as managed services & cloud, LTE (Long Term Evolution), IOT (Internet of Things) Platform and Analytics, TCAS (Traffic Collision Avoidance System), MTCS (Modern Train Control System), 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 & e-office which enables employee to perform all work related activities online bringing efficiency & in working. 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 2019-20, total revenue earned by RailTel is ₹ 1112 crore. Profit after Tax earned has been ₹ 138 crore and Profit before tax has been ₹ 181 crore. From NLD (Bandwidth & VPN) services, RailTel earned ₹ 415 Crore during the year. While earning from IP-1 services has been ₹ 163 Crores which includes revenues from tower & rack Colocation and Dark fiber leasing. While under ISP license (Internet & Broadband) RailTel has achieved revenues of ₹ 166 Crores.

## 10. Awards

During the year 19-20, RailTel received following awards for its excellent performance from various organizations.

The prestigious awards received by RailTel for various categories are as mentioned below:

- ❖ Sh. Puneet Chawla, CMD RailTel, was conferred with the Top Rankers Excellence Award for "Excellence in Leadership"
- ❖ Express Computer Digital Innovation Award for E-office implementation
- ❖ 7<sup>th</sup> Governance Now PSU award in Digital PSU category for e-office implementation
- ❖ Digitally Empowered PSU' at 3<sup>rd</sup> Cyber Security Conclave
- ❖ Dun & Bradstreet PSU Award 2019 in the Telecommunication & IT services category



**CMD, RailTel receiving Top Rankers Excellence Award for "Excellence in Leadership"**



**7<sup>th</sup> Governance Now PSU award in Digital PSU category for e-office implementation**

## 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 7 Digital Literacy Centres (2 at Varanasi, UP, 1 at Satna, MP, 1 at Delhi, 2 at Bokaro, Jharkhand and 1 at Mewat Haryana) and 1 Skill Development Centre for women at Jahangirpuri, New Delhi. RailTel is contributing to better Menstrual Health of adolescent girls through its MHM programme in 180 government schools and 8 aspirational districts of Uttar Pradesh by installing incinerator and napkin vending machines. RailTel is contributing to primary school education through Mini Science Centres at govt schools aimed at making science and mathematics education fun through interactive models.

RailTel has also contributed Rs.12.15 Crore to PM Cares Fund amid unprecedented Covid-19 pandemic across the 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.



**Educating & providing Napkin vending machine & incinerator**

## 12. SWOT Analysis

- Extensive network expanse with large number of PoPs and fibre backbone
- Next generation high capacity network
- Strong Government connect
- Strong financials (operating margin and balance sheet)

- Expanding network of telecom players
- High competitive intensity in new areas such as retail broadband, data centre
- Threat of fiber cuts



- Limited last mile connectivity
- Limited presence in key verticals such as IT/ ITeS
- Strengthening of key processes

- Increasing government spending on ICT initiatives such as Digital India
- Increasing adoption of cloud services, unified communications and Data Centre Services by government and PSU
- Wi-Fi Hotspot opportunity
- Expanding network in North East
- Increased focus on broadband

### 13. Human Resources

RailTel has made a conscious effort to keep evolving its practices in Human Resources and providing best experience and convenience to its employees. To improve on its employee score RailTel has implemented e-office, which enables employee to perform all work related activities online bringing efficiency & in working. This initiative has benefitted most to the employees deputed in fields who can now work without a visit to territorial/regional offices.

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

At the end of Mar'20 total manpower strength was 721 including regular, deputationiest, contractual, re-employed, consultants and Advisor.

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.



**RailTel CO Staff after celebration of Annual Day.**

### 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

# 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. Since, RailTel is coming out with an Initial Public Offering through offer for sale by way of listing its equity shares on the Stock Exchange, the Company started adopting certain Corporate Governance norms prescribed under the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 {SEBI (LODR) Regulations}.

## 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 31/03/2020 as shown in

**Table 1:**

**Table 1**

Director	Designation
Shri Puneet Chawla	Chairman & Managing Director
Shri Ashutosh Vasant	Director-Project Operation and Maintenance
Shri Sanjai Kumar	Director-Network Planning & Marketing
Shri Anand Kumar Singh	Director-Finance and CFO
Shri Umesh Balonda	Part-time Govt. Nominee Director
Shri Vinay Srivastava	Part-time Govt. Nominee Director
Dr. Anupam Alok (Ceased to be Independent Director w.e.f. 01/04/2020)	Independent Director
Shri Ashok Goel (Ceased to be Independent Director w.e.f. 01/04/2020)	Independent Director
Smt. Rashmi Jain	Independent Director
Shri Chinnsamy Ganesan	Independent Director

Presently, the strength of the Board of Directors is 8 (Eight), comprising of Four whole-time Directors (i.e. Chairman & Managing Director, Director/POM, Director/NPM and Director/Finance), Two Independent Directors and Two Part-time Govt. Nominee Directors.

## 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 Chairperson	As Member other than Chairperson
Shri 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
Shri Sanjai Kumar	Director-Network Planning & Marketing (Whole time Director)	NIL	NIL	2 (Corporate Social Responsibility Committee in RailTel & Stakeholder Relationship Committee in RailTel)
Shri Anand Kumar Singh	Director-Finance (Whole time Director)	NIL	NIL	2 (Corporate Social Responsibility Committee in RailTel & Stakeholder Relationship Committee in RailTel)
Shri Umesh Balonda	Part-time Govt. Nominee Director	NIL	NIL	1 (Nomination & Remuneration Committee in RailTel)
Shri Vinay Srivastava	Part-time Govt. Nominee Director	4	NIL	2 (Audit Committee in RailTel & Risk Management Committee in RITES)
Smt. Rashmi Jain	Part time non-official Director (Independent Director)	NIL	2 (Audit Committee & Stakeholder Relationship Committee in RailTel)	1 (Nomination & Remuneration Committee in RailTel)
Shri Chinnsamy Ganesan	Part time non-official Director (Independent Director)	1	2 (Corporate Social Responsibility Committee & Nomination & Remuneration Committee in RailTel)	2 (Audit Committee in RailTel & Audit Committee in Belstar Microfinance Limited)

**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/Independent 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, Nomination & Remuneration Committee and Stakeholder Relationship 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.

### ❖ 2.3 Change in Directorships

During the FY 2019-20, following changes took place in the Board Composition as shown in **Table 3**:

**Table 3**

Name of Director	Appointment/Cessation
Shri Puneet Chawla	Appointed as Chairman and Managing Director of the Company w.e.f. 10/05/2019 (earlier holding Addl. Charge).
Shri Sanjeeb Kumar	Ceased to be Director/Finance (Addl. Charge) of the Company w.e.f. 03/04/2019.
Shri Sanjeev Jain	Appointed as Director/Finance (Addl.Charge) of the Company w.e.f. 11/04/2019.
Shri Sunil Gupta	Ceased to be Part-Time Govt. Nominee Director of the Company w.e.f. 06/05/2019.
Shri Umesh Balonda	Appointed as Part-Time Govt. Nominee Director of the Company w.e.f. 06/05/2019.
Dr. Anupam Alok	Re-appointed as Part-Time non-official/Independent Director of the Company w.e.f. 12/07/2019 to 31/03/2020
Shri Ashok Goel	Re-appointed as Part-Time non-official/Independent Director of the Company w.e.f. 12/07/2019 to 31/03/2020
Shri Chinnsamy Ganesan	Appointed as Part-Time non-official Director/ Independent Director of the Company w.e.f.16/07/2019
Shri Sanjeev Jain	Ceased to be Director/Finance (Addl. Charge) of the Company w.e.f. 04/09/2019.
Shri Anand Kumar Singh	Appointed as Director/Finance of the Company w.e.f. 04/09/2019.
Dr. Madhukar Sinha	Ceased to be Part-Time Govt. Nominee Director of the Company w.e.f. 11/11/2019
Shri Vinay Srivastava	Appointed as Part-Time Govt Nominee Director of the Company w.e.f.30/12/2019.

### 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 which 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 2019-20 i.e. on 24/05/2019, 09/07/2019, 16/08/2019, 26/09/2019, 26/12/2019, 22/01/2020 and 12/02/2020.

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 2019-20.

Details of attendance of the Directors at the Board Meeting during FY 2019-20 is shown in **Table 4**:

**Table 4**

Director	No. of meetings during 2019-20		
	Held (during their respective tenures)	Attended	Attended last AGM
Shri Puneet Chawla	7	7	Yes
Shri Ashutosh Vasant	7	7	Yes
Shri Sanjai Kumar	7	7	Yes
Shri Anand Kumar Singh	4	4	Yes
Shri Umesh Balonda	7	7	Yes
Shri Vinay Srivastava	2	1	NA
Smt. Rashmi Jain	7	7	Yes
Shri Chinnsamy Ganesan	5	5	No
Dr. Madhukar Sinha	4	4	Yes
Shri Sanjeev Jain	3	3	NA
Dr. Anupam Alok	5	5	Yes
Shri Ashok Goel	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). This Code came into effect from 30th November, 2007 and have also been posted on the website of the Company – [www.railtelindia.com](http://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 2019-20 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, 2020”

Place: New Delhi  
Date: 12/10/2020

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

## 6. Remuneration of Directors

Being a Government Company, the whole-time directors are appointed by the President of India through the Ministry of Railways and draw remuneration as per Industrial Dearness Allowance (IDA) pay scales except in case of CMD who is on deputation to RailTel from Ministry of Railways and is drawing Central Dearness Allowance (CDA) pay scales as pre-determined by the Government and as per the terms and conditions of their appointment issued by the Government India from time to time.

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 @ Rs. 20,000/- per meeting of the Board or committees thereof.

The remuneration paid to Directors during the FY 2019-20 was of ₹ 1.66 Crore as against that of ₹ 0.81 crore in the previous year.

No stock option has been made available or offered by the Company during the FY 2019-20 as the equity shares of the company are held only by the Govt. of India.

## 7. Committees of BoD

### 7.1.1 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. Recently, the company has amended the terms of reference of the Audit Committee in line with the provisions of section 177 of the Companies Act, 2013, Regulation 18 of the SEBI (LODR) Regulations, 2015 and DPE guidelines on Corporate Governance. The composition of Audit Committee as on 31/03/2020 is shown in **Table 5**:

**Table 5**

Sl No.	Name of Director	Position in the Committee	Designation
1.	Smt. Rashmi Jain	Chairperson	Independent Director
2.	Shri Chinnsamy Ganesan	Member	Independent Director
3.	Shri Vinay Srivastava	Member	Part-Time Govt. Nominee Director

Company Secretary acts as Secretary to the Committee

### 7.1.2 Terms of reference of the Audit Committee as decided by the BoD is as under:-

The Audit Committee shall be responsible for the following, among other things, as may be required by the stock exchanges from time to time:

#### Powers of Audit Committee

The Audit Committee shall have powers, including the following:

- 1) To investigate any activity within its terms of reference.
- 2) To seek information from any employee.
- 3) To obtain outside legal or other professional advice.
- 4) To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### Role of Audit Committee

The role of the Audit Committee shall include the following:

- 1) oversight of the Company financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) taking on record the appointment of auditors of the Company by the Comptroller and Auditor General of India;
- 3) recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company based on the order of Comptroller and Auditor General of India;
- 4) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 5) reviewing, with the management, the annual

financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

- a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b) changes, if any, in accounting policies and practices and reasons for the same
  - c) major accounting entries involving estimates based on the exercise of judgment by management;
  - d) significant adjustments made in the financial statements arising out of audit findings;
  - e) compliance with listing and other legal requirements relating to financial statements;
  - f) disclosure of any related party transactions;
  - g) modified opinion(s) in the draft audit report;
- 6) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - 7) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
  - 8) reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
  - 9) approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;
  - 10) scrutiny of inter-corporate loans and investments;
  - 11) valuation of undertakings or assets of the listed entity, wherever it is necessary;
  - 12) evaluation of internal financial controls and risk management systems;
  - 13) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - 14) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - 15) discussion with internal auditors of any significant findings and follow up there on;
  - 16) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  - 17) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - 18) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - 19) to review the functioning of the whistle blower mechanism;
  - 20) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
  - 21) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
  - 22) Review the following information:
    - a) Management discussion and analysis of financial condition and results of operations;
    - b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
    - c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
    - d) Internal audit reports relating to internal control weaknesses;
    - e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and
    - f) Statement of deviations;

- a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

- 23) To review the follow up action on the audit observations of the C&AG audit;
- 24) Recommend the appointment, removal and fixing of remuneration of cost auditors; and
- 25) Carrying out any other function as specified by the Board as may be prescribed under the Companies Act and SEBI Listing Regulations, from time to time.

### 7.1.3 Meetings and Attendance of Audit Committee

During the Financial Year 2019-2020, the Audit Committee met 4 (Four) times i.e. on 09/07/2019, 08/08/2019, 26/09/2019, and 11/02/2020. The attendance of the members at the meetings held during FY 2019-20 are shown in **Table 6:**

**Table 6:**

Name of Director	Position in the Committee	Meetings held (During their respective tenures)	Meetings attended
Smt. Rashmi Jain	Chairperson	4	4
Dr. Madhukar Sinha	Member	3	3
Shri Chinnsamy Ganesan	Member	3	3
Shri Umesh Balonda	Member	1	1
Shri Vinay Srivastava	Member	1	1

### Note:

- (a) Shri Sanjeev Jain, Ex-Director/Finance has attended all the meetings of Audit Committee as a Special Invitee held during the Financial Year 2019-20 during his tenure on the Board of the Company.
- (b) Shri Anand kumar Singh, Director/Finance has attended all the meetings of Audit Committee as a Special Invitee held during the Financial Year 2019-20 during his tenure on the Board of the Company.
- (c) Sh. J.S. Marwah, Secretary to the Committee has attended all the meetings held during the Financial Year 2019-20.

### 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 Chairperson of the committee was an Independent Director.

The Company has re-constituted Nomination & Remuneration Committee in line with the requirements of Section 178 of the Companies Act, 2013, the Regulation 19 of the SEBI (LODR) Regulations and the DPE Guidelines on Corporate Governance. Since your company is a Government Company, therefore the remuneration of its whole-time Directors is determined by Govt 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 Rs.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 31/03/2020 is shown in **Table 7:**

**Table 7**

Sr. No.	Name of Director	Position in the Committee	Designation
1.	Sh. Ashok Goel	Chairperson	Independent Director
2.	Sh. Umesh Balonda	Member	Part Time Govt. Nominee Director
3.	Smt. Rashmi Jain	Member	Independent Director

The composition of Nomination & Remuneration Committee as on the date of this report is shown in **Table 8:**

**Table 8:**

Sr. No.	Name of Director	Position in the Committee	Designation
1.	Shri Chinnsamy Ganesan	Chairperson	Independent Director
2.	Smt. Rashmi Jain	Member	Independent Director
3.	Sh. Umesh Balonda	Member	Part Time Govt. Nominee Director

Company Secretary acts as Secretary to the Committee

### 7.2.1 Terms of reference for the Nomination & Remuneration Committee as decided by the BoD is as under:-

The Nomination and Remuneration Committee shall be responsible for the following, among other things, as may be required by the stock exchanges from time to time:

- 1) To decide and approve the annual bonus / variable pay pool / performance related pay and policy for its distribution across executives and non-unionized supervisors of the Company within the limits prescribed in the DPE Guidelines;
- 2) To review the policies for selection and removal of persons in Senior Management and other employees as per DPE Guidelines and other Government Guidelines and recommend the same for approval to the Board;
- 3) To identify persons who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- 4) To recommend to the Board of Directors a policy relating to the remuneration, in whatever form, for the key managerial personnel, senior management and other employees;
- 5) Taking on record the appointment and removal of directors, including independent directors, by the President of India, acting through respective ministries;

- 6) Taking on record the extension, if any, of the term of the independent directors of the Company, as may be directed by the President of India, acting through the respective ministries; and
- 7) Carrying out any other function as specified by the Board as may be prescribed under the Companies Act or DPE Guidelines, SEBI (LODR) Regulations, 2015 and any other laws and their amendments from time to time and taking on record the various policies, if any, promulgated by the Central Government.

Explanation: "Senior Management" shall mean officers / personnel of the Company who are members of its core management team excluding Board of Directors and shall include all members one level below the Chief Executive Officer / Managing Director / Whole time director / Manager (including CEO / Manager, in case they are not part of the board) and specifically includes Company Secretary and Chief Financial Officer (CFO) (below the Board level) and the functional heads.

### 7.2.2 Meetings, Attendance and Composition of Nomination & Remuneration Committee

No meeting of the Nomination & Remuneration Committee held during FY 2019-20.

### 7.3 Corporate Social Responsibility Committee

The Company has constituted a Corporate Social Responsibility Committee (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 31/03/2020 is shown in **Table 9:**

**Table 9:**

Sr. No.	Name of Director	Position in the Committee	Designation
1.	Dr. Anupam Alok	Chairperson	Independent Director
2.	Shri Sanjai Kumar	Member	Director/ NPM
3.	Shri Anand Kumar Singh	Member	Director/Finance

The composition of CSR Committee of the Board as on date of this report is shown in **Table 10:**

**Table 10:**

Sr. No.	Name of Director	Position in the Committee	Designation
1.	Shri Chinnsamy Ganesan	Chairperson	Independent Director
2.	Shri Sanjai Kumar	Member	Director/ NPM
3.	Shri Anand Kumar Singh	Member	Director/Finance

Company Secretary acts as Secretary to the Committee

### 7.3.1 Terms of reference for the Corporate Social Responsibility Committee as decided by the BoD is as under:-

- 1) To formulate and recommend to the Board, a CSR policy which will indicate the activities to be undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013;
- 2) To review and recommend the amount of expenditure to be incurred on the activities referred to in clause 1;
- 3) To monitor the CSR policy of the Company from time to time;
- 4) To recommend / review CSR projects / programmes / proposals, falling within the purview of Schedule VII of the Companies Act, 2013;
- 5) To assist the Board of Directors to formulate strategies on CSR initiatives of the Company;
- 6) To institute a transparent monitoring mechanism for implementation of the Corporate Social Responsibility projects or programs or activities undertaken by the Company;
- 7) Any other matter as the CSR 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.

### 7.3.2 Meetings, Attendance and Composition of CSR Committee

During the Financial Year 2019-20, the CSR Committee met 3 (three) times i.e. on 25/10/2019, 10/01/2020 and 20/01/2020. The attendance of the members at the meetings held during FY 2019-20 are given below:

Sr. No.	Name of Director	Position in the Committee	Meetings held (During their respective tenures)	Meetings attended
1.	Dr. Anupam Alok	Chairperson	3	3
2.	Shri Sanjai Kumar	Member	3	3
3.	Shri Anand Kumar Singh	Member	3	3

## 7.4 Stakeholder's Relationship Committee

The Company has constituted Stakeholders' Relationship Committee in line with the provisions of Section 178(5) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The scope and function of the Stakeholders' Relationship Committee is in line with the provisions of Section 178 (5) of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations, 2015.

The composition of Stakeholders' Relationship Committee as on the date of this report is stated below:-

Sr. No.	Name of Director	Position in the Committee	Designation
1.	Smt. Rashmi Jain	Chairperson	Independent Director
2.	Shri Sanjai Kumar	Member	Director/ NPM
3.	Shri Anand Kumar Singh	Member	Director/Finance

Company Secretary acts as Secretary to the Committee

### 7.4.1 Terms of reference for the Stakeholder Relationship Committee as decided by the BoD is as under:-

The Stakeholders Relationship Committee shall be responsible for the following, among other things, as may be required by the stock exchanges from time to time:

- 1) The Stakeholders' Relationship Committee shall consider and resolve the grievances of the security holders of the Company including complaints related to transfer of securities, non-receipt of annual report, non-receipt of declared dividends, etc.;
- 2) Reviewing adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent;
- 3) Review of measures taken for effective exercise of voting rights by shareholders.
- 4) Reviewing the various measures and initiatives undertaken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
- 5) Carrying out any other function contained in the

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as and when amended from time to time.

## 8. 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.

## 9. General Body Meetings

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

Financial Year	Date of holding meeting	Time	Venue
2016-17	22 <sup>nd</sup> September, 2017	4:00 PM	Committee Room, Rail Bhawan
2017-18	27 <sup>th</sup> September, 2018	11:30 AM	Committee Room, Rail Bhawan
2018-19	27 <sup>th</sup> September, 2019	2:30 PM	Committee Room, Rail Bhawan

## 10. Disclosures:

- During the year, there was no transaction of material nature with the Directors or their relatives that had potential conflict with the interest of the Company.
- The Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India in the preparation of Financial Statements.
- The Company has not made any public issue of shares or made any offer of shares in any manner to public. There has been no instance of non-compliance on any matter related to the capital market.
- 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 2019-20. Therefore, it is not considered as a "material subsidiary" as per DPE guidelines.

## 11. Non Mandatory Requirements:

- 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).
- 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 Brochure, 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.

- 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.
- RailTel being a Govt. company under the administrative control of 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.
- 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.

## 12. General Shareholders' Information

### 20<sup>th</sup> Annual General Meeting

Date:	28/10/2020
Time:	11:30 AM
Venue:	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") at Registered Office of the Company

## 13. Factual Calendar for Approving Matters pertaining to FY 2019-2020

**Approval of Annual Accounts by BoD: 28/08/2020**

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

## 14. Book Closure

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

## 15. Dividend and Pay-Out Date

Dividend when declared is normally paid within stipulated time period. The Company had paid an interim dividends of Rs. 20 Crore to its shareholders on the paid share capital of Rs. 320.94 Crore. The final dividend of Rs. 48.06 Crore has been recommended for payment to the shareholders.

## 16. 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%
<b>Total</b>	<b>3209,38,407</b>	<b>100.00%</b>

\* 8 shares are in the names of different nominees of Govt. of India

# As on date of this report the entire shareholding of the President of India and its nominee is in demat form.

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.

## 17. Registrar to the issue and Share Transfer Agent:-

The Department of Investment and Public Asset Management vide its order no. 3/5/2018-DIPAM-V dated 17/03/2020 has appointed M/s. KFin Technologies Private Limited as Registrar to the IPO of RailTel. The contact details of the Registrar are stated below:-

KFin Technologies Private Limited  
Selenium Tower-B,  
Plot No 31 & 32,  
Financial District, Nanakramguda,  
Serilingampally, Hyderabad,  
Rangareddi, Telangana  
India - 500 032  
Website: www.kfintech.com

## 18. Company ISIN

The Company has obtained the International Securities Identification Number (ISIN) from both of the Depositories i.e. NSDL and CDSL. The ISIN no. of Company is **INE0DD101019**.

## 19. 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 23 territorial field offices in various State Capitals. The Company has Network Operations and Data Center Office at 143, Institutional Area, Sector-44, Gurugram-122003. 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 & Corporate Office (regarding the Corporate Governance matters covered under this report)	The Company Secretary & Jt. GM (Law), RailTel Corporation of India Ltd.  Registered & Corporate Office: Plate-A, 6th Floor, Office Block, Tower-2, East Kidwai Nagar New Delhi 110023  Tele: 011-22900610 and Fax: 011-22900699 E-mail: cs@railtelindia.com;

**SURESH CHANDRA & ASSOCIATES  
CHARTERED ACCOUNTANTS**

504, Prakash Deep Building, 7, Tolstoy Marg, Connaught Place, New Delhi – 110001  
Phone: 011-66142200-06 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 Standalone Balance Sheet as at March 31, 2020, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “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, 2020, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

## Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs 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 ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Emphasis of Matter

We draw attention to Item no. 19 and 23 of Note no. 42 to the Standalone financial statements regarding NE project with a total estimated expenditure of Rs.45125 lakhs and anticipated subsidy of Rs.38800 lakhs. The company has however, incurred total capital expenditure of Rs. 31107 Lakhs and has received a subsidy of Rs.3146 lakhs only. Further, the company has transferred material amounting to Rs. 1172 lakhs to other projects/regions. As the project is on hold, the company has recognized an impairment loss of Rs.4930 Lakhs based on an impairment study carried out by an independent consultant which has been disclosed under the head Exceptional Items in Statement of Profit & Loss.

However, our opinion is not modified in respect of matter stated above as Emphasis of Matter.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report –

S. No.	Key Audit Matter	How our audit addressed the key audit matters
1.	<p><b>Expected Credit Loss for Trade Receivables</b></p> <p>The company has applied simplified approach to measure ECL for trade receivables, which allows for lifetime expected credit losses to be recognised from initial recognition of the receivables. The company determines the expected credit losses on trade receivables by using a provision matrix that is based on historical credit loss experience, adjusted for forward looking factors to the debtors and the economic environment.</p> <p>Due to significance of trade receivables and the complexity involved in the ECL calculation, this was considered as a key audit matter.</p> <p>(Refer Item no. 27 of note no. 42 to the standalone financial statements)</p>	<p>We have obtained an understanding of the company's credit policy along with the applications controls associated with the accuracy of the information included in the debtors ageing report.</p> <p>We evaluated the company's process of ECL calculation including the techniques suggested by the experts involved therein.</p> <p>We assessed the reasonableness of the assumptions used in ECL calculation by comparing them with the historic data adjusted for current market condition and forward-looking information.</p> <p>We have also considered the disclosures made by the company under the head credit risk.</p> <p>Based on the above procedure performed, the management estimations and judgement in ECL were found to be reasonable.</p>
2.	<p><b>Contingent Liabilities</b></p> <p>There are a number of litigations pending before various forums against the Company and the management's judgement is required for estimating the amount to be disclosed as contingent liability.</p> <p>We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgement in interpreting the cases and it may be subject to management bias.</p> <p>(Refer item no. 24.1(a) of note no. 42 to the standalone financial statements)</p>	<p>We have adopted the following audit procedures-</p> <p>Understood and tested the design and operating effectiveness of controls as established by the management for obtaining all relevant information for pending litigation cases</p> <p>Discussed with the management any material developments and latest status of legal matters</p> <p>Read various correspondences and related documents pertaining to litigation cases and performed substantive procedures on calculations supporting the disclosure of contingent liabilities</p> <p>Assessed the adequacy and completeness of disclosures</p> <p>Based on the above procedure performed, the estimations and disclosure of contingent liabilities are considered to be adequate and reasonable.</p>
3	<p><b>Accuracy of recognition, measurement, presentation and disclosures of leases and other related adjustments in view of adoption of Ind AS 116 – Leases (New Ind AS)</b></p> <p>The Company has adopted Ind AS 116 Leases (Ind AS 116) in the current year. The application and transition to this accounting standard is complex and is an area of focus in our audit.</p> <p>Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognise a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term.</p> <p>Refer item no. 29 to Note 42 to the standalone financial statements read with the Accounting Policy no. 9)</p>	<p><b>Our audit procedures on adoption of Ind AS 116 include:</b></p> <p>Assessed and tested new processes and controls in respect of the lease accounting standard (Ind AS 116)</p> <p>We have assessed the company's evaluation on identification of leases based on the contractual agreements and method adopted and related adjustments made on transition dated i.e. 1st April 2019.</p> <p>We have considered the report of independent agency involved for assessment of key terms and conditions of each lease with the underlying lease contract, computation of lease liability and reconciling the company's operating lease commitments to data used in computing ROU assets as on transition date.</p> <p>We have evaluated the reasonableness of the discount rate applied in determining the lease liability.</p> <p>On a sample basis, we assessed the terms and conditions of lease with the underlying lease contracts and evaluated computation of lease liabilities. We assessed the presentation and disclosure relating to Ind AS 116.</p> <p>Based on the above procedure performed, the presentations and disclosure relating to Ind AS 116 was found to be adequate</p>

### 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 when it becomes available to us 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.

