

Ref: RailTel/Sectt/21/SE/S-16

Date: September 6, 2021

<p>लिस्टिंग विभाग नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड 'एक्सचेंज प्लाजा', सी-1, ब्लॉक जी, बांद्रा - कुर्ला कॉम्प्लेक्स, बांद्रा (ई), मुंबई - 400 051</p> <p><b>Listing Department, National Stock Exchange of India Limited 'Exchange Plaza', C-1, Block G, Bandra - Kurla Complex, Bandra (E), Mumbai - 400051</b></p> <p><b>Scrip Symbol- RAILTEL</b></p>	<p>कॉर्पोरेट संबंध विभाग, बीएसई लिमिटेड, रोटुंडा बिल्डिंग, पी जे टावर्स, दलाल स्ट्रीट, किला, मुंबई - 400 001</p> <p><b>Corporate Relationship Department, BSE Limited, Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai - 400 001</b></p> <p><b>Scrip Code- 543265</b></p>
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**Sub: Notice of 21<sup>st</sup> Annual General Meeting of the Members of the Company.**

Dear Sir/Madam,

This is in continuation to our letter of even no. dated 04/09/2021, regarding intimation of 21<sup>st</sup> Annual General Meeting (AGM) of the Members of the Company to be held on **Wednesday, 29<sup>th</sup> September, 2021 at 11:30 Hrs (IST)** through Video Conferencing (VC)/Other Audio Visual Means (OAVM).

2. A copy of Notice of 21<sup>st</sup> AGM together with Annual Report of the Company for the financial year 2020-21, is submitted for your reference and record. The said Notice and Annual Report are also being hosted on the Company's website at [www.railtelindia.com](http://www.railtelindia.com) and on the website of e-voting Agency-NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

3. In compliance with the provisions of Section 108 of the Companies Act, 2013, rules made there under and Regulation 44 of the SEBI (LODR) Regulations, 2015, Members are provided with the facility to cast their vote electronically through remote e-voting services provided by NSDL on all resolutions set-forth in the Notice of AGM.

4. The remote e-voting period will commence at **09:00 Hrs. (IST) on Friday, 24<sup>th</sup> September, 2021** and ends at **17:00 Hrs (IST) on Tuesday, 28<sup>th</sup> September, 2021**. The remote e-voting module shall be disabled by NSDL for voting thereafter. The cut-off date for entitlement to vote by electronic means is **Wednesday, 22<sup>nd</sup> September, 2021**.

5. Those members, who intend to participate in the AGM through VC/ OAVM facility and could not cast their vote on the Resolutions through remote e-voting, shall be eligible to vote through e-voting system during the AGM.

6. Please take note of the above information on record.

धन्यवाद,

सादर,  
रेलटेल कॉर्पोरेशन ऑफ इंडिया लिमिटेड के लिए



*[Handwritten Signature]*  
06/09/2021

जे एस मारवाह  
कंपनी सचिव और अनुपालन अधिकारी  
सदस्यता संख्या – एफ सी एस 8075

रेलटेल कॉर्पोरेशन ऑफ इंडिया लिमिटेड (भारत सरकार का उपक्रम)  
RailTel Corporation of India Ltd. (A Government of India Undertaking)

CIN : L64202DL2000GOI107905

Registered & Corporate Office : Plate-A, 6th Floor, Office Block, Tower-2, East Kidwai Nagar, New Delhi - 110023  
T : +91 11 22900600, F +91 11 22900699 | Website : [www.railtelindia.com](http://www.railtelindia.com)



# 21<sup>वीं</sup> वार्षिक रिपोर्ट ANNUAL REPORT 2020-21



  
CLOUD SERVICES  
STORAGE &  
SERVERS

  
DATA CENTRE  
& DISASTER  
RECOVERY

  
TELEPRESENCE  
SERVICES

  
TOWER  
COLLOCATION

  
WAN, SWAN

  
LAN, WIFI &  
PUBLIC HOTSPOTS

  
TRANSMISSION  
NETWORK

  
E-OFFICE

  
SECURITY &  
SURVEILLANCE

  
LEASED  
LINE



रेलटेल कॉर्पोरेशन ऑफ इण्डिया लिमिटेड  
(भारत सरकार का उपक्रम)

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



रेलटेल  
**RAILTEL**

A Mini Ratna Enterprise



## Vision

To Become the preferred telecom solutions and services provider for knowledge economy

## Mission

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

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## CORPORATE INFORMATION

### PRESENT COMPOSITION OF BOARD OF DIRECTORS

1.	Shri Puneet Chawla	Chairman & Managing Director
2.	Shri Ashutosh Vasant	Director (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.)
3.	Shri Sanjai Kumar	Director-Network Planning and Marketing (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.)
4.	Shri Anand Kumar Singh	Director-Finance
5.	Shri Umesh Balonda	Part-time Government Nominee Director
6.	Shri Vinay Srivastava	Part-time Government Nominee Director
7.	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

Smt. Vijay Laxmi Kaushik, Executive Director  
6<sup>th</sup> Floor, IIIrd Block, Delhi Technology Park,  
Shastri Park, New Delhi-110053  
Tele: 011-22185933-34 • Fax: 011-22185978

#### Southern Region

Shri Chandra Kishore Prasad, Executive Director  
1-10-39 to 44, 6A, 6th Floor, Gumidelli Towers,  
Begumpet Airport Road, Opp. Shoppers Stop,  
Hyderabad- 500 016  
Tele: +91-40-27788000 • Fax: +91-40-27820682

#### Eastern Region

Shri Maneesh Kaushal, Executive Director (I/c)  
16 & 3<sup>rd</sup> Floor, Chatterjee International Centre,  
33A, Jawaharlal Nehru Road, Kolkata - 700071  
Tele: 033-44041499 • Fax: 033-44041499

#### Western Region

Shri Vinod Kumar Agarwal, Executive Director (I/c)  
Western Railway Microwave Complex, Senapati  
Bapat Marg, Mahalakshmi, Mumbai – 400 013 Tele:  
022-24923907 • Fax: 022-24923913



## REGISTERED & CORPORATE OFFICE:

Plate-A, 6<sup>th</sup> 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)



ISIN NO. INE0DD101019



## BANKERS

- State Bank of India
- Union Bank of India
- Indusind Bank
- Axis Bank
- Yes Bank
- RBL Bank
- Canara Bank
- HDFC Bank
- ICICI Bank



## 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  
Email: sca\_ca\_co@yahoo.com

### Eastern Region

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



## STATUTORY AUDITORS

**M/s Suresh Chandra & Associates,  
Chartered Accountants**  
504, Prakash Deep Building, 7, Tolstoy  
Marg, Connaught Place,  
New Delhi-110001  
Tele: 011- 43537679, Fax: 011- 43537679  
Email: sca\_ca\_co@yahoo.com

### 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

### 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



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## INTERNAL AUDITORS

### Corporate Office

M/s. Ravi Rajan & Co., LLP  
505-A, 5<sup>th</sup> Floor, Rectangle – 1, District Centre, New Delhi-110017  
E mail:rajat@sravigroup.com

### Northern Region

M/s. A R & Co.,  
C 1 RDC Rajnagar, 2<sup>nd</sup> Floor,  
Ghaziabad- 201001  
E mail : pawankgoel1@gmail.com

### Southern Region

M/s. A R Sulakhe  
Anand Apartment, 1180/2, Behind Hotel Sheetal,  
F.C. Road, Shivaji Nagar, Pune – 411005  
E mail : anand@arsulakhe.com

### Eastern Region

M/s. Rao & Emmar  
No. P6C, 3<sup>rd</sup> Floor, 1<sup>st</sup> Stage,  
Peenya Industrial Area,  
Banglore – 560058  
E mail:info@raoemmar.com

### Western Region

M/s Amit Ray & Co.,  
401/403, D Definity, 1-Jay Prakash Nagar Road,  
Near Goregaon railway station, Goregaon East,  
Mumbai - 400063  
E mail: allahabad@amitrayco.com



## SECRETARIAL AUDITORS

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

## COST AUDITORS

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



## REGISTRAR & SHARE TRANSFER AGENT:

Kfin Technologies Private Limited  
(formerly known as “Karvy Fintech Private Limited”)  
Selenium, Tower B, Plot No- 31 and 32,  
Financial District, Nanakramguda, Serilingampally,  
Hyderabad, Rangareddi - 500 032, Telangana, India.  
Toll free number: 11- 800-309-4001  
Website: www.kfintech.com  
Investor grievance  
E-mail: einward.ris@kfintech.com  
SEBI Registration No.: INR000000221

## DEPOSITORIES

National Securities Depository Limited (NSDL)  
Central Depository Services (India) Limited (CDSL)

## SHARE LISTED AT



Stock Exchanges	SCRIP Code/Symbol
BSE Limited (BSE)	543265
National Stock Exchange of India Limited (NSE)	RAILTEL

# SERVICES AT A GLANCE



### e-Office

Digitization of day to day working replacing the manual filing system through cloud-enabled software that is deployed/hosted from RailTel's own Tier III-certified data centres.



### Telepresence as a Service

High definition video conferencing service on managed service Model, free from the hassles of procurement maintenance, managing obsolescence.



### Leased Line

Managed leased line services with reliable, secure & scalable ring architecture with multipath protection.



### Data Center Services

Uptime USA Tier-III certified facilities available for Cloud, Co-location, Managed Security, Dedicated Hosting & Management services.



### Managed Data & MPLS-VPN services

Managed Data and MPLS- VPN layer 2 and layer 3 services over 4200+ locations across India.



### Wi-Fi Hotspot Creation

Expertise in creating public/private Wi-Fi hotspots from concept to commissioning with experience of creating 10000+ Wi-Fi hotspots in Railway stations, Educational institutions, Smart Cities etc.



### ICT Project & Consultancy Services

On-site & off-site consultancy services for WAN, LAN, IT systems, Data Center, ERP/CRM.



### Tower Collocation

Availability of high ARPU sites with maximum population coverage with support for multiple BTS.



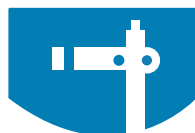
### Aadhaar Identity Services

RailTel is Authentication Service Agency (ASA) and Authentication User Agency (AUA) for Aadhaar services.



### Innovative Digital Services

Innovative digital service solutions for Healthcare, Education, Surveillance, Smart City, Railways etc.



### Railway Signalling Projects

End to end execution of Signalling projects, modern signalling systems, TCAS etc.



### RailTel's Express Network

RailWire Broadband Retail broadband service for home, small office users and MSMEs in collaboration with local entrepreneurs.





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# COMPANY MILESTONES

2017  
Wi-Fi across 250 Stations Completed.

2016  
Started Wi-Fi rollout at Railway Stations with Google. Received unified license. Crossed 1 Lakh Subscribers in RailWire.

2015  
1<sup>st</sup> STATION Wi-Fi BY RAILTEL Bengaluru became the first station to get Public Wi-Fi by RailTel

2014  
INTERNATIONAL ENTRY Completed Bhutan JCT project and launched Tpaas Services. Started it's wholly owned subsidiary, REL

2005  
1<sup>st</sup> STM- 16 NETWORK Established India's 1<sup>st</sup> STM-16 network enabling higher bandwidth in the Country

2002  
BANDWIDTH LEASE Obtained IP-2 licence to start Commercial operations of leasing Bandwidth to private telco.

2020  
LAUNCH OF INITIAL PUBLIC OFFER (IPO) AND LISTING OF EQUITY SHARES IN STOCK EXCHANGES

2019  
• IMPLEMENTED E-OFFICE OVER 106 ESTABLISHMENTS OF INDIAN RAILWAYS FOR 1,00,000 USERS  
• WI-FI ACROSS 5600+ STATIONS COMPLETED

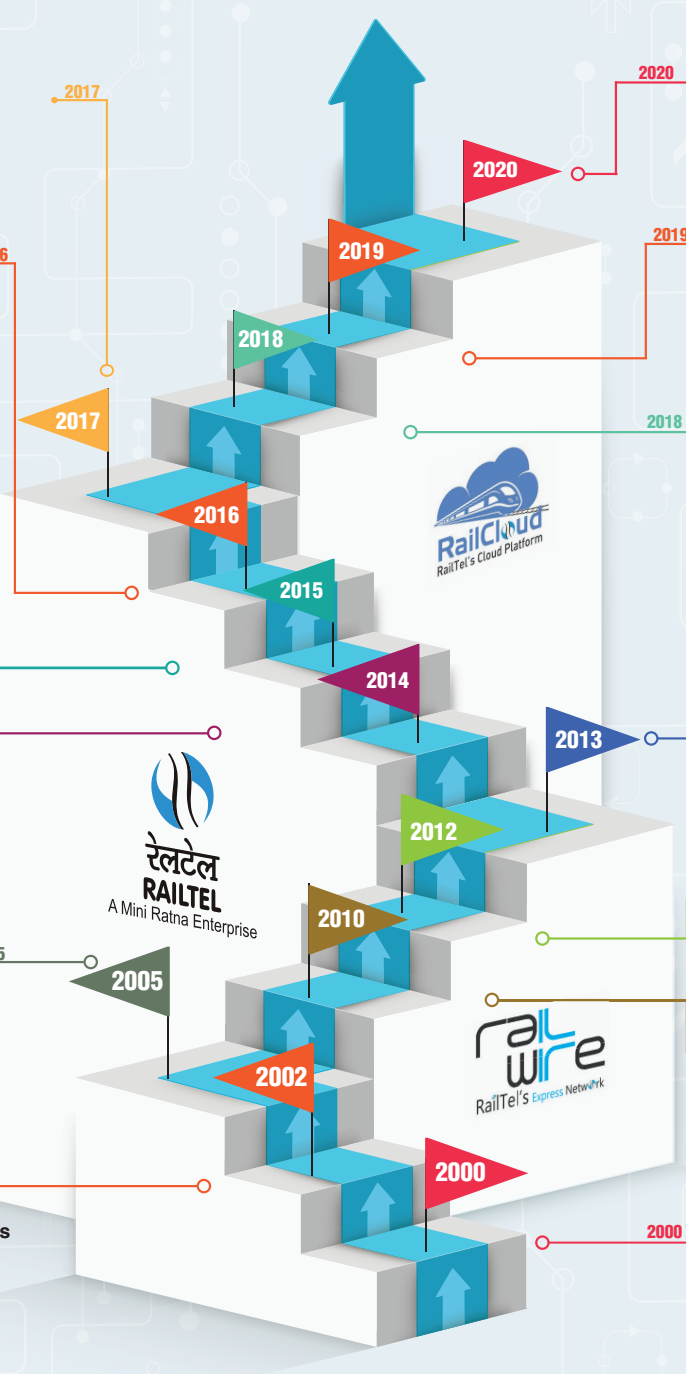
2018  
INTRODUCTION OF E-OFFICE RailTel implemented paperless working system in South Central Railway HQ & Guntur Division

2013  
DC & RAILWIRE LAUNCH Created 1<sup>st</sup> Tire-III data Center (DC) and Launched RailWire and DC services on Pan-India basis

2012  
MINI RATNA STATUS Entered into the exclusive club of Mini Ratna (Category-I) Enterprises

2010  
EXCELLENCE AWARD Received MOU excellence award as best PSU in Electronics & Communication Sector

2000  
INCORPORATION YEAR Incorporated as 'schedule A' PSU under Ministry of Railways



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

# Chairman's Speech

“  
**New Normal' demands a digital ecosystem for sustainability of business compelling organizations to adapt to technology enabled digital platforms at a rapid pace**  
... ”

*Dear Shareholders,*

It gives me immense pleasure to present to you the 21<sup>st</sup> Annual Report of your Company.

I am happy to state that despite fierce competition in the market, RailTel is on a steady growth path and is one of the very few profitable, debt free and dividend paying telecom PSU's.

RailTel, a millennial company started its journey in the year 2000 as a Telecom service provider of Indian Railways. But within mere two decades of operation, it has become one of the largest neutral telecom infrastructure and ICT service providers of the country. Today RailTel is a ₹ 1400+ Cr company with 60,000 + RKM high capacity OFC network along Railway Track, 18000+ KM Citywide Access Network, two UPTIME USA certified TIER III Data Centres, MeitY empanelled Railcloud, State of the Art Security Operation Centre and 700+ manpower which serve as a backbone of its services. From becoming a trusted partner in Indian Railway's Telecom and Signalling projects to diversifying into various branches of IT and ICT, it has been a challenging yet extremely rewarding journey. From a vanilla bandwidth provider, RailTel has metamorphosed into an integrated ICT service provider.

Today, I can proudly say, that your company has become a trusted ICT partner for Govt as well as Private organizations, including a few Fortune 100 companies.





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## Results & Progress

During FY 20-21 RailTel has achieved highest ever consolidated income of ₹ 1411 Crore, up by 21 % over consolidated income of ₹ 1166 Crore in FY 19-20. With this, RailTel has posted a Profit before tax amounting to Rs. 197 Crore and Profit after tax of ₹ 142 Crore for the Financial Year 2020- 2021 on consolidated basis.

The company registered a total income of ₹ 440 Crore in Q4 **on consolidated basis** which is 5% increase over preceding quarter and 8% higher on Y-o-Y basis.

The company has paid an interim dividend of ₹ 32.09 crores to its shareholders. Your Company is also required to pay ₹ 30.68 crores towards revenue share to Railways for the year. The company is constantly discharging its liability for payment of license fee to DoT and paid ₹ 56.56 crores in FY 2020-21. All other statutory liabilities including Income Tax, Service Tax, VAT, etc. are being timely paid.

## Indian Railways & RailTel

Your company is actively carrying out various projects for Indian Railways. We have provided public Wi-Fi at 6050+ stations. This is arguably one of the largest integrated Wi-Fi Networks of the world. To monetize this network, we have launched paid Wi-Fi services at all stations which has received good response. Given the lesser crowd at Railway stations during the pandemic, the user count has been hit but we are sure that once Railway operations becomes normal, this paid wi-fi scheme will add substantially to our revenue stream.

RailTel was entrusted with implementation of NIC e-office for Railway establishments in a phased manner to replace manual files with Digital Files. RailTel has completed work of phase I and II. Phase III has been completed in June'21. RailTel had created 1.3 Lac e-office users in 172 establishments of Indian Railways. NIC e-office has been a major saviour for railway officials during the lockdown as the platform helped them continue their file work remotely. The number of e-receipts has risen 14.4 times and e-files created risen to 9 times post March 2020 lockdown announcement.

RailTel is also implementing Hospital Management Information System (HMIS) at 125 health facilities and 650 polyclinics of Indian Railways across India for improved hospital administration and patient healthcare. HMIS is an integrated clinical information system which aims to digitize the functioning of hospitals to provide faster and seamless service. RailTel has also developed

and integrated m-Consultancy Teleconsultation app, HMIS mobile app and Covid portal to help the health units provide better service. This has been implemented at 154 Hospitals/Health units over NR, SCR, NER & ECR Zones.

RailTel HD Video Conferencing service is an end-to-end, full high-definition video conferencing service that gives users a virtual, face-to-face meeting experience. This service is extensively used by Indian Railways for holding online meetings of Railway Board, Zonal & divisional set up, inauguration events etc.

These Services have often served events for the Hon'ble Prime Minister of India, Minister of Railways, Minister of Industry & Commerce as well.

This service also helped Railways maintain coordination and carry out crisis management tremendously during nationwide lockdown. The service is also used by other Govt organisations and PSUs.

RailTel is providing a number of Data Centre and Cloud Services such as managed hosting, Disaster Recovery, Co-location, Cloud computing from its MeitY empaneled "RailCloud". It is also providing Value Added Services such as e-tendering/ e auction.

RailTel is in the process of providing the **Content on Demand** service to passengers in trains by preloaded 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. The CoD will also be available at all stations with Wi-Fi. RailTel has already partnered with a Digital Entertainment Service Provider for this project.

Pilot implementation of CoD in nine Rajdhani rakes, one AC suburban rake over Western Railways, and Chennai Express of Central Railway is underway.

Another ambitious project of Indian Railways being executed by RailTel is Railway Display Network (RDN). RDN 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. Project is to be implemented at 2185 stations (all A1,A,B,C & D category stations).

RailTel is providing IP based Video Surveillance System at Indian Railway Stations across country and train coaches. This state-of-the-art surveillance system will have video analytics and facial recognition software to ensure proactive high-tech security at railway stations. RailTel is also creating centralized monitoring Control centres in all Railway zonal/divisional Head Quarters which will notch up the surveillance activity ensuring better security for the passengers and Railway properties. The target is to provide the IP based Video Surveillance System at 6,049 stations and 14000+coaches of premium trains and suburban EMU coaches.

Work has already been completed at 281 stations by RailTel in Phase I and 475 more stations will have this system within FY 21-22. RailTel has also provided CCTV at 54 Stations for Migrant Specials on war footing during FY 2020-21.

The project of replacing old mechanical signalling equipment with state-of-the-art **electronic interlocking system** at 12 stations of Northern Railway is being carried out. Work at three stations has already been completed and it is in progress at 09 other stations. A new order has been received for 14 more stations and survey work has been started.

RailTel is also executing the project to design & develop application software for taking feed from Civil Engineering Field Sensors available on various assets such as track and bridges, display of stored Drone Recording of track of IR and Video Camera Live Feed from various project sites for monitoring by higher officials.

### **RailWire – Retail Broadband Initiative**

Our retail broadband service RailWire-which is a collaborative model in partnership with local entrepreneurs & local cable operators for providing access network, has done exceptionally well in the past year. We have 4 lac RailWire subscribers which is 3.36 times growth in just one year 4 months. This is suitable for providing rural connectivity at Gram Panchayat/village levels as well as for connecting banks and other Government institutions.

### **Digital India**

RailTel is a key contributor in a number of ambitious projects like Bharatnet (Erstwhile National Optical Fiber Network), National Knowledge Network, USOF project in North East India. We have laid 25000 KM fiber and made 7766 Gram Panchayats (including BHQ) Service

Ready under Bharatnet (as on 31.3.2021).

Under NKN project RailTel has connected 732 Universities & Premier Research Institutes such as IIMs & IITs etc.

### **PM WANI and Village Connectivity**

PM WANI project of Govt of India is an exciting opportunity for RailTel to play an anchor role by continuous engagement with regulatory bodies and industry players, to enhance evolving framework. RailTel has already registered itself as a Public Data Office Aggregator(PDOA) for PM WANI programme.