When we read such other information as and when made available to us and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

### Responsibilities of Management's and those charged with Governance 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 also 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.

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.

### 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. 107543 Lakhs, total liabilities of Rs. 35173 Lakhs as at 31st March 2020 and total revenues of Rs. 77409 Lakhs 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 2020 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 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 section 143 (11) of the Act, and on the basis of such checks of the books and records of the company as we considered appropriate and according to information and explanation given to us, 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. On the basis of written representation received from the management, we give our report on the matters specified in the **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. Pursuant to the notification no. G.S.R. No. 463(E) dated 05th June 2015 issued by Ministry of Corporate Affairs, Government of India, the provisions of section 164(2) of the Companies Act 2013 regarding disqualification of directors, are not applicable to the company, being a government company.
- f. We are enclosing herewith a report in “**Annexure-C**” for our opinion on adequacy of internal financial controls system in place in the Company and the operating effectiveness of such controls
- g. Pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Companies Act, 2013, are not applicable to the Company, being a Government Company; and
- 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. 24.1(a) to Note no. 42 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**  
**UDIN: 20500369AAAABP3790**

Sd/-  
**(Ved Prakash Bansal)**  
*Partner*  
**M. No: 500369**  
**Place: New Delhi**  
**Date: 28/08/2020**

## Annexure-A” to the Independent Auditor’s Report on the Standalone Financial Statements of RailTel Corporation of India Ltd.

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 2020, 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 the following –

Particulars	Building
Total Number of cases	1
Whether Leasehold / Freehold	Leasehold
Gross Block as at 31.03.2020	Rs.9809 Lakhs
Net Block as at 31.03.2020	Rs.9271 Lakhs
Remarks	Regd. Office Building at Kidwai Nagar, Delhi where possession was handed over in 2018-19 but lease deed is yet to be executed between the company and NBCC

- (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 2020 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	Forums where dispute is pending	Amount Due (Rs. in Lakhs)	Period to which the amount relates
1	Service Tax	Levy of service tax on consideration received for maintaining electricity and power at major railway stations, Non-payment of service tax on service rendered to Associated enterprises, Non-reversal of cenvat credit on common input services received for providing taxable as well as exempted services, Difference in reconciliation for the period 2011-14. Order no. 70 & 71/2015-16.	Tribunal Hyderabad	505.09	2011-14
2	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.	Appellate Deputy Commissioner, Hyderabad	34.63	2008-2013
3	Service Tax	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.	Tribunal, Hyderabad	320.07	2008-2011
4	Income Tax Act 1961	TDS demand due to short deduction of TDS.	TDS (Commissioner)	0.27	2010-11 to 2012-13
5	RVAT Act	Levy of entry Tax and demand raised under the act.	RVAT Department	5.41	2015-16
6	RVAT Act	Levy of entry Tax and demand raised under the act.	RVAT Department	12.46	2016-17
7	Income Tax Act 1961	Appeal filed against re-assessment order of AO for addition of Rs. 8.13 Crore in book profits on a/c of Railway Revenue Share from 5% to 7% (As per AO' order Dt.29-11-2018)  (Tax Rate Applicable - 18.5% + 7.5% + 3%)	ITAT, New Delhi	9.48	AY 2011-12



8	Income Tax Act 1961	Appeal filed against AO' order for AY 2014-15 for making additions on account of disallowance for earlier year' depreciation and disallowance on account of revaluation of fixed assets.	ITAT, New Delhi	11.19	AY 2014-15
9	Income Tax Act 1961	TDS demand due to short deduction of TDS.		0.09	2010-11,11-12,19-20
10	UP VAT Act	Demand raised on assessment.	UPVAT Department	56.23	FY 2014-15
11	HVAT Act	Demand raised on assessment.	HVAT Department	7.74	FY 2015-16
	<b>Total</b>			962.66	

- (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. 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.
- (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  
UDIN: 20500369AAAABP3790

Sd/-  
(Ved Prakash Bansal)  
*Partner*  
M. No: 500369  
Place: New Delhi  
Date: 28/08/2020

## ‘ANNEXURE-B’ to the Independent Auditors’ Report on the Standalone Financial Statements of RailTel Corporation of India Ltd.

### Report on matters 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 IT 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. 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 projects- a) NE-1 & NE-2 project – the company has received subsidy of Rs. 3146 lakhs till 31.03.2020 against the execution of the project. b) Rural Wi-Fi Project – the company is in receipt of subsidy to the tune of Rs. 1031 lakhs till 31.03.2020. 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**  
**UDIN: 20500369AAAABP3790**

Sd/-  
**(Ved Prakash Bansal)**  
**Partner**  
**M. No: 500369**  
**Place: New Delhi**  
**Date: 28/08/2020**

## **Annexure- C to the Independent Auditor's Report on the Standalone Financial Statements of RailTel Corporation of India Ltd.**

### **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, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **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, 2020, 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.

#### **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.

For **Suresh Chandra & Associates**  
**Chartered Accountants**  
**FRN 001359N**  
**UDIN: 20500369AAAABP3790**

Sd/-  
**(Ved Prakash Bansal)**  
*Partner*  
**M. No: 500369**  
**Place: New Delhi**  
**Date: 28/08/2020**

## RailTel Corporation of India Limited

### Standalone Balance Sheet as at 31st March 2020

(Amount in Lakhs)

Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, Plant and Equipments	2	60,838	78,590
Capital Work-in-Progress	3	25,254	29,990
Right of Use Assets	4	17,296	-
Intangible Assets	2	785	396
<b>Financial Assets</b>			
Investment	5	1,000	1,000
Loans and Security Deposits	6	332	347
Other Non Current Financial Assets	7	21,930	65
Other Non Current Assets	8	1,806	3,099
<b>TOTAL NON CURRENT ASSETS</b>		<b>129,241</b>	<b>113,487</b>
<b>CURRENT ASSETS</b>			
Inventories	9	49	87
<b>Financial Assets</b>			
Investment	10	-	704
Trade Receivables	11	47,498	45,699
Cash and Cash Equivalents	12	11,366	7,082
Other Bank Balances	13	5,654	26,375
Loans and Security Deposits	14	469	430
Other Current Financial Assets	15	20,673	11,372
Current Tax Assets (Net)	16	2,377	3,066
Other Current Assets	17	8,285	7,252
<b>TOTAL CURRENT ASSETS</b>		<b>96,371</b>	<b>102,067</b>
<b>TOTAL ASSETS</b>		<b>225,612</b>	<b>215,554</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	18	32,094	32,094
Other Equity		104,034	96,279
<b>TOTAL EQUITY</b>		<b>136,128</b>	<b>128,373</b>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
<b>Financial Liabilities</b>			
Borrowings		-	-
Leasing Liabilities	19	3,480	412
Other Non Current Financial Liabilities	20	740	919
Provisions	21	990	468
Deferred Tax Liabilities (Net)	22	353	1,694
Other Non Current Liabilities	23	10,783	11,210
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>16,346</b>	<b>14,703</b>
<b>CURRENT LIABILITIES</b>			
<b>Financial Liabilities</b>			
Borrowings		-	-
Trade Payables		-	-
Total outstanding dues of micro enterprises and small enterprises	24	5,770	3,561
Total outstanding dues of creditors other than micro enterprises and small enterprises		29,627	22,809
Leasing Liabilities	25	774	136
Other Current Financial Liabilities	26	16,541	15,252
Provisions	27	2,008	3,671
Other Current Liabilities	28	18,418	27,049
<b>TOTAL CURRENT LIABILITIES</b>		<b>73,138</b>	<b>72,478</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>225,612</b>	<b>215,554</b>

Significant Accounting Policies

Note No 1

The accompanying notes referred to above form an integral part of financial statement (from Note No 1 to 42)

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: 28/08/2020  
UDIN: 20500369AAAABP3790

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

Sd/-  
A K Singh  
Director Finance  
(DIN : 07018776)

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

## RailTel Corporation of India Limited

### Standalone Statement of Profit and Loss for the year ended 31.03.2020

(Amount in Lakhs)

Particulars	Notes No.	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Income</b>			
Revenue from operations	29	108,063	98,605
Other Income	30	3,170	3,125
Finance Income	31	(4)	(20)
<b>Total Income</b>		<b>111,229</b>	<b>101,710</b>
<b>Expenses</b>			
Access and other Charges	32	24,903	26,352
License fee and spectrum charges	33	4,793	4,599
Expenses on Project	34	29,837	23,569
Employee Benefits Expenses	35	11,650	11,052
Administrative & Other Expenses	36	3,032	2,639
Corporate Social Responsibility (Refer Item No. 12 of Note No. 42)		519	303
Depreciation and amortisation	37	13,085	11,156
Finance Expenses	38	366	520
<b>Total Expenses</b>		<b>88,185</b>	<b>80,190</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>23,044</b>	<b>21,520</b>
Exceptional Items	39	(4,930)	(3,655)
<b>Profit/(Loss) before tax</b>		<b>18,114</b>	<b>17,865</b>
<b>Tax expenses</b>			
Current tax		5,508	5,738
Deffered tax	40	(1,341)	816
Tax impact of earlier years		112	331
<b>Profit/(Loss) for the year</b> (A)		<b>13,835</b>	<b>10,980</b>
<b>Other comprehensive income(OCI):</b>			
i Items that will not be reclassified to Profit & Loss			
Remeasurement losses on defined benefit plans	41	(669)	(21)
Income tax relating to item that will not be reclassified to Profit & Loss		168	7
ii Items that will be reclassified to Profit & Loss			
<b>Other comprehensive income/(Loss)</b> (B)		<b>(501)</b>	<b>(14)</b>
<b>Total comprehensive income for the period</b> (A+B)		<b>13,334</b>	<b>10,966</b>
Earning per Equity Share of Rs 10/- each			
(a) Basic (Amount in Rs.) (Refer Item No. 22 of Note No. 42)		4.31	3.42
(b) Diluted (Amount in Rs.) (Refer Item No. 22 of Note No. 42)		4.31	3.42

Significant Accounting Policies

Note No 1

The accompanying notes referred to above form an integral part of financial statement (from Note No 1 to 42)

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: 28/08/2020  
UDIN: 20500369AAAAABP3790

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

Sd/-  
A K Singh  
Director Finance  
(DIN : 07018776)

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

## RailTel Corporation of India Limited

### Standalone Statement of Cash Flow for the year ended March 31, 2020

(Amount in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Profit after tax</b>	<b>13,835</b>	<b>10,980</b>
Adjustments for:		
Other comprehensive income(Net of taxes)	(501)	(14)
Depreciation and Amortisation Expense	13,085	11,156
Amortisation of Deferred Govt Grant	(213)	(132)
Impairment of CWIP	4,930	
Non Cash Income (Discounting)	4	20
Non Cash Expense(Discounting)	25	(11)
Interest Expenses for Lease Liabilities	341	531
Non Cash Expense(Loss on sale of fixed asset)	2	1
Non Cash Expense(Forex Loss)	12	-
Non Cash Income (Provision written back and forex)	(26)	(263)
Provision for expected credit loss	1,251	132
Interest income	(2,139)	(2,448)
<b>Operating profit/(loss) before working capital change</b>	<b>30,606</b>	<b>19,952</b>
(Increase)/decrease in Financial Current Assets	7,830	402
(Increase)/decrease in Non Financial Current Assets	3,301	2,831
Increase/(decrease) in Financial Current Liabilities	10,134	7,582
Increase/(decrease) in Non Financial Current Liabilities	(9,713)	92
(Increase)/decrease in Financial Non Current Assets	(21,854)	35
(Increase)/decrease in Non Financial Non Current Assets	(62)	236
Increase/(decrease) in Financial Non Current Liabilities	(30)	(8,044)
Increase/(decrease) in Non Financial Non Current Liabilities	(1,125)	(13,784)
<b>Net cash generated from Operation before Tax</b>	<b>19,087</b>	<b>9,302</b>
Income Tax Paid	(3,736)	(6,068)
<b>Net cash generated from Operating Activities</b>	<b>15,351</b>	<b>3,234</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Tangible & Intangible Assets	(6,162)	(8,576)
Capital Advances	(1,541)	210

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
(Increase)/decrease in Short term investment	701	(701)
Interest income received	2,162	2,469
Deposit with Bank for Ex gratia	-	(50)
Subsidy/Advances received	92	201
(Increase)/Decrease in Term Deposit	(73)	10,821
<b>Net cash used in Investing Activities</b>	<b>(4,821)</b>	<b>4,374</b>
<b>Cash Flow from Financing Activities</b>		
Payment for Lease Liability of Right to Use Assets	(667)	(193)
Dividend paid	(4,620)	(6,247)
Dividend Distribution Tax Paid	(959)	(1,284)
<b>Net cash generated from / (used in) financing activities</b>	<b>(6,246)</b>	<b>(7,724)</b>
<b>Effect of exchange difference on translation of cash and cash equivalents</b>		
<b>Net increase /(decrease) in cash and cash equivalents during the year</b>	<b>4,284</b>	<b>(116)</b>
Cash and cash equivalents at the beginning of the year	7,082	7,198
<b>Cash and cash equivalents at the end of the year</b>	<b>11,366</b>	<b>7,082</b>

Significant Accounting Policies

Note No 1

The accompanying notes referred to above form an integral part of financial statement (from Note No 1 to 42)

### 1. Cash and Cash Equivalents include the following Balance Sheet amounts

(i) Cash and Cash Equivalent (Maturity ≤ 3 Months)		
Flexi Deposits	2,856	315
(ii) Balances with Scheduled Bank		
a. In Current A/c	1,951	906
b. In Collection A/c	6,540	5,846
c. In Imprest A/c	19	15
<b>Total</b>	<b>11,366</b>	<b>7,082</b>



**Details of amount spent for year ended 31-Mar-2020 in relation to CSR activities out of the Budget for FY 2019-20 is mentioned below**

Particulars	Approved Budget	Amount incurred	Amount yet to be incurred
Construction/Acquisition of any asset	0	-	-
On any other purpose	377	298	79
<b>Total (A)</b>	<b>377</b>	<b>298</b>	<b>79</b>

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

(Rs. in Lakhs)

Particulars	Unspent amount as on 01.04.2019	Amount Paid	Amount yet to be spent
Construction/Acquisition of any asset	0	-	-
On any other purpose	428	221	207
<b>Total (B)</b>	<b>428</b>	<b>221</b>	<b>207</b>

<b>Grand Total (A+B)</b>	<b>805</b>	<b>519</b>	<b>286</b>
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**Disclosure as per Ind AS-116**

Particulars	for the year ended 31st Mar 2020
Total cash outflow for leases	667

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: 28/08/2020  
UDIN: 20500369AAAABP3790

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

Sd/-  
A K Singh  
Director Finance  
(DIN : 07018776)

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

## RailTel Corporation of India Limited

### Standalone Statement of Changes in Equity for the year ended 31.03.2020

#### A. EQUITY SHARE CAPITAL

(Amount in Lakhs)

<b>As on 01.04.2018</b>	32,094
Change in Equity Share Capital during the Year	-
<b>As on 31.03.2019</b>	32,094
<b>As on 01.04.2019</b>	32,094
Change in Equity Share Capital during the Year	-
<b>As on 31.03.2020</b>	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
<b>Balance as at 1st April 2018</b>	48,722	44,000	122	-	92,844
<b>Add: Total Comprehensive Income for the year ended 31st Mar 2019</b>	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 for the F.Y. 2017-18	(4,447)				(4,447)
Less: Tax on Final Dividend for the F.Y. 2017-18	(914)				(914)
Add: Transfer from Corporate Social Development Reserve, Sustainable Development Reserve	122		(122)		-
Less: Transfer to Self Insurance Reserve (Refer item no. 6 of Note No. 42 )	(109)			109	-
Less: Transfer to General Reserve	(4,000)	4,000			-
<b>Balance as at 31st March 2019</b>	48,170	48,000	-	109	96,279
<b>Opening balance as on 1st April 2019</b>	48,170	48,000	-	109	96,279
<b>Add: Total Comprehensive Income for the year ended 31st Mar 2020</b>	13,334				13,334

Particulars	Retained Earnings	General Reserve	Corporate Social Development Reserve, Sustainable Development Reserve	Self Insurance Reserve	Total Equity
Less: Final Dividend Paid F.Y. 2018-19	(4,620)				(4,620)
Less: Dividend Distribution Tax on Final Dividend Paid F.Y. 2018-19	(959)				(959)
Less: Transfer to Self Insurance Reserve (Refer item no. 6 of Note No. 42 )	(99)			99	-
Less: Transfer to General Reserve	(4,000)	4,000			-
<b>Balance as at 31st March 2020</b>	<b>51,826</b>	<b>52,000</b>	<b>-</b>	<b>208</b>	<b>1,04,034</b>

**Significant Accounting Policies**

**Note No 1**

The accompanying notes referred to above form an integral part of financial statement (from Note No 1 to 42)

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: 28/08/2020  
UDIN: 20500369AAAABP3790**

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

**Sd/-  
A K Singh  
Director Finance  
(DIN : 07018776)**

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

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

### Note No. – 1 - Significant Accounting Policies

#### 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 and Corporate Office of the Company is situated at Plate-A, 6th Floor, Office Block Tower-2, East Kidwai Nagar, New Delhi-110023.

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 fibre 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 especially 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) Rule 2015 (as amended). 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 good 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 5 “Non-current Assets Held for Sale and Discontinued Operations” are no longer met, the disposal group ceases to be classified as held for sale. Non-current asset that ceases to be classified as held for sale are measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognized had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

## 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

**The Company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17**

### As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-to-use asset or the end of the lease term. The estimated useful life of right-of-use asset is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments from a change in an index or rate. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use asset that do not meet the definition of investment property as a separate line item and lease liabilities in "other financial liabilities" in the Balance Sheet.

The Company has elected not to recognize right-of-use asset and lease liabilities for short term leases that have a lease term of 12 months or less, leases of low value assets and leases with no written agreement. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### i. As a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all the risk and rewards incidental to the ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is an operating lease. As part of the assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 "Revenue from contract with customers" to allocate the consideration in the contract.

The Company recognizes lease payments received under operating lease as income on a straight-line basis over the lease term as part of "Revenue from operations".

**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.

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.

## Under Ind AS 17

In the comparative period, as a lessee the Company classified leases that transfer substantially all of the risks and rewards of ownership as a finance lease.

### Leases

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

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

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

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

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

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

The contracted price is received in advance and is recognized as revenue during the tenure of the agreement. Unearned IRU revenue net of the amount recognizable beyond one year is disclosed as deferred revenue in other long term liabilities and the amount recognizable within one year is disclosed as deferred revenue in current liabilities.

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

## 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 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 exceed ₹ 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

(Amount in Lakhs)

Particulars	TANGIBLE ASSETS										INTANGIBLE ASSETS					
	Freehold Land	Leasehold Land	Free Hold Building	Lease Hold Building	Prefabricated Building	Plant & Machinery	Leasehold Improvements	ERP Hardware	Computers	Furniture & Fixtures	Vehicles	Office Equipments	Total	Licenses	Software	Total
<b>As at 31.03.2019</b>																
<b>Gross Carrying amount</b>																
Cost as at 1st April 2018	223	1,638	2,389	1,879	1,435	152,254	1,237	222	865	335	39	791	163,307	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)	-	(27)	1	-	-	-	-	-	(265)	-	-	-
<b>Closing Gross Carrying amount (31.03.2019)</b>	<b>223</b>	<b>1,400</b>	<b>2,389</b>	<b>11,776</b>	<b>1,436</b>	<b>163,783</b>	<b>1,238</b>	<b>222</b>	<b>897</b>	<b>338</b>	<b>39</b>	<b>831</b>	<b>184,572</b>	<b>530</b>	<b>516</b>	<b>1,046</b>
<b>Accumulated Depreciation/ amortisation</b>																
Accumulated Depreciation as at 1st April 2018	-	62	199	1,589	1,353	89,416	567	150	732	209	27	569	94,873	254	388	642
Charge during the year	-	13	40	(332)	7	11,112	110	30	71	17	4	76	11,148	(63)	71	8
Disposal	-	-	-	-	-	(27)	-	-	(10)	-	-	(2)	(39)	-	-	-
Transfer/Adjustments	-	-	-	20	-	-	(20)	-	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation/ amortisation (31.03.2019)</b>	<b>-</b>	<b>75</b>	<b>239</b>	<b>1,277</b>	<b>1,360</b>	<b>100,501</b>	<b>657</b>	<b>180</b>	<b>793</b>	<b>226</b>	<b>31</b>	<b>643</b>	<b>105,982</b>	<b>191</b>	<b>459</b>	<b>650</b>
<b>NET CARRYING AMOUNT- 31.03.2019</b>	<b>223</b>	<b>1,325</b>	<b>2,150</b>	<b>10,499</b>	<b>76</b>	<b>63,282</b>	<b>581</b>	<b>42</b>	<b>104</b>	<b>112</b>	<b>8</b>	<b>188</b>	<b>78,590</b>	<b>339</b>	<b>57</b>	<b>396</b>
<b>As at 31.03.2020</b>																
<b>Gross Carrying amount</b>																
Cost as at 1 Apr 2019	223	1,400	2,389	11,776	1,436	163,783	1,238	222	897	338	39	831	184,572	530	516	1,046
Recognition of right-of-use asset on initial application of IND As 116 disclosed separately*	-	(1,400)	-	(10,519)	-	-	-	-	-	-	-	-	(11,919)	-	-	-
Adjusted balance at April 1,2019	223	-	2,389	1,257	1,436	163,783	1,238	222	897	338	39	831	172,653	530	516	1,046
Additions	-	-	-	-	23	4,900	386	-	76	63	-	35	5,483	-	438	438
Disposal	-	-	-	-	(98)	(4,042)	-	-	(24)	-	-	(3)	(4,167)	-	-	-
Transfer/adjustments	-	-	-	(1,257)	-	(185)	1,045	-	-	-	-	-	(397)	-	-	-
<b>Closing Gross Carrying amount (31.03.2020)</b>	<b>223</b>	<b>-</b>	<b>2,389</b>	<b>-</b>	<b>1,361</b>	<b>164,456</b>	<b>2,669</b>	<b>222</b>	<b>949</b>	<b>401</b>	<b>39</b>	<b>863</b>	<b>173,572</b>	<b>530</b>	<b>954</b>	<b>1,484</b>
<b>Accumulated Depreciation/ amortisation</b>																
Accumulated Depreciation as at 1st April 2019	-	75	239	1,277	1,360	100,501	657	180	793	226	31	643	105,982	191	459	650
Recognition of right-of-use asset on initial application of IND As 116 disclosed separately*	-	(75)	-	(509)	-	-	-	-	-	-	-	-	(584)	-	-	-
Adjusted balance at April 1,2019	-	-	239	768	1,360	100,501	657	180	793	226	31	643	105,398	191	459	650
Charge during the year	-	-	40	-	17	11,333	221	23	65	19	4	76	11,798	26	23	49
Disposal	-	-	-	-	(98)	(4,042)	-	-	(20)	-	-	(2)	(4,162)	-	-	-
Transfer/adjustments	-	-	-	(768)	(279)	(279)	747	-	-	-	-	-	(300)	-	-	-
<b>Closing accumulated depreciation/ amortisation (31.03.2020)</b>	<b>-</b>	<b>-</b>	<b>279</b>	<b>-</b>	<b>1,279</b>	<b>107,513</b>	<b>1,625</b>	<b>203</b>	<b>838</b>	<b>245</b>	<b>35</b>	<b>717</b>	<b>112,734</b>	<b>217</b>	<b>482</b>	<b>699</b>
<b>NET CARRYING AMOUNT- 31.03.2020</b>	<b>223</b>	<b>-</b>	<b>2,110</b>	<b>-</b>	<b>82</b>	<b>56,943</b>	<b>1,044</b>	<b>19</b>	<b>111</b>	<b>156</b>	<b>4</b>	<b>146</b>	<b>60,838</b>	<b>313</b>	<b>472</b>	<b>785</b>

\*The Company recognises "leasehold Land" and "Leasehold Building" as "right-of-use asset" on initial application of IND As 116, transition date being April 1, 2019. Refer Item No. 29 of Note No. 42.