RailTel also envisages to extend the Wi-Fi / broadband services to villages using its POPs at the already existing Wi-Fi stations.

### **Services to Other Sectors**

**Coal-** RailTel is providing Virtual Private Network connectivity, HD video conferencing service, e-office etc to Coal India and all its Subsidiaries. This is an important sector for us as the sector is a very niche and gives lot of opportunities for business growth.

**Banks-** We provide crucial Virtual Private Network connectivity and point to point connectivity to various public sector and private sector banks like State Bank of India, Central Bank of India, Bank of Baroda, Karur Vysya Bank etc.

**Strategic Sector-** We are providing connectivity to a number of defense and Strategic organizations for their critical applications and communication requirements.

**Health-** RailTel is also implementing Hospital Management Information System for Karnataka State Govt. on POC basis. It has also engaged with Ministry of Health for developing application, Cloud and Data Center Services.

### **Education Sector-**

With pandemic hitting hard the regular schooling is adapting to digital platforms. We see an opportunity to grow and be a part of this massive change. We are implementing Web and AI based attendance system for schools in Assam. We are offering AI based, Cloud solution for Integrated Academic Management System, Providing Smart Classroom solution, Learning Management Systems etc. which are a go to solution for education sector in pandemic weary world.



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## Innovative Digital Services for business continuity

We are making continuous endeavor to include more innovative products and services which can help our customers become more efficient and gain competitive advantage, especially in a post pandemic world.

We are focusing on providing a number of AI, IoT, ML based digital services to customers, E-Governance solutions for Government departments/PSUs (AI based cloud solution for Contactless Real time identification of various beneficiaries of state & central governments, Contactless AI based tracking of regular meetings and capture financial transactions of SHG groups, Document Management System), and broadband services in Rural areas. Besides our core services, we provide consultancy services to various Govt departments/PSUs in their quest for transformation to cloud/digital application space.

## Covid Pandemic Impact

It's been a year since Covid19 pandemic has started spreading like wild fire throughout the world changing the way we lead our lives and business completely. The 'New Normal' demands a digital ecosystem for sustainability of business compelling organizations to adapt to technology enabled digital platforms at a rapid speed. Given our service portfolio and capability to design time relevant services, we see an opportunity for unprecedented growth.

There is a substantial demand growth for our services enabling remote working like NIC e-office, Video conferencing, VPN etc. The demand for bandwidth has also increased tremendously. Work from home and online school/college has raised the demand for our RailWire broadband as well. There is going to be an upward trend in the demand of digital services and RailTel team is fully prepared to encash on the same.

## Awards & Accolades-

CSR Times Award for best PSU in Women Empowerment Category for its CSR project, SKOCH Award in Digital Economy category for e-office implementation and Express Computer Digital Technology sabha Excellence Award for Data centre speaks volume of RailTel's achievement in the past year.

## Corporate Governance

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

## Corporate Social Responsibility

RailTel is dedicated to fostering equitable and sustainable economic development with the help of its various Social Responsibility projects aiming at uplifting the under privileged section of the society.

Your Company is currently running the RailTel Akansha Super-30 at Dehradun which offers free boarding, housing, and coaching for IIT JEE and other premier engineering exams to 30 students who are talented but belong to economically weaker backgrounds.

To contribute to better Menstrual Health of adolescent girls RailTel is running Menstrual Health Management programme in 180 Government schools of 8 aspirational districts of Uttar Pradesh by installing incinerator and napkin vending machines. Your company has also contributed an amount of ₹ 3.3 Crore, out of the CSR budget of FY 2020-21, to the PM CARES Fund to support the Govt. of India in its crusade against COVID-19 pandemic.

## Acknowledgment

I express my gratitude to our esteemed Shareholders, my colleagues on the Board of Directors and to the Chairman & CEO, Members and Officers of the Railway Board, for their valuable support, advice and co-operation. We are particularly grateful to the Ministry of Railways, and other Ministries, Regulators for their commitment in accelerating the Company's growth.

I would like to extend my deepest appreciation for RailTel team and their valuable contribution for a sustainable performance in the future. Powered by the talent of our people and faith in the resilience of our business model, we look forward to overcoming any challenges that may lie ahead.

Sd/-  
(Puneet Chawla)  
Chairman & Managing Director

# PROFILE OF DIRECTORS



Shri Puneet Chawla is the Chairman and Managing Director of our Company since December 14, 2018. He is an IRSSE officer (batch of 1985). He has over 33 years of experience in Indian Railways.

Prior to joining our Company, he has held positions such as Executive Director (Safety) in the Ministry of Railways, Divisional Railway Manager, Ajmer, Chief Project Manager, Indian Railway Project Management Unit, General Manager, Rail Vikas Nigam Limited etc.

He has been conferred with the 'Eminent Engineers Award' by the Institution of Engineers (India) in 2020 and an award for 'Exemplary Leadership' at the 21<sup>st</sup> National Management Summit, 2020 and CMD PSU Leadership award for 2021 by Governance Now.

He holds a Bachelor's degree in B.E/Electronic and Electrical Communication from Punjab Engineering College, Chandigarh and a Master's degree in Business Administration from Indira Gandhi National Open University. He has also completed Advanced Leadership & Strategic Management Program from Carnegie Mellon University and Executive Leadership Programme by SDA Bocconi, Milan, Italy. He is Fellow, Institution of Engineers (India) and has been elected as Life Member of the Chartered Institute of Logistics and Transport-India.



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### 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, he worked in different capacities.

Prior to his joining RailTel, he served in various capacities in Indian Railway (IRSSE) mainly in Western Railways.

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 an Electronics and Telecommunication Engineering Graduate from University of Allahabad and joined Indian Railway Service of Signal Engineers (IRSSE) 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 has a full-time Post Graduate Diploma in Management (PGDM) from prestigious Management Development Institute (MDI) Gurugram. 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 & Chief Financial Officer  
(DIN: 07018776)

Shri Anand Kumar Singh, joined RailTel Corporation of India Ltd. as Director (Finance) on 4<sup>th</sup> 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, 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 quality to plan, monitor and execute 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 Nominee Director  
(DIN: 08444478)





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**Shri Vinay Srivastava**

Part-time Government Nominee Director  
(DIN: 08638850)

Shri Vinay Srivastava has 27 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.

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.

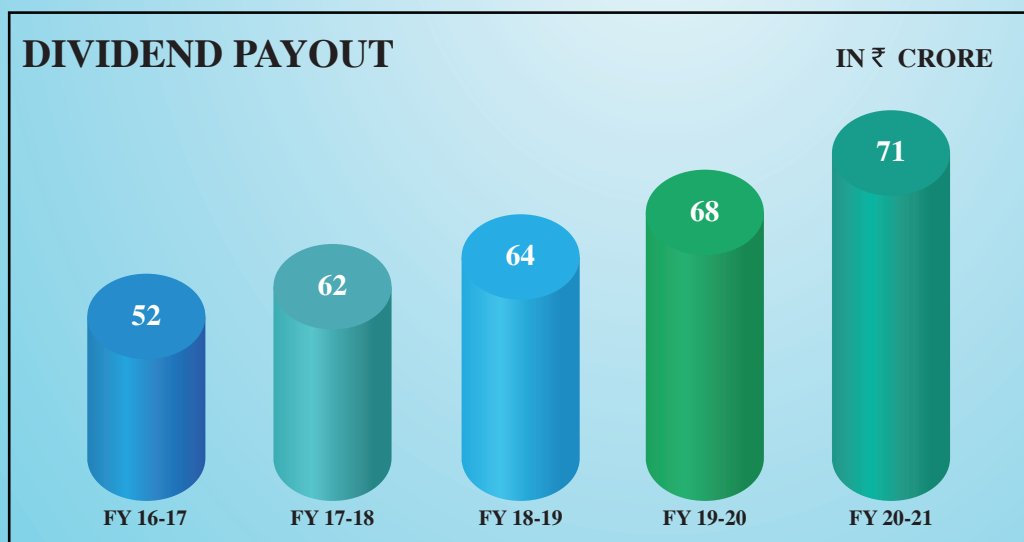
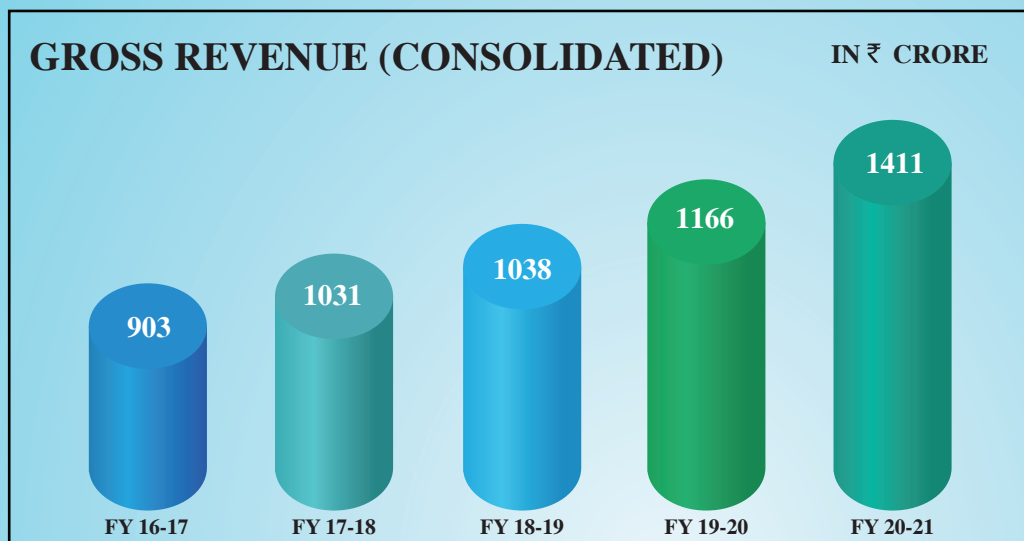
He took charge as part-time non-official (Independent Director) in RailTel Corporation of India limited w.e.f. 16/07/2019.



**Shri Chinnsamy Ganesan**

Independent Director  
(DIN:07615862)

# KEY FINANCIAL HIGHLIGHTS



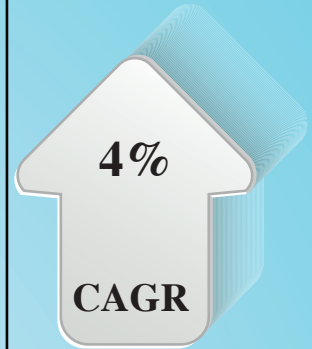
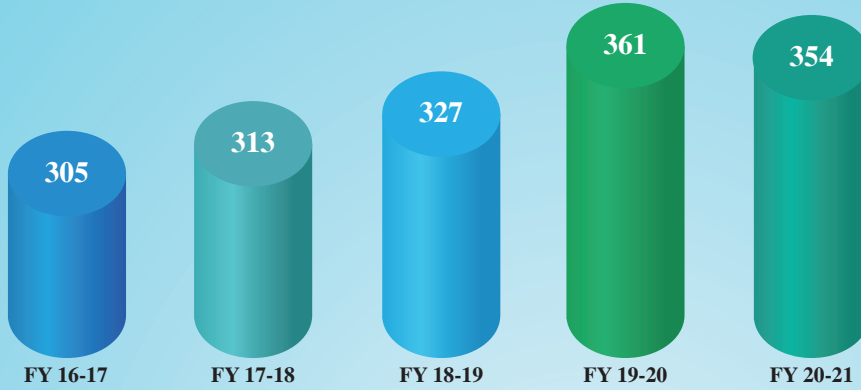


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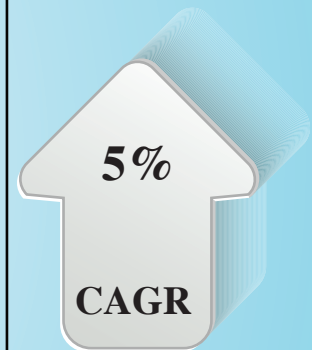
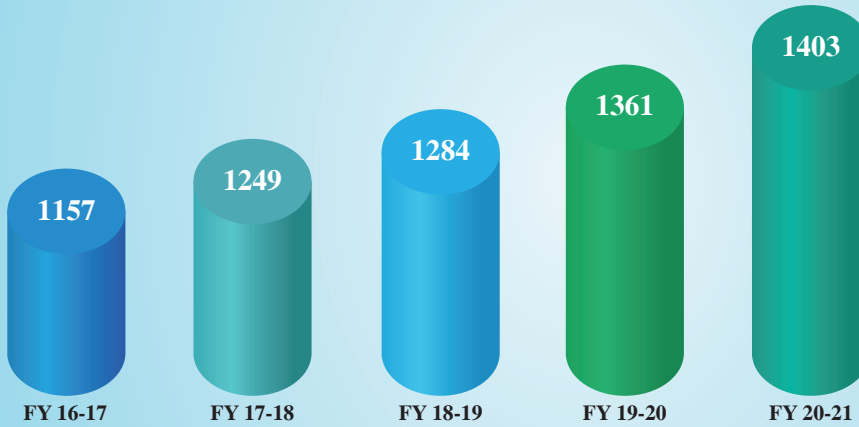
### GROSS MARGIN

IN ₹ CRORE



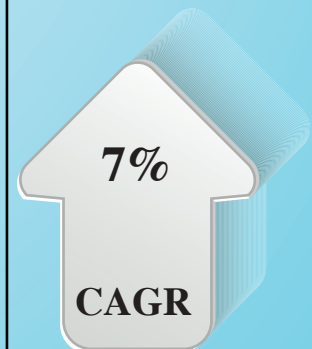
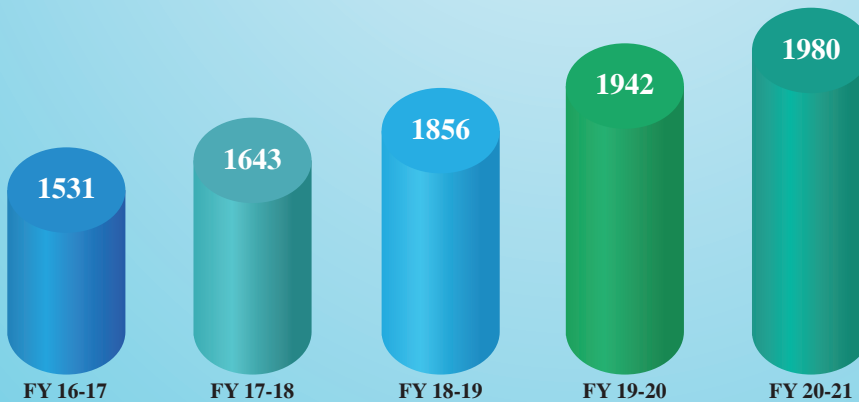
### NET WORTH

IN ₹ CRORE

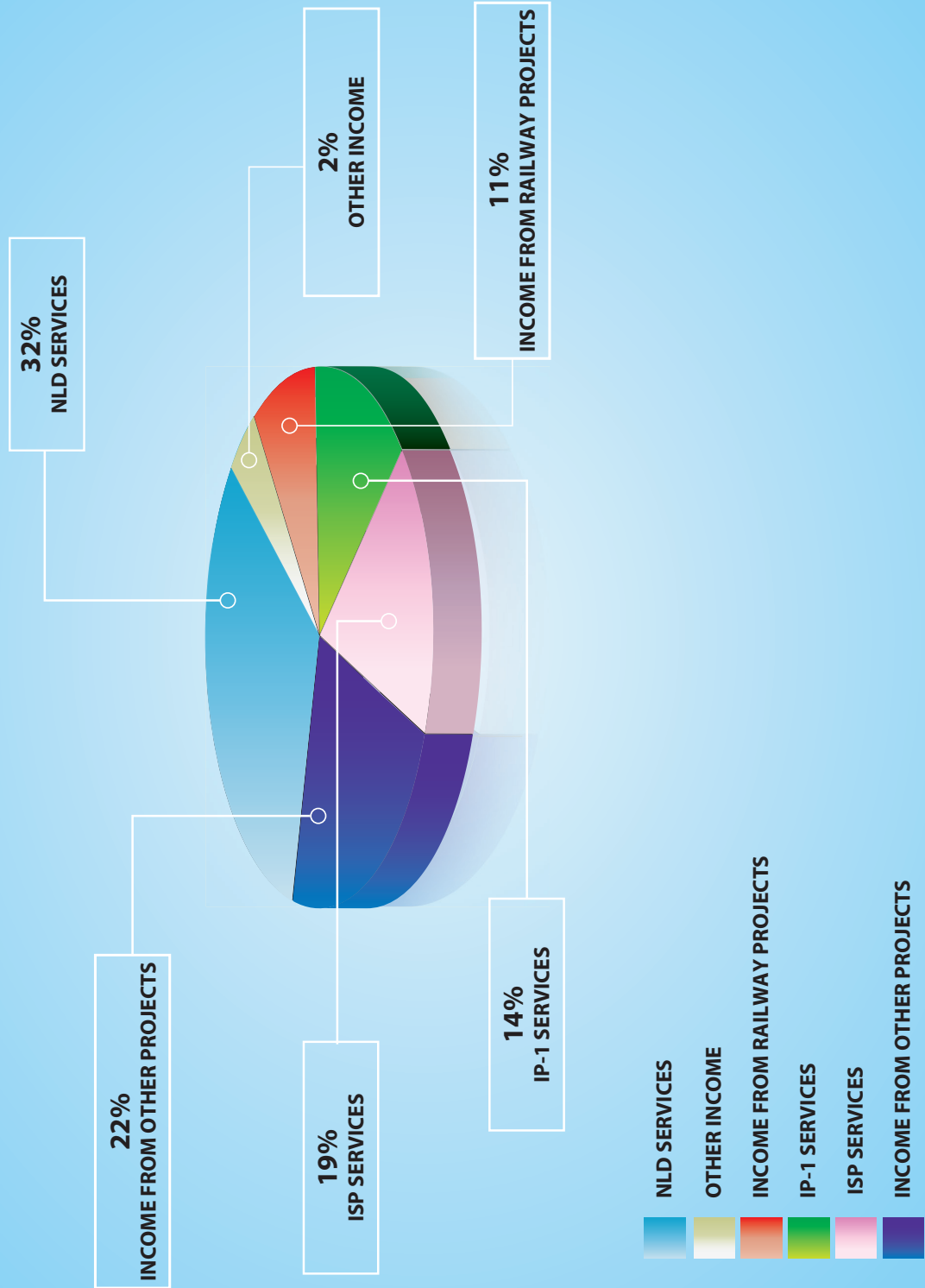


### FIXED ASSETS (GROSS BLOCK)

IN ₹ CRORE



# REVENUE MIX



## FINANCIAL DATA FOR LAST 10 YEARS

(₹ in Crore)

S.No.	Particulars	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
1	Total Income (incl. other income)	404	440	538	554	642	900	1025	1017	1112	1366
2	Expenditure (incl. increase/decrease in stock)	171	209	284	298	367	595	712	690	751	1012
3	Gross Margin	233	231	254	256	275	305	313	327	361	354
4	Interest Expenses	6.00	1.00	-	-	-	-	-	-	-	-
5	Depreciation	110	88	85	90	81	116	119	112	131	159
6	Profit before tax and Exceptional Item	-	-	-	-	-	-	194	215	230	195
7	Exceptional Items	-	-	-	-	-	-	-	36	49	-
8	Profit before tax	116	142	169	166	194	189	194	179	181	195
9	Profit after tax	86	113	138	121	102	127	156	110	138	140
10	Dividend pertaining to FY	14	15	17	17	41.53	51.53	62.47	64.20	68.06	70.61
11	Reserves & surplus	382	476	592	683	763	836	928	963	1040	1082
12	Fixed Assets (Gross block)	938	983	1,078	1,236	1,431	1,531	1,643	1,856	*1942	*1980
13	Inventories	2.30	3.80	2.92	1.00	0.59	0.22	-	0.87	0.49	1.21
14	Share Capital	321	321	321	321	321	321	321	321	321	321
15	Capital employed	696	770	851	833	1,084	1,153	1,249	1,284	1,361	1,403
16	Net Worth	703	797	913	1,004	1,084	1,153	1,249	1,284	1,361	1,403
17	Number of Employees ( nos)	359	490	490	525	537	814	793	754	721	700
18	Income per employee	1.13	0.90	1.10	1.06	1.19	1.11	1.29	1.35	1.54	1.95
19	Current ratio	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	1.48:1
20	Debt/equity ratio	0.06:1	-	-	-	-	-	-	-	-	-
21	Operating margin/ capital employed	33.42%	30.07%	29.80%	30.73%	25.33%	26.45%	25.06%	25.47%	26.52%	25.23%
22	Expenditure / income	42.43%	47.43%	52.83%	53.79%	57.20%	66.11%	69.46%	67.85%	67.54%	74.08%
23	PBT Before Exceptional Item/ Capital Employed	-	-	-	-	-	-	15.53%	16.74%	16.90%	13.90%
24	PBT/ Capital Employed	16.67%	18.51%	19.84%	19.93%	17.89%	16.36%	15.53%	13.94%	13.30%	13.90%
25	PAT/ Share capital	26.74%	35.07%	42.98%	37.68%	31.77%	39.48%	48.60%	34.27%	42.99%	43.61%
26	PBT Before Exceptional Item/Turnover	-	-	-	-	-	-	18.93%	21.14%	20.68%	14.28%
27	PBT/ Turnover	28.72%	32.37%	31.41%	29.96%	30.23%	20.95%	18.93%	17.60%	16.28%	14.28%
28	PAT/ Turnover	21.25%	25.57%	25.65%	21.83%	15.89%	14.08%	15.22%	10.82%	12.41%	10.25%
29	PAT/Net Worth	12.22%	14.13%	15.11%	12.05%	9.40%	10.99%	12.49%	8.57%	10.14%	9.98%
30	Dividend/PAT	16.31%	13.33%	12.33%	14.06%	40.73%	40.66%	40.04%	58.36%	49.32%	50.44%
31	Dividend/Net worth	1.99%	1.88%	1.86%	1.69%	3.83%	4.47%	5.00%	5.00%	5.00%	5.03%
32	Book Value per share (In Rupees)	22	25	28	31	34	36	39	40	42	44
33	Basic EPS (In Rupees)	2.67	3.51	4.30	3.77	3.18	3.95	4.87	3.42	4.31	4.37

\* It Includes Right of use Assets.