### Note 3. Capital Work in Progress

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31 March 2019
NE Project-Gross	23105	
Less : Impairment loss recognized (Refer to item no 23 of Note No. 42)	4930	18,175
OFC Laying Works		2,137
MPLS, STM, Other Telecom Radio Equipment, Data Centre & OSS/BSS		2,578
Capital Stores lying at project site		1,012
Building		166
Rural Wi-Fi		80
Others		36
<b>Total</b>	<b>25,254</b>	<b>29,990</b>

### Note-4 Right of Use Assets \*

(Amount in Lakhs)

Particulars	Building	Land	Telecom Assets	Total
Recognized as at 1st April 2019	12,450	3,498	3,123	19,071
Less : Accumulated Depreciation as on 1st April 2019	509	75		584
Net Assets Recognized as on 1st April 2019	11,941	3,423	3,123	18,487
Additions: During the period	47	-	-	47
Depreciation charge for the Period ended 31st March 2020	833	148	257	1,238
Balance at 31st March 2020	<b>11,155</b>	<b>3,275</b>	<b>2,866</b>	<b>17,296</b>

\*The Company recognises "leasehold Land" and "Leasehold Building" as "right-of-use asset" on initial application of IND As 116, transition date being April 1, 2019. Refer Item No. 29 of Note No. 42

## NON CURRENT ASSETS

### Note 5. Investment (At amortised cost)

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Long Term Investments-at Cost</b>		
Trade (Unquoted)		
Investment in Shares of subsidiaries		
<b>Railtel Enterprises Limited (Fully Owned Subsidiary)</b>		
100,00,000 equity shares of Rs.10 each fully paid	1,000	1,000
<b>Total Carrying Value</b>	<b>1,000</b>	<b>1,000</b>

Investment in subsidiary has been valued at cost

### Note 6. Loans and Security Deposits

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Unsecured Considered Good unless stated otherwise</b>		
<b>Security Deposits</b>		
Considered Good	332	347
<b>Total</b>	<b>332</b>	<b>347</b>

### Note 7. Other Non Current Financial Assets

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31 March 2019
Deposits with Banks for Ex-Gratia	50	50
Bank Term Deposit (Having residual maturity of more than 12 months)	20,794	-
Accrued interest on term deposit	1,086	15
<b>Total</b>	<b>21,930</b>	<b>65</b>

### Note 8. Other Non Current Assets

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Unsecured Considered Good unless stated otherwise</b>		
<b>Capital Advances</b>		
Considered Good	1,751	210
<b>Other</b>		
Lease prepayment/Prepaid Expenses *	55	2,889
<b>Total</b>	<b>1,806</b>	<b>3,099</b>

\* Prepaid Expenses consisting of prepaid leases of "Telecom Assets" have been recognised as "right-of-use asset" on initial application of IND As 116, transition date being April 1, 2019. Refer Item No. 29 of Note No.42

## CURRENT ASSETS

### Note 9. Inventories (Valued at lower of cost or net realisable value)

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Inventory (Consumables for O&M Work)	49	87
<b>Total</b>	<b>49</b>	<b>87</b>

### Note 10. Investment (At fair value through Profit & Loss Account)

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Investment	-	704
<b>Total</b>	<b>-</b>	<b>704</b>

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 11. Trade Receivables

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Unsecured, Considered Good Unless Stated Otherwise</b>		
Telecommunication Business	36,597	23,053
Project works	15,120	25,641
<b>Trade Receivables (Total)</b>	<b>51,717</b>	<b>48,694</b>
Loss Allowance*	(4,219)	(2,995)
<b>Total</b>	<b>47,498</b>	<b>45,699</b>

### Movement of Provision for expected credit loss/impairment

Balance at the beginning of the year	2,995	3,024
Add: Additional provision during the year	1,251	132
Less: Provision written back/adjusted during the year	27	161
<b>Balance at the end of the year</b>	<b>4,219</b>	<b>2,995</b>

\* Refer to item no 27 of Note No. 42

### Note 12. Cash and Cash Equivalents

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
(i) Cash and Cash Equivalent (Maturity <= 3 Months)		
Flexi Deposits	2,856	315
(ii) Balances with Scheduled Bank		
a. In Current A/c	1,951	906
b. In Collection A/c	6,540	5,846
c. In Imprest A/c	19	15
<b>Total</b>	<b>11,366</b>	<b>7,082</b>

### Note 13. Other Bank Balances

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
BG Margin Money A/c *	296	276
In Term Deposit (Having original maturity of more than 3 months but less than 12 months or residual maturity less than 12 months)	5,358	26,099
<b>Total</b>	<b>5,654</b>	<b>26,375</b>

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

#### Note 14. Loans and Security Deposits

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Unsecured, Considered Good Unless Stated Otherwise</b>		
Advances to Employee	41	60
Security Deposit	428	370
<b>Total</b>	<b>469</b>	<b>430</b>

#### Note 15. Other Current Financial Assets

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Unsecured, Considered good unless stated otherwise</b>		
Accrued interest on term deposit	285	1,379
Recoverable from Railways	880	1,748
Unbilled Revenue	18,986	8,157
EMD Deposited	522	88
<b>Total</b>	<b>20,673</b>	<b>11,372</b>

#### Note 16. Current Tax Assets (Net)

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Income Tax/TDS	2,377	3066
<b>Total</b>	<b>2,377</b>	<b>3066</b>

#### Note 17. Other Current Assets

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Advances recoverable in cash or in kind for value to be received	881	786
Indirect Tax Credit Available	6,711	5,436
Others	103	117
Advance Indirect Tax	404	562
Prepaid expenses **	186	351
<b>Total</b>	<b>8,285</b>	<b>7,252</b>

\*\* Prepaid Expenses consisting of prepaid leases of "Telecom Assets" have been recognised as "right-of-use asset" on initial application of IND As 116, transition date being April 1, 2019. Refer Item No. 29 of Note No.42

**Note No. -18 Equity Share capital**

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Authorized Share Capital</b>		
Equity Shares		
1,00,00,00,000 equity shares of Rs 10 each	<b>1,00,000</b>	<b>1,00,000</b>
<b>Issued, Subscribed and fully paid-up shares</b>		
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
<b>Total</b>	<b>32,094</b>	<b>32,094</b>

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

Particulars	Opening Balance	Allotted During The Year	Closing Balance
Year ended 31st March 2020			
No of Equity Shares - In Cash	1,50,00,007	-	1,50,00,007
No of Shares - In consideration other than cash	30,59,38,400	-	30,59,38,400
Amount in Lakhs	32,094	-	32,094
Year ended 31st March 2019			
No of Equity Shares - In Cash	1,50,00,007	-	1,50,00,007
No of Shares - In consideration other than cash	30,59,38,400	-	30,59,38,400
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 share**

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 2020	As at 31st March 2019
	Number	32,09,38,407	32,09,38,407
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 2020	As at 31st March 2019
	Number	30,59,38,400	30,59,38,400
Ministry of Railways (in the name of President of India)	%	100	100

## NON CURRENT LIABILITIES

### Note 19. Leasing Liabilities

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Leasing Liabilities*	3,480	412
<b>Total</b>	<b>3480</b>	<b>412</b>

\*The Company has applied IND AS 116 with a date of initial application of April 1, 2019, using the modified retrospective approach and identified leases covered under the Ind AS-116 and accordingly lease liability has been recognized. The comparative information has not been restated and continues to be reported under IND AS 17.

### Note 20. Other Non Current Financial Liabilities

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Unsecured</b>		
Security Deposit	315	480
Retention Money	425	439
<b>Total</b>	<b>740</b>	<b>919</b>

### Note 21. Provisions

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Provision for Post Retirement Medical Benefit	944	422
Provision for Arbitration Claim	46	46
<b>Total</b>	<b>990</b>	<b>468</b>

### Note 22. Deferred Tax Liabilities (Net)

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Deferred Tax Liabilities</b>		
Depreciation claimed as deduction under Income Tax Act but chargeable in the statement of profit and loss in future years	2,414	3,255
<b>Less:</b>		
<b>Deferred Tax Assets</b>		
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	1,062	1,047
Expenditure to be allowed on payment basis under Income Tax Law/Provisions	999	514
<b>Deferred Tax Liability (Net)</b>	<b>353</b>	<b>1,694</b>

### Note 23. Other Non Current Liabilities

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Deferred Revenue and Advance from Customers*	2,163	4,207
<b>Deferred Revenue from Government Grant</b>		
NE 1 & NE 2***	1,290	1,409
Rural WiFi***	653	277
Advances from Railways**	314	3,271
Advances for VSS Project#	4,763	-
<b>Government Grant</b>		
Subsidy of NE-1 & NE-2***	1,468	1,468
Rural WiFi Subsidy***	132	578
<b>Total</b>	<b>10,783</b>	<b>11,210</b>

\*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 item no. 19 of Note no. 42

# Refer item no. 30 of Note no. 42

## CURRENT LIABILITIES

### Note 24. Trade Payables

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Trade Payables</b>		
Micro and Small Enterprises	5,770	3,561
<b>Other than Micro and Small Enterprises</b>		
Revenue Share Payable to Indian Railway	6,068	5,055
Towards purchase of Goods and Services	23,559	17,732
Amount Payables to DoT	-	22
<b>Total</b>	<b>35,397</b>	<b>26,370</b>

### Note 25. Leasing Liabilities

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Leasing Liabilities*	774	136
<b>Total</b>	<b>774</b>	<b>136</b>

\*The Company has applied IND AS 116 with a date of initial application of April 1, 2019, using the modified retrospective approach and identified leases covered under the Ind AS-116 and accordingly lease liability has been recognized. The comparative information has not been restated and continues to be reported under IND AS 17.

### Note 26. Other Current Financial liabilities

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Security Deposits	3,441	3,299
Retention Money	9,512	10,755
EMD Payable	3,053	653
Payable to Susidiary	35	-
Bank Guarantee Deductions	489	530
Interest Accrued but not due on Noida Instalment	11	15
<b>Total</b>	<b>16,541</b>	<b>15,252</b>



## Note 27. Provisions

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Provisions for Employee Benefits</b>		
Provision for Post Retirement Medical Benefit	2	-
Provision for Pension	133	1,312
Provision for Gratuity & Leave Encashment	882	653
Provision for PRP	991	1,706
<b>Total</b>	<b>2008</b>	<b>3,671</b>

## Note 28. Other Current Liabilities

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Deferred Revenue and Advance from Customers*	6,869	12,572
Advance for Railway Deposits#	3,561	3,295
Advance-Others**	3,473	7,380
<b>Deferred Revenue from Government Grant</b>		
NE 1 & NE 2***	119	119
Rural WiFi***	112	45
Payable to Others	4,284	3,638
<b>Total</b>	<b>18,418</b>	<b>27,049</b>

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

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

\*\*\* Refer item no. 19 of Note no. 42

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

## Note 29. Revenue from operations

(Amount in Lakhs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
<b>Income from Telecom Services</b>		
NLD Services	41,507	37,197
ISP Services	16,622	16,227
IP-1 Services	16,346	13,722
<b>Income from Projects</b>		
Railways Project Works	16,203	2,915
Other Projects	16,771	25,049
<b>Other Operating Revenue</b>	614	3,495
<b>Total</b>	<b>1,08,063</b>	<b>98,605</b>

### Note 30. Other income

(Amount in Lakhs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
<b>Interest Income</b>		
Interest Income on deposits with Bank	2,058	2,366
Interest on Income Tax Refunds	75	20
<b>Other Non Operating Income</b>		
Miscellaneous Income	930	393
Income on Mutual Funds	81	82
Gain on Fair Valuation of Mutual Funds	-	3
Liabilities/Provision written back	26	246
Gain on foreign Exchange transaction	-	15
<b>Total</b>	<b>3,170</b>	<b>3,125</b>

### Note 31. Finance Income

(Amount in Lakhs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
Reversal of Discounting impact of Assets for FY 2017-18		141
Reversal of Discounting impact of Assets for FY 2018-19	161	
Discounting Impact of Assets for FY 2018-19		(161)
Discounting Impact of Assets for FY 2019-20	(165)	
<b>Total</b>	<b>(4)</b>	<b>(20)</b>

### Note 32. Access & Other Charges

(Amount in Lakhs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
Operation & Maintenance of Fiber & Equipment	6,246	6,138
Share of Revenue with Konkan Railway	15	17
Hire Charges Radio Modem/Optic Fibers and Internet Access	4,644	5,558
Interconnect & Port charges	28	583
Railwire Expenses	7,216	6,844
Rent	11	265
Power & Fuel Expenses on network	3,538	4,104
Rural Wi Fi	24	-
Revenue Share to Railways	3,181	2,843
<b>Total</b>	<b>24,903</b>	<b>26,352</b>

### Note 33. License fee and Spectrum charges

(Amount in Lakhs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
Licence Fee to DoT (Revenue Share)	4,793	4,521
Spectrum Charges to DoT	-	78
<b>Total</b>	<b>4,793</b>	<b>4,599</b>

### Note 34. Expenses on Project

(Amount in Lakhs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
Expenses on Railway Projects	14,086	2,707
Expenses on Projects (Other Than Railway)	13,541	19,116
Allocation of Employee Benefit Expenses (Refer Note No. 35)	1,381	1,091
Allocation of Administrative & Other Expenses (Refer Note No. 36)	829	655
<b>Total</b>	<b>29,837</b>	<b>23,569</b>

### Note 35. Employee Benefits Expenses

(Amount in Lakhs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
Salaries & Wages	12,397	11,558
Contribution to Provident fund	604	564
Staff welfare expenses	30	21
<b>Less: Allocation of Expenses to Projects (Refer to Note no. 34)</b>	<b>1,381</b>	<b>1,091</b>
<b>Total</b>	<b>11,650</b>	<b>11,052</b>

### Note 36. Administrative & Other Expenses

(Amount in Lakhs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
Auditor Remuneration		
As Auditor	24	17
As Tax Auditors	6	6
For Certification	1	-

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
Books & Periodicals	2	2
Communication Expenses	87	106
Conveyance Expenses	32	27
Bank Charges & Commission	12	10
Legal & Professional Expenses	333	361
Insurance	23	42
Rates & Taxes	351	85
Rent	201	1,254
Repair & Maintenance – Others	341	241
Tender Expenses.	35	60
Training & Recruitment Expenses	38	32
Travelling Expenses	370	295
Printing & Stationary Expenses	56	57
Vehicle Hire charges	302	272
Business promotion Expenses	116	55
Other Miscellaneous Expenses	266	239
Loss on sale of Fixed Assets	2	1
Provision for Expected Credit Loss	1,251	132
Loss on foreign Exchange transactions	12	-
<b>Less:- Allocation of Expenses to Project (Refer to Note no. 34)</b>	829	655
<b>Total</b>	<b>3,032</b>	<b>2,639</b>

### Note 37. Depreciation and Amortisation

(Amount in Lakhs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
Depreciation on tangible Assets	11,798	11,148
Charge over Right of Use (Refer Note No.4)	1,238	-
Amortization on Intangible Assets	49	8
<b>Sub Total</b>	<b>13,085</b>	<b>11,156</b>

### Note 38. Finance Expenses

(Amount in Lakhs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
Reversal of Discounting impact of Liability of 2017-18		84
Discounting impact of Liability 2018-19		(95)
Reversal of Discounting impact of Liability of 2018-19	95	
Discounting impact of Liability 2019-20	(70)	
Finance charge - Interest Cost Unwinding of Lease Liabilities	288	
Finance charge on Instalment of Noida land	53	531
<b>Total</b>	<b>366</b>	<b>520</b>

### Note 39. Exceptional Items

(Amount in Lakhs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
Exceptional Item (NOFN)		(3,655)
Exceptional Item (Impairment of NE Project- Refer point No. 23 of Note No. 42)	(4,930)	
<b>Total</b>	<b>(4,930)</b>	<b>(3,655)</b>

### Note 40. Tax Expenses

(Amount in Lakhs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
Current Tax (Income Tax)	5,508	5,738
Tax impact of earlier Years	112	331
Deferred Tax Asset	(1,341)	816
<b>Total</b>	<b>4,279</b>	<b>6,885</b>

### Note 41. Other comprehensive income(OCI)

(Amount in Lakhs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
<b>Items that will not be reclassified to Profit &amp; Loss</b>		
Remeasurement Gain/losses on defined benefit plans	(669)	(21)
Income tax relating to item that will not be reclassified to Profit & Loss	168	7
<b>Items that will be reclassified to Profit &amp; Loss</b>		
<b>Other Comprehensive Income/(Loss)</b>	<b>(501)</b>	<b>(14)</b>

**Note-42**

**OTHER EXPLANATORY NOTES AND DISCLOSURES FORMING PART OF  
STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**

1. These Financial Statements are presented in Indian Rupees (INR) which is the Company's functional currency.
2. 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.
3. License fee to DoT and Railways Revenue Share computed at prescribed rate of 8% and 7% respectively.
4. Employees benefit expenses and administrative expenses are apportioned to project works based on 5% and 3% respectively of expenses incurred on projects.
5. 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.
6. Self-Insurance Reserve has been provided @ 0.12% p.a. on the Gross Block of Property, Plant & Equipment's installed at PoP's and customer premises to meet future losses which may arise from un-insured risks.
7. 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. 347 lakhs during the year and has been recognized as other operating revenue.
8. 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 cost capitalized for purchase of the building is Rs. 9809 lakhs as at 31.03.2020.
9. Disclosure relating to dues to Micro, Small and Medium Enterprise:

(Rs. in Lakhs)

S. No.	Particulars	March'20	March'19
	Amount remaining unpaid to any supplier:		
1	a) Principal Amount	5770	3561
	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

### 10. Value of imports calculated on CIF basis

(Rs. in Lakhs)

Particulars	March'20	March'19
Raw materials	Nil	Nil
Consumables and Spare parts	Nil	Nil
Capital goods	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

### 11. Expenditure in foreign currency (accrual basis)

(Rs. in Lakhs)

Particulars	March'20	March'19
Travelling & conveyance	15	3
Repair & Maintenance	Nil	Nil
Service charges	Nil	Nil

### 12. Corporate Social Responsibility Expenditure

Details of amount spent for period ended 31-March-2020 in relation to CSR activities out of the Budget for FY 2019-20 is mentioned below

(Rs. in Lakhs)

Particulars	Approved Budget	Amount incurred	Amount yet to be incurred
Construction/Acquisition of any asset	Nil	Nil	Nil
On any other purpose	377	298	79
<b>Total-A</b>	<b>377</b>	<b>298</b>	<b>79</b>

Details of amount spent on CSR activities during the current period in relation to earlier years is given hereunder –  
(Rs. in Lakhs)

Particulars	Unspent amount as on 01.04.2019	Amount Paid	Amount yet to be spent
Construction/Acquisition of any asset	Nil	Nil	Nil
On any other purpose	428	221	207
<b>Total-B</b>	<b>428</b>	<b>221</b>	<b>207</b>
<b>Grand Total-(A+B)</b>	<b>805</b>	<b>519</b>	<b>286</b>

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

**13. Financial Instruments**

**FINANCIAL ASSETS**

**Trade receivables**

As per Ind AS 109, Company is following simplified approach of 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 makes investment in liquid mutual funds which are fair valued based on the unit price prevailing as at year end and consequent gain/loss is taken to the profit and loss A/c.

**FINANCIAL LIABILITIES**

**Security deposits, Retention Money & Earnest Money Deposit**

Security Deposits, Retention Money and Earnest Money Deposit are classified as Financial Liabilities.

**14. IND AS 2: Inventories**

1. The total carrying amounts of inventories as at 31.03.2020 is Rs. 49 Lakhs (Corresponding period – Rs. 87 Lakhs) as shown in Note no 9 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.

**15. 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.

**16. Disclosures as required by IND AS 12 – Income Taxes**

(Rs. in Lakhs)

Particulars	Provided during the FY 2019-20 in Profit & Loss	As at 31st March 2020	Provided during the FY 2018-19 in Profit & Loss	As at 31st March 2019
<b>Deferred Tax Liability</b>				
Related to Depreciation on Fixed Assets	-841	2414	93	3255
<b>Total Deferred Tax Liabilities</b>	<b>-841</b>	<b>2414</b>	<b>93</b>	<b>3255</b>



<b>Deferred Tax Assets</b>				
Provision on debtors	15	1062	-10	1047
43B Disallowances etc.	334	608	-790	274
Others	151	391	76	240
<b>Total Deferred Tax Assets</b>	<b>500</b>	<b>2061</b>	<b>-724</b>	<b>1561</b>
<b>Deferred Tax Liability (Net)</b>	<b>-1341</b>	<b>353</b>	<b>816</b>	<b>1694</b>

#### Reconciliation between the average effective tax rate and the applicable tax rate –

Effective tax rate is generally influenced by various factors, including differential tax rates, non-deductible expenses, provisions, and other tax deductions. The decrease in effective tax rate from fiscal 2019 to fiscal 2020 is mainly due to change in tax rates as tabulated here under:

<b>Particulars</b>	<b>March'20</b>	<b>March'20</b>	<b>March'19</b>	<b>March'19</b>
	<b>(In %)</b>	<b>(In Rs. Lakhs)</b>	<b>(In %)</b>	<b>(In Rs. Lakhs)</b>
PBT		18,114		17,865
Applicable Tax Rate	25.17%	4560	34.94%	6243
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	8.72%	1579	2.96%	528
3. Tax effect on previous years disallowances	-2.71%	-491	-5.72%	-1021
4. Tax effect of additional deductions	-1.70%	-307	-0.11%	-19
5. Tax expenses/income related to prior year	0	0	0	0
6. difference in tax due to reclassification of income and expenses	0	0	0	0
<b>Average Effective Tax</b>	<b>29.48%</b>	<b>5,340</b>	<b>32.08%</b>	<b>5,731</b>

#### 17. 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.
- Company assessed the impairment 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 PPE except in case of NE project for which disclosure is given under Ind AS-36.
- 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 period ended 31.03.2020.

8. There is no obsolete asset which has been so far held under CWIP/Fixed Asset.
9. Depreciation / amortization on all the PPE / Intangible assets have been disclosed separately.
10. There is no restriction on title of PPE / Intangible Assets, and nothing has been pledged as security and liability.
11. The amount of contractual commitment for acquisition of PPE is Rs. 6269 lakhs (Corresponding period: Rs. 22320 lakhs).
12. 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.
13. 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.
14. There are no temporarily idle PPE / intangible assets.
15. Rs. 36979 Lakhs Gross Carrying value of assets have been fully depreciated, but still are in use.
16. During the reporting Period Assets having Net Book Value of Rs. 4 Lakh (Gross Book Value 4167 Lakhs) has been retired with sale proceeds of Rs. 1.27 Lakh and loss of Rs 2 lakh has been booked.
17. 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
6	Leasehold Improvements	Over the lease Period	Over the lease Period or 10 years when there is no lease agreement

## 18. 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**

(Rs. in Lakhs)

Assumptions	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount Rate	6.71% per annum	7.77% per annum	6.71% per annum	7.77% 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	7.77% per annum	7.60% per annum	7.77% per annum	7.60% per annum
Average future service (in Years)	21.42 Years	22.01 Years		

**Table II: Service Cost**

(Rs. in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Current Service Cost	165	139	233	197
Past Service Cost (including curtailment Gains/Losses)	0	0	0	0
Gains or losses on Non Routine settlements	0	0	0	0
<b>Total</b>	<b>165</b>	<b>139</b>	<b>233</b>	<b>197</b>

**Table III: Net Interest Cost**

(Rs. in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Interest Cost on Defined Benefit Obligation	104	104	142	123
Interest Income on Plan Assets	79	61	116	89
<b>Net Interest Cost (Income)</b>	<b>25</b>	<b>43</b>	<b>26</b>	<b>34</b>

**Table IV: Change in Present Value of Obligations**

(Rs. in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Opening of defined benefit obligations	1,340	1,362	1,824	1,621
Service cost	165	139	233	197
Interest Cost	104	104	142	123
Benefit Paid	-55	-36	-82	-52
<b>Actuarial (Gain)/Loss on total liabilities:</b>	<b>238</b>	<b>-229</b>	<b>220</b>	<b>-66</b>
- due to change in financial assumptions	187	-23	188	-24
- due to change in demographic assumptions	0	0	0	0
- due to experience variance	51	-206	32	-42
<b>Closing of defined benefit obligation</b>	<b>1,792</b>	<b>1,340</b>	<b>2,336</b>	<b>1,823</b>

**Table V: Change in Fair Value of Plan Assets**

(Rs. in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Opening fair value of plan assets	1,015	805	1,496	1,176
Actual Return on Plan Assets	95	61	103	86
Employer Contribution	646	185	28	286
Benefit Paid	-55	-36	-82	-52
<b>Closing fair value of plan assets</b>	<b>1,700</b>	<b>1,015</b>	<b>1,545</b>	<b>1,496</b>

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

(Rs. in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Expected Interest Income	79	61	116	89
Actual Income on Plan Asset	95	61	103	86
<b>Actuarial gain / (loss) on Assets</b>	<b>16</b>	<b>0</b>	<b>-13</b>	<b>-3</b>

**Table VII: Other Comprehensive Income/(Loss)**

(Rs. in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Opening amount recognised in OCI outside P&L account	0	0	N/A	N/A
Actuarial gain / (loss) on liabilities	-238	229	N/A	N/A
Actuarial gain / (loss) on assets	16	0	N/A	N/A
<b>Closing amount recognized in OCI outside P&amp;L account</b>	<b>-222</b>	<b>229</b>	<b>N/A</b>	<b>N/A</b>

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

(Rs. in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Present value of obligators	1,792	1,340	2,336	1,823
Fair value of plan assets	1,700	1,015	1,545	1,495
Net Obligations	92	325	791	328
Amount not recognized due to asset limit	0	0	0	0
<b>Net defined benefit liability / (assets) recognized in balance sheet</b>	<b>92</b>	<b>325</b>	<b>791</b>	<b>328</b>

**Table IX: Expense Recognized in Statement of Profit and Loss**

(Rs. in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Service Cost	165	139	233	197
Net Interest Cost	25	42	25	34
Net actuarial (gain)/ loss	0	0	233	-63
<b>Expenses Recognized in the statement of Profit &amp; Loss</b>	<b>190</b>	<b>181</b>	<b>491</b>	<b>168</b>

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

Item	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Fund Managed by Insurer	100%	100%	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**Table XI: Change in Net Defined Obligations**

(Rs. in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Opening of Net defined benefit liability	325	557	328	446
Service cost	165	139	233	197
Net Interest Cost	25	42	25	34
Re-measurements	223	-229	233	-63
Contribution paid to fund	-646	-185	-28	-286
<b>Closing of Net defined benefit liability</b>	<b>92</b>	<b>325</b>	<b>791</b>	<b>328</b>

**Table XII: Reconciliation of Expense in Profit and Loss Statement**

(Rs. in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Present Value of Obligation as at the end of the year	1,792	1,340	2,336	1,823
Present Value of Obligation as at the beginning of the year	-1,340	-1,362	-1,824	-1,621
Benefit Paid	55	36	82	52
Actual Return on Assets	-95	-61	-103	-86
OCI	-223	229	0	0
<b>Expenses Recognized in the Statement of Profit and Loss</b>	<b>190</b>	<b>182</b>	<b>491</b>	<b>168</b>

**Table XIII: Reconciliation of Liability in Balance Sheet**

(Rs. in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Opening net defined benefit liability / (asset)	325	557	328	446
Expense charged to profit and loss account	190	182	491	168
Amount recognized outside profit & loss account	0	0	0	0
Employer Contributions	-646	-185	-28	-286
OCI	223	-229	0	0
<b>Closing net defined benefit liability / (asset)</b>	<b>92</b>	<b>325</b>	<b>791</b>	<b>328</b>

**Table XIV: Sensitivity Analysis**

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

(Rs. in Lakhs)