## RAILTEL CORPORATION OF INDIA LIMITED

(A Govt. of India Undertaking)

CIN: L64202DL2000GOI107905

**Regd. & Corporate Office:** Plate-A, 6<sup>th</sup> Floor, Office Block Tower-2,  
East Kidwai Nagar, New Delhi-110023

**Website:** [www.railtelindia.com](http://www.railtelindia.com) **Email ID:** [cs@railtelindia.com](mailto:cs@railtelindia.com)

**Telephone:** +91 11 22900600 **Fax:** +91 11 22900699

### NOTICE

NOTICE is hereby given that the **Twenty-First (21<sup>st</sup>) Annual General Meeting (“AGM”)** of the Members of RailTel Corporation of India Limited will be held on Wednesday, 29<sup>th</sup> September, 2021 at 11:30 Hrs (IST) **through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”)** to transact the following businesses:-

#### ORDINARY BUSINESS:

- 1) To consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2021 together with the Report of the Board of Directors and Auditors thereon and the Comments of the Comptroller & Auditor General (“C&AG”) of India thereon.
- 2) To confirm the payment of Interim Dividend for the Financial Year 2020-21 and to declare the Final Dividend for the Financial Year 2020-21.
- 3) To appoint a Director in place of Shri Ashutosh Vasant, Director (DIN: 07783222) who retires by rotation and being eligible, offers himself for reappointment.
- 4) To take note of the appointment of Statutory Auditors as appointed by the C&AG of India for the Financial Year 2021-22 and authorising the Board of Directors of the Company to fix their remuneration.

#### SPECIAL BUSINESS:

- 5) To ratify the remuneration of the Cost Auditors for the Financial Year 2020-21 and 2021-22, respectively, and if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force, the Company hereby ratifies the remuneration of M/s R. J. Goel & Co, Cost Accountants appointed as Cost Auditors by the Board of Directors of the Company, to conduct



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the audit of the cost records of the Company for the Financial Year 2020-21 and 2021-22, respectively, at a remuneration of ₹ 60,000/- plus applicable taxes per Financial Year.”

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

Sd/-

**(J.S. Marwah)**

**Company Secretary & Compliance Officer**

**Date: 03/09/2021**

**Place: New Delhi**

**Notes: -**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs (MCA) followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 (“MCA Circulars”), and Circular no. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 & SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by the Securities and Exchange Board of India (“SEBI”) and all other relevant circulars issued from time to time, Companies are allowed to hold AGM through VC/OAVM, without the physical presence of members at a common venue. Hence, in compliance with the said Circulars, the AGM of the Company is being held through VC/OAVM. The members can attend and participate in the AGM through VC/OAVM.
2. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. However, MCA while granting the relaxations to hold the AGM through VC/OAVM has also provided exemption from the requirement of appointing proxies. Hence for this AGM the facility for appointment of proxy by the members is not being provided. Accordingly, the proxy form, attendance slip and the route map of the venue have also not been provided along with the notice. In pursuance of section 112 and section 113 of the Act, representatives of the members may be appointed for the purpose of voting through remote e-voting or for participation and voting in the AGM.
3. In line with the aforesaid MCA Circulars and SEBI Circulars, the Notice of AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 as amended, and the MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
7. In line with the MCA Circulars, the Notice calling the AGM has been uploaded on the website of the Company at [www.railtelindia.com](http://www.railtelindia.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
8. Pursuant to Section 139 (5) of the Companies Act, 2013, the Statutory Auditors of the Government Company are appointed by the C&AG and in terms of Section 142 of the Companies Act, 2013, the remuneration has to be fixed by the Company in the AGM or in such manner as the company in AGM may determine. For the Financial Year 2021-22, C&AG vide their Letter No. No./CA.V/COY/CENTRAL GOVERNMENT, RAILTL(4)/411 dated 19/08/2021 has appointed Statutory Auditors of the Company for the Financial Year 2021-22. The Members may authorize the Board of Directors of the Company to fix the remuneration of Statutory Auditors on the recommendation of the Audit Committee for the Financial Year 2021-22.
9. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Businesses, as set out above is annexed hereto.
10. Brief resume of the Director seeking appointment or re-appointment at AGM, as required under Regulation 36 of SEBI (LODR) Regulations, 2015, is annexed hereto and forms part of the Notice.

#### 11. DIVIDEND:-

- i. The Board of Directors, in its meeting held on 22<sup>nd</sup> March, 2021, had declared an Interim Dividend of ₹ 1/- per share (i.e. @ 10% on the paid-up equity share capital of the Company) for the Financial Year 2020-21. The Board of Directors of the Company in its meeting held on 25<sup>th</sup> June, 2021 had further recommended a Final Dividend of ₹ 1.20/- per share (i.e. @ 12% on the paid-up equity share capital of the Company) for the Financial Year 2020-21 which is subject to approval of shareholders in the AGM. Final Dividend, if approved at the AGM shall be paid within 30 days from the date of its declaration at the AGM.
- ii. The Company has fixed Wednesday, 22<sup>nd</sup> September, 2021 as record date for the purpose of determining the members eligible to receive final dividend. Final dividend, if approved at the AGM shall be paid within 30 days from the date of its declaration at the AGM.
- iii. Members, who have not registered their NECS Mandate, are requested to send their NECS Mandate request to their Depository Participant. Members who have not registered their e-mail addresses/ Bank details can update the same by contacting their respective Depository Participants as per the process advised by them.

#### 12. Procedure for Inspection of Documents:-

Members who wish to inspect the relevant documents referred to in the Notice can send an email to [cs@railtelindia.com](mailto:cs@railtelindia.com) on or before 25<sup>th</sup> September, 2021 mentioning their name, demat account number/folio number, email id and mobile number.





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### 13. Other Information:-

- i. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members are, therefore, requested to update their PAN with their DP/ RTA of the Company.
- ii. Annual listing fees for the Financial Year 2021-22 has been paid to the Stock Exchanges wherein the equity shares of the Company are listed (i.e. BSE and NSE). Also, the Annual Custodian Fee for the Financial Year 2021-22 has been paid to both Depositories [i.e. Central Depository Services (India) Limited and National Securities Depository Limited].
- iii. The Company has appointed M/s. Balika Sharma & Associates, Practicing Company Secretary (as the Scrutinizer) to scrutinize the voting process in a fair and transparent manner.

### 14. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING ANNUAL GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Friday, 24<sup>th</sup> September, 2021 at 09:00 A.M. and ends on Tuesday, 28<sup>th</sup> September, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, 22<sup>nd</sup> September, 2021 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

#### **How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

#### **Step 1: Access to NSDL e-Voting system**

#### **A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

	<p>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>. Select “<b>Register Online for IDeAS</b>” Portal or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a>.</p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider -NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</p> <p>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login Type	Helpdesk Details
Individual Shareholders holding securities in demat mode with NSDL.	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nSDL.co.in">evoting@nSDL.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43



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**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c. How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

### **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

#### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [csbalikasharma.h@gmail.com](mailto:csbalikasharma.h@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members who need assistance before or during the AGM and e-voting user manual for Members available on the website [www.evoting.nsdl.com](http://www.evoting.nsdl.com) under the ‘Downloads Section’. You can also contact NSDL on toll free number 1800-1020-990 and 1800 22 44 30 or Ms. Sarita Mote, Assistant Manager, NSDL, at designated e-mail IDs: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), who will address the grievances related to electronic voting.



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**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [cs@railtelindia.com](mailto:cs@railtelindia.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [cs@railtelindia.com](mailto:cs@railtelindia.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**15. THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**16. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:-**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join General meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company

will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number and questions, if any at [cs@railtelindia.com](mailto:cs@railtelindia.com) from September 22, 2021 to September 26, 2021. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

**17. Brief resume of Director, pursuant to the requirement of Regulation 36 of SEBI (LODR), Regulation 2015.**

**Item No. 3:- To appoint a Director in place of Shri Ashutosh Vasant, Director (DIN: 07783222) who retires by rotation and being eligible, offers himself for reappointment.**

Shri Ashutosh Vasant is a qualified Electronic and Telecommunication Engineer and is an IRSSE of 1990 batch. He took over as Director (Project Operation and Maintenance) w.e.f 30/03/2017. During his long association with RailTel since January 2002, he worked in different capacities. Prior to his joining RailTel, he served in various capacities in Indian Railway (IRSSE) mainly in Western Railways. He has been divested of the Charge/duties of the post of Director (Project Operation and Maintenance) w.e.f. 24/09/2020 as per MoR Letter.

- Details of Directorships in other listed companies: NIL
- Membership / Chairmanship in the Committees of other companies: NIL
- No. of Shares held in the Company as on date: NIL
- Disclosure of inter-se relationships between directors and key managerial personnel: None

**18. EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 FOR SPECIAL BUSINESS ITEMS:-**

**Item No. 5:- To ratify the remuneration of the Cost Auditors for the Financial Year 2020-21 and 2021-22:-**

1. The Board of Directors at its meeting held on 26<sup>th</sup> September, 2020, and 25<sup>th</sup> June, 2021, on the recommendations of the Audit Committee, has approved the appointment of M/s. R. J. Goel & Co., Cost Accountants, as Cost Auditors of the Company for the Financial Year 2020-21 and 2021-22, respectively, at a remuneration of



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₹ 60,000/- plus GST per Financial Year to conduct the audit of cost records maintained by the Company as per the applicable Rules/ Guidance Note, etc., or any amendments thereof. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, consent of the members is sought by passing an Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors for the FY 2020-21 and 2021-22, respectively, as approved by the Board.

2. The Board of Directors of your Company recommends the passing of resolution as an Ordinary Resolution.
3. None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, interested or concerned financially or otherwise in the resolution.

# Board's Report

## Dear Shareholders,

Your Company's Directors are pleased to present 21<sup>st</sup> Annual Report of the Company, along with Audited Accounts, for the Financial Year ended 31<sup>st</sup> March, 2021, prepared in accordance with the provisions of the Companies Act, 2013 read with rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

## 1. Company Overview

RailTel Corporation of India Limited 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 60000+ RKM of Optic fiber 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, PSUs 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 ₹ 1411 crore. The Company has observed an increase of 23.75 % in its revenue from operations which comes out to be ₹ 1337 Crore on standalone basis. The total turnover of the Company during the year is ₹ 1366 Crore comprising of other income of ₹ 29 Crore. The summarized financial results of your Company are shown in **Table-1**.

## 3. IPO and Listing of Shares

The Government of India announced the disinvestment of Company's equity shares through an Offer for Sale by the President of India acting through Ministry of Railways. Accordingly, Department of Investment and Public Asset Management (DIPAM), Ministry of Finance had appointed M/s. ICICI Securities Limited, M/s. SBI Capital Markets Limited and M/s. IDBI Capital Markets & Securities Limited as Book Running Lead Managers ("BRLMs") and M/s. Crawford Bayley & Co., Squire Patton Boggs Singapore LLP as Domestic and International Legal Advisors respectively for carrying out the process of disinvestment of 8,71,53,369 equity shares i.e. 27.16% of the paid up equity share capital of the Company through Initial Public Offering ("IPO").

The public issue was opened for subscription on 16<sup>th</sup> February, 2021 and closed on 18<sup>th</sup> February, 2021 at an offer price of ₹ 94/- per equity Share (including a share premium of ₹ 84/- per equity Share).

The Company's public issue received an overwhelming response from all the categories of Investors and was subscribed 42.39 times. The Company's shares were admitted into both the depositories i.e. National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") and are traded under International Securities Identification Number ("ISIN") – **INE0DD101019**. The equity shares



of the Company got listed on 26<sup>th</sup> February, 2021 on National Stock Exchange of India Limited (“NSE”) and BSE Limited (“BSE”). The Scrip Code for equity shares of RailTel assigned by BSE is **543265** and Scrip Symbol assigned by NSE is **RAILTEL**.

The proceeds of the issue amounting of ₹ 819.24 Crores were credited to the account of Government of India, PAO, DIPAM. Listing of equity shares has made the Company more recognizable and has enhanced the brand image of RailTel.

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

Particulars	Year ended 31/03/2021	Year ended 31/03/2020	Year ended 31/03/2021	Year ended 31/03/2020
	Consolidated		Standalone	
<b>Total Revenue</b>	<b>1411</b>	<b>1166</b>	<b>1366</b>	<b>1112</b>
- Revenue from Operations	1378	1128	1337	1081
- Other Income	33	38	29	31
Expenditure	1055	801	1012	751
<b>Gross Margin</b>	<b>356</b>	<b>365</b>	<b>354</b>	<b>361</b>
Depreciation	159	131	159	131
<b>Profit Before Interest, Tax &amp; Exceptional items</b>	<b>197</b>	<b>234</b>	<b>195</b>	<b>230</b>
Interest	Nil	Nil	Nil	Nil
Exceptional Items	Nil	49	Nil	49
Tax/ Others	55	44	55	43
<b>Profit for the Year</b>	<b>142</b>	<b>141</b>	<b>140</b>	<b>138</b>
Basic EPS (In ₹)	4.44	4.40	4.37	4.31

#### 4. 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, 2021 including ₹ 305.94 crore issued for consideration other than cash.

In the beginning of the year, the entire equity share capital of ₹ 320.94 Crores was held by President of India and its nominees.

Due to the disinvestment announced by Govt. of India, as mentioned in the Point-3 above, 8,71,53,369 nos. of equity shares were offered for sale through an IPO. Subsequent to the IPO, the President of India and its Nominees held 23,37,85,038 equity shares. As on 31<sup>st</sup> March, 2021, the President of India and its Nominees acting through Ministry of Railways, Government of India holds 23,37,85,038 equity shares i.e. 72.84% of the paid up equity share capital of the Company.

The details of dematerialization of shares, Demat Suspense Account/Unclaimed Suspense Account is provided in the Corporate Governance Report as annexed to this report.

## 5. 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 of ₹ 1 per share amounting to ₹ 32.09 Crore for the FY 2020-21. Further, the Board has recommended payment of final dividend of ₹ 1.20 per share amounting to ₹ 38.51 Crore for the FY 2020-21. The total dividend payment for the FY 2020-21 would be ₹ 70.60 crore as compared to ₹ 68.06 Crore paid for the FY 2019-20.

In terms of Regulation 43A of SEBI (LODR) Regulations, 2015 and the guidelines on “Capital Restructuring of Central Public Enterprises” issued by the DIPAM, 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. 60** and is also available on the Company’s website i.e. [www.railtelindia.com](http://www.railtelindia.com)

## 6. 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 ₹ 30.68 crore as against such share of ₹ 31.81 crore in the preceding year. The cumulative revenue share to Railways amounting to ₹ 299 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.

## 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 2020-21 is ₹ 1082 Crore (on Standalone basis).

## 8. Capital Expenditure

During the year, Capital expenditure of ₹ 98 Crore approx was incurred mainly on NBCC Building, OFC related assets, Telecom & Radio equipment’s etc. The Company made commitments to the tune of ₹ 73.19 Crore on capital account and accordingly, expenditure would be booked during the current financial year, in addition to the capital expenditure allocated for FY 2020-21.

## 9. Declaration from Independent Directors

RailTel has received a declaration from its Independent Directors stating that they have met the criteria of independence under Section 149(6) of the Companies Act, 2013 and the SEBI (LODR) Regulations and are not disqualified from continuing as Independent Directors. 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.

## 10. Number of Meetings of Board

The Board met Ten (10) times for transacting the business of the Company during the FY 2020-21 i.e. on 07/08/2020, 28/08/2020, 26/09/2020, 28/09/2020, 29/10/2020, 22/12/2020, 13/01/2021, 09/02/2021, 19/02/2021 and 22/03/2021. The particulars of the meetings held and attended by Directors are detailed in the Corporate Governance Report as annexed to this report.

## 11. Retirement of Directors by Rotation

In terms of the Companies Act, 2013, the provisions with respect to retirement of Directors by rotation will not be applicable to the Independent Directors of the Company. In view of this, no Independent Director is being considered to be retired by rotation. The part-time Govt. nominee directors were considered as directors not liable to retire by rotation but other directors (i.e. functional directors) will be retiring by rotation. Accordingly, Shri Ashutosh Vasant (Director) is liable to retire by rotation and being eligible, offers himself for reappointment.

## 12. Remuneration to Directors

RailTel, being a Government Company under the provisions of the Companies Act, 2013, the Directors of the Company are appointed by the President of India acting through Ministry of Railways, Government of India. The functional Directors are appointed by the Government of India who draw remunerations under Industrial Dearness Allowance (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.



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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. Policy on Performance Evaluation of Directors

RailTel is a Government Company under the administrative control of Ministry of Railways. The functional directors including Chairman and Managing Director (CMD) are selected on the recommendations of Public Enterprises Selection Board (PESB) in accordance with the procedure and guidelines laid down by Government of India.

The Company enters into Memorandum of Understanding (MoU) with the Administrative Ministry, i.e., Ministry of Railways, Government of India every year, containing key performance parameters for the company. The performance of the Company is evaluated by Department of Public Enterprise vis-à-vis MoU entered into with the Ministry of Railways, Government of India.

The evaluation of performance of Functional Directors includes self-evaluation by the respective functional directors and subsequent assessment by CMD with final evaluation by the Ministry of Railways (the administrative Ministry).

The performance evaluation of CMD includes self-evaluation and final evaluation by the Ministry of Railways.

In respect of Part-time Government nominee directors, their evaluation is done by the Ministry of Railways as per the procedure laid down. Since, Independent Directors are appointed by the administrative Ministry, their evaluation is also done by the Ministry of Railways and Department of Public Enterprises.

Ministry of Corporate Affairs (MCA) vide its circular dated June 5, 2015 had exempted Government Companies from the provisions of section 178(2) of the Companies Act, 2013, which requires performance evaluation of every director by the Nomination & Remuneration Committee. The circular further exempted Government Companies from the provisions of Section 134 (3) (p)

of Companies Act 2013, if directors are evaluated by the Ministry which is administratively in-charge of the Company as per its own evaluation methodology.

Further, Ministry of Corporate Affairs vide its notification dated 5<sup>th</sup> July, 2017 has exempted the provisions relating to review of performance of Chairperson and non-independent directors and the Board as a whole and evaluation mechanism, prescribed in Schedule IV of the Companies Act, 2013, for Government Companies.

### 14. Committees of the Board

As on March 31, 2021, the Board had five committees namely the Audit Committee, the Nomination & Remuneration Committee, the Corporate Social Responsibilities Committee, the Stakeholders Relationship Committee and the Risk Management 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 and the details of the Committees of the Board is also available on the website of the Company i.e [www.railtelindia.com](http://www.railtelindia.com)

### 15. 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.

## 16. Projects Undertaken

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

## 17. Procurement from Micro and Small Enterprises

The Government 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 2020-21 in compliance to the aforementioned Public Procurement Policy is shown in **Table-2**.

**Table-2**

Sl. No.	Particulars	2020-21 (₹ in Cr.)
1	Total annual procurement (in value)	736.31
2	Total value of procurement from MSEs	287.08
3	% age of procurement from MSEs (including SC/ST and women)	38.99%
4	Total value of procurement from only MSEs owned by SC/ST entrepreneurs	1.45
5	% age of procurement from MSEs owned by SC/ST entrepreneurs w.r.t. procurement through MSEs	0.50%
6	Total value of procurement from only MSEs owned by Women entrepreneurs	11.50
7	% age of procurement from MSEs owned by Women entrepreneurs w.r.t. procurement through MSEs	4.01%

## 18. Right to Information Act, 2005

The Right to Information Act, 2005 seeks to provide for setting out the practical regime of Right to Information for citizens to secure access to information under the control of Public Authorities in order to promote transparency and accountability in the working of every Public Authority. RailTel being a responsible Public Sector Undertaking has complied with the provisions of the Right to Information Act, 2005 and designated CPIO/ APIO and Appellate Authority as required under the provisions of the RTI Act, 2005. The details of RTI dealt during the year is shown in **Table-3**.

**Table-3**

No. of RTI cases pending as on 01/04/2020	6
Received during the Year	179
Disposed off during the year	165
Pending as on 31/03/2021	20

## 19. Business Responsibility Report

In compliance with the requirement of Clause (f) of sub-regulation (2) of regulation 34 of the SEBI (LODR) Regulations, 2015, the Business Responsibility Report (BRR) disclosures are integrated into the Annual report and aimed at describing RailTel initiatives in discharging responsibilities from an environmental, social and governance perspective in the specified format. The BRR is presented in separate section forming part of this Annual Report.

## 20. 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 read with Companies (Meetings of Board and its Powers) Rules, 2014.

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

## 21. 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 2020-21, RailTel’s IT team continuously worked towards strengthen of core processes of these implemented modules so that users could effectively and efficiently use ERP for day to day work. New ERP Modules like EMD Application, Asset tagging for CO, payment integration with Bank, Dark Fiber Billing Application, Last Mile Provisioning through implementation target Application, Digital Signatures & IRN Invoicing, Balance Sheet Automation, E-Invoice for Railwire have been developed during FY 2020-21 apart from regular O&M and enhancements works including development of new reports.

Further, as per management and business requirement, during FY 2021-22 ERP team shall be working for development of new applications like Web Start Application, Vendor Bill tracking Application Dashboard application for Mobile for higher management, Dark Fiber Billing Application, Last Mile Provisioning through implementation target Application.

RailTel has fully implemented the NIC e-Office system in its working by replacing the manual files with Digital Files. The e-office workings have enhanced the transparency as files can be tracked, and their status is known to all at all times. This has fastened the decision-making process and strengthen the Internal Control System. E-Office working ensures data security and data integrity at all the times. This has proven to be

boon in a crisis time and enabled employees to WORK FROM HOME, which would have been impossible in case of manual filing system.

## 22. Annual Return

The Annual Return of the Company as on March 31, 2021 is available on the Company’s website and can be accessed at <https://www.railtelindia.com/profile-4/annual-report-review-and-annual-return.html>

## 23. Management’s Discussion and Analysis Report

In compliance with the requirement of Regulation 34(2)(e) of the SEBI (LODR) Regulations, 2015, the Management’s Discussion and Analysis Report for the year under review is presented in separate section forming part of this Annual Report.