Item	Gratuity			Leave Encashment		
	March 31, 2020	Impact (Absolute)	Impact %	March 31, 2020	Impact (Absolute)	Impact %
Base Liability	1,792	0		2,336	0	
Increase Discount Rate by 0.50%	1,700	-93	-5.17%	2,243	-92	-3.95%
Decrease Discount Rate by 0.50%	1,893	101	5.64%	2,435	99	4.26%
Increase Salary Inflation by 1.00%	1,933	141	7.88%	2,537	202	8.63%
Decrease Salary Inflation by 1.00%	1,648	-144	-8.02%	2,159	-177	-7.58%
Increase Withdrawal Rate by 1.00%	1,817	26	1.43%	2,247	-88	-3.78%
Decrease Withdrawal Rate by 1.00%	1,762	-30	-1.68%	2,438	103	4.39%

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

(Rs. in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Year 1	131	94	240	192
Year 2	59	48	186	169
Year 3	98	94	179	141
Year 4	87	75	162	125
Year 5	100	65	160	130
After 5th Year	1,316	963	1,408	1,066
<b>Total</b>	<b>1,792</b>	<b>1,339</b>	<b>2,336</b>	<b>1,823</b>

### Post-Retirement Medical Scheme

Table I: Change in Present Value of Obligations

(Rs. in Lakhs)

All Figures in INR	31-Mar-2020	31-Mar-2019
<b>Defined Benefit Obligation at beginning of year</b>	423	142
Current Service Cost	45	20
Past Service Cost	0	0
(Gain) / Loss on settlements	0	0
Interest Expense	33	11
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	234	-18
Remeasurements - Due to Experience Adjustments	212	268
<b>Defined Benefit Obligation at end of year</b>	<b>946</b>	<b>423</b>
<b>Discount Rate (%)</b>	<b>6.71%</b>	<b>7.77%</b>
<b>Medical Inflation Rate (%)</b>	<b>5.00%</b>	<b>5.00%</b>

**Table II: Change in Fair Value of Plan Assets**

(Rs. in Lakhs)

All Figures in INR	31-Mar-2020	31-Mar-2019
<b>Fair Value of Plan Assets at beginning of year</b>	<b>0</b>	<b>0</b>
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
<b>Fair Value of Plan Assets at end of year</b>	<b>0</b>	<b>0</b>

**Table III: Changes in Reimbursement Rights**

(Rs. in Lakhs)

All Figures in INR	31-Mar-2020	31-Mar-2019
<b>Reimbursement Rights at beginning of year</b>	<b>0</b>	<b>0</b>
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
<b>Reimbursement Rights at end of year</b>	<b>0</b>	<b>0</b>



**Table IV: Changes in Asset Ceiling / Onerous Liability**

(Rs. in Lakhs)

All Figures in INR	31-Mar-2020	31-Mar-2019
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**

(Rs. in Lakhs)

All Figures in INR	31-Mar-2020	31-Mar-2019
Current Service Cost	45	20
Past Service Cost	0	0
(Gain) / Loss on Settlements	0	0
Reimbursement Service Cost	0	0
Total Service Cost	45	20
Interest Expense on DBO	33	11
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	33	11
Reimbursement of Other Long-Term Benefits	0	0
<b>Defined Benefit Cost included in P &amp; L</b>	<b>78</b>	<b>31</b>
Remeasurements - Due to Demographic Assumptions	0	0
Remeasurements - Due to Financial Assumptions	234	-18
Remeasurements - Due to Experience Adjustments	212	268
(Return) on Plan Assets (Excluding Interest Income)	0	0
(Return) on Reimbursement Rights	0	0
Changes in Asset Ceiling / Onerous Liability	0	0
<b>Total Remeasurements in OCI</b>	<b>446</b>	<b>250</b>
<b>Total Defined Benefit Cost recognized in P&amp;L and OCI</b>	<b>524</b>	<b>281</b>
<b>Discount Rate (%)</b>	<b>6.71%</b>	<b>7.77%</b>
<b>Medical Inflation Rate (%)</b>	<b>5%</b>	<b>5%</b>

**Table VI: Amounts recognized in the Statement of Financial Position**

(Rs. in Lakhs)

All Figures in INR	31-Mar-2020	31-Mar-2019
Defined Benefit Obligation	946	423
Fair Value of Plan Assets	0	0
<b>Funded Status</b>	<b>946</b>	<b>423</b>
Effect of Asset Ceiling / Onerous Liability	0	0
<b>Net Defined Benefit Liability / (Asset)</b>	<b>946</b>	<b>423</b>

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

(Rs. in Lakhs)

All Figures in INR	31-Mar-2020	31-Mar-2019
<b>Net Defined Benefit Liability / (Asset) at beginning of year</b>	423	142
Defined Benefit Cost included in P & L	78	31
Total Remeasurements included in OCI	446	250
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
<b>Net Defined Benefit Liability / (Asset) at end of year</b>	<b>946</b>	<b>423</b>

**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 (%)	6.71%	7.71%	5.71%
	PV of DBO (In lakhs)	946	693	1201
	Variation (%)	0.00%	-26.77%	26.91%
Medical Inflation Rate	Assumptions (%)	5.00%	6.00%	4.00%
	PV of DBO (In lakhs)	946	1273	725
	Variation (%)	0.00%	34.51%	-23.34%

**Table IX: Maturity Profile of Defined Benefit Obligation**

(Rs. in Lakhs)

All Figures in INR	March 31, 2020	March 31, 2019
Year 1	32	21
Year 2	0	17
Year 3	0	17
Year 4	3	11
Year 5	5	8
After 5th Year	906	348

Movement of provisions for employee benefits during the year is as under:

(Rs. in Lakhs)

Particulars	Provision for pension	Provision for Post-Retirement Medical	Provision for Gratuity & Leave Encashment	Total
Carrying Amount at the beginning of the year as on 01.04.2019	1312	422	653	2,387
Additional provision made in the year	0	524	904	1,428
Amount utilized/adjusted during the year	-1179	0	0	-1,179
Unused amount reversed during the year	0	0	-675	-675
Carrying amount at the end of the year as on 31.03.2020	133	946	882	1,961

(Rs. in Lakhs)

Particulars	Provision for pension	Provision for Post-Retirement Medical	Provision for Gratuity & Leave Encashment	Total
Carrying Amount at the beginning of the year as on 01.04.2018	906	142	1,002	2,050
Additional provision made in the year	406	281	653	1,340
Amount utilized/adjusted during the year	0	0	-471	-471
Unused amount reversed during the year	0	0	-531	-531
Carrying amount at the end of the year as on 31.03.2019	1,312	423	653	2,388

### 19. 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 31.03.2020 for various purposes is as under: -

(Rs. in Lakhs)

Grant/Subsidy Received For	Up to 31.03.2020	Up to 31.03.2019
North East Project	3,146	3,146
Rural Wi-Fi	1,030	939
<b>Total</b>	<b>4,176</b>	<b>4,085</b>

#### 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. 31107 Lakhs out of which material of an amount of Rs. 1172 lakhs have been transferred to other projects/regions. Company has received subsidy of Rs. 3146 Lakhs with a net cash outflow of Rs. 26789 Lakhs up to 31.03.2020. In the opinion of the management, the Company has complied with all the conditions set out for the subsidy and accordingly, there is no liability to refund the subsidy already received.
2. During the FY 2019-20, depreciation of Rs. 472 Lakhs (Corresponding period – Rs. 414 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.119 Lakhs (PY – Rs.92 Lakhs) in proportion to depreciation which is shown under the head other operating revenue.

#### Grant/Subsidy on Rural Wi-Fi:

The Company had received Rural Wi-Fi Subsidy amounting to Rs. 1030 lakhs up to 31.03.2020 from Department of Telecommunication (DoT-USOF) for installation of Wi-Fi in rural areas. An amount of Rs. 1,415 lakhs have been capitalized during the period on account of partial commissioning of wi-fi services at the stations. Accordingly, the Company has amortized an amount of Rs. 94 lakhs out of the subsidy received in proportion to the depreciation on assets capitalized and the same i.e. Rs. 94 lakhs (PY-Rs. 39 lakhs) have been recognized under the head other operating revenue.

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

### Exchange Difference

(Rs. in Lakhs)

S.No	Particulars	March'20	March'19
1	The amount of exchange differences recognised in profit or (loss).	(12)	15
2	Net exchange differences recognised in other comprehensive income and accumulated in a separate component of equity.	Nil	Nil
3	Reconciliation of the amount of such exchange differences at the beginning and end of the period.	NA	NA

## 21. IND-AS – 24: Related party disclosures

Names of related parties and their relationship:

(i) Enterprises under common control: Enterprises under common control are as follows: -

S. No.	Enterprise
1	Centre For Railway Information Systems
2	Container Corporation of India Ltd
3	Dedicated freight corridor Corporation of India Limited
4	Indian Railway Catering and Tourism Corporation Limited
5	IRCON International Limited
6	Konkan Railway Corporation of India Limited
7	Rail Land Development Authority
8	Rail Vikas Nigam Limited
9	CAO Rail Wheel Plant Bela
10	RITES Limited
11	India Railways
12	National High Speed Rail Corporation
13	Mumbai Railway Vikas Corporation
14	Maharashtra Rail Infrastructure Development Corporation Ltd

(ii) Subsidiaries: RailTel Enterprises Limited

(iii) Key Management Persons:

S. No.	Name	Designation	Date of appointment	Date of Cessation (If any)
1	Sh. Puneet Chawla	CMD	14/12/2018	Appointed as CMD w.e.f. 10/05/2019 (earlier holding additional charge from 14/12/2018 to 09/05/2019)
2	Sh. Ashutosh Vasant	Director/POM	30/03/2017	NA
3	Sh. Sanjai Kumar	Director/NPM	23/05/2018	NA
4	Sh. Sanjeeb Kumar	Director/Finance (Addl. Charge) and CFO	D/F – 03/04/2018 CFO – 14/05/2018	Ceased to be Director/Finance & CFO w.e.f. 03/04/2019
5	Sh. Sanjeev Jain	Director/Finance (Addl. Charge) and CFO	D/F - 11/04/2019 CFO - 24/05/2019	Ceased to be Director/Finance & CFO w.e.f. 04/09/2019
6	Sh. Anand Kumar Singh	Director/Finance and CFO	D/F - 04/09/2019 CFO - 26/09/2019	NA
7	Sh. J S Marwah	Company Secretary	05/02/2015	NA

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

(Rs. in Lakhs)

Particulars	Name	Sh. Puneet Chawla	Sh. Ashutosh Vasant	Sh. Sanjai Kumar	Sh. Anand Kumar Singh	Sh. J S Marwah
	Designation	CMD	Director/POM	Director/NPM	Director/Finance and CFO	Company Secretary
Salaries and Allowances paid	March'20	26	51	56	33	22
	March'19	0	40	41	0	21
Provident Fund Contribution	March'20	0	3	3	2	2
	March'19	0	3	3	0	1
Pension Contribution	March'20	7	3	3	1	1
	March'19	0	3	2	0	1

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

(Rs. in Lakhs)

Employee Name	Designation	Gratuity		Leave Encashment	
		As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Sh. Sanjai Kumar	Director/NPM	13	11	22	18
Sh. J S Marwah	Company Secretary	3	2	8	6
Sh. Ashutosh Vasant	Director/POM	12	10	16	12
Sh. Anand Kumar Singh	Director/Finance	-	-	13	-

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

(Rs. in Lakhs)

Nature of Transactions	Amount
On account of operating Income	Rs. 475 Lakhs (Rs. 77 Lakhs)
On account of Non-Operating Income	Rs. 5 Lakhs* (Rs. 73 Lakhs)
Receivables as at 31.03.2020	Rs. 666 Lakhs (Rs. 176 Lakhs)
On account of operating Expense	Rs. 126 Lakhs (Rs. Nil)
Other Payable as at 31.03.2020	Rs. 45 Lakhs (Rs. 44 Lakhs)
Other Payable (IuT)	Rs. 35 Lakhs (Rs. Nil)

\* Net off excess income booked of Rs. 39 lakhs of FY 2018-19 reversed during the year.

(Figure in bracket represents previous year figures)

(vi) Transactions with Railway PSUs & Railway Units

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

(Rs. in Lakhs)

Particulars	Period	Revenue	Expense	Receivable	Payable	Advance Received
Centre For Railway Information Systems	Mar'20	341	0	304	0	0
	Mar'19	241	0	213	0	0
Container Corporation of India Ltd	Mar'20	14	0	12	0	0
	Mar'19	24	0	24	0	0
Dedicated freight corridor Corporation of India Limited	Mar'20	587	0	338	0	553
	Mar'19	215	30	121	0	921
Indian Railway Catering and Tourism Corporation Limited	Mar'20	1265	6	37	0	0
	Mar'19	51	0	42	0	1
IRCON International Limited	Mar'20	54	5	21	0	0
	Mar'19	39	0	7	0	0
Konkan Railway Corporation of India Limited	Mar'20	207	124	106	0	22
	Mar'19	103	52	36	30	113
Rail Land Development Authority	Mar'20	1	0	0	0	0
	Mar'19	4	0	5	0	0
Rail Vikas Nigam Limited	Mar'20	514	0	218	0	614
	Mar'19	330	187	90	0	777
CAO Rail Wheel Plant Bela	Mar'20	7	0	0	0	0
	Mar'19	10	0	11	0	0
RITES Limited	Mar'20	80	0	72	0	0
	Mar'19	37	0	16	1	0
India Railways*	Mar'20	25629	3572	7904	6284	8638*
	Mar'19	11257	2707	12099	5055	6566
National High Speed Rail Corporation	Mar'20	246	0	0	0	605
	Mar'19	0	0	0	0	0
Mumbai Railway Vikas Corporation	Mar'20	51	0	0	0	5
	Mar'19	0	0	0	0	0
Maharashtra Rail Infrastructure Development Corporation Ltd	Mar'20	1	0	0	0	15
	Mar'19	0	0	0	0	0
<b>Total</b>	<b>Mar'20</b>	<b>28997</b>	<b>3707</b>	<b>9012</b>	<b>6284</b>	<b>10452</b>
	<b>Mar'19</b>	<b>12311</b>	<b>2976</b>	<b>12664</b>	<b>5086</b>	<b>8378</b>

\* Advance includes an amount of Rs. 47.63 crore from REL towards VSS project (Refer item no 30 of Note No. 42).

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

Numerator	For the year ended 31st March 2020	For the year ended 31st March 2019
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Used as Numerator (Rs. in Lakhs))	13835	10980
<b>Denominator</b>		
-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)	4.31	3.42
-Diluted Earnings Per Share (Rs. / per share) (Face value of Rs.10/each)	4.31	3.42

### 23. Disclosure as per Ind AS 36 and 113 : Impairment of Assets, Fair Value Measurement

Based on an independent impairment study conducted by an independent firm of chartered accountants, using replacement cost approach with applicable depreciation till date of impairment study (The replacement cost has been determined based on market-based data provided by the management and as verified/confirmed by the independent consultants), the Company has recognized the impairment loss amounting Rs. 4930 lakhs (PY-Nil) during the current year and shown under the head "Exceptional Items" in statement of profit and loss for NE Project. This project was halted for the long time due to difficult working conditions in north eastern region and various other reasons. This project is currently accounted under the capital work in progress and contains mainly the plant and machinery. Assets constructed under the project become idle for the long time. Hence, company has assessed and recognized the impairment loss on these projects. Out of the total impairment loss of Rs. 4930 lakhs, Impairment loss of Rs. 3962 Lakhs pertains to the assets totally damaged and no future economic benefits are expected from these assets. Impairment loss have been calculated by taking the whole project as "Cash Generating Unit".

Recoverable amount has been calculated as per Ind AS 36 and 113. The "fair value less cost of sales" is taken as recoverable amount as computation of "value in use" is not practicable. To compute the fair value, company have used the valuation technique of "cost approach". Under the cost approach, "the amount that would be required currently to replace the service capacity of an asset" is taken to calculate the fair value. Obsolescence on account of technological, economic and physical deterioration is also adjusted. Unobservable inputs have been taken under the third level of fair value hierarchy to compute the fair value as per Ind AS 36 and 113. Such inputs are latest cost of purchase of similar assets, obsolescence rates etc. Further, company have accounted these assets under the "Telecom Services" segment.

Based on the assessment of the management and the alternative business plans as envisaged, the management is of the opinion that no further provision towards impairment is required as at the reporting date. However, this being an initial study under lock down conditions, the Company will continue review and monitor the impairment assessment at every subsequent reporting period based on comprehensive review of further information that may be available during such reporting periods.

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

- a. Provisions are recognized in respect of obligations, based on the evidence available, and wherever their existence on the Balance Sheet date is considered probable.

(Rs. in Lakhs)

Particulars	Provision for Arbitration Claim	Provision for Performance Related Pay	Total
Carrying Amount at the beginning of the year as on 01.04.2019	46	1706	1752
Additional provision made in the year	0	324	324
Amount utilized/adjusted during the year	0	-813	-813
Unused amount reversed during the year	0	-226	-226
Carrying amount at the end of the year as on 31.03.2020	46	991	1037

(Rs. in Lakhs)

Particulars	Provision for Arbitration Claim	Provision for Performance Related Pay	Total
Carrying Amount at the beginning of the year as on 01.04.2018	46	1925	1971
Additional provision made in the year	0	361	361
Amount utilized/adjusted during the year	0	-420	-420
Unused amount reversed during the year	0	-160	-160
Carrying amount at the end of the year as on 31.03.2019	46	1706	1752

b. 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.

24.1 (a): Claim against the Company not acknowledged as debts (Rs. in Lakhs)

Particulars	Service Tax	Income Tax	VAT	DOT*	Other	Total
Carrying Amount at the beginning of the year 01.04.2019	1491	2968	131	11166	572	<b>16328</b>
Additions during the year	0	778	3	17990	710	<b>19481</b>
Amount adjusted during the year	666	1464	18	29156	344	<b>31648</b>
Carrying amount at the end of the year 31.03.2020	825	2282	116	0	938	<b>4161</b>

\* Hon'ble Supreme Court passed an order dated 11.06.2020 wherein it was held that definition of AGR as per the licenses given to the Public Sector Undertaking (PSUs) is different than the definition of AGR as per Universal Access Service License (UASL) given to other network service providers. It was also upheld that the Hon'ble Supreme Court Judgement dated 24.10.2019 never dealt with the issue of PSUs as their agreements are quite different and therefore, the judgement held on AGR issue could not have been made the basis for raising the demand against Public Sector Undertaking as they are not in the actual business of providing mobile services to the general Public and hence the DoT was asked to reconsider the demand. Accordingly, DoT has made its submission before Hon'ble Supreme Court that it has decided to withdraw the demands already raised on PSUs which/ was considered by Hon'ble Supreme Court. Accordingly, the company has not considered any contingent liability in this regard as on 31.03.2020.

24.1(b) Bank Guarantees given by the Company to Customers/Government as on 31.03.2020 is Rs. 17028 lakhs (Corresponding period: Rs. 15577 lakhs).

24.1(c) Capital Commitments (Rs. in Lakhs)

Particulars	March'20	March'19
Estimated amounts of contracts remaining to be executed on capital account	6269	22320

## 25. Disclosure Requirements as per IND AS 108 – Operating Segments

The Company publishes this financial statement along with the consolidated financial statements, In accordance with Ind AS 108, *Operating Segments*, the Company has disclosed the segment information in the consolidated financial statements.

## 26. 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%



## 27. Disclosure as required by IND AS 107, IND AS 109 & IND AS 113

Valuation techniques and process used to determine fair values

- (i) The carrying value of financial assets and liabilities with maturity less than 12 months are considered to be representative of their fair value.
- (ii) Fair value of other financial assets and liabilities carried at amortized cost is determined by discounting of cash flows using discount rate.
- (iii) A discount rate of 6.25% (SBI Rate) has been used for balances as on 31/03/2020.

### Financial Instrument

#### Financial Instruments by Category

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

(Rs. in Lakhs)

Particulars	Financial Assets/ Liabilities at amortised costs		Financial Assets/ Liabilities at FVTPL		Financial Assets/ Liabilities at FVTOCI	
	March'20	March'19	March'20	March'19	March'20	March'19
<b>Assets</b>						
Investments (Refer to Note No. 10)	Nil	Nil	Nil	704	Nil	Nil
Trade Receivables (Refer to Note No. 11)	47,498	45,699	Nil	Nil	Nil	Nil
Cash & Cash Equivalents (Refer to Note No. 12 & 13)	17,020	33,457	Nil	Nil	Nil	Nil
Other Financial Assets (Refer to Note No. 6,7,14 & 15)	43,404	12,214	Nil	Nil	Nil	Nil
<b>Liabilities</b>						
Trade Payables (Refer to Note No. 24)	35,397	26,370	Nil	Nil	Nil	Nil
Other Financial Liabilities (Refer to Note No. 19,20, 25 & 26)	21,535	16,719	Nil	Nil	Nil	Nil

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

(Rs. in Lakhs)

Particulars	As at March'20	As at March'19
<b>Financial assets at amortised cost</b>		
Interest expenses on other financial assets	165	161
Interest income on other financial liabilities	70	95
<b>Financial assets at Fair Value through Profit or Loss (FVTPL)</b>	<b>Nil</b>	<b>3</b>
<b>Financial assets at Fair Value through Other Comprehensive Income (FVTOCI)</b>	<b>Nil</b>	<b>Nil</b>

## 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 Company 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.

The Company assesses on a forward-looking basis the expected credit loss associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company follows 'simplified approach' for recognition of impairment loss and always measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109 i.e. expected credit loss allowance as computed based on historical credit loss experience. Company have used the methodology of provisional matrix as per Ind AS 109 to compute the historical loss rate and adjust the impact of macroeconomic factors into the historical loss rate to compute the forward-looking rates.

### Exposure to Credit Risk

In the current year, Company used expected credit loss model to assess the impairment loss or gain. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix considers historical credit loss experienced and adjusted for forward-looking information. The expected credit loss allowance is based on ageing of the days the receivables are due. The trade receivables which share the similar credit risk characteristics have been taken into the one bucket. Hence, company has divided the trade receivable into two categories as follows:

- Government and PSU Customers
- Telecom and others

Loss rates are computed by taking last 5 years roll rates and adjust the impact of macroeconomic factors.

Till last year, trade receivables were provided on the basis of probable losses inherent in the accounts receivable as per the management's best estimate considering the ageing of trade receivable, historical write-off experience (net of recoveries) etc. Trade receivables are provided in specific cases where management considers the trade receivable as non-recoverable.

The gross carrying amount of trade receivables, net of any impairment losses recognized represents the maximum credit exposure.

(Amount in Lakhs)

Ageing	March 31, 2020			
	Gross Amount	Expected credit Loss	Gross Amount	Expected credit Loss
	Government and PSU		Telecom and others	
Within 1 year	34349	216	4137	189
1 -2 years	4721	237	179	81
2 -3 years	3489	398	577	475
More than 3 years	1990	346	2276	2277
<b>Total</b>	<b>44548</b>	<b>1197</b>	<b>7169</b>	<b>3022</b>

The company does not hold any collateral or other enhancements to cover its credit risks associated with its trade receivables.

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' 2020 & March' 2019 was as follows: -

(Amount in Lakhs)

Particulars	As at March'20		As at March'19	
	Gross Carrying Value	Net Value after Impairment	Gross Carrying Value	Net Value after Impairment
Trade Receivables (Refer to Note No. 11)	51,717	47,498	48,694	45,699
Other Financial Assets (Refer to Note No. 6,7,14 & 15)	43,404	43,404	12,214	12,214

Employee Loans, and other assets are either not past due or past due but not 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 makes investment in mutual fund which are subject to market risk. Hence, the investment is classified in the Balance Sheet at fair value through profit and loss (FVTPL) and resultant gain/loss on investment is classified as FVTPL. However, to manage the price risk, the Company invests in liquid funds and the level of the investments is insignificant in view of the level of the operation of the Company.

## 4. Capital Management

The Company manages its capital to ensure that the Company will be able to continue as a going concern, while maximizing the return to stakeholders through efficient allocation of capital towards expansion of business, optimization of working capital requirements and deployment of surplus funds. The Company uses the operational cash flows to meet its working capital requirements. The funding requirements are met through internal accruals. The Company is not subject to any externally imposed capital requirements.

## 28. IND AS 115 – Revenue from Contracts with Customers

### 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. In project business segment the company provides warranty to customer which is implicit in the contract revenue. The said warranty is provided by OEMs with back to back performance obligation and hence the company does not have additional obligation for warranty in addition to the same provided by OEMs. Since warranty is implicit in transaction price on back to back agreement with OEMs and hence not been accounted for separately.

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 principal 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, 2020	For the Year Ended March 31, 2019
<b>Geographical Segment</b>		
Pan India	36,604	30,728
Abroad	Nil	Nil
<b>Total</b>	<b>36,604</b>	<b>30,728</b>

(Amount in lakhs)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
<b>Major Product Line</b>		
Railway Project Works	16,203	2,915
Other Projects	16,771	25,049
Others	3,630	2,764
<b>Total</b>	<b>36,604</b>	<b>30,728</b>

(Amount in lakhs)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
<b>Type of Customer</b>		
Government Customers	34,770	26,744
Non - Government Customers	1,834	3,984
<b>Total</b>	<b>36,604</b>	<b>30,728</b>

(Amount in lakhs)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
<b>Type of Contract</b>		
Fixed Price Contracts	17,362	27,809
Time- and- Materials Contracts	19,242	2,919
<b>Total</b>	<b>36,604</b>	<b>30,728</b>

(Amount in lakhs)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
<b>Sales Channel</b>		
Direct to Customer	36,604	30,728
Through Intermediaries	-	-
<b>Total</b>	<b>36,604</b>	<b>30,728</b>

(Amount in lakhs)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
<b>Duration of Contract</b>		
Short Term	36,530	30,728
Long Term	74	-
<b>Total</b>	<b>36,604</b>	<b>30,728</b>

### Contract Assets

(Amount in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivable	15,120*	25,641
Unbilled Revenue	13,094**	3,573
Work in Progress	0	0
<b>Total</b>	<b>28,214</b>	<b>29,214</b>

(Amount in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Contract Liability	12,111	13,946
<b>Total</b>	<b>12,111</b>	<b>13,946</b>

**Revenue recognized during the year from the contract liability balance at the beginning**

(Amount in lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Revenue recognized during the year from the contract liability balance at the beginning	4,165	2,470
<b>Total</b>	<b>4,165</b>	<b>2,470</b>

**Revenue Recognized from performance obligations satisfied partially in Previous Period**

(Amount in lakhs)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Revenue recognized due to change in Transaction Price	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

\* Includes trade receivable of Rs. 4519 lakhs recoverable from a customer out of which Rs. 2638 lakhs is disputed by the customer and management is of the opinion that it is fully recoverable and in view of this no provision has been made against the said amount except for Expected Credit Loss as per Ind AS requirement. Further, the Company has also claimed an amount of Rs. 2666 lakhs towards SLA deduction and interest for delayed payment. However, the same has not been recognized in the books of accounts on conservative basis as per Ind AS-115. Company has filed an application to Ministry of Railways for settlement of the dispute through administrative Mechanism for resolution of CPSE dispute (AMRCD).

\*\* Includes amount of Rs. 2390 lakhs pertaining to a project executed for a customer for which payment shall be made by the customer after their User Acceptance Test (UAT). However, work has been executed as per agreement.

**29. Ind AS 116 – Leases**

**Transitional Provision:**

The Company has applied IND AS 116 with a date of initial application of April 1, 2019, using the modified retrospective approach and the effect is Nil on retained earnings as at April 1, 2019. The comparative information has not been restated and continues to be reported under IND AS 17.

**A As a Lessee**

Right of Use Assets Comprises of leased assets that do not meet the definition of Investment property.

**Right of use - Asset**

(Amount in lakhs)

Particulars	As at 31 <sup>st</sup> March 2020			
	Building	Land	Telecom Assets	Total
Right-of-use assets, except for investment property (Note No. 4)	11,155	3,275	2,866	<b>17,296</b>

The Company takes many assets on lease including Land and Buildings, Plant & Machinery (Telecom Assets) such as Dark Fibers, OFC/Duct spaces etc.

### Lease Liabilities

(Amount in lakhs)

Maturity analysis - Contractual undiscounted cash flows	As at 31 <sup>st</sup> March 2020
Less than one year	1164
One to five years	2723
More than five years	2315
<b>Total undiscounted lease liabilities at 31st March, 2020</b>	<b>6202</b>

### Lease Liabilities included in the statement of Financial Position as at 31st March 2020

Particulars	Amount in Lakhs
Current	774
Non - Current	3480
<b>Total</b>	<b>4254</b>

### Amount Recognized in profit & Loss Account

Particulars	Amount in Lakhs
Interest on lease liabilities	341
Variable lease payments not included in the measurement of lease liabilities	Nil
Expenses relating to Short term leases and leases of low-value assets, excluding short-term leases of low-value assets	Nil

### Amounts recognized in the statement of Cash flows

(Amount in lakhs)

Particulars	for the year ended 31st March 2020
Total cash outflow for leases	667

#### Other Disclosure-

- There are no significant restrictions or covenants imposed by the leases
- There are no lease pending commencement to which the Company has committed as at period ended March 31, 2020.
- The incremental borrowing rate considered is the SBI MCLR rate at the lease commencement date for new leases and April 1st, 2019 for pre-existing leases except NOIDA Land lease where there is inbuilt coupon rate in the future financial obligation.

### B. As a Lessor

(Amount in lakhs)

Particulars	Year ended 31st March 2020
Lease Income	70662

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date in respect of non-cancellable operating leases:

### Lease Payments to be received after the reporting date

(Amount in lakhs)

Particulars	As at 31st March 2020
Less than one year	4500
One to two years	2136
Two to three years	1869
Three to four years	1761
Four to five years	1167
More than five years	1243
<b>Total undiscounted lease payments</b>	<b>12675</b>



A Mini Ratna Enterprise

### Other Disclosures –

- 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, 2020 and accordingly respective disclosures required by IND AS 116 are not provided.
30. Ministry of Railway (MoR) had entered into an MoU with RailTel Enterprises Ltd. (REL)- Subsidiary of the company on 24.03.2017, for installation of Video Surveillance System (VSS) at various stations across Pan India under Nirbhaya Fund. Subsequently, MoR entrusted the work of installation of Video Surveillance System (VSS) at 6049 stations across Pan India, to the RCIL (Holding company) with a markup of 8.5% on cost incurred vide its MoU dated 25.06.2020 which supersedes the earlier MoU executed between MoR and REL. Total advance received by REL from Railways towards execution of this project was Rs. 6500 lakhs, out of which REL has remitted an amount of Rs. 4763 lakhs to company for execution of this project up to 31st March 2020 and balance amount of Rs. 1737 lakh has been remitted after 31st March 2020.

### 31. COVID -19 Impact & Assessment

The Covid-19 pandemic has already resulted in economic slowdown throughout the world including India. The operations of the Company have also been significantly impacted following a nationwide lockdown by the Government of India.

The Company has evaluated the impact of this pandemic on its business operations and financial position while preparing these financial statements and has considered internal and external information for making this evaluation. The Company's assessment is based on its current estimates while assessing the provision towards employee benefits and assessing the realizability of trade receivables and other financial assets. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial reporting and controls etc.

However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to closely monitor any material changes to future economic conditions.

**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: 28/08/2020**  
**UDIN: 20500369AAAABP3790**

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

**Sd/-**  
**A K Singh**  
**Director Finance**  
**(DIN : 07018776)**

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



**SURESH CHANDRA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

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# 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 Holding 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, 2020, 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, 2020, 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.

## Emphasis of Matter

We draw attention to Item no. 19 and 23 of Note no. 42 to the Consolidated Financial Statements regarding NE projects with a total estimated expenditure of Rs.45125 lakhs and anticipated subsidy of Rs.38800 lakhs. The company has however, incurred total capital expenditure of Rs. 31107 Lakhs and has received a subsidy of Rs.3146 lakhs only. Further, the company has transferred material amounting to Rs. 1172 lakhs to other projects/regions. As the project is on hold, the company has recognized an impairment loss of Rs.4930 Lakhs based on an impairment study carried out by an independent consultant which has been disclosed under the head Exceptional Items in Statement of Profit & Loss.

However, our opinion is not modified in respect of matter stated above as Emphasis of Matter.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report -

S. No.	Key Audit Matter	How our audit addressed the key audit matters
1.	<p><b>Expected Credit Loss for Trade Receivables</b></p> <p>The group has applied simplified approach to measure ECL for trade receivables, which allows for lifetime expected credit losses to be recognised from initial recognition of the receivables. The group determines the expected credit losses on trade receivables by using a provision matrix that is based on historical credit loss experience, adjusted for forward looking factors to the debtors and the economic environment.</p> <p>Due to significance of trade receivables and the complexity involved in the ECL calculation, this was considered as a key audit matter.</p> <p>(Refer Item no. 27 of note no. 42 to the Consolidated Financial Statements)</p>	<p>We have obtained an understanding of the group's credit policy along with the applications controls associated with the accuracy of the information included in the debtors ageing report.</p> <p>We evaluated the process of ECL calculation including the techniques suggested by the experts involved therein.</p> <p>We assessed the reasonableness of the assumptions used in ECL calculation by comparing them with the historic data adjusted for current market condition and forward-looking information.</p> <p>We have also considered the disclosures made under the head credit risk.</p> <p>Based on the above procedure performed, the management estimations and judgement in ECL were found to be reasonable.</p>
2	<p><b>Contingent Liabilities</b></p> <p>There are a number of litigations pending before various forums against the group and the management's judgement is required for estimating the amount to be disclosed as contingent liability.</p> <p>We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgement in interpreting the cases and it may be subject to management bias.</p> <p>(Refer item no. 24.1(a) of note no. 42 to the Consolidated Financial Statements)</p>	<p>We have adopted the following audit procedures-</p> <p>Understood and tested the design and operating effectiveness of controls as established by the management for obtaining all relevant information for pending litigation cases</p> <p>Discussed with the management any material developments and latest status of legal matters</p> <p>Read various correspondences and related documents pertaining to litigation cases and performed substantive procedures on calculations supporting the disclosure of contingent liabilities</p> <p>Assessed the adequacy and completeness of disclosures</p> <p>Based on the above procedure performed, the estimations and disclosure of contingent liabilities are considered to be adequate and reasonable.</p>
3	<p><b>Accuracy of recognition, measurement, presentation and disclosures of leases and other related adjustments in view of adoption of Ind AS 116 – Leases (New Ind AS)</b></p> <p>The group has adopted Ind AS 116 Leases (Ind AS 116) in the current year. The application and transition to this accounting standard is complex and is an area of focus in our audit.</p> <p>Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognise a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term.</p> <p>Refer item no. 29 to Note 42 to the Consolidated Financial Statements read with the Accounting Policy no. 9)</p>	<p><b>Our audit procedures on adoption of Ind AS 116 include:</b></p> <p>Assessed and tested new processes and controls in respect of the lease accounting standard (Ind AS 116)</p> <p>We have assessed the group's evaluation on identification of leases based on the contractual agreements and method adopted and related adjustments made on transition dated i.e. 1<sup>st</sup> April 2019.</p> <p>We have considered the report of independent agency involved for assessment of key terms and conditions of each lease with the underlying lease contract, computation of lease liability and reconciling the company's operating lease commitments to data used in computing ROU assets as on transition date.</p> <p>We have evaluated the reasonableness of the discount rate applied in determining the lease liability.</p> <p>On a sample basis, we assessed the terms and conditions of lease with the underlying lease contracts and evaluated computation of lease liabilities. We assessed the presentation and disclosure relating to Ind AS 116.</p> <p>Based on the above procedure performed, the presentations and disclosure relating to Ind AS 116 was found to be adequate</p>

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

The Holding Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Holding 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.

When we read such other information as and when made available to us and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

## Responsibilities of Management's and those charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements in terms of the requirement of the Act that give a true and fair view of the Consolidated State of Affairs, Consolidated profit / loss and other comprehensive income, Consolidated Statement of changes in equity and Consolidated Statement of cash flows of the group in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 which have been used for the purpose of preparation of the Consolidated Financial Statements by the Board of Directors of the Holding Company as aforesaid.

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 companies.

## 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 and Board of Directors of the Holding Company.
- Conclude on the appropriateness of management's and Board of Directors' of the Holding company use of the going concern basis of accounting in preparation of Consolidated Financial Statements 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 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 financial information of entity included in the Consolidated Financial Statements. We remain solely responsible for our audit opinion.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the 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 of the Holding Company 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.

## 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. 15939.95 Lakhs as at 31st March 2020, total revenues of Rs 5977.10 Lakhs and net cash flow amounting to Rs. 2004.42 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 Other Comprehensive Income), Consolidated statement of Cash Flows 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 with reference to Consolidated Financial Statements 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 holding company and its subsidiary company incorporated in India.
  - g) Pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Companies Act, 2013, are not applicable to the Company, being a Government Company; and
  - 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. 24.1(a) to Note no. 42 to the Consolidated Financial Statements;
    - II. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2020.
    - 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**  
**UDIN - 20500369AAAABQ1466**

Sd/-  
**(Ved Prakash Bansal)**  
*Partner*  
**M. No: 500369**  
**Place: New Delhi**  
**Date: 28/08/2020**

**‘ANNEXURE- A’ to the Independent Auditors’ Report on the Consolidated Financial Statements of RailTel Corporation of India Ltd.**

**Report on matters referred to in sub-section 5 of Section 143 of the Companies Act 2013 (“the Act”)**

**(Referred to in paragraph 1 under Report on other legal and Regulatory requirements section of our report of even date.**

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 IT 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. 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"> <li>a) NE-1 &amp; NE-2 project – the company has received subsidy of Rs. 3146 lakhs till 31.03.2020 against the execution of the project.</li> <li>b) Rural Wi-Fi Project – the company is in receipt of subsidy to the tune of Rs. 1031 lakhs till 31.03.2020. 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.</li> </ul>

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**  
**UDIN - 20500369AAAABQ1466**

Sd/-  
**(Ved Prakash Bansal)**  
*Partner*  
**M. No: 500369**  
**Place: New Delhi**  
**Date: 28/08/2020**

## **‘ANNEXURE- B’ to the Independent Auditors’ Report on the Consolidated Financial Statements of RailTel Corporation of India Ltd.**

**Report on Internal Financial Controls with reference to the aforesaid Consolidated Financial Statements under clause (i) of Sub section 3 of section 143 of the Companies Act 2013 (“the Act”)  
(Referred to in paragraph 2(f) under Report on other legal and Regulatory requirements section of our report of even date)**

### **Opinion**

In conjunction with our audit of the Consolidated Financial Statements of RailTel Corporation of India Ltd. (“the Holding Company”) as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to the Consolidated Financial Statements of the Holding Company and its subsidiary company which is incorporated in India as of that date .

In our opinion, the Holding company and its subsidiary company which is incorporated in India, have adequate internal financial controls with reference to the Consolidated Financial Statements and such internal financial controls were operating effectively as at 31st March 2020, 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

### **Management’s Responsibility for Internal Financial Controls**

The respective company’s Board of directors are responsible for establishing and maintaining internal financial controls with reference to Consolidated Financial Statements based on the criteria established by the respective 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 the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to the Consolidated Financial Statements 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 with reference to the Consolidated Financial Statements. 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 with reference to the Consolidated Financial Statements were 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 with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to the Consolidated Financial Statements, 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 with reference to the Consolidated Financial Statements.

### **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 with reference to the Consolidated Financial Statements

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 Consolidated 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 with reference to the Consolidated Financial Statements, 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 with reference to the Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to the Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Suresh Chandra & Associates**  
**Chartered Accountants**  
**FRN 001359N**  
**UDIN - 20500369AAAABQ1466**

Sd/-  
**(Ved Prakash Bansal)**  
*Partner*  
**M. No: 500369**  
**Place: New Delhi**  
**Date: 28/08/2020**



## 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. 2019-20	F.Y. 2018-19
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	01.04.2019 to 31.03.2020 (same as Holding Company)	01.04.2018 to 31.03.2019 (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	803.59	533.74
6.	Total assets	15939.95	8428.66
7.	Total Liabilities	14136.36	6894.92
8.	Investments	Nil	Nil
9.	Turnover	5343.66	1798.07
10.	Profit before taxation	360.57	251.59
11.	Provision for taxation	90.72	72.07
12.	Profit after taxation	269.85	179.52
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: 28/08/2020

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

Sd/-  
A K Singh  
Director Finance  
(DIN : 07018776)

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

RailTel Corporation of India Limited



A Mini Ratna Enterprise

## RailTel Corporation of India Limited

### Consolidated Balance Sheet as at 31.03.2020

(Amount in Lakhs)

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, Plant and Equipments	2	60,854	78,598
Capital Work-in-Progress	3	25,254	29,990
Right of Use Assets	4	17,296	-
Intangible Assets	2	785	396
Financial Assets			
Investment	5	-	-
Loans and Security Deposits	6	332	347
Other Non Current Financial Assets	7	21,930	65
Other Non Current Assets	8	1,806	3,099
<b>TOTAL NON CURRENT ASSETS</b>		<b>128,257</b>	<b>112,495</b>
<b>CURRENT ASSETS</b>			
Inventories	9	49	87
Financial Assets			
Investment	10	-	704
Trade Receivables	11	50,707	45,957
Cash and Cash Equivalents	12	13,452	7,164
Other Bank Balances	13	13,391	33,530
Loans and Security Deposits	14	487	431
Other Current Financial Assets	15	21,352	11,787
Current Tax Assets (Net)	16	2,748	3,273
Other Current Assets	17	9,366	7,336
<b>TOTAL CURRENT ASSETS</b>		<b>111,552</b>	<b>110,269</b>
<b>TOTAL ASSETS</b>		<b>239,809</b>	<b>222,764</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	18	32,094	32,094
Other Equity		104,839	96,812
<b>TOTAL EQUITY</b>		<b>136,933</b>	<b>128,906</b>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Financial Liabilities			
Borrowings		-	-
Leasing Liabilities	19	3,480	412
Other Non Current Financial Liabilities	20	740	919
Provisions	21	990	469
Deferred Tax Liabilities (net)	22	353	1,694
Other Non Current Liabilities	23	10,783	11,210
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>16,346</b>	<b>14,704</b>
<b>CURRENT LIABILITIES</b>			
Financial Liabilities			
Borrowings		-	-
Trade Payables			
Total outstanding dues of micro enterprises and small enterprises		6,481	3,867
Total outstanding dues of creditors other than micro enterprises and small enterprises	24	31,406	22,809
Leasing Liabilities	25	774	136
Other Current Financial Liabilities	26	18,272	15,348
Provisions	27	2,008	3,671
Other Current Liabilities	28	27,589	33,323
<b>TOTAL CURRENT LIABILITIES</b>		<b>86,530</b>	<b>79,154</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>239,809</b>	<b>222,764</b>

Significant Accounting Policies

Note No 1

The accompanying notes referred to above form an integral part of financial statement (from Note No 1 to 42)

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: 28/08/2020  
UDIN: 20500369AAAABQ1466

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

Sd/-  
A K Singh  
Director Finance  
(DIN : 07018776)

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

## RailTel Corporation of India Limited

### Consolidated Statement of Profit and Loss for the year ended March 31, 2020

(Amount in Lakhs)

Particulars	Notes No.	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Income</b>			
Revenue from operations	29	112,805	100,326
Other Income	30	3,799	3,520
Finance Income	31	(4)	(20)
<b>Total Income</b>		<b>116,600</b>	<b>103,826</b>
<b>Expenses</b>			
Access and other Charges	32	24,903	26,352
License fee and spectrum charges	33	4,793	4,599
Expenses on Project	34	34,008	24,941
Employee Benefits Expenses	35	12,053	11,202
Administrative & Other Expenses	36	3,149	2,714
Corporate Social Responsibility (Refer Item No. 12 of Note No 42)		519	303
Depreciation and amortisation	37	13,089	11,158
Finance Expenses	38	680	789
<b>Total Expenses</b>		<b>93,194</b>	<b>82,058</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>23,406</b>	<b>21,768</b>
Exceptional Items	39	(4,930)	(3,655)
<b>Profit/(Loss) Before Tax</b>		<b>18,476</b>	<b>18,113</b>
Tax expenses			
Current tax		5,598	5,807
Deferred tax	40	(1,341)	819
Tax impact of earlier years		112	330
<b>Profit/(Loss) for the year</b>		<b>14,107</b>	<b>11,157</b>
<b>Net profit attributable to</b>			
a) Owners of the company (A)		14,107	11,157
b) Non Controlling interest			
<b>Other comprehensive income(OCI):</b>			
i Items that will not be reclassified to Profit & Loss			
Remeasurement losses on defined benefit plans		(669)	(21)
Income tax relating to item that will not be reclassified to Profit & Loss	41	168	7
ii Items that will be reclassified to Profit & Loss			
<b>Other comprehensive income/(Loss) (B)</b>		<b>(501)</b>	<b>(14)</b>
<b>Total comprehensive income for the period (A+B)</b>		<b>13,606</b>	<b>11,143</b>
Earning per Equity Share of Rs 10/- each			
(a) Basic (Amount in Rs.) (Refer Item No. 22 of Note No.42)		4.40	3.48
(b) Diluted (Amount in Rs.) (Refer Item No. 22 of Note No.42)		4.40	3.48

Significant Accounting Policies

Note No 1

The accompanying notes referred to above form an integral part of financial statement (from Note No 1 to 42)

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: 28/08/2020  
UDIN: 20500369AAAABQ1466

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

Sd/-  
A K Singh  
Director Finance  
(DIN : 07018776)

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

## RailTel Corporation of India Limited

### Consolidated Statement of Cash Flow for the year ended March 31, 2020

(Amount in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Profit after tax</b>	<b>14107</b>	<b>11157</b>
Adjustments for:		
Other comprehensive income(Net of taxes)	(501)	(14)
Depreciation and Amortisation Expense	13089	11158
Amortisation of Deferred Govt Grant	(213)	(132)
Impairment of CWIP	4930	-
Non Cash Income (Discounting)	4	20
Non Cash Expense(Discounting)	25	(11)
Non Cash Expense(Interest credited in Project A/c)	314	269
Interest Expenses for Lease Liabilities	341	531
Non Cash Expense(Loss on sale of fixed asset)	2	1
Non Cash Expense(Forex Loss)	12	0
Non Cash Income (Provision written back and forex)	(26)	(264)
Provision for doubtful debts (net)	1251	132
Interest income	(2,766)	(2,915)
<b>Operating profit/(loss) before working capital change</b>	<b>30569</b>	<b>19932</b>
(Increase)/decrease in Financial Current Assets	4606	323
(Increase)/decrease in Non Financial Current Assets	2231	2788
Increase/(decrease) in Financial Current Liabilities	13954	7728
Increase/(decrease) in Non Financial Current Liabilities	(7,131)	711
(Increase)/decrease in Financial Non Current Assets	(21,855)	(5)
(Increase)/decrease in Non Financial Non Current Assets	(61)	26
Increase/(decrease) in Financial Non Current Liabilities	(30)	(8,044)
Increase/(decrease) in Non Financial Non Current Liabilities	(1,124)	(13,781)
<b>Net cash generated from Operation before Tax</b>	<b>21159</b>	<b>9678</b>
Income Tax Paid	(3,827)	(6,137)
<b>Net cash generated from Operating Activities</b>	<b>17332</b>	<b>3541</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Tangible & Intangible Assets	(6,174)	(8,375)
Capital Advances	(1,541)	210
(Increase)/decrease in Short term investment	701	(701)
Interest income received	2780	2781
Deposit with Bank for Ex gratia	-	(50)
Subsidy/Advances received	92	201
(Increase)/Decrease in Term Deposit	(656)	9997
<b>Net cash used in Investing Activities</b>	<b>(4,798)</b>	<b>4063</b>
<b>Cash Flow from Financing Activities</b>		
Payment for Lease Liability of Right to Use Assets	(667)	(193)
Dividend paid	(4,620)	(6,247)
Dividend Distribution Tax Paid	(959)	(1,284)
<b>Net cash generated from / (used in) financing activities</b>	<b>(6,246)</b>	<b>(7,724)</b>
<b>Effect of exchange difference on translation of cash and cash equivalents</b>		
<b>Net increase /(decrease) in cash and cash equivalents during the year</b>	<b>6288</b>	<b>(120)</b>
Cash and cash equivalents at the beginning of the year	7164	7284
<b>Cash and cash equivalents at the end of the year</b>	<b>13452</b>	<b>7164</b>

Significant Accounting Policies

The accompanying notes referred to above form an integral part of financial statement (from Note No 1 to 42)

Note No 1

(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	4813	377
(ii) Balances with Scheduled Bank		
a. In Current A/c	2080	926
b. In Collection A/c	6540	5846
c. In Imprest A/c	19	15
<b>Total</b>	<b>13452</b>	<b>7164</b>

Details of amount spent for year ended 31-Mar-2020 in relation to CSR activities out of the Budget for FY 2019-20 is mentioned below:

(Amount in Lakhs)

Particulars	Approved Budget	Amount incurred	Amount yet to be incurred
Construction/Acquisition of any asset	0	-	-
On any other purpose	377	298	79
<b>Total (A)</b>	<b>377</b>	<b>298</b>	<b>79</b>

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

(Amount in Lakhs)

Particulars	Unspent amount as on 01.04.2019	Amount Paid	Amount yet to be Spent
Construction/Acquisition of any asset	0	-	-
On any other purpose	428	221	207
<b>Total (B)</b>	<b>428</b>	<b>221</b>	<b>207</b>
<b>Grand Total (A+B)</b>	<b>805</b>	<b>519</b>	<b>286</b>

Disclosure as per Ind AS-116

(Amount in Lakhs)

Particulars	for the year ended 31st Mar 2020
Total cash outflow for leases	667

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: 28/08/20  
UDIN: 20500369AAAABQ1466

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

Sd/-  
A K Singh  
Director Finance  
(DIN :07018776)

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



A Mini Ratna Enterprise

## RailTel Corporation of India Limited

### Consolidated Statement of Changes in Equity for the year ended 31.03.2020

#### A. EQUITY SHARE CAPITAL

(Amount in Lakhs)

As on 01.04.2018	32,094
Change in Equity Share Capital during the Year	-
As on 31.03.2019	32,094
As on 01.04.2019	32,094
Change in Equity Share Capital during the Year	-
As on 31.03.2020	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 2018	49,078	44,000	122	-	93,200
Add: Total Comprehensive Income for the year ended 31st Mar 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 for the F.Y. 2017-18	(4,447)				(4,447)
Less: Tax on Final Dividend for the F.Y. 2017-18	(914)				(914)
Add: Transfer from Corporate Social Development Reserve, Sustainable Development Reserve as approved by Board	122		(122)		-
Less: Transfer to Self Insurance Reserve (Refer item no. 6 of Note No. 42)	(109)			109	-
Less: Transfer to General Reserve	(4,000)	4,000			-
<b>Balance as at 31st March 2019</b>	<b>48,703</b>	<b>48,000</b>	<b>-</b>	<b>109</b>	<b>96,812</b>
Opening balance as on 1st April 2019	48,703	48,000	-	109	96,812
Add: Total Comprehensive Income for the year ended 31st Mar 2020	13,606				13,606
Less: Final Dividend Paid F.Y. 2018-19	(4,620)				(4,620)
Less: Dividend Distribution Tax on Final Dividend Paid F.Y. 2018-19	(959)				(959)
Less: Transfer to Self Insurance Reserve (Refer item no. 6 of Note No. 42)	(99)			99	-
Less: Transfer to General Reserve	(4000)	4000			-
<b>Balance as at 31st March 2020</b>	<b>52,631</b>	<b>52,000</b>	<b>-</b>	<b>208</b>	<b>104,839</b>

Significant Accounting Policies

Note No 1

The accompanying notes referred to above form an integral part of financial statement (from Note No 1 to 42)

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: 28/08/2020  
UDIN: 20500369AAAABQ1466

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

Sd/-  
A K Singh  
Director Finance  
(DIN : 07018776)

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

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

### Note No. – 1 - Significant Accounting Policies

#### 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 and Corporate Office of the Company is situated at Plate-A, 6th Floor, Office Block Tower-2, East Kidwai Nagar, New Delhi-110023.

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) Rule 2015 (as amended). 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 Indian Accounting Standard and relevant Rules made there under. 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 5 “Non-current Assets Held for Sale and Discontinued Operations” are no longer met, the disposal group ceases to be classified as held for sale. Non-current asset that ceases to be classified as held for sale are measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognized had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

## 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. Lease

### As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-to-use asset or the end of the lease term. The estimated useful life of right-of-use asset is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments from a change in an index or rate. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use asset that do not meet the definition of investment property as a separate line item and lease liabilities in “other financial liabilities” in the Balance Sheet.

The Company has elected not to recognize right-of-use asset and lease liabilities for short term leases that have a lease term of 12 months or less, leases of low value assets and leases with no written agreement. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term

#### **As a lessor**

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all the risk and rewards incidental to the ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is an operating lease. As part of the assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 “Revenue from contract with customers” to allocate the consideration in the contract.