## 24. 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. RailTel has also organized free COVID vaccination camps at its Corporate/Regional Offices for the benefit of its employees including outsourced/contractual staff and their eligible family members.

As on 31<sup>st</sup> March, 2021, the Company had total manpower strength of **700** employees including regular, deputationist, contractual and consultants. The details are shown in **Table-4**. During the year, Company has also availed the services of **1511** outsourced employees.

**Table-4**

Category	No. of Employees for the year ended 31.03.2020	No. of Employees for the year ended 31.03.2021
Regular Employees	468	461
Deputationist	47	52
On Contract	175	169
Consultants	31	18

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-5**.

**Table-5**

Category	No. of Employees for the year ended 31.03.2020	No. of Employees for the year ended 31.03.2021	% of total no. of regular employees during financial year ended 31.03.2021	No. of recruitment made in these categories*
Women Employees	45	46	9.9	0
SC Personnel	63	64	14.2	0
ST Personnel	18	18	4.0	0
Other Backward Classes	119	119	26.3	0
Persons with Disabilities	7	7	1.5	0
Ex-Serviceman	1	1	0.2	0

\* Employees who join on absorption basis are regular employees but not part of recruitment data.

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

## 25. Particulars of Employees

As per provisions of section 197(12) of the Companies Act, 2013 read with the Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every Company is required to give a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules, in the Annual Report of the Company.

However, as per notification dated June 05, 2015 issued by the Ministry of Corporate Affairs, Government of India, Government Companies are exempted from complying with provisions of section 197 of the Companies Act, 2013.

Your Company is a Government Company, therefore, such particulars have not been included as part of the Board's report.

## 26. Rajbhasha (Official Language)

For effective implementation of official language in RailTel, guidelines of Directorate of Official Language, Ministry of Railways and Department of Official Language, Ministry of Home Affairs are followed. The company has an Official Language Implementation Committee at the corporate level which, through regular quarterly meetings, reviews the use of the official language being carried out in the office functioning in the Corporate Office and Regional Offices. All

officers/employees are encouraged to do their work in Hindi using easy vocabulary. All computers / laptops available in the office have Unicode facility.

The company has been regularly attending the quarterly meetings of the Official Language Implementation Committee of the Railway Board and quarterly progress reports are sent regularly to the Railway Board. The company is also a member of the Town Official Language Implementation Committee (Upkram-1), New Delhi and Hindi progress report is sent regularly to the Committee and also participates in the periodical meetings of the Committee. The Company was also inspected by the Second Sub-Committee of the Parliamentary Committee on Official Language in August, 2020 to review of the use of Hindi and the company is following the directions given by the Committee.

Like every year, this year also on the occasion of Hindi Day, Hindi Pakhwada was celebrated in RailTel from September 10, 2020 to September 24, 2020 and various activities / programs were organized during the fortnight, the brief description of which is as follows: -

On 10.09.2020, a banner related to the organization of Hindi Fortnight was put up at the main entrance of RailTel's Corporate Office, East Kidwai Nagar, New Delhi. The first two days of the fortnight, i.e on 10<sup>th</sup> and 11<sup>th</sup> September 2020, A campaign was launched to ensure that the Corporate Office and in all Regional and Territory Offices the Name Boards / Information Boards, Name / Designations Plates, Seals, etc., subject on all



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registers, templates and prescribed forms should be in Hindi-English bilingual form, the name, designation and signature in the attendance register should be in Hindi and at least the forwarding letter of the tender seeking draft, quotation must be in Hindi.

The following programs were organized in the remaining days of Pakhwada: -

Essay writing competition in Hindi

Noting and drafting competition in Hindi,

Short story competition in Hindi

Recitation competition of self written poetry in Hindi

A Hindi workshop was also organized through Webex on the topic of 'Resolving problems of working in Hindi', for which Dr. Barun Kumar, Director / Official Language of the Ministry of Railways, Railway Board was invited as Speaker. 52 Executives of RailTel benefited from the Hindi workshop.

On 24.09.2020, a Hindi quiz competition, prize distribution and Rajbhasha Pakhwada closing ceremony program was organized. On this occasion, Mr. Prem Pal Sharma, a learned scholar writer and retired Joint Secretary of the Ministry of Railways, Railway Board, was invited as the Chief Guest, addressed and delivered a speech on the topic "Hindi Hamari Rajbhasha". Executives giving correct answers in Hindi quiz competition were honored with the books of eminent Hindi writers by the Chief Guest and the winners of other Hindi competitions were awarded with cash prizes and certificates by the Chairman and Managing Director of RailTel. Apart from this, one executive from each Regional Office and Corporate Office was also awarded with cash award and certificate for doing most of the work in Hindi in the office. Compliance with covid-19 global pandemic regulations was also ensured in the programs organized during Hindi Pakhwada.

A quarterly illustrated "RailTel Gatividhan" newsletter is being published regularly by RailTel for the use of the Official Language, the first edition of which was published from October to December, 2018 and is being published regularly thereafter. Apart from this, the official language magazine "RailTel Pragati" has also been printed on a half-yearly basis. Three editions have been published so far and the fourth issue is in process of

publication. Appreciating the publication of the second issue of "Rajbhasha Griha Patrika", the Town Official Language Implementation Committee, Gurugram has also honored with a shield and certificate.

## 27. 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.

The summary of complaints received during the year is Shown in **Table-6**.

**Table-6**

Number of complaints of Sexual Harassment received in the year.	Nil
Number of complaints disposed off during the year.	Nil
Number of cases pending for more than 90 days.	0
Number of workshops on awareness programmes against sexual harassment conducted during the year.	2
Nature of Action	Nil

## 28. Risk Management

The Board of Directors of your Company at their 78<sup>th</sup> meeting had earlier adopted a Risk Management Policy (RMP) prepared by M/s. Price Waterhouse Coopers (PwC).

The Board of Directors of your Company in their 117<sup>th</sup> meeting held on 22<sup>nd</sup> December, 2020 had adopted the revised RMP which is in line with requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Board of Directors of your Company in their 122<sup>nd</sup> meeting held on 17<sup>th</sup> June, 2021 has considered and approved the revision in existing Risk Management Policy to make it in sync with the requirement of recent amendment in SEBI (LODR) Regulations, 2015. The revised Risk Management Policy is implemented in RailTel.

The present potential risks in RailTel are as follows:

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

## 29. Related Party Transactions

Your Company has formulated a policy on Related Party Transactions which is also available on Company's website at [www.railtelindia.com](http://www.railtelindia.com). This policy deals with the review and approval of 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-I**.

## 30. Corporate Governance

A detailed report on Corporate Governance as stipulated under Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is appended and forms part of the Annual Report. The Company has always worked towards enhancing the Corporate Governance and the principles underlying the same within the organization. Your Company is in compliance with DPE Guidelines on Corporate Governance to the extent possible. Pursuant to the requirements of DPE Guidelines, 2010 a certificate obtained from Practicing Company Secretary and is forming part of this Annual Report.

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 secured, based on self-evaluation, an annual score of "91.84%" which falls under 'Excellent' grade for compliance of DPE Guidelines on Corporate Governance for FY 2020-21.

## 31. 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 disaster management, women empowerment, 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 2020-21, RailTel has undertaken to spend ₹ 663.19 lakh on CSR activities (includes, ₹ 369.09 Lakh which is 2% of average net profit before tax (PBT) of the company earned during the immediately preceding three Financial Years plus ₹ 33.42 Lakh carried forward from previous year plus ₹ 260.68 Lakh as unspent from 2019-20. Out of the CSR budget,





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₹ 490.20 lakh was spent during FY 2020-21.

During the year, RailTel has carried out various CSR activities like contribution to PM Cares Fund, provision of IT Infra at education center in Mathura, providing free Wi-Fi at Railway stations, establishing Digital Learning Centre, Skill Development Centre for Women etc.

One of the RailTel's CSR initiative namely 'RailTel's Akansha Super-30, Dehradun, Uttarakhand' is related to providing free lodging and mentorship to poor but talented students from state of Uttarakhand, for admission to IIT's and other premier engineering institutes. The program has success rate of 100%.

RailTel has contributed an amount of ₹ 330 Lakh out of the CSR budget for FY 2020-21 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-II**.

### 32. 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) to the extent applicable.

### 33. 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 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, under a full-time Chief Vigilance Officer, the company carried out various preventive activities including periodic and surprise inspections which led to various system improvements. This shall enable RailTel to proactively ensure transparency in various spheres of Company's activities as well as to take punitive measures wherever required.

The Status of Vigilance activities during the year is Shown in **Table-7**.

**Table-7**

SN	HEAD	NUMBER	REMARKS
1	Number of Complaints received during the year	71	All complaints dealt as per complaint handling policy in a timely manner.
2	Number of investigations carried out during the year (incl. under directions of CVC & Railway Board)	14	Related to tender/contract management and procedure violations.
3	Number of Officers against whom disciplinary proceedings initiated arising out of investigations (incl. CBI cases)		In addition, action against 2 Ex-employees communicated to relevant authorities.
	a) Major penalty proceedings	3 nos.	
	b) Minor penalty proceedings	5 nos.	
4	Number of Inspections conducted during the year		Across Corporate Office, Regional offices & field units.
	a) Periodic inspection	45	
	b) Surprise inspection	12	
5	Number of Systemic Improvements taken up during the year	16	In respect to HR/Admin policies & procurement matters.

### (i) Other important work done in Vigilance department

- **IT Initiatives:** Online Vigilance database of ERP created for all employees. SOLVE (System for Online Vigilance Enquiry) portal of DoPT adopted for creation and maintenance of vigilance profiles for all E5 level and above executives. Process of Vigilance clearance of all executives now being done over ERP.
- **Trainings:** 24 internal trainings conducted on procurement, contract and preventive vigilance matters covering all employees.
- **Vigilance Policy:** Vigilance clearance policy and complaint handling policy revised as per extant DoPT/CVC guidelines.

### (ii) Vigilance awareness week

As per Central Vigilance Commission's directives, Vigilance Awareness Week was observed in RailTel from 27.10.2020 to 02.11.2020 in its true spirit on the theme "सतर्क भारत, समृद्ध भारत – Satark Bharat, Samriddh Bharat."

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. The week began with integrity pledge to RailTel officials on 27.10.2020. During the week, a number of vigilance awareness activities were carried out and events organized involving RailTel's officials as well as citizens. A brief of such activities is as under:

- On the occasion of inauguration of Vigilance Awareness Week, an address by Sh. Suresh Patel, Vigilance Commissioner, CVC was organised on 27.10.2020 on vigilance theme which was attended by all officers of Corporate office, Regions & Territories of RailTel.
- A lecture on public procurement matters was delivered by Sh. Shailendra Singh, CTE, Central Vigilance Commission on 28.10.2020.
- A workshop on matter related to conducting DAR and Inquiry proceedings was organised on 29.10.2020. The lecture was delivered by Sh. S N Gupta, former Director/CVC & CVO/Sports Authority of India (presently Director, USOF/DoT).

- Sh. S P Beck, Executive Director/S&T/Vigilance, Railway Board was the chief guest on last day of vigilance awareness week i.e. 02.11.2020 and he also addressed the officers of RailTel on the occasion.
- A competition on article writing & poster creation was held among all employees across India on the theme of Vigilance Awareness Week 2020. Total 25 entries received against which prizes and certificates were handed out to shortlisted employees.
- RailTel vigilance department issued a vigilance bulletin on the occasion comprising new vigilance policies, guidelines on Tender Committee proceedings, Do's & Don'ts of procurement apart from award winning articles and poems from employees.
- Various housekeeping activities were also carried out in all offices of RailTel as directed by CVC.

## 34. Impact of COVID-19

Covid-19 continues to have a devastating effect on people's lives as well as economic activities around the world. The impact of the Covid-19 pandemic is likely to be minimal on telecom companies. There is likely to be substantial demand for our services like NIC e-office, Video conferencing, VPN etc. due to surge in demand for remote working environment. The demand for bandwidth has also increased tremendously. Work from home and online school/college has raised the demand for our RailWire broadband as well. There is going to be an upward trend in the demand of digital services and RailTel team is fully prepared to encash on the same.

## 35. Statutory Disclosures

Your Directors have made necessary disclosures, as required under various enactments including the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 36. Auditors

### 36.1 Statutory Auditors

The Comptroller and Auditor General of India (CAG) has appointed M/s. Suresh Chandra & Associates of New Delhi as Central Statutory Auditors of the Company to audit the Financial Statements for the year ended 31<sup>st</sup> March, 2021.



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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 recommendation 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.

### 36.2 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 2020-21.

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

### 36.3 Secretarial Auditor

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, Practicing Company Secretaries, as Secretarial Auditor of the Company for the Financial Year 2020-21. The Secretarial Audit has been conducted by M/s P.C. Jain & Co, Practicing Company Secretaries 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, 2021 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-III & IV**, respectively.

### 37. Comments of CAG

The comment(s) of CAG are attached and forming part of this Annual Report.

### 38. Auditors' Report

The Auditors' Report of the Company for the year ended 31<sup>st</sup> March, 2021, is attached with the Financial Statements of the Company. There is no qualification in the Auditors Report on the Financial Statements of the company.

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

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

### 40. MOU with Administrative Ministry

RailTel is signing a MoU with the Government of India, Ministry of Railways whereby stating inter alia the physical and financial targets. The MOU pertaining to FY 2020-21 was signed with Ministry of Railways within stipulated time.

### 41. 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.

### 42. General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Details relating to deposits covered under chapter V of the Companies Act, 2013.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.

- Issue of shares (including sweat equity shares) to employees of the Company under any Scheme.
- Neither the Chairman and Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from subsidiary company.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

### 43. Directors' Responsibility Statement

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

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

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

### 44. Acknowledgements

Your Directors would like to place on record their sincere appreciation and gratitude to the Indian Railways, Government of India, Department of Investment and Public Asset Management (DIPAM) 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 thank all share-holders, business partners and all members of the RailTel Family for their faith, trust and confidence reposed in the Board. 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: 03/09/2021**



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ANNEXURE-I

# 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**

**A. 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 Limited  (Wholly Owned Subsidiary)	RCIL providing staff/ executives, who are nominated for devoting limited times 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.	2020-21	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 O.O. No 587 dated 04.06.2020 and OO No. 589 dated 03.07.2020 by considering the time being devoted and nature of work being handled. The total amount of salary charged from REL is approx. ₹ 56.11 lakhs excluding taxes.	22.12.2020 & 25.06.2021	
2.	RailTel Enterprises Limited  (Wholly Owned Subsidiary)	REL transferred the work of DRDO SPIC to RCIL 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. RCIL will undertake complete execution of fibre laying work of approx. 470 RKM which may increase as per the actual work at the site.	2020-21	The total work cost is around 71.96 Cr. (including RoW charges of ₹ 14.96 Cr)  Total Cost allocable to F.Y. 2020-21 was approx. 18.29 Cr.  Payment Terms: The payment to RCIL shall be 96% of the work order value placed by DRDO SPIC on REL(RoW Charges shall be paid on 100% basis to RCIL). The payment received by REL under the project will be proportionately released to RCIL on back -to-back basis.. Tax invoice for the same may be generated by both the parties as per arrangement signed.	12.02.2020	

				RCIL 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.		
3.	RailTel Enterprises Limited (Wholly Owned Subsidiary)	Supply of 24 Fiber Underground (Armoured) OFC Cable and HDPE Duct by RCIL to REL for execution of DRDO Amoni Tejpur project of REL	2020-21	Total Cost of Material transferred allocable to F.Y. 2020-21 was ₹ 2,75,000/- excluding GST Payment Terms: The stock transfer was made at the same price at which RCIL had procured from the Vendor, no conflict of interest was involved.	22.03.2021	
4.	RailTel Enterprises Limited (Wholly Owned Subsidiary)	RCIL provided Maintenance of OFC cables and all electronics provisioned for creation of pop at AMONI Railway station (maintaining Chaparmukh-Amoni-Tezpur OFC patch ) under REL & DRDO Amoni project.	2020-21	Estimated monthly expenditure for maintenance work is ₹ 98966.51/- excluding GST Total Cost of maintenance incurred, as allocable to F.Y. 2020-21 was 6,16,835/- excluding GST Payment Terms: The Payment by REL shall be at the same rate as made to Subcontractor by RCIL. Payment shall be made to RCIL against the evidence to payment to the subcontractor and the tax invoice received by REL from RCIL.	22.03.2021	



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**B. 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 Limited (Wholly Owned Subsidiary)	RCIL has provided Hosting Services (4 core, 8 GB RAM, 715.42 GB) to REL Customer RDSO-QAM in RailTel's Data Centre Gurgaon.  The price/charges for services were determined as per approved DC tariff policy of RCIL.	2020-21	Tender No REL/CO/DNM/RCIL/RDSO-QAM/PO/2 Purchase Order No. 19510019,2 Dated 01.01.2021 Service Period-01.04.2019- 31.03.2021 Total Value of PO was 6,79,680/- incl 18% GST. The annual value of PO for F.Y. 2020-21 for the said service received from RCIL was ₹ 3,39,840/- incl 18% GST.	N/A	
2.	RailTel Enterprises Limited (Wholly Owned Subsidiary)	RCIL has provided Hosting Services to REL Customer (RDSO Standard electrical division) in RailTel's Data Centre Gurgaon.  The price/charges for services were determined as per approved DC tariff policy of RCIL.	2020-21	Tender No. REL/CO/DNM/RCIL/RDSO-SE/PO/1 Purchase Order No 19510018,2 Dated 01.01.2021 Service period: 16.04.2019- 15.04.2021 Total Value of PO was 6,23,040/- incl 18% GST. The annual value of PO for F.Y. 2020-21 for the said service received from RCIL was ₹ 3,11,520/- incl 18% GST.	N/A	
3.	RailTel Enterprises Limited (Wholly Owned Subsidiary)	RCIL has provided Hosting Services to REL Customer RDSO-CLW in RailTel's Data Centre Gurgaon.  The price/charges for services were determined as per approved DC tariff policy of RCIL.	2020-21	Tender No: REL/CO/DNM/RCIL/CLW/PO/2 Purchase Order No. 19510017,2 Dated 01.01.2021 Service Period: 01.04.2019-30.11.2021 Total Value of PO was Rs 8,30,720/- incl 18% GST The annual value of PO for F.Y. 2020-21 for the said service received from RCIL was ₹ 3,11,520/- incl 18% GST.	N/A	
4.	RailTel Enterprises Limited (Wholly Owned Subsidiary)	RCIL has provided Hosting Services ( 8 Core, 16 GB RAM, 1 TB STORAGE-5DC & 2DR) to REL Customer GMDA in RailTel's Data Centre Gurgaon.  The price/charges for services were determined as per approved DC tariff policy of RCIL.	2020-21	Tender No: REL/CO/DNM/RCIL/DC-CHARGES/PO/09 Purchase Order No. 19510016,3 Dated 01.01.2021 Service Period 01.01.2020-31.12.2022 The total value of the PO was Rs 80,88,192/- incl 18% GST The annual value of PO F.Y. 2020-21 for the said service received from RCIL was ₹ 26,96,064/- incl 18% GST.	N/A	

5.	RailTel Enterprises Limited (Wholly Owned Subsidiary)	RCIL has provided Hosting Services (Processor & CPU cores-16 cores, 256 GB RAM, 5TB STORAGE) to REL Customer HARSAC in RailTel's Data Centre Gurgaon.  The price/charges for services were determined as per approved DC tariff policy of RCIL.	2020-21	Tender No: REL/CO/DNM/RCIL/DC-CHARGES/PO/7 Purchase Order No: 19510015,4 Dated 01.01.2021 Service Period:22.04.2019- 21.04.2022 Total Value of PO was 16,97,076/- incl 18% GST The annual value of PO F.Y. 2020-21 for the said service received from RCIL was ₹ 5,65,692/- incl 18% GST.	N/A	
6.	RailTel Enterprises Limited (Wholly Owned Subsidiary)	RCIL has provided Hosting Services ( 8 core, 16 GB RAM, 1TB Storage) to REL Customer NHSRCL in RailTel's Data Centre Gurgaon.  The price/charges for services were determined as per approved DC tariff policy of RCIL.	2020-21	REL/CO/DNM/RCIL/DC-CHARGES/PO/9 Purchase order No: 19510014,3 Dated 01.01.2021 Service period: 01.07.2019-30.06.2023 Total Value of PO was 30,81,216/- incl 18% GST The annual value of PO F.Y. 2020-21 for the said service received from RCIL was ₹ 7,70,304/- incl 18% GST.	N/A	
7.	RailTel Enterprises Limited (Wholly Owned Subsidiary)	RCIL 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.  The price/charges for services were determined as per approved DC tariff policy of RCIL.	2020-21	Tender No: REL/CO/DNM/RCIL/DC-CHARGES/PO/8 Purchase Order No: 19510013,2 Dated 01.01.2021 Service period:01.03.2019-25.02.2024 Total Value of PO was 19,21,550.69/- incl 18% GST The annual value of PO F.Y. 2020-21 for the said service received from RCIL was ₹ 3,85,152/- incl 18% GST.	N/A	
8.	RailTel Enterprises Limited (Wholly Owned Subsidiary)	RCIL has provided Hosting Services( 8core, 32 GB RAM, 1TB STORAGE) to REL Customer GMDA in RailTel's Data Centre Gurgaon.  The price/charges for services were determined as per approved DC tariff policy of RCIL.	2020-21	Tender No: REL/CO/DNM/RCIL/DC-CHARGES/PO/03 and 10 Purchase order No: 19510011,2 Dated 01.01.2021 Service period: 22.05.2019 -21.05.2023 Total Value of PO was 30,81,216/- incl 18% GST The annual value of PO F.Y. 2020-21 for the said service received from RCIL was ₹ 7,70,304/- incl 18% GST.	N/A	