The Company recognizes lease payments received under operating lease as income on a straight-line basis over the lease term as part of “Revenue from operations”.

**Indefeasible Right to Use (‘IRU’)**-The Company enters into agreement for leasing assets (capacity) under “Indefeasible right to use” with third parties. Under the arrangement the assets are taken or given on lease over the substantial part of the asset life. However, the title to the assets and associated risks are retained by the lessor.

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.

**The Company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17 as follows: -**

#### **Leases**

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

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

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

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

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

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

The contracted price is received in advance and is recognized as revenue during the tenure of the agreement. Unearned IRU revenue net of the amount recognizable beyond one year is disclosed as deferred revenue in other long term liabilities and the amount recognizable within one year is disclosed as deferred revenue in current liabilities.

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

## 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 '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.

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 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 exceed ₹ 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. 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	TANGIBLE ASSETS											INTANGIBLE ASSETS					
	Freehold Land	Leasehold Land	Free Hold Building	Lease Hold Building	Prefabricated Building	Plant & Machinery	Leasehold Improvements	ERP Hardware	Computers	Furniture & Fixtures	Vehicles	Office Equipments	Total	Licenses	Software	Total	
<b>As at 31.03.2019</b>																	
Gross Carrying amount	223	1,638	2,389	1,880	1,435	152,254	1,237	222	866	335	39	791	163,309	530	476	1,006	
Cost as at 1st April 2018	-	-	-	9,898	1	11,604	-	-	50	3	-	44	21,600	-	40	40	
Additions	-	-	-	(1)	-	(48)	-	-	(11)	-	-	(3)	(62)	-	-	-	
Disposal	-	(238)	-	(1)	-	(27)	1	-	-	-	-	-	(265)	-	-	-	
Transfer/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Closing Gross Carrying amount (31.03.2019)</b>	<b>223</b>	<b>1,400</b>	<b>2,389</b>	<b>11,777</b>	<b>1,436</b>	<b>163,783</b>	<b>1,238</b>	<b>222</b>	<b>905</b>	<b>338</b>	<b>39</b>	<b>832</b>	<b>184,582</b>	<b>530</b>	<b>516</b>	<b>1,046</b>	
<b>Accumulated Depreciation/ amortisation</b>																	
Accumulated Depreciation as at 1st April 2018	-	62	199	1,589	1,353	89,416	567	150	732	209	27	569	94,873	254	388	642	
Charge during the year	-	13	40	(332)	7	11,113	110	30	72	17	4	76	11,150	(63)	71	8	
Disposal	-	-	-	-	-	(27)	-	-	(10)	-	-	(2)	(39)	-	-	-	
Transfer/Adjustments	-	-	-	20	-	-	(20)	-	-	-	-	-	-	-	-	-	
<b>Closing accumulated depreciation/ amortisation (31.03.2019)</b>	<b>-</b>	<b>75</b>	<b>239</b>	<b>1,277</b>	<b>1,360</b>	<b>100,502</b>	<b>657</b>	<b>180</b>	<b>794</b>	<b>226</b>	<b>31</b>	<b>643</b>	<b>105,984</b>	<b>191</b>	<b>459</b>	<b>650</b>	
<b>NET CARRYING AMOUNT- 31.03.2019</b>	<b>223</b>	<b>1,325</b>	<b>2,150</b>	<b>10,500</b>	<b>76</b>	<b>63,281</b>	<b>581</b>	<b>42</b>	<b>111</b>	<b>112</b>	<b>8</b>	<b>189</b>	<b>78,598</b>	<b>339</b>	<b>57</b>	<b>396</b>	
<b>As at 31.03.2020</b>																	
Gross Carrying amount	223	1,400	2,389	11,777	1,436	163,783	1,238	222	905	338	39	832	184,582	530	516	1,046	
Cost as at 1 Apr 2019	-	(1,400)	-	(10,520)	-	-	-	-	-	-	-	-	(11,920)	-	-	-	
Recognition of right-of-use asset on initial application of IND As 116 disclosed separately*	-	-	2,389	1,257	1,436	163,783	1,238	222	905	338	39	832	172,662	530	516	1,046	
Adjusted balance at April 1, 2019	223	-	2,389	-	23	4,899	387	-	86	63	-	36	5,494	-	438	438	
Additions	-	-	-	-	(98)	(4,042)	-	-	(24)	-	-	(3)	(4,167)	-	-	-	
Disposal	-	-	-	(1,257)	-	(184)	1,044	-	-	-	-	-	(397)	-	-	-	
Transfer/adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Closing Gross Carrying amount (31.03.2020)</b>	<b>223</b>	<b>-</b>	<b>2,389</b>	<b>-</b>	<b>1,361</b>	<b>164,456</b>	<b>2,669</b>	<b>222</b>	<b>967</b>	<b>401</b>	<b>39</b>	<b>865</b>	<b>173,592</b>	<b>530</b>	<b>954</b>	<b>1,484</b>	
<b>Accumulated Depreciation/ amortisation</b>																	
Accumulated Depreciation as at 1st April 2019	-	75	239	1,277	1,360	100,501	657	180	794	226	31	643	105,983	191	459	650	
Recognition of right-of-use asset on initial application of IND As 116 disclosed separately*	-	(75)	-	(510)	-	-	-	-	-	-	-	-	(585)	-	-	-	
Adjusted balance at April 1, 2019	-	-	239	767	1,360	100,501	657	180	794	226	31	643	105,398	191	459	650	
Charge during the year	-	-	40	-	17	11,334	221	23	68	19	4	76	11,802	26	23	49	
Disposal	-	-	-	(767)	(98)	(4,042)	-	-	(20)	-	-	(2)	(4,162)	-	-	-	
Transfer/adjustments	-	-	-	-	-	(279)	746	-	-	-	-	-	(300)	-	-	-	
<b>Closing accumulated depreciation/ amortisation (31.03.2020)</b>	<b>-</b>	<b>-</b>	<b>279</b>	<b>-</b>	<b>1,279</b>	<b>107,514</b>	<b>1,624</b>	<b>203</b>	<b>842</b>	<b>245</b>	<b>35</b>	<b>717</b>	<b>112,738</b>	<b>217</b>	<b>482</b>	<b>699</b>	
<b>NET CARRYING AMOUNT- 31.03.2020</b>	<b>223</b>	<b>-</b>	<b>2,110</b>	<b>-</b>	<b>82</b>	<b>56,942</b>	<b>1,045</b>	<b>19</b>	<b>125</b>	<b>156</b>	<b>4</b>	<b>148</b>	<b>60,854</b>	<b>313</b>	<b>472</b>	<b>785</b>	

\*The Company recognises "Leasehold Land" and "Lease hold Building" as "right-off-use asset" on initial application of IND AS 116. transition date being April 1, 2019. Refer Item No. 29 of Note No. 42.

### Note 3. Capital Work in Progress

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
NE Project-Gross	23105	
Less : Impairment loss recognized (Refer to item no 23 of Note No. 42)	4930	18,175
OFC Laying Works	1,449	2,137
MPLS, STM, Other Telecom Radio Equipment, Data Centre & OSS/BSS	4,213	2,578
Capital Stores lying at project site	1,242	1,012
Building	150	166
Rural Wi-Fi	-	80
Others	25	36
<b>Total</b>	<b>25,254</b>	<b>29,990</b>

### Note 4. Right of Use Assets\*

(Amount in Lakhs)

Particulars	Building	Land	Telecom Assets	Total
Recognized as at 1st April 2019	12,450	3,498	3,123	19,071
Less : Accumulated Depreciation as on 1st April 2019	509	75		584
Net Assets Recognized as on 1st April 2019	11,941	3,423	3,123	18,487
Additions: During the period	47	-	-	47
Depreciation charge for the Period ended 31st March 2020	833	148	257	1,238
Balance at 31st March 2020	<b>11,155</b>	<b>3,275</b>	<b>2,866</b>	<b>17,296</b>

\*The Company recognises "Leasehold Land" and "Leasehold Building" as "right-of-use asset" on initial application of IND As 116, transition date being April 1, 2019. Refer Item No. 29 of Note No. 42

## NON CURRENT ASSETS

### Note 5. INVESTEMENT (at amortised cost)

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Long Term Investments-at Cost</b>		
Trade (Unquoted)		
<b>Total Carrying Value</b>	<b>-</b>	<b>-</b>

### Note 6. Loans and Security Deposits

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Unsecured Considered Good unless stated otherwise</b>		
<b>Security Deposits</b>		
Considered Good	332	347
<b>Total</b>	<b>332</b>	<b>347</b>

### Note 7. Other Non Current Financial Assets

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Deposits with Banks for Ex-Gratia	50	50
Bank Term Deposit (Having residual maturity of more than 12 months)	20,794	-
Accrued interest on term deposit	1,086	15
<b>Total</b>	<b>21,930</b>	<b>65</b>

### Note 8. Other Non Current Assets

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Unsecured Considered Good unless stated otherwise</b>		-
<b>Capital Advances</b>		
Considered Good	1,751	210
<b>Other</b>		
Lease prepayment/Prepaid Expenses *	55	2,889
<b>Total</b>	<b>1,806</b>	<b>3,099</b>

\* Prepaid Expenses consisting of prepaid leases of "Telecom Assets" have been recognised as "right-of-use asset" on initial application of IND As 116, transition date being April 1, 2019. Refer Item No. 29 of Note No.42

## CURRENT ASSETS

### Note 9. Inventories (Valued at lower of cost or net realisable value)

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Inventory (Consumables for O&M Work)	49	87
<b>Total</b>	<b>49</b>	<b>87</b>

### Note 10. Investment (At fair value through Profit & Loss Account)

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Investment	-	704
<b>Total</b>	<b>-</b>	<b>704</b>

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 11. Trade Receivables**

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Unsecured, Considered Good Unless Stated Otherwise</b>		
Telecommunication Business	36,597	23,054
Project works	18,329	25,898
<b>Trade Receivables (Total)</b>	<b>54,926</b>	<b>48,952</b>
Loss Allowance*	(4,219)	(2,995)
<b>Total</b>	<b>50,707</b>	<b>45,957</b>

**Movement of Provision for expected credit loss/impairment**

Balance at the beginning of the year	2,995	3,024
Add: Additional provision during the year	1,251	132
Less: Provision written back/adjusted during the year	27	161
<b>Balance at the end of the year</b>	<b>4,219</b>	<b>2,995</b>

\* Refer to item no 27 of Note No. 42

**Note 12. Cash and Cash Equivalents**

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
(i) Cash and Cash Equivalent (Maturity<= 3 Months)		
Flexi Deposits	4,813	377
(ii) Balances with Scheduled Bank		
a. In Current A/c	2,080	926
b. In Collection A/c	6,540	5,846
c. In Imprest A/c	19	15
<b>Total</b>	<b>13,452</b>	<b>7,164</b>

**Note 13. Other Bank Balances**

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
BG Margin Money A/c *	421	413
In Term Deposit (Having original maturity of more than 3 months but less than 12 months)	12,970	33,117
<b>Total</b>	<b>13,391</b>	<b>33,530</b>

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

**Note 14. Loans and Advances**

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Unsecured, Considered Good Unless Stated Otherwise</b>		
Advances to Employee	41	61
Security Deposit	440	370
Advance to Others	6	-
<b>Total</b>	<b>487</b>	<b>431</b>



**Note 15. Other Current Financial Assets**

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Unsecured, Considered good unless stated otherwise</b>		
Accrued interest on term deposit	670	1,756
Recoverable from Railways	880	1,748
Unbilled Revenue	19,277	8,195
EMD Deposited	525	88
<b>Total</b>	<b>21,352</b>	<b>11,787</b>

**Note 16. Current Tax Assets (Net)**

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Income Tax/TDS	2,748	3,273
<b>Total</b>	<b>2,748</b>	<b>3,273</b>

**Note 17. Other Current Assets**

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Advances recoverable in cash or in kind for value to be received	884	789
Indirect Tax Credit Available	6,823	5,497
Others	103	117
Advance Indirect Tax	1,264	562
Prepaid expenses **	192	351
Project Work in Progress (DRDO)	100	20
<b>Total</b>	<b>9,366</b>	<b>7,336</b>

\*\* Prepaid Expenses consisting of prepaid leases of "Telecom Assets" have been recognised as "right-of-use asset" on initial application of IND As 116, transition date being April 1, 2019. Refer Item No. 29 of Note No.42

**Note No. -18 Equity Share capital**

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Authorized Share Capital</b>		
Equity Shares		
1,00,00,00,000 equity shares of Rs 10 each	<b>1,00,000</b>	<b>1,00,000</b>
<b>Issued, Subscribed and fully paid-up shares</b>		
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
<b>Total</b>	<b>32,094</b>	<b>32,094</b>

**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
Year ended 31st March 2020			
No of Equity Shares - In Cash	1,50,00,007	-	1,50,00,007
No of Shares - In consideration other than cash	30,59,38,400	-	30,59,38,400
Amount in Lakhs	32,094	-	32,094
Year ended 31st March 2019			
No of Equity Shares - In Cash	1,50,00,007	-	1,50,00,007
No of Shares - In consideration other than cash	30,59,38,400	-	30,59,38,400
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 2020	As at 31st March 2019
	Number	32,09,38,407	32,09,38,407
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 2020	As at 31st March 2019
	Number	30,59,38,400	30,59,38,400
Ministry of Railways (in the name of President of India)	%	100	100

**NON CURRENT LIABILITIES**

**Note 19. Leasing Liabilities**

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Leasing Liabilities*	3,480	412
<b>Total</b>	<b>3,480</b>	<b>412</b>

\*The Company has applied IND AS 116 with a date of initial application of April 1, 2019, using the modified retrospective approach and identified leases covered under the Ind AS-116 and accordingly lease liability has been recognized. The comparative information has not been restated and continues to be reported under IND AS 17.

**Note 20. Other Non Current Financial Liabilities**

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Unsecured</b>		
Security Deposit	315	480
Retention Money	425	439
<b>Total</b>	<b>740</b>	<b>919</b>

**Note 21. Provisions**

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Provision for Post Retirement Medical Benefit	944	423
Provision for Arbitration Claim	46	46
<b>Total</b>	<b>990</b>	<b>469</b>

**Note 22. Deferred Tax Liabilities (Net)**

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Deferred Tax Liabilities</b>		
Depreciation claimed as deduction under Income Tax Act but chargeable in the statement of profit and loss in future years	2,414	3,255
<b>Less:</b>		
<b>Deferred Tax Assets</b>		
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	1,062	1,047
Expenditure to be allowed on payment basis under Income Tax Law/Provisions	999	514
<b>Total</b>	<b>353</b>	<b>1,694</b>

**Note 23. Other Non Current Liabilities**

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Deferred Revenue and Advance from Customers*	2,163	4,207
<b>Deferred Revenue from Government Grant</b>		
NE 1 & NE 2***	1,290	1,409
Rural WiFi***	653	277
Advances from Railways**	314	3,271
Advances for VSS Project#	4,763	-
<b>Government Grant</b>		
Subsidy of NE-1 & NE-2***	1,468	1,468
Rural WiFi Subsidy***	132	578
<b>Total</b>	<b>10,783</b>	<b>11,210</b>

\*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 item no. 19 of Note no. 42

# Refer item no. 30 of Note no. 42

## CURRENT LIABILITIES

### Note 24. Trade Payables

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Trade Payables</b>		
Micro and Small Enterprises	6,481	3,867
<b>Other than Micro and Small Enterprises</b>		
Revenue Share Payable to Indian Railway	6,068	5,055
Towards purchase of Goods and Services	25,338	17,732
Amount Payables to DoT	-	22
<b>Total</b>	<b>37,887</b>	<b>26,676</b>

### Note 25. Leasing Liabilities

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Leasing Liabilities*	774	136
<b>Total</b>	<b>774</b>	<b>136</b>

\*The Company has applied IND AS 116 with a date of initial application of April 1, 2019, using the modified retrospective approach and identified leases covered under the Ind AS-116 and accordingly lease liability has been recognized. The comparative information has not been restated and continues to be reported under IND AS 17.

### Note 26. Other Current Financial liabilities

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Security Deposits	3,466	3,313
Retention Money	9,708	10,796
Expense payable	382	19
EMD Payable	4,216	675
Bank Guarantee Deductions	489	530
Interest Accrued but not due on Noida Instalment	11	15
<b>Total</b>	<b>18,272</b>	<b>15,348</b>

### Note 27. Provisions

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Provisions for Employee Benefits</b>		
Provision for Post Retirement Medical Benefit	2	0
Provision for Pension	133	1,312
Provision for Gratuity & Leave Encashment	882	653
Provision for PRP	991	1,706
<b>Total</b>	<b>2,008</b>	<b>3,671</b>

### Note 28. Other Current Liabilities

(Amount in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Deferred Revenue and Advance from Customers*	6,915	12,572
Advance for Railway Deposits#	10,021	8,295
Advance-Others**	5,326	8,255
Project Control Account (ETCS)###	93	-
Project Control Account (VSS)##	479	259
<b>Deferred Revenue from Government Grant</b>	-	-
NE 1 & NE 2***	119	119
Rural WiFi***	112	45
Payable to Others	4,524	3,778
<b>Total</b>	<b>27,589</b>	<b>33,323</b>

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

\*\*It includes money received from DRDO/BBNL for carrying out project work.

\*\*\* Refer item no. 19 of Note no. 42

# Advances from Railways represent advance received towards execution of works from Railways . It includes Rs. 1737 lakhs (PY - Rs. 5000 lakhs) for VSS Project and Rs. 3854 lakhs (PY - Nil) for ETCS Project

## Interest income( Net of Corporate Tax) of Rs. 220.74 Lakhs (PY - Rs. 258.72 Lakhs) and Interest Income of Rs. 93.46 Lakhs (PY - Nil) in respect of VSS project FDRs & ETCS Project FDRs are transferred to respective project fund

### Note 29. Revenue from operations

(Amount in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Income from Telecom Services</b>		
NLD Services	41,507	37,197
ISP Services	16,622	16,227
IP-1 Services	16,346	13,722
<b>Income from Projects</b>		
Railways Project Works	18,886	3,186
Other Projects	18,830	26,499
<b>Other Operating Revenue</b>	614	3,495
<b>Total</b>	<b>1,12,805</b>	<b>1,00,326</b>

### Note 30. Other income

(Amount in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Interest Income</b>		
Interest Income on deposits with Bank #	2,685	2,833
Interest on Income Tax Refunds	75	22
<b>Other Non Operating Income</b>		

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Miscellaneous Income	932	319
Income on Mutual Funds	81	82
Gain on Fair Valuation of Mutual Funds	-	3
Liabilities/Provision written back	26	246
Gain on foreign Exchange transaction	-	15
<b>Total</b>	<b>3,799</b>	<b>3,520</b>

# Interest Income includes Rs. 294.98 lakhs (PY - 372 Lakhs) & Rs. 93.46 Lakhs (PY - Nil) for VSS project fund and ETCS project fund respectively.

### Note 31. Finance Income

(Amount in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Reversal of Discounting impact of Assets of 2017-18		141
Reversal of Discounting impact of Assets of 2018-19	161	
Discounting Impact of 2018-19		(161)
Discounting Impact of 2019-20	(165)	
<b>Total</b>	<b>(4)</b>	<b>(20)</b>

### Note 32. Access & Other Charges

(Amount in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Operation & Maintenance of Fiber & Equipment	6,246	6,138
Share of Revenue with Konkan Railway	15	17
Hire Charges Radio Modem/Optic Fibers and Internet Access	4,644	5,558
Interconnect & Port charges	28	583
Railwire Expenses	7,216	6,844
Rent	11	265
Power & Fuel Expenses on network	3,538	4,104
Rural Wi Fi	24	-
Revenue Share to Railways	3,181	2,843
<b>Total</b>	<b>24,903</b>	<b>26,352</b>

### Note 33. License fee and Spectrum charge

(Amount in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Licence Fee to DoT (Revenue Share)	4,793	4,521
Spectrum Charges to DoT	-	78
<b>Total</b>	<b>4,793</b>	<b>4,599</b>

**Note 34. Expenses on Project**

(Amount in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Expenses on Railway Projects	16,545	2,940
Expenses on Projects (Other Than Railway)	15,253	20,255
Allocation of Employee Benefit Expenses (Refer Note No. 35)	1,381	1,091
Allocation of Administrative & Other Expenses (Refer Note No. 36)	829	655
<b>Total</b>	<b>34,008</b>	<b>24,941</b>

**Note 35. Employee Benefits Expenses**

(Amount in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Salaries & Wages	12,786	11,700
Contribution to Provident fund	618	572
Staff welfare expenses	30	21
<b>Less: Allocation of Expenses to Projects (Refer to Note no. 34)</b>	<b>1,381</b>	<b>1,091</b>
<b>Total</b>	<b>12,053</b>	<b>11,202</b>

**Note 36. Administrative & Other Expenses**

(Amount in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<u>Auditor Remuneration</u>		
As Auditor	24	17
As Tax Auditors	6	6
For Certification	1	-
Books & Periodicals	2	3
Communication Expenses	87	106
Conveyance Expenses	32	27
Bank Charges & Commission	14	10
Legal & Professional Expenses	390	382
Insurance	23	42
Rates & Taxes	352	85
Rent	201	1,254
Repair & Maintenance – Others	344	243
Tender Expenses.	35	63
Training & Recruitment Expenses	39	58
Travelling Expenses	417	311
Printing & Stationary Expenses	59	58
Vehicle Hire charges	302	272
Business promotion Expenses	116	57
Other Miscellaneous Expenses	269	242
Loss on sale of Fixed Assets	2	1
Provision for Expected Credit Loss	1,251	132
Loss on foreign Exchange transactions	12	-
<b>Less:- Allocation of Expenses to Project (Refer to Note no. 34)</b>	<b>829</b>	<b>655</b>
<b>Total</b>	<b>3,149</b>	<b>2,714</b>

**Note 37. Depreciation and Amortisation**

(Amount in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Depreciation on tangible Assets	11,802	11,150
Charge over Right of Use (Refer Note No.4)	1,238	-
Amortization on Intangible Assets	49	8
<b>Total</b>	<b>13,089</b>	<b>11,158</b>

**Note 38. Finance Expenses**

(Amount in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Reversal of Discounting impact of Liability of 2017-18		84
Discounting impact of Liability 2018-19		(95)
Reversal of Discounting impact of Liability of 2018-19	95	
Discounting impact of Liability 2019-20	(70)	
Finance charge - Interest on VSS and ETCS Project *	314	269
Finance charge - Interest Cost Unwinding of Lease Liabilities	288	
Finance charge on Instalment of Noida land	53	531
<b>Total</b>	<b>680</b>	<b>789</b>

\* Interest income( Net of Corporate Tax) of Rs. 220.74 Lakhs (PY - Rs. 268.51 Lakhs) and Interest Income of Rs. 93.46 Lakhs (PY - Nil) in respect of VSS project FDRs & ETCS Project FDRs respectively are transferred to respective project fund.

**Note 39. Exceptional Items**

(Amount in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Exceptional Item (NOFN)		(3,655)
Exceptional Item (Impairment of NE Project- Refer point No. 23 of Note No. 42)	(4,930)	
<b>Total</b>	<b>(4,930)</b>	<b>(3,655)</b>

**Note 40. Tax Expenses**

(Amount in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Current Tax (Income Tax)	5,598	5,807
Tax impact of earlier Years	112	330
Deferred Tax Asset	(1,341)	819
<b>Total</b>	<b>4,369</b>	<b>6,956</b>

**Note 41. Other comprehensive income(OCI)**

(Amount in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Items that will not be reclassified to Profit &amp; Loss</b>		
Remeasurement Gain/losses on defined benefit plans	(669)	(21)
Income tax relating to item that will not be reclassified to Profit & Loss	168	7
<b>Items that will be reclassified to Profit &amp; Loss</b>		
<b>Other comprehensive income/(Loss)</b>	<b>(501)</b>	<b>(14)</b>



**Note-42**

**OTHER EXPLANATORY NOTES AND DISCLOSURE FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH'2020**

1. These Financial Statements are presented in Indian Rupees (INR) which is the Company's functional currency.
2. Figures have been rounded off to nearest Rupees in lakhs. Previous year's figures have been rearranged/regrouped to conform the presentation of the Current year, wherever necessary.
3. License fee to DoT and Railways Revenue Share payable by Parent Company, computed at prescribed rate of 8% and 7% respectively.
4. Employees benefit expenses and administrative expenses are apportioned to project works based on 5% and 3% respectively of expenses incurred on projects in case of Parent Company.
5. 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.
6. Self-Insurance Reserve has been provided @ 0.12% p.a. 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 by the Parent Company.
7. 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. 347 lakhs during the year and has been recognized as other operating revenue.
8. 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 cost capitalized for purchase of the building is Rs. 9809 lakhs as at 31.03.2020.
9. Disclosure relating to dues to Micro, Small and Medium Enterprise.

(Amount in Lakhs)

S. No.	Particulars	March'20	March'19
1	Amount remaining unpaid to any supplier: a) Principal Amount b) Interest due thereon	6481 NIL	3867 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

**10. Value of imports calculated on CIF basis**

(Amount in Lakhs)

Particulars	March'20	March'19
Raw materials	Nil	Nil
Consumables and Spare parts	Nil	Nil
Capital goods	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

**11. Expenditure in foreign currency (accrual basis)**

(Amount in Lakhs)

Particulars	March'20	March'19
Travelling & conveyance	15	3
Repair & Maintenance	Nil	Nil
Service charges	Nil	Nil

**12. Corporate Social Responsibility Expenditure**

Details of amount spent for period ended 31-March-2020 in relation to CSR activities out of the Budget for FY 2019-20 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	377	298	79
<b>Total (A)</b>	<b>377</b>	<b>298</b>	<b>79</b>

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

(Amount in Lakhs)

Particulars	Unspent amount as on 01.04.2019	Amount Paid	Amount yet to be spent
Construction/Acquisition of any asset	Nil	Nil	Nil
On any other purpose	428	221	207
<b>Total (B)</b>	<b>428</b>	<b>221</b>	<b>207</b>
<b>Grand Total – (A+B)</b>	<b>805</b>	<b>519</b>	<b>286</b>

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

**13. Financial Instruments**

**FINANCIAL ASSETS**

**Trade Receivables**

As per Ind AS 109, Company is following simplified approach of 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 makes investment in liquid mutual funds which are fair valued based on the unit price prevailing as at year end and consequent gain/loss is taken to the profit and loss A/c.

**FINANCIAL LIABILITIES**

**Security deposits, Retention Money & Earnest Money Deposit**

Security Deposits, Retention Money and Earnest Money Deposit are classified as Financial Liabilities.