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9.	RailTel Enterprises Limited (Wholly Owned Subsidiary)	RCIL has provided Collocation services (Half Rackspace at DC and Half Rack Space in DR) to REL's Customer MCG, in RailTel's Data Centre Gurgaon.  The price/charges for services were determined as per approved DC tariff policy of RCIL.	2020-21	Tender No: REL/CO/DNM/RCIL-MCG/PO/1 Purchase order No: 19510008 Dated 31.12.2020 Service Period: 07.04.2019-31.03.2021 Total Value of PO was 20,78,455.24/- incl 18% GST The annual value of PO F.Y. 2020-21 for the said service received from RCIL was ₹ 10,47,840/- incl 18% GST.	N/A	
10.	RailTel Enterprises Limited (Wholly Owned Subsidiary)	RCIL has provided Additional Storage to REL's Customer HARSAC, in RailTel's Data Centre Gurgaon. ( Associated with DC services provided as per REL PO No. 19510015)  The price/charges for services were determined as per approved DC tariff policy of RCIL.	2020-21	Tender No: HARSAC/2020/HSR/674 Purchase order No: 19510067 Dated 28-12-2020 Service Period- 2 years Total Value of PO was 32,46,999.76/- incl 18% GST The annual value of PO F.Y. 2020-21 for the said service received from RCIL was ₹ 16,23,449.88/- incl 18% GST.	NA	
11.	RailTel Enterprises Limited (Wholly Owned Subsidiary)	RCIL has provided rack space services (5 rack Space for CCTV project) to REL's Customer i.e. GMDA  The price/charges for services were determined as per approved DC tariff policy of RCIL.	2020-21	Tender No: GMDA/SC/ICCC/2018 Purchase Order No. 19510033 Dated 29.01.2020 Service Period: 01.07.2019 -30.06.2022 Total Value of PO was 98,23,500/- incl 18% GST The annual value of PO F.Y. 2020-21 for the said service received from RCIL was ₹ 32,74,500/- incl 18% GST.	N/A	
12.	RailTel Enterprises Limited (Wholly Owned Subsidiary)	RCIL has provided rack space services (9 rack Space) to REL's Customer i.e. GMDA  The price/charges for services were determined as per approved DC tariff policy of RCIL.	2020-21	Tender No: REL/CO/DNM/RCIL/DC-CHARGES/PO/6 Purchase Order No: 19510012,1 Dated 24.01.2020 Service Period: 01.04.2019-31.03.2022 Total Value of PO was 1,76,82,300/- incl 18% GST The annual value of PO F.Y. 2020-21 for the said service received from RCIL was ₹ 58,94,100/- incl 18% GST.	N/A	

13	RailTel Enterprises Limited (Wholly Owned Subsidiary)	RCIL has provided Hosting Services (Shared Firewall Service, Rack Space(Full rack), Nexus/Catalyst 1G Fiber, Public IP, secured VPN for 10 users) to REL Customer GMDA in RailTel's Data Centre Gurgaon.  The price/charges for services were determined as per approved DC tariff policy of RCIL.	2020-21	Tender No: REL/CO/DNM/RCIL/DC-CHARGES/PO/4 and 11 Purchase Order No: 19510010,1 Dated 24.01.2020 Service Period: 19.07.2019 -18.07.2021 Total Value of PO was 29,94,698.40/- incl 18% GST The annual value of PO F.Y. 2020-21 for the said service received from RCIL was ₹ 1497349.2/- incl 18% GST.	N/A	
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\*Transactions are made on Approved Tariff/Customer Tariff

**For and on behalf of the Board**

**Sd/-  
Puneet Chawla  
Chairman & Managing Director  
DIN: 08303340**



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ANNEXURE-II

**RAILTEL CORPORATION OF INDIA LIMITED**  
**ANNUAL REPORT ON CSR ACTIVITIES FOR THE YEAR 2020-21**  
**TO BE INCLUDED IN THE BOARD'S REPORT**

<p>1. Brief outline on CSR Policy of the company</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 Companies Act, 2013 ("the Act") and rules made thereunder read with Schedule VII of the Act and DPE guidelines on CSR.</p> <p>During the year 2020-21, the following CSR activities were approved by the Board of RailTel:</p> <p><b>a) Continuity of RailTel Akansha Super-30 at Dehradun</b></p> <p>The program provides 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) 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 ₹ 3.30 Crore, out of the CSR budget of FY 2020-21, to the PM CARES Fund to support the Govt. of India in its crusade against COVID-19 pandemic.</p> <p><b>c) Provision of IT Infrastructure at Parimajan center for Children</b></p> <p>RailTel has provided Internet bandwidth and IT infrastructure like Desktop, UPS, Furniture at Parimajan center for poor children at Lovhan, Village in Mathura, Uttar Pradesh.</p> <p><b>d) 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>
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2 <b>Composition of CSR Committee:</b>												
Sl. No.	Name of Director			Designation/ Nature of Directorship		Number of meetings of CSR Committee held during the year			Number of meetings of CSR Committee attended during the year			
1	Shri Chinnsamy Ganesan			Chairman		1			1			
2	Shri Sanjai Kumar			Member		1			1			
3	Shri Anand Kumar Singh			Member		1			1			
3 Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.								https://www.railtelindia.com/corporate-information/csr.html				
4 Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).								No Impact assesment done				
5 Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any												
Sl. No.	Financial Year			Amount available for set-off from preceding financial year (in ₹)			Amount required to be set-off for the financial year, if any (in ₹)					
1	2020-21			Nil			Nil					
6 Average net profit of the company as per section 135(5) (₹ Lakh):								18455				
7												
(a)	Two percent of average net profit of the company as per section 135(5) (₹ Lakh)								369.09			
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years. (₹ Lakh)								33.42			
(c)	Amount required to be set off for the financial year, if any								0			
(d)	Total CSR obligation for the financial year (7a+7b-7c) (₹ Lakh)								402.51			
8 (a) CSR amount spent or unspent for the financial year:												
<b>Amount Unspent (in ₹ Lakh)</b>												
<b>Total Amount Spent for the Financial Year. (in ₹ Lakh)</b>			<b>Total Amount transferred to Unspent CSR Account as per section 135(6).</b>				<b>Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).</b>					
			<b>Amount (in ₹ Lakh)</b>		<b>Date of Transfer</b>		<b>Name of the Fund</b>		<b>Amount</b>		<b>Date of Transfer</b>	
377.51			24.51		30.04.2021		NA		NA		NA	
(b) Details of the CSR amount spent against ongoing projects for the financial year:												
(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the project		Project Duration	Amount allocated for the project (in ₹ Lakh)	Amount spent in the current financial year (in ₹ Lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ Lakh)	Mode of Implementation - Through Implementing Agency (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
1	PM Cares Fund	Health Care	Yes	Delhi	Delhi	One Year	330.00	330.00	0.00	Yes	Not Applicable	



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2	Akansha Super-30	Education	No	Uttarakhand	Dehradun	One Year	55.00	33.00	22.00	No	Center for Social Responsibility and Leadership	CSR00001414
3	IDEA Communication	Education	No	Uttar Pradesh	Mathura	One Year	2.50	0.00	2.50	No	Idea Communication	NA
4	Operational Expenditure	Miscellaneous	No	Various Locations	Various Locations	One Year	15.01	14.51	0.50	Yes	Not Applicable	
<b>Total</b>							<b>402.51</b>	<b>377.51</b>	<b>25.00</b>			
(c) Details of the CSR amount spent against other than ongoing projects for the financial year:												
(1)	(2)	(3)	(4)	(5)		(6)	(7)		(8)			
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation Direct (Yes/No)		Mode of Implementation - Through Implementing Agency			
				State	District		Name	CSR Registration Number				
Nil												
<b>Total</b>							<b>0.00</b>					
(d)	Amount spent in Administrative Overheads								<b>0.00</b>			
(e)	Amount spent on Impact Assessment, if applicable								<b>0.00</b>			
(f)	Total Amount spent for the financial Year (8b + 8c + 8d + 8e) (₹ Lakh)								<b>377.51</b>			
(g)	Excess amount for set off, if any											
Sl. No.	Particular								Amount (in ₹ Lakh)			
(i)	Two percent of average net profit of the company as per section 135(5)								369.09			
(ii)	Total amount spent for the Financial Year								377.51			
(iii)	Excess amount spent for the financial year [(ii)-(i)]								8.42			
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any								33.42			
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]								-25			
9 (a)	Details of Unspent CSR amount for the preceding three financial years:											
Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹ Lakh)	Amount spent in the reporting Financial Year (in ₹ Lakh)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial year (in ₹ Lakh)					
				Name of Fund	Amount (in ₹)	Date of Transfer						
1	2019-20	260.68	112.69	Not Applicable	Not Applicable	Not Applicable	172.50					
<b>Total</b>		<b>260.68</b>	<b>112.69</b>				<b>172.50</b>					

9 (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project Id	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (in ₹ Lakh)	Amount spent on the project in the reporting Financial Year (in ₹ Lakh)	Cumulative amount spent at the end of reporting Financial Year (in ₹ Lakh)	Status of Project - Completed/Ongoing
1	2430	Continuity of RailTel Akansha Super-30 at Dehradun	2019-20	11 Months	70.00	21.00	70.00	Completed
2	2430	Continuity of two Digital Literacy centers at Varanasi, U.P. in association with M/s Society for Advancement of Village Economy (SAVE)	2019-20	12 Months	24.40	18.30	24.40	Completed
3	2430	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)	2019-20	12 Months	15.90	11.92	15.90	Completed
4	2430	One Digital Literacy center at Lalbagh, Delhi in association with M/s Society for Advancement of village Economy (SAVE)	2019-20	12 Months	20.96	15.72	15.72	Ongoing
5	2430	Continuity of one skill development Centre women at Jahangirpuri, Delhi, in association with M/s Matrix society for Social Service (MASS)	2019-20	12 Months	17.80	8.90	13.35	Ongoing
6	2430	One Digital literacy center at Mewat, Haryana-On going CSR project	2019-20	12 Months	14.28	7.14	7.14	Ongoing
7	2430	Grant to Janta Adarsh Andh Vidyalaya	2019-20	12 Months	4.90	3.68	3.68	Ongoing
8	2430	Adoption of 2 Nos of ITI's	2019-20	12 Months	10.00	0.00	0.00	Ongoing
9	2430	Promoting School Education by distributing value educations kits in Delhi/NCR	2019-20	12 Months	8.75	4.38	4.38	Ongoing
10	2430	5 Mini Science Centres at 5 Govt. School's in Motihari, Bihar	2019-20	12 Months	18.00	10.80	10.80	Ongoing
11	2430	One Digital Literacy center at Lalbagh, Delhi in association with M/s Society for Advancement of village Economy – ongoing CSR project of 2018-19	2018-19	12 Months	26.28	5.24	23.46	Completed ₹ 2.82 Lakh Carried forward to CSR Budget of FY 2020-21
12	2430	02 Nos Digital Literacy Centres at Bokaro District of Jharkhand – ongoing CSR project of 2018-19	2018-19	12 months	34.36	5.62	32.92	Completed ₹ 1.44 Lakh Carried forward to CSR Budget of FY 2020-21
13	2430	Menstrual Hygiene Management (MHM) in Government Schools of Aspiration Districts of Uttar Pradesh – ongoing CSR project of 2018-19	2018-19	12 Months	49.97	0.00	44.97	Ongoing
14	2430	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	2018-19	12 Months	102.00	0.00	0.00	Ongoing (Advance of ₹ 50.06 lakh has been paid)
<b>Total</b>					<b>417.60</b>	<b>112.70</b>	<b>266.72</b>	



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10	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year <b>(asset-wise details).</b>	
(a)	Date of creation or acquisition of the capital asset(s).	Not Applicable
(b)	Amount of CSR spent for creation or acquisition of capital asset.	Nil
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Not Applicable
11	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).	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. Few projects have been delayed due to COVID -19 pandemic across the country in 2019-20 and 2020-21

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

**Sd/-**  
**Chinnsamy Ganesan**  
**Chairman CSR Committee**  
**(DIN: 07615862)**



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ANNEXURE-III

**P.C. JAIN & CO.**

Company Secretaries

(Corporate Law & Insolvency Resolution Advisor)

# Form No. **MR-3**

## SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED AS ON 31<sup>st</sup> March, 2021

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

To,  
The Members,  
RailTel Corporation of India Limited  
Plate-A, 6<sup>th</sup> 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 (herein after called “the Company”)** having (CIN:L64202DL2000GOI107905), 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, 2020 to 31<sup>st</sup> March, 2021 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, 2020 to 31<sup>st</sup> March, 2021 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.
- (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’):-
  - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ;





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- b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- 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;
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(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/Guidelines specifically applicable to the Company based on the Sectors/ Businesses.

1. The Department of Public Enterprises Guidelines on Corporate Governance
2. The Competition Act, 2002
3. The Contract Labour (Regulation and Abolition) Act, 1970
4. The Telecom Regulatory Authority of India (Form of Annual Statement of Accounts and Records) Rules, 1999
5. The Telecom Regulatory Authority of India Act, 1977
6. Telecommunication Interconnection (Charges and Revenue Sharing) Regulation, 2001
7. 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.

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:

- (a) *The Company has not complied with Sub- regulation 1(a) of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of composition of Board, due to non-availability of requisite number of Independent Director from 26<sup>th</sup> February 2021 till 31<sup>st</sup> March 2021.*
- (b) *The Company has not complied with Chapter 1.4 of DPE Guidelines, 2010 and Chapter 3.1.4 of DPE Guidelines, 2010 due to non-availability of requisite number of Non official Director during the period under reviewed.*

**We further report that:**

The Board of Directors of the Company is duly constituted except Independent Director on the Board of the Company under review period. 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. However, the Composition of the Board of Directors of the company was not having adequate number of Independent Directors as required under SEBI (LODR) Regulations and the DPE guidelines applicable on the Company.

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 the Company has made Initial Public Offering of 87,153,369 Equity Shares of Face Value of ₹ 10 Each (“Equity Shares”) through an offer for sale by the President of India, acting through the Ministry of Railways, Government of India (The “Selling Shareholder”), for Cash at a price of ₹ 94/- per equity Share. The Offer had comprised of a Net Offer of up to 86,653,369 Equity Shares and the Employee Reservation Portion of up to 500,000 Equity Shares. The offer was made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957. The Company has made the offer in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”) and in accordance with Regulation 26(1) of the SEBI ICDR Regulations. The equity shares of RailTel Corporation of India Limited were listed and admitted to dealings on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) with effect from 26<sup>th</sup> February, 2021.

We further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit by other designated professional.

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

**Sd/-  
(P C Jain)  
Managing Partner  
CP No. 3349  
M. No: FCS 4103**

**Place: Faridabad  
Date: 3<sup>rd</sup> August, 2021  
UDIN: F004103C000730279**

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.



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**‘Annexure A’**

To,  
The Members,  
RailTel Corporation of India Limited  
Plate-A, 6<sup>th</sup> 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 31<sup>st</sup> March, 2021 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/-  
(P C Jain)  
Managing Partner  
CP No. 3349  
M. No: FCS 4103**

**Place: Faridabad  
Date: 3<sup>rd</sup> August, 2021  
UDIN: F004103C000730279**

ANNEXURE-IV

# 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 Sub-regulation 1(a) of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of composition of Board, due to non-availability of requisite number of Independent Director from 26 <sup>th</sup> February 2021 till 31 <sup>st</sup> March 2021.	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. Since the power to appoint directors including Independent Directors on the Board of the Company vests with the President of India acting through Ministry of Railways, it is beyond the control of the Company to appoint Independent Directors on the Board of RailTel. However, 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 Regulation 17(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance.
2.	The company has not complied with chapter 1.4 of DPE Guidelines, 2010 and Chapter 3.1.4 of DPE Guidelines, 2010 due to non-availability of requisite number of Non official Director.	



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ANNEXURE-V

# RAILTEL CORPORATION OF INDIA LIMITED

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

### (A) Conservation of Energy

(i)	Steps taken or impact on conservation of energy	<ol style="list-style-type: none"> <li><b><u>Effective saving during FY 2020-21 by the work of Retrofitment (replacement of old luminaries with LED solution)-</u></b> The overall yearly energy saving after execution of the project during the FY 2020-21 was around 25% (Approx.).</li> <li><b><u>BMS module (centralized AC Control) for HVAC system of RailTel, CO/ Building-</u></b> Overall savings during the FY 2020-21 was around 10% (Approx.).</li> <li><b><u>Saving through Blanking panels-</u></b> The overall savings during the FY 2020-21 was 10% in the total electricity billing during the year.</li> </ol>
(ii)	Steps taken by the company for utilising alternate sources of energy	<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 installed in Gurugram building.</li> <li>RailTel is further planning for installation of solar panel at terrace of the building of capacity 5% of sanctioned electrical power.</li> </ol>
(iii)	Capital investment on energy conservation equipment's	No capital investment on energy conservation equipment was made during the FY 2020-21.

### (B) Technology Absorption

(i)	Efforts made towards technology absorption	<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 completed 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 has completed the work of redundant HT line.</li> <li>Energy Audit of Data Center, Gurugram &amp; Office Building</li> <li>Drive to ensuring the loading such a way to maintain unit power factor</li> <li>Separating/bifurcation of Load of building floor for conservation of energy.</li> <li>Drive for major schedules of all equipments</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 equipments,</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 2020-21	FY 2019-20
i.	Foreign Exchange Earnings	NIL	NIL
ii.	Foreign Exchange Outgo	₹ 6.69 Crore	₹ 0.15 Crore



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# 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 43 A 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.





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#### **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.

# Management Discussion and Analysis Report

## 1. Economy Overview

### Introduction

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

### Market size

India's real gross domestic product (GDP) at current prices stood at ₹ 195.86 lakh crore (US\$ 2.71 trillion) in FY21, as per the second advance estimates (SAE) for 2020-21 by National Statistical Office (NSO)

India is the fourth-largest unicorn base in the world with over 21 unicorns collectively valued at US\$ 7320 Crore, as per the Hurun Global Unicorn List. India is expected to have ~100 unicorns by 2025 and will create ~0.11 crore direct jobs according to the Nasscom-Zinnov report 'Indian Tech Start-up'.

India's foreign exchange reserves stood at US\$ 58204 Crore, as of March 12, 2021, according to data from RBI.

### Recent Developments

With an improvement in the economic scenario, there have been investments across various sectors of the economy. In 2020, the total deal value in India stood at ~US\$ 8000 Crores across 1,268 transactions. Of this, M&A activity contributed ~50% to the total transaction value. Private Equity - Venture Capital (PE-VC) sector recorded investments worth US\$ 4760 Crores across 921 deals in 2020.

### Government Initiatives

In the Union Budget 2021-22, capital expenditure for FY22 is likely to increase to increase by 34.5% at ₹ 5.5

lakh crore (US\$ 75.81 billion) over FY21 (BE) to boost the economy.

Increased government expenditure is expected to attract private investments with production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded and measured policy support is anticipated to boost the Indian economy.

In March 2021, the Ministry of Electronics and IT (MeitY) invited applications for the second round of large-scale electronics manufacturing under the production-linked incentive (PLI) scheme. The window to apply for the scheme was opened until March 31, 2021.

In March 2021, following the announcement of incentive schemes for mobile and IT hardware manufacturing, the government announced to consider a key scheme for establishing display fabrication units in India. The Ministry of Electronics and Information Technology (MeitY) has requested expressions of interest (EOIs) from organisations interested in establishing LCD/OLED/AMOLED/QLED-based display fabrication units in India.

In November 2020, the Government of India announced ₹ 2.65 lakh crore (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~ ₹ 2 Lakh Crore (US\$ 27 billion) over five years to create jobs and boost production in the country.

Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Hon'ble

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% of the GDP from the current 17%. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

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

- ❖ In March 2021, the parliament approved a bill to increase foreign direct investments (FDIs) in the insurance sector from 49% to 74%. Union Minister for Finance and Corporate Affairs, stated that increasing the FDI limit in the insurance sector will support insurers in boosting additional funds and overcoming financial issues.
- ❖ In March 2021, the parliament passed the 'National Commission for Allied Healthcare Professions Bill, 2021'. Union Minister for Health and Family Welfare, Science and Technology and Earth Sciences, stated that the law aims to meet the sector's long-standing demands and increase professional employment opportunities.
- ❖ The Government of India is going to increase public health spending to 2.5% of the GDP by 2025.
- ❖ For implementation of Agriculture Export Policy, Government approved an outlay of ₹ 206.8 Crore (US\$ 29.59 million) for 2019, aimed at doubling farmers income by 2022.

## Road Ahead

India recorded the real GDP (Gross Domestic Product) growth of 0.4% in the third quarter of FY21, as per the NSO's (National Statistical Office) second advance estimates. This rise indicates V-shaped recovery progression that started in the second quarter of FY21.

As per Economic Survey 2020-21, India's real GDP growth for FY22 is projected at 11%. The January 2021 WEO (World Economic Outlook) update forecast a 11.5% increase in FY22 and a 6.8% rise in FY23. According to the IMF, in the next two years, India is also expected to emerge as the fastest-growing economy.

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

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 400000 Crore by 2025, owing to shift in consumer behavior 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 Pricewaterhouse Coopers.

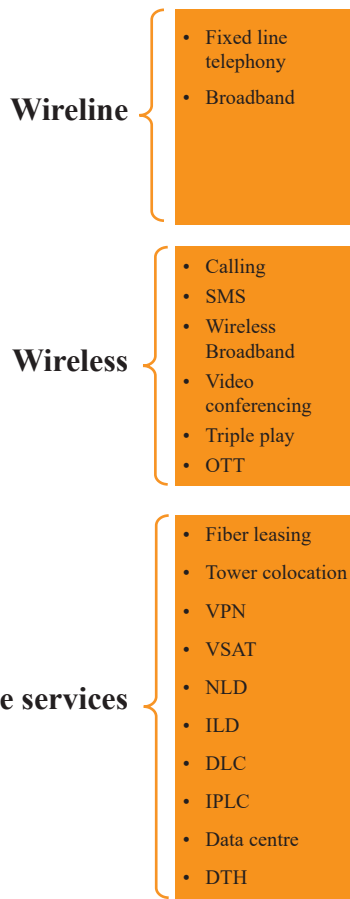
(Source: India Brand Equity Foundation, ibef.org)

## 2. Telecom Industry

### 2.1 Telecom Industry Characteristics

The Indian telecom services industry can be broadly segregated into wireless, wireline and enterprise services. Wireline services are traditional landline calling services and wired broadband service. Wireless service includes mobile calling, SMS (short message service), wireless broadband, video conferencing service, triple play service, and over-the-top (OTT) platforms. Enterprise services provide network connectivity across locations and users in an organisation.

## Structure of the Indian telecom industry



### Wireline services

A wireline service is connection to the end customer by means of a cable through which a user can make phone calls or connect to the internet.

### Wireless services

**Calling:** Mobile phone network by which end-users are connected to the network via wireless transmission technologies.

**SMS:** This is a text messaging service component of most telephone, internet and mobile device systems. It uses standardised communication protocols to enable mobile devices to exchange short text messages. An intermediary service can facilitate a text-to-voice conversion to be sent to landlines.

**Broadband:** WAP (Wireless Application Protocol) and GPRS (General Packet Radio Service) are used to deliver rich content, such as songs, videos and games, to

a subscriber. Web browsing, and receiving and sending of e-mails and instant messaging are other activities that a subscriber can perform via a GPRS subscription.

**Video conferencing:** This is a visual communication session between two or more users regardless of their location, featuring audio and video content transmission in real time. It is a high-tech communication tool for increasing business efficiency, optimising and accelerating decision-making processes, and cutting travel costs.

**Triple play:** In telecommunications, the provisioning, over a single broadband connection, of two bandwidth-intensive services, broadband internet access and television, and the latency-sensitive telephone. The bundle package allows one to enjoy a defined group of electronic services, such as satellite TV, internet and home phone, at a single discounted rate. Triple play packages offer the benefits of better value and a single bill for all services.

**OTT:** Also known as telco-OTT, OTT is a term used when a provider delivers audio, video and other media over an IP network (such as the internet), entirely bypassing the traditional operator's network. Examples of these services are social media apps (WhatsApp, Instagram, etc) and content streaming services (Netflix, Amazon Prime, Hulu, Hotstar, etc). To adapt to the growing acceptance of OTT services, communication service providers are resorting to bundling of OTT and data subscription packs.

### Enterprise services

**Dedicated leased fiber:** Typically, dedicated fiber-leased lines fulfil two purposes: (i) provide corporate offices with high-capacity connection to the internet, and (ii) connect the local network of several corporate offices to form a wide area network. In this case, individual subscribers could be organisations using fiber for business purposes. Having access to a leased fiber line has many benefits, such as faster connection speeds, connection reliability, stronger signal, low latency, symmetrical speed (in terms of equal download and upload speeds). Bharti Airtel Ltd, Bharat Sanchar Nigam Ltd (BSNL), RailTel Corporation of India Ltd, Tata Communications Ltd, and Vodafone Idea Ltd are major players providing these services.



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**Tower co-location:** This is a service provided by infrastructure provider (IP) companies. Co-location involves mounting of nodes on existing tower infrastructure to receive and transmit data and voice packets wirelessly. IP companies receive rent from wireless telecom companies that do not have funds or do not want to undertake significant capex to set up their own BTS network. Bharti Infratel Ltd, Bharti Airtel Ltd, GTL Infrastructure Ltd, Indus Towers Ltd, Reliance Jio Infocomm Ltd, RailTel Corporation of India Ltd, and Vodafone Idea Ltd are the main players providing tower co-location services. Tower co-location has become an important source of revenue for these companies with the rise in spectrum allocation, enhancing the need for more BTS units to be installed.

**VPN:** A virtual private network (VPN) uses public telecommunication infrastructure, such as the internet, to securely connect remote sites/users to the organisation's network. These services cost less than alternatives, such as traditional leased lines or remote access servers.

**MPLS-VPN:** To provide traffic isolation and differentiation without substantial overheads, Multi-Protocol Label Switching (MPLS) is among the commonly used methods to create VPNs.

MPLS involves setting up a specific path for a given sequence of data packets, each identified by a label, which reduces the time for a router to look up the address of the node where the data packet is forwarded to. Besides speeding up internet traffic, MPLS makes it easy for a service provider to monitor the quality of service (QoS). MPLS-VPN technology allows service providers complete control over parameters that are critical to offering customers service guarantees with regard to bandwidth throughputs, latencies, and availability. It reduces network complexity and cost for the customer, and eliminates the need for an in-house technical workforce.

**VSAT:** Very Small Aperture Terminal (VSAT) refers to a small fixed earth station, which provides a vital communication link required to set up a satellite-based communication network. It refers to receiving/ transmit terminals installed at dispersed sites connecting to a central hub via satellite using small diameter antenna dishes (0.6-3.8 metres).

**NLD:** National Long-Distance (NLD) service refers to carriage of switched-bearer telecommunication services over a long-distance network, i.e., a network connecting different Short Distance Charging Areas, or SDCAs. Such a service provider is usually a telecom operator providing the required digital capacity to carry long distance telecommunication services within the scope of their licence, which may include various tele-services, such as voice, data, fax, text, video and multimedia, etc.

Major players in the NLD space are BSNL, Bharti Airtel, Mahanagar Telephone Nigam Ltd, Power Grid Corporation of India Ltd, RailTel Corporation of India Ltd, Reliance Jio Infocomm, Tata Communications, and Vodafone Airtel.

**ILD:** International Long Distance (ILD) service is defined as a network carriage service, providing NLD operators in the country international connectivity, by connecting to network facilities operated by foreign carriers in other countries. It involves setting up of undersea fiber cables to transmit voice and data globally. It provides most services an NLD licensee would provide, but internationally.

Major players operating with ILD licence are AT&T Global Network Services India, Bharti Airtel, BSNL, Reliance Jio Infocomm, Sprint Telecom India, Tata Communications, Verizon Communications India, and Vodafone Idea.

**DLC:** Domestic Leased Circuits (DLC) refers to a leased circuit that is connected to a subscriber's premises within India. The telecom service providers provide DLCs to connect two or more customer sites or customers to their own or other service provider's network.

Currently, Bharti Airtel, BSNL, RailTel, Tata Communications, and Vodafone Idea are the major players operating in the DLC business.

**IPLC:** International Private Leased Circuit (IPLC) is a point-to-point private line used by an organisation to communicate between geographically dispersed offices that need dedicated international connectivity with a committed bandwidth. An IPLC can be used for internet access, business data exchange, video conferencing, and any other form of digital transmission. Currently Bharti Airtel, BSNL, Reliance Jio Infocomm, Tata Communications, and Vodafone India are major players providing international leased line services in India.

**Data centre:** A data centre houses and maintains back-end Information Technology (IT) systems and data stores — mainframes, servers and databases. Data centres also provide support to companies by offering extensive IT infrastructure, including servers, firewalls, storage systems and various other IT components, in a different place. Data centre services can be further classified into two types: the captive model and the co-location model. Bharti Airtel, Reliance Datacenter, Sify Technologies, STT Global Data Center, Vodafone Idea and RailTel Corporation of India are some of the players providing data centre services in India.

## 2.2. Recent trends in telecom and telecom data services industry in India

The impact of the Covid-19 pandemic is likely to be minimal on telecom companies. A large part of the impact on subscriber additions will be on account of short-term supply chain disruption in smartphone availability. Telcos are also likely to see a rise in cost of network equipment, much of which is imported, thus affecting their operating margin. However, with increasing number of people working from home, data volume is likely to jump in the short term, leading to subscribers recharging with higher data tariff packs. This will likely offset any loss resulting from slow subscriber additions.

## 2.3. Segment-wise revenue

SIM consolidation in the last two fiscals has resulted in a decline in mobile revenue because of removal of inactive users. However, the spurt in subscriber numbers led to a need for additional bandwidth by players, which resulted into growth for NLD and ILD services as well. Also, corporates tied up with players having NLD license for improving and ensuring exclusive connectivity to their branch offices. This resulted in higher revenue from NLD services as well. In contrast, basic + wireless local loop (WLL) revenue has been tepid because of overall reduction in dependency on landline usage. However, due to the change in working modes owing to the COVID-19 pandemic. As per CRISIL Research there is expectation of some additions among wireline subscribers in the near to medium term.

## 2.4. Key opportunities and Threats in the telecom services industry

The telecom services and its allied business nurture upon opportunities such as low rural tele-density, infrastructure required for 5G launch, low cost-mobile handsets, growing demand for internet amidst emerging culture of work-from-home and relaxation on FDI inflows to encourage investments in the sector.

### 2.4.1 Opportunities

#### Low rural tele-density to drive wireless subscriber base going ahead

As per CRISIL Research the number of subscribers will increase at 1-2% CAGR over fiscals 2020 to 2025 once inactive subscribers get deactivated owing to multiple subscriber identification module (SIM) users opting out on account of minimum recharge and switching to primary SIM cards. Majority of the subscriber additions will be in under-penetrated rural areas with a rural tele-density of ~59.16% as of Nov 2020, giving operators the scope to expand services in these areas.

#### Pre-requisite for launch of 5G services to boost fiber and satellite infrastructure

An important 5G ecosystem pre-requisite, essential to building use cases, is fiber optic networks. Here, India lags considerably with less than 30% fiberisation as on date compared with over 70% in the United States (US) and China. As per CRISIL Research estimates India needs to lay another 10-12 Lakh fiber km in order to be 5G ready.

#### Leasing of fiber can make India 5G-ready sooner

Fiberisation would require an investment of over Rs One Lakh Crore. Nearly three-fourths of this cost will be to get right-of-way approvals, which can be as high as ₹ 1 Crore per km in metros. CRISIL Research believes it will take 3-4 years for telcos to reach the required fiberisation levels, given the delays in getting right-of-way and other permissions. As for devices, 5G-enabled ones have already made an entry in India, but affordable versions may take another 3-4 years. However, leasing of fiber can significantly reduce the investments required, depending upon sharing modalities, and will also make India 5G-ready sooner.

#### Internet of Things to unfold newer revenue streams for telcos going ahead

With the number of connected devices increasing, the Internet of Things will unfold newer revenue streams for telcos across domains such as healthcare, education and transportation. Hence, a lot is in store for telcos, which will take about a couple of years to manifest.

### Right of way to rationalise administrative expenses

The Right of Way Rules introduced in November 2016 are considered as a key enabler for expediting the deployment of underground (optical fiber) and overground (mobile towers) infrastructure in India. The rules aim at rationalising administrative expenses across the country to a maximum of ₹ 1,000 per km for fiber, and a maximum of ₹ 10,000 per application for overhead towers.

### Proliferation of low-cost mobile handsets

Proliferation of low-cost mobile handsets is also expected to play an important role in the uptick of the telecom services industry in India. Given the increasing competition, companies are focusing on launching cheaper mobile devices, making them more affordable. With Reliance Jio launching cheap 4G-enabled handsets and other companies offering 4G-enabled feature phones in the same range, the sales of 4G-enabled phones is expected to drive up overall sales of feature phones. Affordability of smartphones has also increased significantly in recent years, with the entry of Chinese players, and Indian players offering a variety of handsets at competitive rates. Handsets available across different price points would aid in increasing sales across different user segments such as value-for-money customers, high-end customers, and feature-sensitive customers.

### Reduction in ITC likely to benefit national players

In September 2017, TRAI reduced the international termination charges (ITC) payable by an International Long-Distance operator (ILDO) to the access provider, on whose network the call terminates, to ₹ 0.30 per minute from ₹ 0.53 per minute.

The regulator's decision to slash ITC is expected to reduce calls made through OTT apps. In addition, it is expected to curb the grey route (calls made through illegal voice over internet protocol). In the short term, telecom companies will be affected because of a decline in cash flow from the cut in ITC. As per CRISIL Research expectations the decline in growth due to reduced

cash flow, to be offset by an increase in the volume of incoming calls to India. Thus, the reduction in ITC is likely to benefit national players.

### FDI cap relaxation to drive investments in the sector

The Government of India hiked FDI ceiling in the telecom sector from 74% to 100% through the Foreign Investment Promotion Board. The policy circular has retained the FDI cap of 100% in telecom services (including IP Category I), of which, up to 49% investment can be done through the automatic route. Investments are expected to pick up in the sector as the government aims to see the commercial rollout of the fifth generation or 5G services in the coming years.

## 2.4.2 Threats

### Several levies on the sector

Multiple levies have been imposed on the Indian telecom sector, which operators must pay the government. These levies are in the form of spectrum usage charges [(ranging from 1% (Broadband Wireless Access spectrum) and 3-8% (other spectrum) of adjusted gross revenue)], and License fees (~8% of adjusted gross revenue, which includes 5% towards the Universal Service Obligation Fund). Over and above this, the telecom operators also pay corporate tax. As per the Cellular Operators Association of India (COAI), levies in India total 29-32% of the total revenue, compared with countries such as China (22%), the European Union (20%), and the US (17%) where levies are lower. According to the COAI, even developing countries such as Pakistan (20.5%), Bangladesh (26%), Thailand (29%), and Sri Lanka (20%) have lower levies. High spectrum pricing, stringent guidelines on call drops and lower ITC charges (at 6 paise) also add to operators' woes.

### Deteriorating financial position of telecom operators

Incumbents such as Vodafone-Idea and Bharti Airtel booked huge net losses in the second quarter of fiscal 2020. This has been attributed to the provisions made by telecom operators following the Supreme Court's decision on the long pending AGR issue between the Department of Telecommunications and telecom operators. Prior to this, Vodafone-Idea and Bharti Airtel lost revenue due to the continuous downward revision of tariffs by the new entrant, Reliance Jio. Consequently, the incumbents were forced to slash their tariffs (both

voice and data) to prevent their high ARPU customers from migrating to the Jio network.

### **Pandemic may delay 5G auctions beyond fiscal 2021**

Considering the current fiscal position of the government amidst the Covid-19 pandemic and also of telcos, the government is likely to conduct only 4G auctions this fiscal, delaying the 5G spectrum sale to next fiscal 2022. The 4G spectrum auctions will see sale of all unsold spectrums in various bands, except the 5G band.

### **Making use of newer communication technologies like IP-based networks, Wi-Fi and carrier aggregation**

QoS is of paramount importance for consumers to stick to a telecom operator. This QoS can be achieved/improved by ongoing improvement in network through adoption of various new technologies by telecom operators. In the past, barring Reliance Jio, all telecom operators used circuit switching, on which the cost of offering services was higher than IP-based networks. However, the incumbents have now rolled out VoLTE services in key circles, and plan to roll out the service in other circles as well.

Wi-Fi hotspots can be used to offload traffic during peak hours in locations where high network congestion leads to connectivity issues. This will lead to improved customer experience, which will also help in the retention of ARPU (Average Revenue per Unit) customers. Cost of offering data on Wi-Fi is also comparatively cheaper than wireless networks. Carrier aggregation also plays an important role in expanding the amount of traffic that can be carried at a particular point in time, which helps in reducing network congestion, thereby improving customer experience levels.

Thus, ongoing network upgrades and investment in next generation technologies are the key factors that will help meet high mobile data traffic volume, cater to a large number of connected devices, and improve QoS.

### **Declining trend of SMS service owing to OTT players**

Over the past few years, with increased data usage and a maturing value chain, OTT players are being seen as more attractive options to the traditional offerings of telecom operators. With WhatsApp (that has an active monthly subscriber base of over 40 Crore in India), the use of SMS has virtually stopped for data subscribers.

Usage of SMS will continue to decline, as more subscribers adopt OTT applications.

(Source: CRISIL report)

### **Investment/Major development**

With daily increasing subscriber base, there have been a lot of investment and development in the sector. FDI inflow into the telecom sector during April 2000 – December 2020 totalled US\$ 3762 Crores according to the data released by Department for Promotion of Industry and Internal Trade (DPIIT).

### **Some of the developments in the recent past are:**

- ❖ In the first quarter of FY21, customer spending on telecom services increased 16.6% y-o-y, with over three-fourths spent on data services. This spike in consumer spending came despite of the COVID-19 disruption and lack of access of offline recharges for a few weeks.
- ❖ India had over 50 Crore active internet users (accessed Internet in the last one month) as of May 2020.
- ❖ In June 2020, Jio Platforms Ltd. sold 22.38% stake worth ₹ 1.04 Lakh Crore (US\$ 14.75 billion) to ten global investors in a span of eight weeks under separate deals, involving Facebook, Silver Lake, Vista, General Atlantic, Mubadala, Abu Dhabi Investment Authority (ADIA), TPG Capital and L. Catterton. This is the largest continuous fundraise by any company in the world.
- ❖ As of January 2020, more than 542 banks were permitted to provide mobile banking services in India.

## **3. IT/ICT & BPM Industry**

The IT industry accounted for 8% of India's GDP in 2020. Exports from the Indian IT industry are expected to increase by 1.9% to reach US\$ 15000 Crore in FY21. In 2020, the IT industry recorded 138,000 new hires.

### **Market Size**

The IT & Business process management (BPM) revenue





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is estimated at ~US\$ 19400 Crore in FY21, an increase of 2.3% YoY. The domestic revenue of the IT industry is estimated at US\$ 4500 crore and export revenue is estimated at US\$ 15000 Crore in FY21.

### RailTel - ICT Crusader

Information and Communications Technology (ICT) holds the future and the competence to transform. Existing technologies are tailor-made to distribute conventional resources but to mine the unconventional ones we need novel technology. Solution lies in indigenous, affordable and easy to access technology. ICT for society should be the driving idea of future innovation.

RailTel since its inception, has been pioneer in the field of Optical Fibre Network and its outreach to far-flung areas. While fostering bandwidth with very stringent QoS and SLA, RailTel strives to explore newer and innovative ways to enrich the knowledge economy. Its Vision and Mission aligns to advance innovative ICT-enabled solutions to empower diverse Indian demographics.

RailTel has Tier-III Data Centers at Secunderabad & Gurugram and MietY empanelled RailCloud to offer IaaS (Infrastructure as a Service), PaaS (Platform as a Service) and SaaS (Software as a Service). Following ICT Services are being offered by RailTel.

- **Data Centre and Managed Hosting:** Infrastructure as a Service (IaaS), dedicated hosting, managed services, cloud computing, disaster recovery services and hosted smart city and e-governance services.
- **HD Video Conferencing Services:** end-to-end hosted multitenant video conferencing facility
- **Security Operations Centre as a Services:** cyber security incident prevention and security event monitoring services
- **ICT Hardware, Software and Service System Integration Projects:** undertake ICT hardware implementation, software delivery and digital transformation projects (CoD, VSS & RDN)
- **Digital Services:** Wi-Fi as a service, e-office, HMIS, e-tendering/ e-auction and IoT based solutions.
- **Other Services:** consultancy services for ICT services and solutions, Railway signalling services.

With new services and ventures being taken and the much-needed political momentum, RailTel has been

elevating society through its unmatched contribution in gamut of Digital India Initiatives

### Comparative analysis of player-wise financial performance in the IT/ICT industry

CRISIL Research has compared players in the IT/ICT industry based on their presence in wireless & wireline broadband, video conferencing services, data center and enterprise services.

### Key Observations

- ❖ RailTel Corporation of India Ltd. has the highest operating profit margins of 30% for the fiscal 2020 compared to its peers. Tata communications Ltd. and Sify Technologies Ltd have an operating profit margin of 27% and 18% respectively as on March 2020.
- ❖ Net profit margin of RailTel Corporation of India is the highest (13% as on March 2020) among its other peers with positive net profit margins namely Tata communications and Sify technologies Ltd. at 4% and 3% respectively for the fiscal 2020. RailTel Corporation of India Ltd. has zero debt in fiscal 2020.
- ❖ ROCE of RailTel Corporation of India stood at 14%, highest compared to positive ROCE of peers Sify technologies and Tata communications Ltd with 11% and 9.5% respectively for the fiscal 2020.

## 4. Government Initiatives

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

- ❖ The Union Cabinet approved ₹ 12,195 crore (US\$ 1.65 billion) production-linked incentive (PLI) scheme for telecom & networking products under the Department of Telecom.
- ❖ In 2021-22, the Department of Telecommunications has been allocated ₹ 58,737.00 crore (US\$ 8 billion). 56% allocation is towards revenue expenditure and the remaining 44% is towards capital expenditure.
- ❖ Under Union Budget 2021-22, the government allocated ₹ 14,200 crore (US\$ 1.9 billion) for telecom infrastructure that entails completion of optical fibre cable-based network for Defence services, rolling

out broadband in 2.2 lakh panchayats and improving mobile services in the North East.

- ❖ On January 6, 2021, the Department of Telecommunications (DoT) issued Notice Inviting Applications (NIA) for auction of Spectrum in 700 MHz, 800 MHz, 900 MHz, 1,800 MHz, 2,100 MHz, 2,300 MHz and 2,500 MHz bands. The auctions have since been completed and spectrum allocated.
- ❖ In December 2020, the Union Cabinet, approved a proposal by Department of Telecommunications for setting up of Public Wi-Fi Networks by Public Data Office Aggregators (PDOAs) to provide public Wi-Fi services through Public Data Offices (PDOs).
- ❖ In December 2020, the Union Cabinet, approved the provision of submarine optical fibre cable connectivity between Mainland (Kochi) and Lakshadweep Islands (KLI Project).
- ❖ On September 21, 2020, Hon'ble Prime Minister, Mr. Narendra Modi launched a project to connect all 45,945 villages in Bihar with optical fibre internet service.
- ❖ The Department of Information Technology intends to set up over 10 Lakh 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% from 74%; out of 100%, 49% will be done through the automatic route and the rest will be done through the FIPB approval route.
- ❖ FDI of up to 100% 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

(Source: India Brand Equity Foundation, ibef.org)

### 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 started working from Home, Schools started online classes and digital access to services across every domain.

### 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 km 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 ₹ 7 lakh crore investment in next 3 to 4 years.

### 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 afore mentioned programmes will provide more opportunities for the telecom sector.

**During 20-21, various recommendations were made to the Government by TRAI during the year.**

- ❖ Network Testing Before Commercial Launch of Services for Wireline Access Services
- ❖ Recommendations on Proliferation of Broadband through Public Wi-Fi Networks
- ❖ Provision of Cellular Backhaul Connectivity via



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Satellite Through VSAT Under Commercial VSAT CUG Service Authorization

- ❖ Recommendations on Cloud Services
- ❖ Regulatory Framework for Over-The-Top (OTT) Communication Services
- ❖ Traffic Management Practices (TMPs) and Multi-Stakeholder Body for Net Neutrality

**During 20-21, TRAI initiated various consultations on the following**

- ❖ Roadmap to Promote Broadband Connectivity and Enhanced Broadband Speed
- ❖ Review of the Quality of Service (Code of Practice for Metering and Billing Accuracy) Regulations, 2006
- ❖ Licensing Framework for Satellite-based connectivity for low bit rate applications

(Source: TRAI)

## 7. RailTel's Initial Public Offering

RailTel has gone public & offered IPO of 87,153,369 equity shares at an offer price of ₹ 94 each of the face value of ₹10 aggregating up to ₹ 819.24 Crores. The minimum order quantity in one lot was 155 Shares. The IPO was opened on Feb 16, 2021, and closed on Feb 18, 2021. This was complete offer for sale by the Government of India; therefore, the Company has not received any proceeds from the IPO. The IPO received massive response from the investors across all categories.