**14. IND AS 2: Inventories**

1. The total carrying amounts of inventories as at 31.03.2020 is Rs. 49 Lakhs (Corresponding period – Rs. 87 Lakhs) as shown in Note no 9 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.

**15. 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.

**16. Disclosures as required by IND AS 12 – Income Taxes**

(Amount in Lakhs)

Particulars	Provided during the FY 2019-20 in Profit & Loss	As at 31st March 2020	Provided during the FY 2018-19 in Profit & Loss	As at 31st March 2019
<b>Deferred Tax Liability</b>				
Related to Depreciation on Fixed Assets	-842	2,414	94	3,256
<b>Total Deferred Tax Liabilities</b>	<b>-842</b>	<b>2,414</b>	<b>94</b>	<b>3,256</b>
<b>Deferred Tax Assets</b>				
Provision on debtors	15	1,062	-10	1,047
43B Disallowances etc.	334	608	-790	274
Others	150	391	75	241
<b>Total Deferred Tax Assets</b>	<b>499</b>	<b>2,061</b>	<b>-725</b>	<b>1,562</b>
<b>Deferred Tax Liability (Net)</b>	<b>-1,341</b>	<b>353</b>	<b>819</b>	<b>1,694</b>

**Reconciliation between the average effective tax rate and the applicable tax rate.**

Effective tax rate is generally influenced by various factors, including differential tax rates, non-deductible expenses, provisions, and other tax deductions. The decrease in effective tax rate from fiscal 2019 to fiscal 2020 is mainly due to change in tax rates as tabulated here under:

Particulars	Holding Company (RCIL)				Subsidiary Company (REL)			
	Mar'20 (In %)	Mar'20 (Rs. In Lakhs)	Mar'19 (In %)	Mar'19 (Rs. In Lakhs)	Mar'20 (In %)	Mar'20 (Rs. In Lakhs)	Mar'19 (In %)	Mar'19 (Rs. In Lakhs)
Applicable Tax Rate	25.17%	4559	34.94%	6243	25.17%	90.75	27.82%	69.99
1. Tax effect of income that are not taxable in determining taxable profit	0.00%	0	0.00%	0	0.00%	0.00	0.00%	0.00
2. Tax effect of expenses that are not deductible in determining taxable profit	8.72%	1579	2.96%	528	-0.04%	-0.14	-0.10%	-0.25
3. Tax effect on previous years disallowances	-2.71%	-491	-5.72%	-1021	0.00%	0.00	0.00%	0.00
4. Tax effect of additional deductions	-1.70%	-307	-0.11%	-19	0.00%	0.00	0.00%	0.00
5. Tax expenses/income related to prior year	0.00%	0	0.00%	0	0.00%	0.00	0.00%	0.00
6. difference in tax due to reclassification of income and expenses	0.00%	0	0.00%	0	0.00%	0.00	0.00%	0.00
<b>Average Effective Tax</b>	<b>29.48%</b>	<b>5,340</b>	<b>32.08%</b>	<b>5731</b>	<b>25.13%</b>	<b>90.61</b>	<b>27.72%</b>	<b>69.74</b>

Particulars	For the year ended March 31 <sup>st</sup> 2020	For the year ended March 31 <sup>st</sup> 2019
Weighted average consolidated effective tax rate	29.39%	32.02%

**17. 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.
- Company assessed the impairment 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 PPE except in case of NE project for which disclosure is given under Ind AS-36.
- 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 period ended 31.03.2020.

8. There is no obsolete asset which has been so far held under CWIP/Fixed Asset.
9. Depreciation / amortization on all the PPE / Intangible assets have been disclosed separately.
10. There is no restriction on title of PPE / Intangible Assets, and nothing has been pledged as security and liability.
11. The amount of contractual commitment for acquisition of PPE is Rs. 6269 lakhs (Corresponding period: Rs. 22320 lakhs).
12. 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
13. 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.
14. There are no temporarily idle PPE / intangible assets.
15. Rs. 36979 Lakhs Gross Carrying value of assets have been fully depreciated, but still are in use.
16. During the reporting Period Assets having Net Book Value of Rs. 4 Lakh (Gross Book Value 4167 Lakhs) has been retired with sale proceeds of Rs. 1.27 Lakh and loss of Rs 2 lakh has been booked.
17. 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. 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 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
6	Leasehold Improvements	Over the lease Period	Over the lease Period or 10 years when there is no lease agreement

## 18. 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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount Rate	6.71% per annum	7.77% per annum	6.71% per annum	7.77% 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	7.77% per annum	7.60% per annum	7.77% per annum	7.60% per annum
Average future service (in Years)	21.42 Years	22.01 Years		

**Table II: Service Cost**

(Amount in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Current Service Cost	165	139	233	197
Past Service Cost (including curtailment Gains/Losses)	0	0	0	0
Gains or losses on Non Routine settlements	0	0	0	0
<b>Total</b>	<b>165</b>	<b>139</b>	<b>233</b>	<b>197</b>

**Table III: Net Interest Cost**

(Amount in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Interest Cost on Defined Benefit Obligation	104	104	142	123
Interest Income on Plan Assets	79	61	116	89
<b>Net Interest Cost (Income)</b>	<b>25</b>	<b>43</b>	<b>26</b>	<b>34</b>

**Table IV: Change in Present Value of Obligations**

(Amount in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Opening of defined benefit obligations	1,340	1,362	1,824	1,621
Service cost	165	139	233	197
Interest Cost	104	104	142	123
Benefit Paid	-55	-36	-82	-52
<b>Actuarial (Gain)/Loss on total liabilities:</b>	<b>238</b>	<b>-229</b>	<b>220</b>	<b>-66</b>
- due to change in financial assumptions	187	-23	188	-24
- due to change in demographic assumptions	0	0	0	0
- due to experience variance	51	-206	32	-42
<b>Closing of defined benefit obligation</b>	<b>1,792</b>	<b>1,340</b>	<b>2,336</b>	<b>1,823</b>

**Table V: Change in Fair Value of Plan Assets**

(Amount in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Opening fair value of plan assets	1,015	805	1,496	1,176
Actual Return on Plan Assets	95	61	103	86
Employer Contribution	646	185	28	286
Benefit Paid	-55	-36	-82	-52
<b>Closing fair value of plan assets</b>	<b>1,700</b>	<b>1,015</b>	<b>1,545</b>	<b>1,496</b>

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

(Amount in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Expected Interest Income	79	61	116	89
Actual Income on Plan Asset	95	61	103	86
<b>Actuarial gain / (loss) on Assets</b>	<b>16</b>	<b>0</b>	<b>-13</b>	<b>-3</b>

**Table VII: Other Comprehensive Income/(Loss)**

(Amount in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Opening amount recognized in OCI outside P&L account	0	0	N/A	N/A
Actuarial gain / (loss) on liabilities	-238	229	N/A	N/A
Actuarial gain / (loss) on assets	16	0	N/A	N/A
<b>Closing amount recognized in OCI outside P&amp;L account</b>	<b>-222</b>	<b>229</b>	<b>N/A</b>	<b>N/A</b>

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

(Amount in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Present Value of Obligations	1,792	1,340	2,336	1,823
Fair value of plan assets	1,700	1,015	1,545	1,495
Net Obligations	92	325	791	328
Amount not recognized due to asset limit	0	0	0	0
<b>Net defined benefit liability / (assets) recognized in balance sheet</b>	<b>92</b>	<b>325</b>	<b>791</b>	<b>328</b>

**Table IX: Expense Recognized in Statement of Profit and Loss**

(Amount in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Service cost	165	139	233	197
Net Interest Cost	25	42	25	34
Net actuarial (gain)/ loss	0	0	233	-63
<b>Expenses Recognized in the statement of Profit &amp; Loss</b>	<b>190</b>	<b>181</b>	<b>491</b>	<b>168</b>

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

(Amount in Lakhs)

Item	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Fund Managed by Insurer	100%	100%	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**Table XI: Change in Net Defined Obligations**

(Amount in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Opening of Net defined benefit liability	325	557	328	446
Service cost	165	139	233	197
Net Interest Cost	25	42	25	34
Re-measurements	223	-229	233	-63
Contribution paid to fund	-646	-185	-28	-286
<b>Closing of Net defined benefit liability</b>	<b>92</b>	<b>325</b>	<b>791</b>	<b>328</b>



**Table XII: Reconciliation of Expense in Profit and Loss Statement**

(Amount in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Present Value of Obligation as at the end of the year	1,792	1,340	2,336	1,823
Present Value of Obligation as at the beginning of the year	-1,340	-1,362	-1,824	-1,621
Benefit Paid	55	36	82	52
Actual Return on Assets	-95	-61	-103	-86
OCI	-223	229	0	0
<b>Expenses Recognized in the Statement of Profit and Loss</b>	<b>190</b>	<b>182</b>	<b>491</b>	<b>168</b>

**Table XIII: Reconciliation of Liability in Balance Sheet**

(Amount in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Opening net defined benefit liability / (asset)	325	557	328	446
Expense charged to profit and loss account	190	182	491	168
Amount recognized outside profit & loss account	0	0	0	0
Employer Contributions	-646	-185	-28	-286
OCI	223	-229	0	0
<b>Closing net defined benefit liability / (asset)</b>	<b>92</b>	<b>325</b>	<b>791</b>	<b>328</b>

**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, 2020	Impact (Absolute)	Impact %	March 31, 2020	Impact (Absolute)	Impact %
Base Liability	1,792	0		2,336	0	
Increase Discount Rate by 0.50%	1,700	-93	-5.17%	2,243	-92	-3.95%
Decrease Discount Rate by 0.50%	1,893	101	5.64%	2,435	99	4.26%
Increase Salary Inflation by 1.00%	1,933	141	7.88%	2,537	202	8.63%
Decrease Salary Inflation by 1.00%	1,648	-144	-8.02%	2,159	-177	-7.58%
Increase Withdrawal Rate by 1.00%	1,817	26	1.43%	2,247	-88	-3.78%
Decrease Withdrawal Rate by 1.00%	1,762	-30	-1.68%	2,438	103	4.39%

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

(Amount in Lakhs)

All Figures in INR	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Year 1	131	94	240	192
Year 2	59	48	186	169
Year 3	98	94	179	141
Year 4	87	75	162	125
Year 5	100	65	160	130
After 5th Year	1,316	963	1,408	1,066
<b>Total</b>	<b>1,792</b>	<b>1,339</b>	<b>2,336</b>	<b>1,823</b>

### Post-Retirement Medical Scheme

**Table I: Change in Present Value of Obligations**

(Amount in Lakhs)

All Figures in INR	31-Mar-2020	31-Mar-2019
<b>Defined Benefit Obligation at beginning of year</b>	423	142
Current Service Cost	45	20
Past Service Cost	0	0
(Gain) / Loss on settlements	0	0
Interest Expense	33	11
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	234	-18
Remeasurements - Due to Experience Adjustments	212	268
<b>Defined Benefit Obligation at end of year</b>	<b>946</b>	<b>423</b>
<b>Discount Rate (%)</b>	<b>6.71%</b>	<b>7.77%</b>
<b>Medical Inflation Rate (%)</b>	<b>5.00%</b>	<b>5.00%</b>

**Table II: Change in Fair Value of Plan Assets**

(Amount in Lakhs)

All Figures in INR	31-Mar-2020	31-Mar-2019
<b>Fair Value of Plan Assets at beginning of year</b>	<b>0</b>	<b>0</b>
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

All Figures in INR	31-Mar-2020	31-Mar-2019
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
<b>Fair Value of Plan Assets at end of year</b>	<b>0</b>	<b>0</b>

**Table III: Changes in Reimbursement Rights**

(Amount in Lakhs)

All Figures in INR	31-Mar-2020	31-Mar-2019
<b>Reimbursement Rights at beginning of year</b>	<b>0</b>	<b>0</b>
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
<b>Reimbursement Rights at end of year</b>	<b>0</b>	<b>0</b>

**Table IV: Changes in Asset Ceiling / Onerous Liability**

(Amount in Lakhs)

All Figures in INR	31-Mar-2020	31-Mar-2019
<b>Asset Ceiling / Onerous Liability at beginning of year</b>	<b>0</b>	<b>0</b>
Interest Income	0	0
Gain / (Loss) on Settlements	0	0
Remeasurement - Due to Asset Ceiling / Onerous Liability (Excluding Interest Income)	0	0
<b>Asset Ceiling / Onerous Liability at end of year</b>	<b>0</b>	<b>0</b>

**Table V: Components of Defined Benefit Cost**

(Amount in Lakhs)

All Figures in INR	31-Mar-2020	31-Mar-2019
Current Service Cost	45	20
Past Service Cost	0	0
(Gain) / Loss on Settlements	0	0
Reimbursement Service Cost	0	0
Total Service Cost	45	20
Interest Expense on DBO	33	11
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	33	11
Reimbursement of Other Long-Term Benefits	0	0
<b>Defined Benefit Cost included in P &amp; L</b>	<b>78</b>	<b>31</b>
Remeasurements - Due to Demographic Assumptions	0	0
Remeasurements - Due to Financial Assumptions	234	-18
Remeasurements - Due to Experience Adjustments	212	268
(Return) on Plan Assets (Excluding Interest Income)	0	0
(Return) on Reimbursement Rights	0	0
Changes in Asset Ceiling / Onerous Liability	0	0
<b>Total Remeasurements in OCI</b>	<b>446</b>	<b>250</b>
<b>Total Defined Benefit Cost recognized in P&amp;L and OCI</b>	<b>524</b>	<b>281</b>
<b>Discount Rate (%)</b>	<b>6.71%</b>	<b>7.77%</b>
<b>Medical Inflation Rate (%)</b>	<b>5%</b>	<b>5%</b>

**Table VI: Amounts recognized in the Statement of Financial Position**

(Amount in Lakhs)

All Figures in INR	31-Mar-2020	31-Mar-2019
Defined Benefit Obligation	946	423
Fair Value of Plan Assets	0	0
<b>Funded Status</b>	<b>946</b>	<b>423</b>
Effect of Asset Ceiling / Onerous Liability	0	0
<b>Net Defined Benefit Liability / (Asset)</b>	<b>946</b>	<b>423</b>

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

(Amount in Lakhs)

All Figures in INR	31-Mar-2020	31-Mar-2019
<b>Net Defined Benefit Liability / (Asset) at beginning of year</b>	423	142
Defined Benefit Cost included in P & L	78	31
Total Remeasurements included in OCI	446	250
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
<b>Net Defined Benefit Liability / (Asset) at end of year</b>	<b>946</b>	<b>423</b>

**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
<b>Discount Rate</b>	<b>Assumptions (%)</b>	6.71%	7.71%	5.71%
	<b>PV of DBO (In lakhs)</b>	946	693	1201
	<b>Variation (%)</b>	0.00%	-26.77%	26.91%
<b>Medical Inflation Rate</b>	<b>Assumptions (%)</b>	5.00%	6.00%	4.00%
	<b>PV of DBO (In lakhs)</b>	946	1273	725
	<b>Variation (%)</b>	0.00%	34.51%	-23.34%

**Table IX: Maturity Profile of Defined Benefit Obligation**

(Amount in Lakhs)

All Figures in INR	March 31, 2020	March 31, 2019
Year 1	32	21
Year 2	0	17
Year 3	0	17
Year 4	3	11
Year 5	5	8
After 5th Year	906	348

**Movement of provisions for employee benefits during the year is as under:**

(Amount in Lakhs)

Particulars	Provision for pension	Provision for Post-Retirement Medical	Provision for Gratuity & Leave Encashment	Total
Carrying Amount at the beginning of the year as on 01.04.2019	1312	422	653	2,387

Additional provision made in the year	0	524	904	1,428
Amount utilized/adjusted during the year	-1179	0	0	-1,179
Unused amount reversed during the year	0	0	-675	-675
Carrying amount at the end of the year as on 31.03.2020	133	946	882	1,961

(Amount in Lakhs)

Particulars	Provision for pension	Provision for Post-Retirement Medical	Provision for Gratuity & Leave Encashment	Total
Carrying Amount at the beginning of the year as on 01.04.2018	906	142	1,002	2,050
Additional provision made in the year	406	281	653	1,340
Amount utilized/adjusted during the year	0	0	-471	-471
Unused amount reversed during the year	0	0	-531	-531
Carrying amount at the end of the year as on 31.03.2019	1,312	423	653	2,388

### 19. 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 31.03.2020 for various purposes is as under: -

(Amount in Lakhs)

Grant / Subsidy Received For	Up to 31.03.2020	Up to 31.03.2019
North East Project	3,146	3,146
Rural Wi-Fi	1,030	939
<b>Total</b>	<b>4,176</b>	<b>4,085</b>

#### 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. 31107 Lakhs out of which material of an amount of Rs. 1172 lakhs have been transferred to other projects/regions. Company has received subsidy of Rs. 3146 Lakhs with a net cash outflow of Rs. 26789 Lakhs up to 31.03.2020. In the opinion of the management, the Company has complied with all the conditions set out for the subsidy and accordingly, there is no liability to refund the subsidy already received.

2. During the FY 2019-20, depreciation of Rs. 472 Lakhs (Corresponding period – Rs. 414 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.119 Lakhs (PY – Rs.92 Lakhs) in proportion to depreciation which is shown under the head other operating revenue.

### Grant/Subsidy on Rural Wi-Fi:

The Company had received Rural Wi-Fi Subsidy amounting to Rs. 1030 lakhs up to 31.03.2020 from Department of Telecommunication (DoT-USOF) for installation of Wi-Fi in rural areas. An amount of Rs. 1,415 lakhs have been capitalized during the period on account of partial commissioning of wi-fi services at the stations. Accordingly, the Company has amortized an amount of Rs.94 lakhs out of the subsidy received in proportion to the depreciation on assets capitalized and the same i.e. Rs. 94 lakhs (PY-Rs. 39 lakhs) have been recognized under the head other operating revenue.

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

#### Exchange Difference

(Amount in Lakhs)

S. No.	Particulars	March'20	March'19
1	The amount of exchange differences recognised in profit or (loss).	(12)	15
2	Net exchange differences recognised in other comprehensive income and accumulated in a separate component of equity.	Nil	Nil
3	Reconciliation of the amount of such exchange differences at the beginning and end of the period.	NA	NA

### 21. IND-AS – 24: Related party disclosures

Names of related parties and their relationship:

(i) Enterprises under common control: Enterprises under common control are as follows: -

S. No.	Enterprise
1	Centre For Railway Information Systems
2	Container Corporation of India Ltd
3	Dedicated freight corridor Corporation of India Limited
4	Indian Railway Catering and Tourism Corporation Limited
5	IRCON International Limited
6	Konkan Railway Corporation of India Limited
7	Rail Land Development Authority
8	Rail Vikas Nigam Limited
9	CAO Rail Wheel Plant Bela
10	RITES Limited
11	India Railways
12	National High-Speed Rail Corporation
13	Mumbai Railway Vikas Corporation
14	Maharashtra Rail Infrastructure Development Corporation Ltd

(ii) Subsidiaries: RailTel Enterprises Limited

(iii) Key Management Persons:

S. No.	Name	Designation	Date of appointment	Date of Cessation (If any)
1	Sh. Puneet Chawla	CMD	14/12/2018	Appointed as CMD w.e.f. 10/05/2019 (earlier holding additional charge from 14/12/2018 to 09/05/2019)
2	Sh. Ashutosh Vasant	Director/POM	30/03/2017	NA
3	Sh. Sanjai Kumar	Director/NPM	23/05/2018	NA
4	Sh. Sanjeeb Kumar	Director/Finance (Addl. Charge) and CFO	D/F – 03/04/2018 CFO – 14/05/2018	Ceased to be Director/Finance & CFO w.e.f. 03/04/2019
5	Sh. Sanjeev Jain	Director/Finance (Addl. Charge) and CFO	D/F - 11/04/2019 CFO - 24/05/2019	Ceased to be Director/Finance & CFO w.e.f. 04/09/2019
6	Sh. Anand Kumar Singh	Director/Finance and CFO	D/F - 04/09/2019 CFO - 26/09/2019	NA
7	Sh. J S Marwah	Company Secretary	05/02/2015	NA
8	Sh. Harish Chandra Batra	Director Director & CFO	19.05.2018 26.06.2018	
9	Sh. A.K. Sablania	Director Director & CFO	25.06.2018 26.06.2018	
10	Sh. Yudhveer	Company Secretary	24.05.2017	22.12.2019
11	Smt. Nikita Sharma	Company Secretary	23.12.2019	NA

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

(Amount in Lakhs)

Particulars	Name	Sh. Puneet Chawla	Sh. Ashutosh Vasant	Sh. Sanjai Kumar	Sh. Anand Kumar Singh	Sh. J S Marwah	Sh. Yudhveer	Smt. Nikita Sharma
	Designation	CMD	Director/POM	Director/NPM	Director/Finance and CFO	Company Secretary	Company Secretary	Company Secretary
Salaries and Allowances Paid	March'20	26	51	56	33	22	9	2
	March'19	0	40	41	0	21	11	0
Provident Fund Contribution	March'20	0	3	3	2	2	2	0.37
	March'19	0	3	3	0	1	0	0
Pension Contribution	March'20	7	3	3	1	1	0	0
	March'19	0	3	2	0	1	0	0



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

(Amount in Lakhs)

Employee Name	Designation	Gratuity		Leave Encachment	
		As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Sh. Sanjai Kumar	Director/ NPM	13	11	22	18
Sh. J S Marwah	Company Secretary	3	2	8	6
Sh. Ashutosh Vasant	Director/ POM	12	10	16	12
Sh. Anand Kumar Singh	Director/ Finance	-	-	13	-

(vi) 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	Period	Total				
		Revenue	Expense	Receivable	Payable	Advance Received
Centre For Railway Information Systems	Mar'20	341	0	304	0	0
	Mar'19	241	0	213	0	0
Container Corporation of India Ltd	Mar'20	410	0	186	0	0
	Mar'19	84	0	92	0	0
Dedicated freight corridor Corporation of India Limited	Mar'20	611	0	366	0	553
	Mar'19	281	30	147	0	921
Indian Railway Catering and Tourism Corporation Limited	Mar'20	1783	6	63	0	0
	Mar'19	613	0	134	0	1
IRCON International Limited	Mar'20	54	5	21	0	0
	Mar'19	39	0	7	0	0
Konkan Railway Corporation of India Limited	Mar'20	207	124	106	0	22
	Mar'19	103	52	36	30	113
Rail Land Development Authority	Mar'20	1	0	0	0	0
	Mar'19	4	0	5	0	0
Rail Vikas Nigam Limited	Mar'20	514	0	218	0	614
	Mar'19	330	187	90	0	777

Particulars	Period	Total				
		Revenue	Expense	Receivable	Payable	Advance Received
CAO Rail Wheel Plant Bela	Mar'20	7	0	0	0	0
	Mar'19	10	0	11	0	0
RITES Limited	Mar'20	80	0	72	0	0
	Mar'19	37	0	16	1	0
India Railways	Mar'20	28314	3572	10894	6284	15098*
	Mar'19	11529	2708	12134	5055	12337
National High-Speed Rail Corporation	Mar'20	261	0	0	0	605
	Mar'19	15	0	0	0	0
Mumbai Railway Vikas Corporation	Mar'20	51	0	0	0	5
	Mar'19	0	0	0	0	0
Maharashtra Rail Infrastructure Development Corporation Ltd	Mar'20	1	0	0	0	15
	Mar'19	0	0	0	0	0
<b>Total</b>	<b>Mar'20</b>	<b>32635</b>	<b>3707</b>	<b>12230</b>	<b>6284</b>	<b>16912</b>
	<b>Mar'19</b>	<b>13286</b>	<b>2977</b>	<b>12885</b>	<b>5086</b>	<b>14149</b>

\* Advance includes an amount of Rs. 47.63 crore from REL towards VSS project (Refer Item No. 30 of Note No. 42).

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

Numerator	For the year ended 31st March 2020	For the year ended 31st March 2019
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Used as Numerator (Rs. in Lakhs))	14107	11157
<b>Denominator</b>		
-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)	4.40	3.48
-Diluted Earnings Per Share (Rs. / per share) (Face value of Rs.10/each)	4.40	3.48

### 23. Disclosure as per Ind AS 36 and 113 : Impairment of Assets, Fair Value Measurement

Based on an independent impairment study conducted by an independent firm of chartered accountants, using replacement cost approach with applicable depreciation till date of impairment study (The replacement cost has been determined based on market-based data provided by the management and as verified/confirmed by the independent consultants), the Company has recognized the impairment loss amounting Rs. 4930 lakhs (PY-Nil) during the current year and shown under the head "Exceptional Items" in statement of profit and loss for NE Project. This project was halted for the long time due to difficult working conditions in north eastern region and various other reasons. This project is currently accounted under the capital work in progress and contains mainly the plant and machinery. Assets constructed under the project become idle for the long time. Hence, company has assessed and recognized the impairment loss on these projects. Out of the total impairment loss of Rs. 4930 lakhs, Impairment loss of Rs. 3962 Lakhs pertains to the assets totally damaged and no future economic benefits are expected from these assets. Impairment loss have been calculated by taking the whole project as "Cash Generating Unit".

Recoverable amount has been calculated as per Ind AS 36 and 113. The "fair value less cost of sales" is taken as recoverable amount as computation of "value in use" is not practicable. To compute the fair value, company have used the valuation technique of "cost approach". Under the cost approach, "the amount that would be required currently to replace the service capacity of an asset" is taken to calculate the fair value. Obsolescence on account of technological, economic and physical deterioration is also adjusted. Unobservable inputs have been taken under the third level of fair value hierarchy to compute the fair value as per Ind AS 36 and 113. Such inputs are latest cost of purchase of similar assets, obsolescence rates etc. Further, company have accounted these assets under the "Telecom Services" segment.

Based on the assessment of the management and the alternative business plans as envisaged, the management is of the opinion that no further provision towards impairment is required as at the reporting date. However, this being an initial study under lock down conditions, the Company will continue review and monitor the impairment assessment at every subsequent reporting period based on comprehensive review of further information that may be available during such reporting periods.