The Retail category observed highest subscription as

compared to other Railway PSU IPOs.

The portion reserved for retail investors was subscribed 16.78 times. Qualified Institutional Buyer was subscribed 65.29 times, Non-Institutional Investor category was subscribed 73.25 times.



**RailTel team at IPO listing event**

## 8. 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. As on 31<sup>st</sup> March-21 the size of OFC laid has grown to 59415 RKM of OFC with access network of RailTel to 18000 KM (appx.) including North Eastern States. 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 Railway's 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.

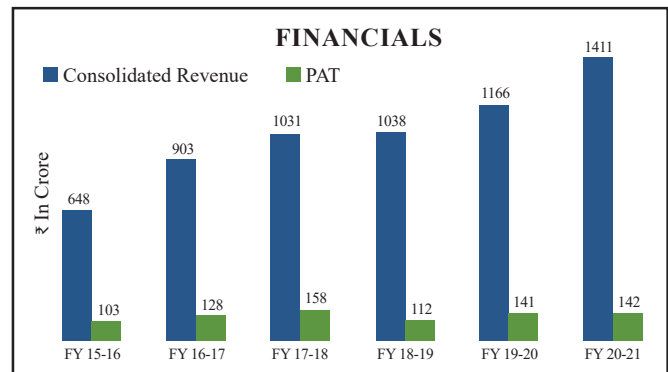
RailTel has PAN India Telecom Network with capability of Service delivery from 2Mbps upto 800Gbps links. RailTel Network comprises of various technologies viz. Next Generation Network (NGN), Synchronous Digital Hierarchy (SDH), Packet Transport Network (PTN), Dense Wavelength Division Multiplexing (DWDM), Internet Protocol- Multi Protocol Label Switching (IP-MPLS) which are maintained by round the clock Network Operation Centres and trained field manpower. Total 7289 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 retail broadband platform, RailWire RailTel is present on fiber in 1409 Govt schools in Kerala and offering reliable broadband services to a number of retail and enterprise customers across the country. The access network of RailTel in cities and towns spans to another 18000 kms and helps deliver high speed reliable connectivity to close to 723 institutes of higher learning like IITs, IIMs, IISC, 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 its customer with high SLA (Service Level Agreement)

With the presence of high speed, resilient and state of the art telecom network, backed with exclusive Right of way (RoW), along Railway Track, 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 one of the few consistently profitable, consistently dividend paying and

Debt free company in Telecom space under the Govt of India.



Snapshot of RailTel's 5 Year Performance

## 9. 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 OFC network of 59415 RKMs till March 31, 2021. RailTel's high speed OFC Backbone Network shall ultimately cover the entire railway route across the country. 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 4250 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 384 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 600 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.

## 10. 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 initiated some new services as detailed in the following paragraphs:

### 1. Hospital Management Information System

RailTel has been entrusted with the work of Hospital Management Information System over 125 Railway Hospitals and 650 Health units/ polyclinics of IR. This is integrated clinical information system for improved hospital administration and patient health care for providing an accurate, electronically stored medical records.



Total 23 units of IR are live on HMIS. The features of the software extend from customizing clinical data according to the departments and laboratories, multi hospital feature that provide cross consultation, seamless interface with medical and other equipment's and the patients will have the benefit of accessing all their medical records on their mobile device. There are about 20 modules of HMIS which will be implemented. These include Clinical, Administrative, Patient Services

& Ancillary Modules viz OPD, IPD, Labs, Pharmacy, Referrals, Medical Examinations, Sick-Fit Certifications, Reimbursement of Medical Claims etc.

The open source HMIS software is to be deployed over the cloud. This platform is linked to the unique medical ID of employees for which about 40 lacs UMID cards have been issued to the regular employees, pensioners and family members.

To minimize footfall at Northern Railway hospitals/ Health units for generic treatments, RailTel has developed a teleconsultation app. The mConsultancy Railway HMIS app has been developed and integrated under the ongoing Hospital Management Information System (HMIS) project. Apart from the mConsultancy RailTel has also developed a Covid portal and a mobile app for medical beneficiaries. The Covid portal captures and maintains all data related to covid patients (testing, line of treatment, current status etc) for better monitoring of treatment. The Patient mobile App enables the medical beneficiaries to access their medical record at a single point.

### 2. AI/ IOT based Applications

RailTel has implemented an Artificial intelligence (AI) and web-based Attendance system in 48000 schools in 33 districts of Assam for 48 lacs users including students, teachers and non-teaching staff.

RailTel is also implementing a software solution for obtaining data inputs from IOT devices for measuring of water level of rivers for monitoring the safety of bridges and measuring of rail temperature and populating the data on Indian Railway Civil engineering Telemetry application platform for real time inputs and generating alerts in case the parameters exceed specified limits. An SMS is also sent out to concerned users in case of alerts.

RailTel, has deployed IoT Based Condition Monitoring and Predictive Maintenance system for Signalling assets as POC at Malkajgiri Railway station of South Central Railway. The field sensors have been provided for various signalling gears like Signal, Point Machine, Track Circuit, Internal and External power supply and battery system. Data from the IoT devices are transmitted wirelessly to Local Workstation kept where edge computing is done along with Data Logger output.

The first level fault information/remote diagnostics are done in the edge computing system. The edge system is further connected to RailTel Cloud through RailTel's backbone for Data Analytics and reporting. Work on the application for development of various reports is in progress.

### 3. Security Operation Center

With world going digital, it is becoming increasingly important to safeguard your data from cyber security threats. To provide a centralized and consolidated cyber security solution to organizations, RailTel has set up a Security Operation Centre (SoC) at Gurugram.

We provide onsite and offsite cyber security incident prevention and security event monitoring services

RailTel's Security Operations Centre as a Service (SOCaaS) proactively addresses the increasing threat to Data Security with detection and response capabilities. The security information and event management solutions.



**RailTel SOC at Gurugram**

The services provided through SOC are Endpoint detection and response, which provides host level telemetry for both near real-time as well as forensic investigation, Network traffic analysis used to investigate alerts and obtain additional context about suspicious activity in the network, Packet capture for forensics, Sandbox for malware analytics, Vulnerability assessment tools, Web application and network firewalls and Auto ticketing tool.

### 4. 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 Railways 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. 6021 stations are live with RailTel's RailWire Wi-Fi.

This is one of the largest integrated public Wi-Fi networks of the world. Passengers use this facility for streaming High Definition (HD) Videos, download of movies, songs, games, and do their office work online.

पीयूष गोयल  
PIYUSH GOYAL



रेल, वाणिज्य एवं उद्योग तथा  
उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री  
भारत सरकार  
Minister of  
Railways, Commerce & Industry and  
Consumer Affairs, Food & Public Distribution  
Government of India



#### Message

As we march towards realising our collective vision of an *Aatmanirbhar Bharat*, digital inclusion has emerged as an important pillar for achieving self-reliance. Under the dynamic leadership of Hon'ble Prime Minister Shri Narendra Modi ji, *Digital India* is now a way of life and is crucial for ensuring that citizens are well connected and the benefits of various schemes reach them quickly and efficiently.

Wi-Fi plays a significant role in connecting people, and is bridging the digital divide between rural and urban India at a rapid pace. Indian Railways, in association with RailTel Corporation of India Ltd, is playing a key role in bringing high speed Wi-Fi to every corner of the country.

Today, on World Wi-Fi Day, I am delighted to announce that Srinagar and 14 stations of the Kashmir valley have become a part of one of the largest integrated public Wi-Fi networks in the world, connecting 6,000+ stations across the country. With this, all the stations of the valley now have public Wi-Fi. It is a crucial step for the *Digital India* mission and will go a long way in connecting the unconnected.

I convey my appreciation to the team of Indian Railways and RailTel, which has worked tirelessly to achieve this remarkable feat.

Jai Hind!




Piyush Goyal




The Station Wi-Fi was very popular with Railway users and the community around Railway stations that it generated global and domestic media attention.

**डॉ० जितेन्द्र सिंह**  
राज्य मंत्री (स्वतंत्र प्रभार),  
उत्तर पूर्वी क्षेत्र विकास मंत्रालय,  
राज्य मंत्री, प्रधान मंत्री कार्यालय,  
कार्मिक, लोक शिकायत एवं पेंशन मंत्रालय,  
परमाणु ऊर्जा विभाग तथा अंतरिक्ष विभाग,  
भारत सरकार



सत्यमेव जयते

**Dr. JITENDRA SINGH**  
Minister of State (Independent Charge),  
Ministry of Development of North Eastern Region,  
Minister of State, Prime Minister's Office,  
Ministry of Personnel, Public Grievances and Pensions,  
Department of Atomic Energy and Department of Space,  
Government of India




**MESSAGE**

Today Wi-Fi is playing an important role in connecting communities and spurring innovative solutions to help bridge the digital divide. Owing to the pandemic, the need to be virtually connected is higher than ever.

Indian Railways is playing a significant role in bridging the rural divide through the station Wi-Fi network created by its CPSU RailTel.

I am very happy to note that 15 stations in the Kashmir Valley in Jammu & Kashmir are now live with RailWire Wi-Fi. This will be an added amenity for the people of the region and the entire country.

I wish everyone a very Happy World Wi-Fi day.

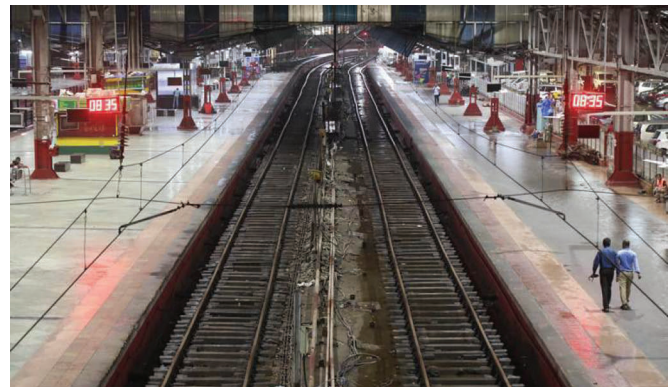


(Dr. Jitendra Singh)

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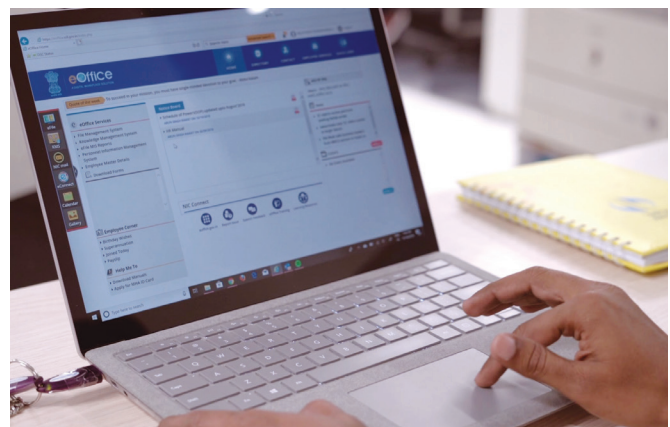
Vigyan Bhavan Annexe, Maulana Azad Road, New Delhi-110011 Tel. : 011-23022400, 23022401, Fax. : 011-23062754	South Block, New Delhi-110011 Tel. : 011-23010191 Fax : 011-2307931 North Block, New Delhi-110001 Tel. : 011-23092475 Fax : 011-23092716
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they 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. Work has been completed at 269 stations under Phase-1 and 54 stations provided for Migrant special by RailTel.



## 6. e-office in Indian Railways

RailTel has also taken up the work of implementing e-Office system for Indian Railways. e-Office project is a Mission Mode Project (MMP) under the National e-Governance Programme of the Government of India. The project aims to usher in more efficient, effective and transparent inter-government and intra-government transactions and processes. e-Office has been implemented in all 183 Units of Indian Railways. As on date, more than 1.3+ lakh users of Indian Railways are using e-Office Application. e-office 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.



## 5. Video Surveillance System (VSS)

RailTel is also executing provision of IP camera-based Video Surveillance System at 5102 railway stations and 14387 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

## 7. 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 Pilot implementation in all 5 Rakes of Mumbai Rajdhani/August Kranti rake and in AC suburban rake over Western Railway has been initiated and testing being carried out. This service will be provided on 8731 trains including 5728 Suburban Trains.

## 8. 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 provide 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).

Tenders are being invited for the same.

## 9. 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 12 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. One station Pehowa road has been commissioned. Indoor & outdoor work has already started in all stations. Recently another order received for implementation at 14 more stations over NR. Work has already been started on provision of Electronic Interlocking.

## 10. State Wide Area Network

RailTel is also helping to 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.

## 11. PM WANI

The PM-WANI scheme, announced by the Department of Telecommunications in Dec-20, aims to increase internet connectivity across the country by implementing



a decentralised system of public access points. RailTel has invested significantly in Wi-Fi with its station Wi-Fi network spread across Railway Stations & RailTel has been testing the WANI stack and has empanelled partner with the technology solution for WANI. The announcement of PM WANI has now made it possible for RailTel to leverage its nationwide Network, Wi-Fi experience and collaborative business experience to play a major role in providing Wi-Fi services. RailTel has already been registered as Public Data Office Aggregator (PDOA) by Ministry of Communication.

## 11. Existing Services

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

### 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 generated ₹ 435 Cr. revenue from this segment.

### 2. IP-1 Services

Tower collocation business translates to a good alternative for RailTel to monetize its towers infrastructure. Dark fiber leasing is a strategic customer engagement product for RailTel. The sector needs renewed focus as it is the highest bottom line business with added advantage of extensive last mile access as a reciprocal arrangement. RailTel is also refocusing on managed services. This shall help in further consolidating its market with existing customer arrangements with all mobile operators across India to lease these sites for collocation purposes. Till Mar'21, RailTel has generated ₹ 195 Cr. revenue from this segment.



### 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 15600 new subscribers each month, with 3,18,070 active subscriber base on Mar' 21. Around 5244 Local Cable Operators have partnered to provide last mile connectivity to end consumers. Total revenue of ₹ 255 crores (including RailWire accruals) was achieved during the year.

### 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.

- ❖ **RailNet :** RailTel has provided RailNet, the intranet of Indian Railways, over MPLS VPN. RailNet connects Railway Board with all Zonal, Divisional, Sub-divisional HQ's Production units, CTI's, RDSO & all other units. This secured and dedicated network is used for video conference, voice and data transfer by IR. Total number of VPN ports provisioned are 1310 and total capacity is 84Gbps for RailNet. Peak utilisation of Internet by Indian Railways is 53.775Gbps during quarter ended on 31.03.2021.
- ❖ **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, 67 Divisions offices, Production units, for sharing of information from all depts. RailTel is now in the process to connect all Tier-1 PRS center on MPLS VPN connectivity with the disaster recovery site of CRIS which shall increase the reliability of these links.
- ❖ **NGN for voice traffic:** All major telephone exchanges of Indian Railways are connected with future proof NGN technology. This infrastructure is very critical for day-to-day administrative functioning of Railways.
- ❖ **Broadband:** In addition, RailTel has commissioned Digital Subscriber Line Access Multiplexer (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

2,91,220 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.

## 5. Data Center

RailTel has two UPTIME (USA) certified Tier-III & MeitY Empanelled 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 cloud services are backed by SLA of 99.95% and co-location 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. RailTel Data Centers are empanelled with MeitY for providing cloud services to Govt. Departments & PSUs.

## 6. Telepresence as a Service (TPaaS)

RailTel's TPaaS, an end-to-end, high-definition video



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conferencing 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 man hour, travel and lodging expenses. TPaaS is also extensively used for inauguration of Rly facilities across India.

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 561 elite users across 50 plus customers. The success is a result of the significant ease of use & 24X7 customer responsiveness of the RailTel team vis-a-vis the challenges faced with other service providers.



The RailTel Telepresence Services have often served events for the Hon'ble Prime Minister of India, Minister of Railways, Minister of Industry & Commerce & Minister of Civil Aviation reaching out to places where making available even OB Vans available 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 conferencing service.



**Hon'ble PM during inauguration using RailTel's TPaaS services**

### 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 such as Coal PSUs, OFB, OCAC Orissa, Govt of Assam, CDAC and some Strategic organisations have been received.

### 12. Facilitating Government of India Initiatives

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 Lakh Gram Panchayats (GPs), which has now been rechristened as 'BharatNet'.

Under the Phase-I of this project, revised scope of RailTel was to lit 9315 GPs including 157 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. RailTel has completed OFC work for all allotted GPs. 7766 GPs are made service ready as on 31.03.2021. Balance 1549 GPs (Gujarat= 72 GPs, Dadar & Nagar Haveli=01 GP and NE=1476 GPs) RailTel part is completed. Service readiness is delayed because of other issues which are not in scope of RailTel.

Additional work of OFC laying of 2230 Km to replace the lossy fibers of BSNL in Gujarat and Dadar & Nagar Haveli assigned as add on business are in advance stage of execution.

### 13. 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 Data Center centric services such as managed services & cloud, LTE, IOT Platform and Analytics, TCAS, MTCS, 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 capacity building of its workforce by training/ certifications.

Execution of the strategy would be supported by state of the art improvements in internal business processes such as empowering field units and updating manuals and procedures.

**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 AI/IOT projects 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 has issued a procurement manual & has issued revised schedule of Powers for enhanced delegation to field level officials for faster decision making and implementation of projects.

### 14. Financial Performance

During the financial year 2020-21, total consolidated revenue earned by RailTel is ₹ 1411 crore. Profit after Tax earned has been ₹ 142 crore and Profit before tax has been ₹ 197 crore (PBT for the FY 2021 has been arrived at after considering provision for Expected Credit Loss {ECL} of ₹ 83.16 Cr in comparison to ₹ 12.51 Cr for the FY 2020, due to 100% provisioning of all debtors due over 3 years. ECL is non-cash expenditure and if effect of same is taken out, PBT for FY 21 would have grown by 45% and PAT by 51% as compared to FY 20). From NLD (Bandwidth & VPN) services, RailTel earned 435 Crore during the year. While earning from IP-1 services has been ₹ 195 Crores which includes revenues from tower & rack colocation and Dark fiber leasing. While under ISP license (Internet & Broadband) RailTel has achieved revenues of ₹ 255 Crores.



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## 15. Awards

During the year 2020-21, RailTel received following prestigious awards for its excellent performance from various organizations.:

- ❖ CSR Times Award for best PSU in Women Empowerment Category for its CSR project



- ❖ SKOCH Award in Digital Economy category for e-office implementation.



- ❖ Express Computer Digital Technology Sabha Excellence Award for Data centre under Data center category.

## 16. 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, Moral Education, Health and Physically challenged children. RailTel is currently running 3 Digital Literacy Centres (1 at Mathura, UP, 1 at Delhi, 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 in Mothhari, Bihar, aimed at making science and mathematics education fun through interactive models.



RailTel has also contributed ₹ 3.3 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.



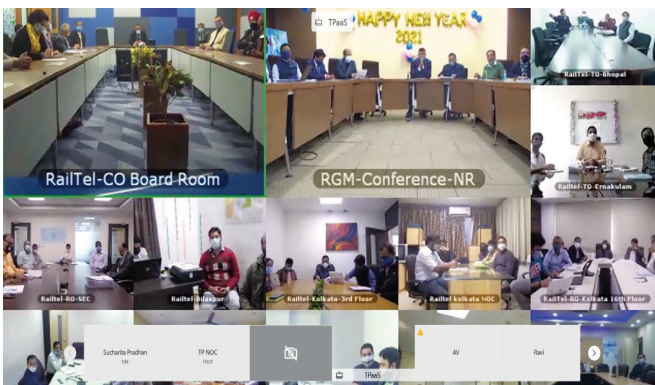
**Digital Literacy Center**

### 17. 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. RailTel has also set up a COVID welfare Fund of ₹ 5 lacs each for each region and corporate office to reimburse the expenditure on COVID treatment to employees. To improve on its employee score RailTel has implemented e-office, which enables employee to perform all work-related activities online bringing efficiency & Transparency 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 future requirements and new service diversifications, RailTel is continuously recruiting experienced and qualified manpower from different fields.

At the end of Mar'21 total manpower strength was 700 including regular, deputationist, contractual, re-employed, consultants and Advisor.



**RailTel Team during New Year -21 celebration**

### 18. Internal Control System and their adequacy

RailTel implements system and internal control procedures to enable adherence to regulatory frameworks and assure greater transparency across organizational verticals commensurate with the size of the company, complexity of its business and aligned with evolving business requirements. It ensures efficient conduct of its business, adherence to company's policies, safeguarding of its assets including purchase of raw material & consumables, store and spares, fixed assets and sales of services. RailTel ensures accuracy and completeness of accounting records and the timely preparation of reliable financial information. The Company has an internal audit system that requires the Internal Auditors to comment on the existence of adequate internal control systems and compliance therewith in addition to the opinion on existence of proper risk assessment and mitigation mechanism. Reports of the Internal Auditors are reviewed, compliances are ensured, and synopses of Audit Reports along with compliance are put up for consideration of the Audit Committee. The internal control and audit system are being reviewed periodically by the Management as well as by the Audit Committee, followed up by corrective action, whenever necessary as a part of continuous improvement. There are other different types of external audits like audits by Statutory audit, C&AG and tax audits conducted in the corporation.

RailTel has well defined Codes & Manuals, SOP (Schedule of Power), Committees of the Board CSR Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee & Audit Committee, Risk Management Committee to monitor the functioning of the company. The transactions are being carried out and authorized in line with SOP.

There are policies like Whistle Blower policy and also vigilance department in the corporation to prevent and detect fraud. Audit Committee of the Company holds regular meeting to discuss the financial matters/ internal control systems. Recommendation of Auditor for further strengthening the internal control have been duly considered and complied.