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

a. 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 Performance Related Pay	Total
Carrying Amount at the beginning of the year as on 01.04.2019	46	1706	1752
Additional provision made in the year	0	324	324
Amount utilized/adjusted during the year	0	-813	-813
Unused amount reversed during the year	0	-226	-226
Carrying amount at the end of the year as on 31.03.2020	46	991	1037

(Amount in Lakhs)

Particulars	Provision for Arbitration Claim	Provision for Performance Related Pay	Total
Carrying Amount at the beginning of the year as on 01.04.2018	46	1925	1971
Additional provision made in the year	0	361	361
Amount utilized/adjusted during the year	0	-420	-420
Unused amount reversed during the year	0	-160	-160
Carrying amount at the end of the year as on 31.03.2019	46	1706	1752

**b. 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.

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

(Amount in Lakhs)

Particulars	Service Tax	Income Tax	VAT	DOT*	Other	Total
Carrying Amount at the beginning of the year 01.04.2019	1491	2968	131	11166	572	<b>16328</b>
Additions during the year	0	778	3	17990	710	<b>19481</b>
Amount adjusted during the year	666	1464	18	29156	344	<b>31649</b>
Carrying amount at the end of the year i.e. 31.03.2020	825	2282	116	0	937	<b>4160</b>

\* Hon'ble Supreme Court passed an order dated 11.06.2020 wherein it was held that definition of AGR as per the licenses given to the Public Sector Undertaking (PSUs) is different than the definition of AGR as per Universal Access Service License (UASL) given to other network service providers. It was also upheld that the Hon'ble Supreme Court Judgement dated 24.10.2019 never dealt with the issue of PSUs as their agreements are quite different and therefore, the judgement held on AGR issue could not have been made the basis for raising the demand against Public Sector Undertaking as they are not in the actual business of providing mobile services to the general Public and hence the DoT was asked to reconsider the demand. Accordingly, DoT has made its submission before Hon'ble Supreme Court that it has decided to withdraw the demands already raised on PSUs which was considered by Hon'ble Supreme Court. Accordingly, the company has not considered any contingent liability in this regard as on 31.03.2020

24.1 (b): Bank Guarantees given by the Company to Customers/Government as on 31.03.2020 is Rs. 17208 lakhs (Corresponding period: Rs. 15774 lakhs).

24.1(c) Capital Commitments

(Amount in Lakhs)

Particulars	March'20	March'19
Estimated amounts of contracts remaining to be executed on capital account	6269	22320

**25. 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 period ended March'20 and March'19 is presented below:**

(Amount in Lakhs)

Sr. No.	Particulars	March'20			March'19		
		Telecom Services A	Project Work Services B	Total A+B	Telecom Services A	Project Work Services B	Total A+B
<b>1</b>	<b>Segment Revenue</b>						
	Revenue from operations	75089	37716	112805	70642	29685	100327
	<b>Sales/Revenue from Operations</b>	<b>75089</b>	<b>37716</b>	<b>112805</b>	<b>70642</b>	<b>29685</b>	<b>100327</b>
<b>2</b>	<b>Segment Results</b>						
	Profit/Loss before Taxes						
	Segment Operating Income/(Loss)	15321*	3708	19029	13674	4745	18419
	<b>Total</b>	<b>15321</b>	<b>3708</b>	<b>19029</b>	<b>13674</b>	<b>4745</b>	<b>18419</b>
	Add/Less: (i) Other Un-allocable expenditure net of un-allocable income			131			503
	(ii) Finance cost net of Finance income			-684			-809
	<b>Total Profit before Tax</b>	<b>15321</b>	<b>3708</b>	<b>18476</b>	<b>13674</b>	<b>4745</b>	<b>18113</b>
<b>3</b>	<b>Segment Assets</b>						
	a. Property, Plant & Equipment Assets (Net Blocks)	60855	0	60855	78599	0	78599
	b. Right of Use Assets	17296	0	17296	0	0	0
	c. Other Assets	87731	19082	106813	43030	27180	70209
	d. Capital CWIP	25254	0	25254	29990	0	29990
	e. Unallocable assets	0	0	29591	0	0	43966
	<b>Total Assets</b>	<b>191136</b>	<b>19082</b>	<b>239809</b>	<b>151619</b>	<b>27180</b>	<b>222765</b>
<b>4</b>	<b>Segment Liabilities</b>						
	a. Segment Liabilities	79099	20424	99523	68203	19821	88025
	b. Un-allocable Liabilities			3352			5835
	<b>Total liabilities</b>	<b>79099</b>	<b>20424</b>	<b>102875</b>	<b>68203</b>	<b>19821</b>	<b>93860</b>

\* Impairment loss amounting to Rs 4930 lakhs is recognized in current FY

### Information about major customers:

One customer who contributed 10% or more to the Company's revenue for the year.

The revenue from this one customer for the current year is Rs. 28314 lakhs (previous year : Rs 23482 lakhs contributed by two customers).

## 26. Disclosure Requirement as per IND AS 112 – Disclosure of Interest in Other entities : N.A.

## 27. Disclosure as required by IND AS 107, IND AS 109 & IND AS 113

Valuation techniques and process used to determine fair values

- (i) The carrying value of financial assets and liabilities with maturity less than 12 months are considered to be representative of their fair value.
- (ii) Fair value of other financial assets and liabilities carried at amortized cost is determined by discounting of cash flows using discount rate.
- (iii) A discount rate of 6.25% (SBI Rate) has been used for balances as on 31/03/2020.

### 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	
	March'20	March'19	March'20	March'19	March'20	March'19
<b>Assets</b>						
Investments (Refer to Note No. 10)	Nil	Nil	Nil	704	Nil	Nil
Trade Receivables (Refer to Note No. 11)	50,707	45,957	Nil	Nil	Nil	Nil
Cash & Cash Equivalents (Refer to Note No. 12 & 13)	26,843	40,694	Nil	Nil	Nil	Nil
Other Financial Assets (Refer to Note No. 6,7,14 & 15)	44,101	12,630	Nil	Nil	Nil	Nil
<b>Liabilities</b>						
Trade Payables (Refer to Note No. 24)	37,887	26,676	Nil	Nil	Nil	Nil
Other Financial Liabilities (Refer to Note No. 19,20,25 & 26)	23,266	16,815	Nil	Nil	Nil	Nil

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

(Amount in Lakhs)

Particulars	As at March' 2020	As at March' 2019
<b>Financial assets at amortised cost</b>		
Interest expenses on other financial assets	165	161
Interest income on other financial liabilities	70	95
<b>Financial assets at Fair Value through Profit or Loss (FVTPL)</b>	<b>Nil</b>	<b>3</b>
<b>Financial assets at Fair Value through Other Comprehensive Income (FVTOCI)</b>	<b>Nil</b>	<b>Nil</b>

### 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 Company 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.

The Company assesses on a forward-looking basis the expected credit loss associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company follows 'simplified approach' for recognition of impairment loss and always measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109 i.e. expected credit loss allowance as computed based on historical credit loss experience. Company have used the methodology of provisional matrix as per Ind AS 109 to compute the historical loss rate and adjust the impact of macroeconomic factors into the historical loss rate to compute the forward-looking rates.

### Exposure to Credit Risk

In the current year, Company used expected credit loss model to assess the impairment loss or gain. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix considers historical credit loss experienced and adjusted for forward-looking information. The expected credit loss allowance is based on ageing of the days the receivables are due. The trade receivables which share the similar credit risk characteristics have been taken into the one bucket. Hence, company has divided the trade receivable into two categories as follows:

- Government and PSU Customers
- Telecom and others

Loss rates are computed by taking last 5 years roll rates and adjust the impact of macroeconomic factors.

Till last year, trade receivables were provided on the basis of probable losses inherent in the accounts receivable as per the management's best estimate considering the ageing of trade receivable, historical write-off experience (net of recoveries) etc. Trade receivables are provided in specific cases where management considers the trade receivable as non-recoverable.

The gross carrying amount of trade receivables, net of any impairment losses recognized represents the maximum credit exposure.

(Amount in Lakhs)

Ageing	March 31, 2020			
	Gross Amount	Expected credit Loss	Gross Amount	Expected credit Loss
	Government and PSU		Telecom and others	
Within 1 year	37551	216	4137	189
1 -2 years	4726	237	179	81
2 -3 years	3490	398	577	475
More than 3 years	1990	346	2276	2277
<b>Total</b>	<b>47757</b>	<b>1197</b>	<b>7169</b>	<b>3022</b>

The company does not hold any collateral or other enhancements to cover its credit risks associated with its trade receivables.

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' 2020 & March' 2019 was as follows: -

(Amount in Lakhs)

Particulars	As at March'20		As at March'19	
	Gross Carrying Value	Net Value after Impairment	Gross Carrying Value	Net Value after Impairment
Trade Receivables (Refer to Note No. 11)	54,926	50,707	48,952	45,957
Other Financial Assets (Refer to Note No. 6,7,14 & 15)	44,101	44,101	12,630	12,630

Employee Loans, and other assets are either not past due or past due but not 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 makes investment in mutual fund which are subject to market risk. Hence, the investment is classified in the Balance Sheet at fair value through profit and loss (FVTPL) and resultant gain/loss on investment is classified as FVTPL. However, to manage the price risk, the Company invests in liquid funds and the level of the investments is insignificant in view of the level of the operation of the Company.

## 4. Capital Management

The Company manages its capital to ensure that the Company will be able to continue as a going concern, while maximizing the return to stakeholders through efficient allocation of capital towards expansion of business, optimization of working capital requirements and deployment of surplus funds. The Company uses the operational cash flows to meet its working capital requirements. The funding requirements are met through internal accruals. The Company is not subject to any externally imposed capital requirements.

## 28. IND AS 115 – Revenue from Contracts with Customers

### 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. In project business segment the company provides warranty to customer which is implicit in the contract revenue. The said warranty is provided by OEMs with back to back performance obligation and hence the company does not have additional obligation for warranty in addition to the same provided by OEMs. Since warranty is implicit in transaction price on back to back agreement with OEMs and hence not been accounted for separately.

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 principal 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, 2020	For the Year Ended March 31, 2019
<b>Geographical Segment</b>		
Pan India	41,347	32,449
Abroad	-	-
<b>Total</b>	<b>41,347</b>	<b>32,449</b>

(Amount in Lakhs)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
<b>Major Product Line</b>		
Railway Project Works	18,886	3,186
Other Projects	18,831	26,499
Others	3,630	2,764
<b>Total</b>	<b>41,347</b>	<b>32,449</b>

(Amount in Lakhs)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
<b>Type of Customer</b>		
Government Customers	39,513	28,465
Non - Government Customers	1,834	3,984
<b>Total</b>	<b>41,347</b>	<b>32,449</b>

(Amount in Lakhs)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
<b>Type of Contract</b>		
Fixed Price Contracts	22,105	29,530
Time- and- Materials Contracts	19,242	2,919
<b>Total</b>	<b>41,347</b>	<b>32,449</b>

(Amount in Lakhs)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
<b>Sales Channel</b>		
Direct to Customer	41,347	32,449
Through Intermediaries	-	-
<b>Total</b>	<b>41,347</b>	<b>32,449</b>

(Amount in Lakhs)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
<b>Duration of Contract</b>		
Short Term	41,273	32,449
Long Term	74	-
<b>Total</b>	<b>41,347</b>	<b>32,449</b>

### Contract Assets

(Amount in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivable	18,329*	25,898
Unbilled Revenue	13,385**	3,612
Work in Progress	100	20
<b>Total</b>	<b>31,814</b>	<b>29,530</b>

(Amount in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Contract Liability	21,041	20,080
<b>Total</b>	<b>21,041</b>	<b>20,080</b>

**Revenue recognized during the year from the contract liability balance at the beginning**

(Amount in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Revenue recognized during the year from the contract liability balance at the beginning	4,165	2,674
<b>Total</b>	<b>4,165</b>	<b>2,674</b>

**Revenue Recognized from performance obligations satisfied partially in Previous Period**

(Amount in Lakhs)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Revenue recognized due to change in Transaction Price	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

\* Includes trade receivable of Rs. 4519 lakhs recoverable from a customer out of which Rs. 2638 lakhs is disputed by the customer and management is of the opinion that it is fully recoverable and in view of this no provision has been made against the said amount except for Expected Credit Loss as per Ind AS requirement. Further, the Company has also claimed an amount of Rs. 2666 lakhs towards SLA deduction and interest for delayed payment. However, the same has not been recognized in the books of accounts on conservative basis as per Ind AS-115. Company has filed an application to Ministry of Railways for settlement of the dispute through administrative Mechanism for resolution of CPSE dispute (AMRCD).

\*\* Includes amount of Rs. 2390 lakhs pertaining to a project executed for a customer for which payment shall be made by the customer after their User Acceptance Test (UAT). However, work has been executed as per agreement.

**29. Ind AS 116 –Leases**

**Transitional Provision:**

The Company has applied IND AS 116 with a date of initial application of April 1, 2019, using the modified retrospective approach and the effect is Nil on retained earnings as at April 1, 2019. The comparative information has not been restated and continues to be reported under IND AS 17

**A. As a Lessee**

Right of Use Assets Comprises of leased assets that do not meet the definition of Investment property.

**Right of use - Asset**

(Amount in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2020			
	Building	Land	Telecom Assets	Total
Right-of-use assets, except for investment property (Note No. 4)	11,155	3,275	2,866	<b>17,296</b>

The Company takes many assets on lease including Land and Buildings, Plant & Machinery (Telecom Assets) such as Dark Fibers, OFC/Duct spaces etc.

## Lease Liabilities

(Amount in Lakhs)

Maturity analysis - Contractual undiscounted cash flows	As at 31 <sup>st</sup> March 2020
Less than one year	1164
One to five years	2723
More than five years	2315
Total undiscounted lease liabilities at 31 <sup>st</sup> March, 2020	<b>6202</b>

## Lease Liabilities included in the statement of Financial Position as at 31st March 2020

Particulars	Amount In Lakhs
Current	774
Non - Current	3480
Total	<b>4254</b>

## Amount Recognized in profit & Loss Account

Particulars	Amount In Lakhs
Interest on lease liabilities	341
Variable lease payments not included in the measurement of lease liabilities	Nil
Expenses relating to Short term leases and leases of low-value assets, excluding short-term leases of low-value assets	Nil

## Amounts recognized in the statement of Cash flows -

(Amount in Lakhs)

Particulars	for the year ended 31st March 2020
Total cash outflow for leases	667

### Other Disclosure-

- There are no significant restrictions or covenants imposed by the leases
- There are no lease pending commencement to which the Company has committed as at period ended March 31, 2020.
- The incremental borrowing rate considered is the SBI MCLR rate at the lease commencement date for new leases and April 1st, 2019 for pre-existing leases except NOIDA Land lease where there is inbuilt coupon rate in the future financial obligation.

## B. As a Lessor

(Amount in Lakhs)

Particulars	Year ended 31st March 2020
Lease Income	70662

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date in respect of non-cancellable operating leases:

**Lease Payments to be received after the reporting date**

(Amount in Lakhs)

Particulars	As at 31st March 2020
Less than one year	4500
One to two years	2136
Two to three years	1869
Three to four years	1761
Four to five years	1167
More than five years	1243
<b>Total undiscounted lease payments</b>	<b>12675</b>

Other Disclosures –

- (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, 2020 and accordingly respective disclosures required by IND AS 116 are not provided.
30. Ministry of Railway (MoR) had entered into an MoU with RailTel Enterprises Ltd. (REL)- Subsidiary of the company on 24.03.2017, for installation of Video Surveillance System (VSS) at various stations across Pan India under Nirbhaya Fund. Subsequently, MoR entrusted the work of installation of Video Surveillance System (VSS) at 6049 stations across Pan India, to the RCIL (Holding company) with a markup of 8.5% on cost incurred vide its MoU dated 25.06.2020 which supersedes the earlier MoU executed between MoR and REL. Total advance received by REL from Railways towards execution of this project was Rs. 6500 lakhs, out of which REL has remitted an amount of Rs. 4763 lakhs to company for execution of this project up to 31st March 2020 and balance amount of Rs. 1737 lakh has been remitted after 31st March 2020.

**30. COVID -19 Impact & Assessment**

The Covid-19 pandemic has already resulted in economic slowdown throughout the world including India. The operations of the Company have also been significantly impacted following a nationwide lockdown by the Government of India.

The Company has evaluated the impact of this pandemic on its business operations and financial position while preparing these financial statements and has considered internal and external information for making this evaluation. The Company's assessment is based on its current estimates while assessing the provision towards employee benefits and assessing the realizability of trade receivables and other financial assets. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial reporting and controls etc.

However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to closely monitor any material changes to future economic conditions.

**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: 28/08/2020  
UDIN: 20500369AAAABQ1466

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

Sd/-  
**A K Singh**  
Director Finance  
(DIN: 07018776)

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

## 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 2020.

The Preparation of financial statements of **RAILTEL CORPORATION OF INDIA LIMITED** for the period ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is 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 28.08.2020.

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 period ended 31 March 2020 under section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6) (b) of the Act.

**For and on the behalf of the  
Comptroller & Auditor General of India**

**Place: New Delhi  
Dated: 06.10.2020**

**Sd/-  
(K.S.Ramuwalia)  
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 2020.**

The preparation of financial statements of **RAILTEL CORPORATION OF INDIA LIMITED** for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with section 129(4) of the Act is 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 their Audit Report dated 28.08.2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of **RAILTEL CORPORATION OF INDIA LIMITED** for the year ended 31 March 2020. We conducted a supplementary audit of the financial statements of **RailTel Enterprises Limited** for the year ended on that date. 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/-

(K.S. Ramuwalia)

**Principal Director of Audit  
Railway Commercial, New Delhi**

**Place: New Delhi**

**Dated: 06.10.2020**

## FINANCIAL DATA FOR LAST 10 YEARS

(₹ in Crore)

S. No.	Particulars	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	2018-19	2019-20
1	Total Income (incl. other income)	363	404	440	538	554	642	900	1025	1017	1112
2	Expenditure (incl. increase/decrease in stock)	193	171	209	284	298	367	595	712	690	751
3	Gross Margin	170	233	231	254	256	275	305	313	327	361
4	Interest Expenses	11	6	1	-	-	0	0	0	0	0
5	Depreciation	51	110	88	85	90	81	116	119	112	131
6	Profit before tax and Exceptional Item	-	-	-	-	-	-	-	194	215	230
7	Exceptional Items	-	-	-	-	-	-	-	-	36	49
8	Profit before tax	108	116	142	169	166	194	189	194	179	181
9	Profit after tax	95	86	113	138	121	102	127	156	110	138
10	Dividend pertaining to FY	13	14	15	17	17	41.53	51.53	62.47	64.20	68.06
11	Reserves & surplus	312	382	476	592	683	763	836	928	963	1040
12	Fixed Assets (Gross block)	911	938	983	1,078	1,236	1,431	1,531	1,643	1,856	1,942*
13	Inventories	0.65	2.30	3.80	2.92	1	0.59	0.22	0	0.87	0.49
14	Share Capital	321	321	321	321	321	321	321	321	321	321
15	Capital employed	706	696	770	851	833	1,084	1,153	1,249	1,284	1,361
16	Net Worth	633	703	797	913	1,004	1,084	1,153	1,249	1,284	1,361
17	Number of Employees (no)	360	359	490	490	525	537	814	793	754	721
18	Income per employee	1.01	1.13	0.90	1.10	1.06	1.19	1.11	1.29	1.35	1.54
19	Current ratio	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	1.32:1
20	Debt/equity ratio	0.16:1	0.06:1	-	-	-	-	-	-	-	-
21	Operating margin/ capital employed	24.09%	33.42%	30.07%	29.80%	30.73%	25.33%	26.45%	25.06%	25.47%	26.52%
22	Expenditure / income	53.16%	42.43%	47.43%	52.83%	53.79%	57.20%	66.11%	69.46%	67.85%	67.54%
23	PBT Before Exceptional Item/ Capital Employed								15.53%	16.74%	16.90%
24	PBT/ Capital Employed	15.26%	16.67%	18.51%	19.84%	19.93%	17.89%	16.36%	15.53%	13.94%	13.30%
25	PAT/ Share capital	29.71%	26.74%	35.07%	42.98%	37.68%	31.77%	39.48%	48.60%	34.27%	42.99%
26	PBT Before Exceptional Item/Turnover								18.93%	21.14%	20.68%
27	PBT/ Turnover	29.67%	28.72%	32.37%	31.41%	29.96%	30.23%	20.95%	18.93%	17.60%	16.28%
28	PAT/ Turnover	26.28%	21.25%	25.57%	25.65%	21.83%	15.89%	14.08%	15.22%	10.82%	12.41%
29	PAT/Net Worth	15.07%	12.22%	14.13%	15.11%	12.05%	9.40%	10.99%	12.49%	8.57%	10.14%
30	Dividend/PAT	13.63%	16.31%	13.33%	12.33%	14.06%	40.73%	40.66%	40.04%	58.36%	49.19%
31	Dividend/Net worth	2.05%	1.99%	1.88%	1.86%	1.69%	3.83%	4.47%	5.00%	5.00%	5%
32	Book Value per share	20	22	25	28	31	34	36	39	40	42
33	Basic EPS	2.97	2.67	3.51	4.30	3.77	3.18	3.95	4.87	3.42	4.31

\* Include Rs. 191 crores of gross block of Right of Use Assets.







MoU signing with Ministry of Railways for e-office Phase 2 - 10th Jan 2020



E-Office Inauguration by Shri. Pradeep Kumar DG NAIR - 26<sup>th</sup> June 2019



MoU Signing Between RailTel and RITES 30th July 2019



MoU Signing between RailTel and CWC 15th Nov 2019





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**Visit of Shri. Suresh C Angadi Hon'ble MoSR to RailTel stall at Rail Mela, Ambala- 23rd July 2019**



**Shri. Suresh C Angadi Hon'ble MoSR Flagging off two Ambulances provided to Sewa Bharati NGO under CSR by RailTel- 19.08.2019**



Meeting of CMD RailTel with Governor of Rajasthan 14th October 2019



Industry Interaction session with CMD RailTel organized by PHD Chamber of Commerce and TEMA- 28th June 2019



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**RailTel 20th Annual Day Celebration – 25th Nov 2019 Address by Shri. Piyush Goel Hon'ble Minister of Railways**



**Dun & Bradstreet Award in the Telecommunications and Information Technology services category– 22nd August 2019**



Governance Now Award in Digital PSU (Mini Ratna) Category- 19<sup>th</sup> Feb 2020



“Excellence in a Leadership” award to Shri. Puneet Chawla, CMD RailTel at 21st National Management Summit 2020. – 17th Jan 2020



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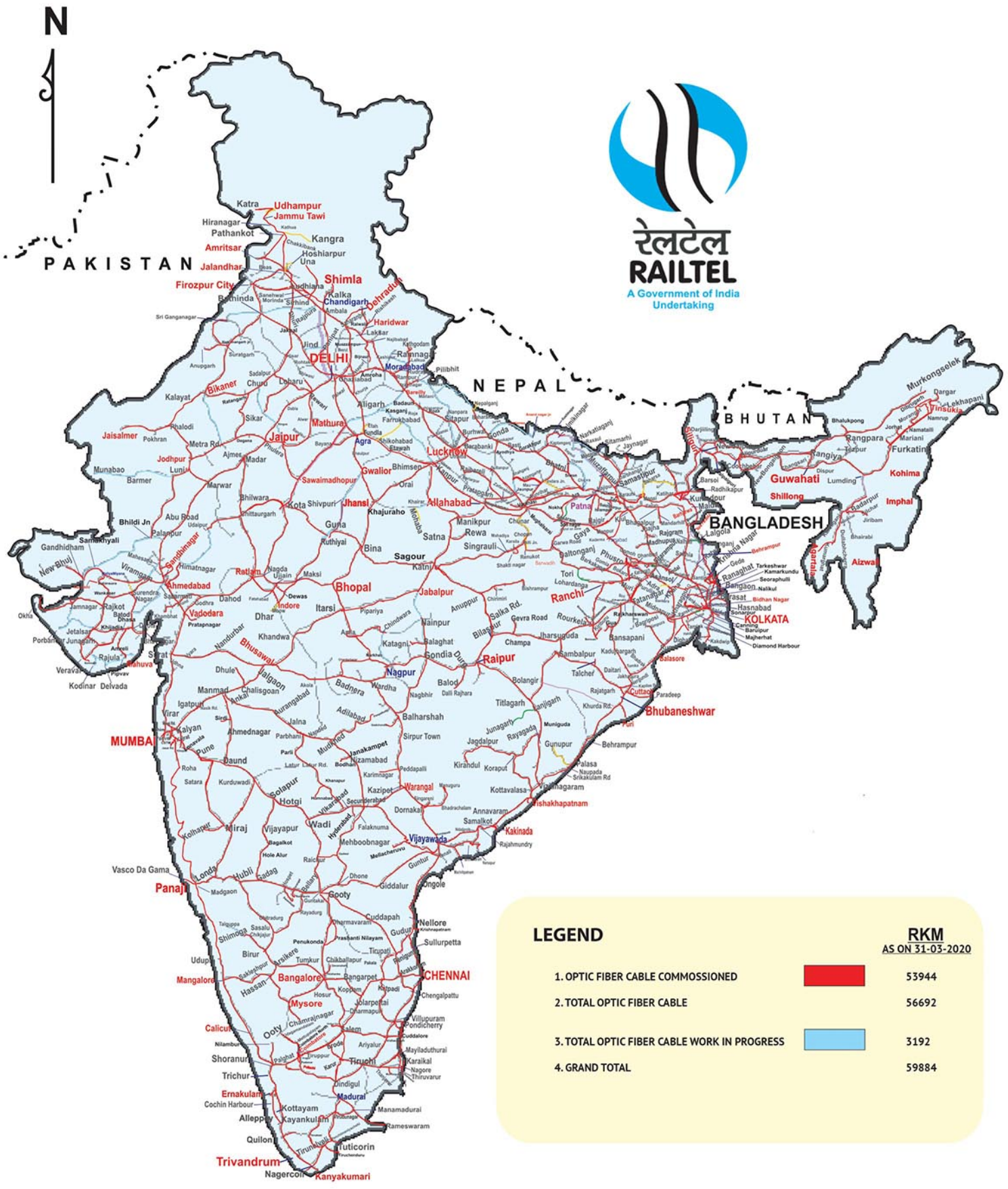
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# OPTIC FIBRE CABLE NETWORK





रेलटेल  
**RAILTEL**

A Government of India  
Undertaking



## LEGEND

**RKM**  
AS ON 31-03-2020

1. OPTIC FIBER CABLE COMMISSIONED		53944
2. TOTAL OPTIC FIBER CABLE		56692
3. TOTAL OPTIC FIBER CABLE WORK IN PROGRESS		3192
4. GRAND TOTAL		59884



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रेलटेल कॉर्पोरेशन ऑफ इण्डिया लिमिटेड  
(भारत सरकार का उपक्रम)

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

**CIN: U64202DL2000GOI107905**

**Regd. & Corporate Office:**

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