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## 19. Cautionary statement

Statements in the Director's Report and Management Discussion & Analysis, describing the Company's objectives, projections and estimates, expectations, predictions etc may be "forward looking statements", within the meaning of the applicable laws and regulations. Forward looking statements contained herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. Actual results, performances or achievement may vary materially from those expressed or implied, economic conditions, Government policies and other incidental factors such as litigation and industrial relation. Readers are cautioned not to place undue conviction on the forward-looking statements.

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# Report on Corporate Governance

## 1. Introduction

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.

This report is prepared in accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and DPE Guidelines on Corporate Governance, Ministry of Finance, Government of India. The Report contains details of Corporate Governance systems and processes at RailTel Corporation of India Limited (RailTel).

RailTel a Mini Ratna, Category-1, Schedule-'A' CPSE, got listed on the NSE and BSE on 26<sup>th</sup> February, 2021 and has established a sound framework of Corporate Governance.

## 2. 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 for Board Members and Senior Management (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.

## 3. Board of Directors

The Board of Directors of the Company consists of experienced professionals who constantly endeavour to set goals to align with the Company's Mission and Vision and functions in accordance with the provisions of the Companies Act, 2013, the SEBI (LODR) Regulations, 2015, Articles of Association, Corporate Governance Guidelines issued by Department of Public Enterprises (DPE) and other directions/ guidelines issued by the Government of India, from time to time, as applicable to the Company.

### 3.1 Composition of Board of Directors

RailTel is a "Government Company" within the meaning of Section 2(45) of the Companies Act, 2013 as 72.84% of the total paid up equity share capital of the Company is held by the President of India acting through Ministry of Railways, Government of India. As per the provisions of the Articles of Association of the Company, the power to appoint/nominate Directors on the Board of the Company vests with President of India acting through Ministry of Railways, Government of India. The detailed composition of the Board as on 31/03/2021 as shown in **Table-1** stated below:





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**Table-1**

Director	Designation
Shri Puneet Chawla	Chairman & Managing Director
Shri Ashutosh Vasant	Director (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 Sanjai Kumar	Director (Network Planning & Marketing) (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
Shri Umesh Balonda	Part-time Govt. Nominee Director
Shri Vinay Srivastava	Part-time Govt. Nominee Director
Smt. Rashmi Jain	Independent Director (Ceased to be Independent Director w.e.f. 20/07/2021 on completion of tenure.)
Shri Chinnsamy Ganesan	Independent Director

Presently, the strength of the Board of Directors is 7 (Seven), comprising of Four whole-time Directors (i.e. Chairman & Managing Director, Director/POM, Director/NPM and Director/Finance), One Independent Director and Two Part-time Govt. Nominee Directors.

The Chairman is an Executive Director and therefore, half of the Board should comprise of Independent Directors as required under the provisions of Regulation 17 of the SEBI (LODR) Regulations, 2015. As on 31/03/2021, there was vacancy in the post of four (4) Independent Directors and as on the date of this report

there was vacancy of 5 (five) Independent Directors for which appointment request has already been made to the Ministry of Railways, Government of India.

Since the power to appoint the Directors on the Board of RailTel vests with the President of India acting through Ministry of Railways, Government of India, the Company from time to time requests its administrative Ministry i.e. Ministry of Railways to appoint a requisite number of Independent Directors on the Board of the Company.

### 3.2 Details of Directorships, Committee Memberships and Committee Chairpersonship in Companies as on the date of this report:

The details of Directorships, Committee Memberships and Committee Chairpersonship in Companies as on the date of this reports is shown in **Table-2**:

**Table-2**

Name of Director	Charge held and nature of Directorship	Members of the Boards of public companies (other than 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 (RailTel Enterprises Limited)	1 (Risk Management Committee in RailTel)	NIL
Shri Ashutosh Vasant	(No Charge has been assigned)	NIL	NIL	NIL
Shri Sanjai Kumar (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.)	Director - Network Planning & Marketing (Whole Time Director)	NIL	NIL	3 (CSR Committee, Stakeholders Relationship Committee & Risk Management Committee in RailTel)

Shri Anand Kumar Singh	Director Finance (Whole Time Director)	NIL	NIL	3 (CSR Committee, Stakeholders Relationship Committee & Risk Management Committee in RailTel)
Shri Vinay Srivastava	Part-time Govt. Nominee Director	4	7 (Audit Committee in RITES, Stakeholders Relationship Committee in IRCTC, Nomination & Remuneration Committee, Stakeholders Relationship Committee, CSR, Risk Management & Project Investment Committee in RITES)	5 (Audit Committee, Nomination & Remuneration Committee in RailTel, Audit Committee in IRCTC, Nomination & Remuneration Committee in RVNL, Nomination & Remuneration Committee in IRCTC)
Shri Umesh Balonda	Part-time Govt. Nominee Director	NIL	NIL	2 (Nomination & Remuneration Committee, Audit Committee in RailTel)
Shri Chinnsamy Ganesan	Part Time non-official Director (Independent Director)	1 (Belstar Microfinance Limited)	4 (CSR Committee, Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee in RailTel)	2 (Risk Management Committee in RailTel and Audit Committee in Belstar Microfinance Limited)

### 3.3 Change in Directorships

During the FY 2020-21, following changes took place in the Board Composition.

Name of Director	Cessation
Dr. Anupam Alok	Ceased to be Independent Director of the Company w.e.f. 01/04/2020 on completion of tenure.
Shri Ashok Goel	Ceased to be Independent Director of the Company w.e.f. 01/04/2020 on completion of tenure.

### 3.4 Name of the Listed entities other than this listed entity where the person is a director and the category of directorship

Name of Director	Name of Listed Entity	Category of Directorship
Shri Vinay Srivastava	i) RITES Limited ii) Indian Railway Catering and Tourism Limited iii) Rail Vikas Nigam Limited	Government Nominee Director

#### Notes:-

- ❖ The Company being a CPSE, all Directors are appointed/ nominated by the Government of India.
- ❖ 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 and as per Regulation 16 (1) (b) read with Regulation 25(8) of the SEBI (LODR) Regulations, 2015.
- ❖ 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 of all the Directors is within the maximum limit of 20 Companies (out of which maximum 10 Public Companies) as prescribed



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under Section 165 of the Companies Act, 2013 and rules made thereunder.

- ❖ Committees here denote Audit Committee, CSR Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee.
- ❖ None of the whole - time directors of the Company is serving as an Independent Director in any other listed company
- ❖ The number of Committee Memberships/ Chairmanships of Directors is within the prescribed

ceiling limit in accordance with Regulation 26 (1) of the SEBI (LODR) Regulations, 2015 and the provisions of DPE Corporate Governance Guidelines.

### 3.5 Number of Board meetings

The Board of Directors met Ten (10) times during the Financial Year 2020-21. The maximum time interval between two Board meetings was less than three months, as per the DPE's Guidelines on Corporate Governance. The details of Board Meetings held during FY 2020-21 is shown in **Table-3**:

**Table-3**

Sr. No	Board Meeting Number	Date of Board Meeting	*Board Strength	No. of Directors Present		% of Attendance of Board Meeting
				In Person	Through Video Conferencing	
1.	112 <sup>th</sup>	07-08-2020	8	5	3	100
2.	113 <sup>th</sup>	28-08-2020	8	5	3	100
3.	114 <sup>th</sup>	26-09-2020	7	3	3	85.71
4.	115 <sup>th</sup>	28-09-2020	7	3	4	100
5.	116 <sup>th</sup>	29-10-2020	7	3	3	85.71
6.	117 <sup>th</sup>	22-12-2020	7	4	3	100
7.	118 <sup>th</sup>	13-01-2021	7	4	3	100
8.	119 <sup>th</sup>	09-02-2021	7	3	3	85.71
9.	120 <sup>th</sup>	19-02-2021	7	3	4	100
10.	121 <sup>st</sup>	22-03-2021	7	3	3	85.71

\* Shri Ashutosh Vasant had not attended the meeting by virtue of debility interposed by MoR letter no. 2012/E(O) II/40/31 dated 24/09/2020. As such no agenda papers were shared with him as he has been divested of the charge of the post of Director/POM.

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 2020-21.

### 3.6 Details of attendance of the Directors at the Board Meeting during FY 2020-21

Details of attendance of the Directors at the Board Meeting during FY 2020-21 is shown in **Table-4**:

**Table-4**

Director	No. of meetings during 2020-21		
	Held (during their respective tenures while holding charge)	Attended	Attended last AGM
Shri Puneet Chawla	10	10	Yes
Shri Ashutosh Vasant (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.)	2	2	No
Shri Sanjai Kumar (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.)	10	10	Yes
Shri Anand Kumar Singh	10	9	No
Shri Umesh Balonda	10	10	Yes
Shri Vinay Srivastava	10	9	Yes
Smt. Rashmi Jain	10	10	Yes
Shri Chinnsamy Ganesan	10	8	No

## 4. 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 Government of India, Ministry of Railways.

The appointment of Whole-Time Directors of the Company is done by the President of India acting through Ministry of Railways and not by the Company. Further, Government of India appoints Part-Time (Govt. Nominee & Non-Official) Directors for a fixed tenure.

As disclosed by the non-executive directors, none of them held any share of RailTel during FY 2020-21.

### 4.1 Familiarization Programme/Training Programme for Directors

The Company familiarizes the Independent Directors with the activities and functioning of the Company and their roles, rights and responsibilities in the Company, nature of the industry in which the company operates, business model of the Company etc. through various

programmes and presentations. The details of such familiarization programmes are disclosed on the company's website at weblink <https://www.railtelindia.com/profile-4/familiarization-programmes-for-independent-directors.html>

### 4.2 Brief Resume of new Directors who joined the Company during/after the closure of Financial Year 2020-21:

During the FY 2020-21, no new Director has been appointed/nominated on the Board of the Company.

### 4.3 Skills/ Expertise/ Competence identified by the Board of Directors as required in the context of the business:

Being a Government Company, the appointment of all the Directors (Whole-Time/ Government Nominee/ Independent Directors) is made by the President of India acting through Ministry of Railways. A table summarizing the key qualifications, skills, expertise and attributes of the Directors of RailTel, as identified by Administrative Ministry i.e. Ministry of Railways, Government of India and/or Public Enterprises Selection Board (PESB) is placed below:

Sr. No.	Category of Director	Required Expertise/Skill
1.	<b>Functional Directors (Whole-time Director)</b> <b>(i) Chairman &amp; Managing Director</b>	<p><b>Qualification:-</b> The applicant should be a graduate with good academic record from a recognized University/ Institution. Applicants with Technical/ MBA qualifications will have added advantage.</p> <p><b>Experience:</b> (i) The applicant should possess adequate experience at a senior level of management in a large organization of repute. (ii) Experience in Finance/ Marketing/ Production will have added advantage. (iii) Experience in Railway Telecom Sector is desirable.</p> <p><b>Job Description &amp; Responsibilities:-</b> The Chairman &amp; Managing Director is the Chief Executive of the Company and accountable to its Board of Directors and Government/ Shareholders. He is responsible for the efficient functioning of the company for achieving its corporate objectives and performance parameters.</p>



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<p><b>(ii) Director (Finance)</b></p>	<p><b>Qualification:-</b></p> <p>(i) The applicant should be a Chartered Accountant or Cost Accountant or a full time MBA/PGDM course with good academic record from a recognized University/Institution.</p> <p>(ii) Officers of Organized Group ‘A’ Accounts Services [i.e. Indian Audit and Accounts Service, Indian Defence Accounts Service, Indian Railway Accounts Service, Indian Civil Accounts Service, Indian P&amp;T Accounts &amp; Finance Service and Indian Cost Accounts Service] working in the appropriate level are exempted from these educational qualifications.</p> <p>(iii) Further, applicants from the Central Govt./Armed Forces of the Union/All India Services, will also be exempted from the educational qualifications as per (i) above provided the applicants have ‘the relevant experience’ as mentioned in Para (iii) below of Experience heading.</p> <p>In respect of applicants from Organized Group ‘A’ Accounts Services/Central Government/Armed Forces of the Union/All India Services, Chartered Accountant/Cost Accountant/MBA/PGDM will be a desirable educational qualification.</p> <p><b>Experience:</b></p> <p>(i) The applicant should have at least five years of cumulative experience at a senior level during the last ten years in the area of Corporate Financial Management and Accounts in an organization of repute.</p> <p>(ii) Applicants from Organized Group ‘A’ Accounts Services should have at least five years cumulative experience at a senior level during the last ten years in the area of Corporate Financial Management/Accounts.</p> <p>(iii) ‘The relevant experience’ in respect of applicants from Central Government/Armed Forces of the Union/All India Services would include at least seven years of cumulative experience at a senior level during the last ten years in the area of Corporate Financial Management/Accounts.</p> <p><b>Job Description &amp; Responsibilities:-</b></p> <p>Director (Finance) is a member of Board of Directors and reports to Chairman and Managing Director. He / She is overall incharge of finance and accounts of the organization and is responsible for evolving and formulating policies relating to finance and accounts as well as implementation thereof.</p>
<p><b>(iii) Director (Network, Planning and Marketing)</b></p>	<p><b>Qualification:-</b></p> <p>The applicant should be an Engineering graduate in Electronics/ Telecommunication/ Electrical with good academic record from a recognised University/ Institute.</p> <p>Applicants with MBA/ PGDM qualifications will have added advantage.</p> <p><b>Experience:-</b></p> <p>(i) The applicant should have at least five years of cumulative experience in Indian Railway signalling or other telecom organization of repute during the last ten years.</p> <p>(ii) Knowledge of modern management techniques, use of information technology and ability of enhancing productivity through economies of scale, logistics management and ability in managing multi-disciplinary teams, planning, networking and outsourcing will have added advantage.</p> <p>(iii) Marketing skills to capture business is desirable.</p> <p><b>Job Description &amp; Responsibilities:-</b></p> <p>Director (NP&amp;M) is a member of the Board of Director and reports to Chairman &amp; Managing Director, RailTel. He exercises statutory and corporate responsibilities in the efficient and profitable operation of the Company. He is also responsible for:-</p> <ol style="list-style-type: none"> <li>1) Planning for telecom and ICT.</li> <li>2) Driving business development in the enterprise sector.</li> <li>3) Conceptualizing and developing product design, product and service pricing, sales and marketing, service delivery and service assurance.</li> </ol>

		<p>4) Development of new business in government domain including telecom, mission made projects.</p> <p>5) Ensuring that the investments in the Company are based on sound strategic and are phased in time with revenue expectations and realization.</p> <p>6) Developing new business through OEM's, franchises, PPP etc. and for entering into Joint Venture and marketing alliances, potential business opportunities and /or marketing arrangement (s) in the telecom sector, including assessment of marketing and sales potential of such new kind of services.</p> <p>7) Brand building publicity for service and product.</p> <p>8) Any other duties and responsibilities assigned by the CMD.</p>
	<b>(iv) Director (Project Operation and Maintenance)</b>	<p><b>Qualification:-</b> The candidate should be an engineering graduate or equivalent preferably in Electrical / Communications/Electronics Engineering with good academic record from a recognized university/ institution.</p> <p><b>Experience:-</b> He should have adequate experience at senior level in projects and construction management/ Telecommunication and its marketing in a large organisation of good repute. He should have proven ability in managing multi-disciplinary streams, HRD and contract-related activity. Knowledge of modern management techniques, use of information technology and ability of enhancing productivity through economics of scales, logistics management, procurement and inventory control outsourcing, managing operation and maintenance of optical fiber based large telecom networks, management of Railways, Telecommunication system would have added advantage. Provided that minimum qualification is relaxable in the case of internal candidates with sound and adequate background and experience.</p> <p><b>Job Description &amp; Responsibilities:-</b> Director (Projects, Operations, Maintenance) is a member of Board of Directors and reports to Managing Director. He exercises statutory and corporate responsibilities in the efficient and profitable operation of the Company. He is responsible for managing specific tasks assigned to him related to projects, operations and maintenance of the telecom assets of the company.</p>
2.	<b>Part-time Government Nominee Directors</b>	As may be decided by the Government of India (Ministry of Railways)
3.	<b>Part-time non-official/ Independent Directors</b>	As may be decided by the Government of India (Ministry of Railways)

#### 4.4 List of core skills /expertise/competencies actually available with the Board

All the members of the Board of the Company possess requisite skills, expertise and competencies required for assisting in effective and efficient functioning of the company.

#### 4.5 Board Independence

All the Independent Directors have given declaration that they meet the criteria of Independence in accordance with the provisions of Section 149(7) of Companies Act, 2013, Schedule IV and Regulation 16 (1) (b) of the SEBI (LODR) Regulations, 2015.

Further, none of the Directors are debarred from holding office as Director by virtue of any order of the Securities and Exchange Board of India or any other authority.

#### 4.6 Detailed reasons for resignation of an Independent Director

None of the Independent Directors have resigned from the Company before the expiry of his/her tenure during the Financial Year 2020-21.

#### 5. Board Committees

In compliance with requirement of the SEBI (LODR) Regulations, 2015, the Companies Act, 2013, DPE Guidelines on Corporate Governance and other requirements, the Board of Directors of the Company has constituted the following Board level Committees:

- i) Audit Committee
- ii) Nomination and Remuneration Committee
- iii) Stakeholders Relationship Committee



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- iv) Corporate Social Responsibility Committee
- v) Risk Management Committee

The Chairperson of the respective Committees, determines the frequency of the meetings of these Committees. The recommendations of the Committees are submitted to the Board for approval.

### 5.1 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 the Audit Committee as on 31/03/2021 is shown in **Table-5**:

**Table-5**

Sr. 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

The composition of the Audit Committee as on date of this report is shown in **Table-6**:

**Table-6**

Sr. No.	Name of Director	Position in the Committee	Designation
1.	Shri Chinnsamy Ganesan	Chairperson	Independent Director
2.	Shri Vinay Srivastava	Member	Part-Time Govt. Nominee Director
3.	Shri Umesh Balonda	Member	Part-Time Govt. Nominee Director

Company Secretary acts as Secretary to the Committee

#### 5.1.1 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



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## 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.

**5.1.2 Meetings and Attendance of Audit Committee**

During the Financial Year 2020-2021, the Audit Committee met Nine (9) times i.e on 07/08/2020, 27/08/2020, 15/09/2020, 02/12/2020, 16/12/2020, 13/01/2021, 22/01/2021, 25/01/2021, and 22/03/2021. The attendance of the members at the meetings held during FY 2020-21 are shown in **Table-7**:

**Table-7**

Name of Director	Position in the Committee	Meetings held (During their respective tenures)	Meetings attended	
			In person	Through Video Conferencing
Smt. Rashmi Jain	Chairperson	9	8	1
Shri Chinnsamy Ganesan	Member	9	0	9
Shri Vinay Srivastava	Member	9	0	7

**Note:**

- (a) Shri Anand kumar Singh, Director/Finance has attended all the meetings of Audit Committee as a Special Invitee held during the Financial Year 2020-21 except meeting held on 13/01/2021.
- (b) Sh. J.S. Marwah, Secretary to the Committee has attended all the meetings held during the Financial Year 2020-21.

**5.2 Nomination & Remuneration Committee**

A Remuneration Committee was constituted on 30<sup>th</sup> March, 2009, in terms of the requirements of Department of Public Enterprises Office Memorandum dated 26<sup>th</sup> 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 the 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 ₹ 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 31/03/2021 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

The composition of Nomination & Remuneration Committee as on date of this report is shown in **Table-9**:

**Table-9**

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

Company Secretary acts as Secretary to the Committee

### 5.2.1 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.*

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

During the Financial Year 2020-21, the Nomination and Remuneration Committee met one time (i.e. on 22/12/2020). The details of which are given **Table-10**:

**Table-10**

Name of Director	Position in the Committee	Meetings held (During their respective tenures)	Meetings attended (In person/ Through Video Conferencing)
Shri Chinnsamy Ganesan	Chairperson	1	1 (Through video conferencing)
Smt. Rashmi Jain	Member	1	1 (In person)
Shri Umesh Balonda	Member	1	1 (Through video conferencing)

### 5.2.3 Performance evaluation criteria for Independent Directors

Ministry of Corporate Affairs has, vide its notification dated 5<sup>th</sup> June 2015, notified the exemptions to Government Companies from certain provisions of the Companies Act, 2013 which inter-alia provides that Section 134 (3)(p) regarding a statement indicating the manner of formal annual evaluation of Board, shall not apply to Government Companies in case the Directors



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are evaluated by the Ministry which is administratively in charge of the Company as per its evaluation methodology. Further, the aforesaid circular issued by the MCA has also exempted that sub-sections (2), (3) & (4) of Section 178 which states that the appointment, performance evaluation and remuneration shall not apply to Directors of Government Companies.

Further, MCA vide its notification dated 5<sup>th</sup> July 2017 has made an amendment in the Schedule IV of the Act, whereby it has exempted Government Companies from complying with the requirement of performance evaluation by the Independent Director of Non-Independent Directors and Chairman and performance evaluation of the Independent Director by the Board if the concerned department or ministries have specified these requirements.

DPE has already laid down a mechanism for performance appraisal of all Functional Directors. The performance evaluation of Functional Directors as well as the Company is done through a system of Annual Performance Appraisal Report (APAR) by Ministry of Railways and Memorandum of Understanding entered with Ministry of Railways respectively, and the said evaluation is submitted to DPE through the Administrative Ministry. RailTel enters into Memorandum of Understanding (MoU) with Government of India each year, containing key performance parameters for the Company. The MoU targets are cascaded down and form an integral part of the performance appraisal of the individuals.

In respect of Government Nominee Directors, their evaluation is done by the Ministry of Railways as per the procedure laid down. Since Independent Directors are also appointed by the Government of India, their evaluation is also done by the Ministry of Railways and finally by DPE.

### 5.3 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 31/03/2021 is shown in **Table-11**:

**Table-11**

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

#### 5.3.1 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.

#### 5.3.2 Meetings, Attendance and Composition of CSR Committee:-

During the Financial Year 2020-21, the CSR Committee met one time (i.e. on 23/10/2020). The attendance of the members at the meeting held during FY 2020-21 is shown in **Table-12**:

**Table-12**

Name of Director	Position in the Committee	Meetings held (During their respective tenures)	Meetings attended (In person/ Through Video Conferencing)
Shri Chinnsamy Ganesan	Chairperson	1	1 (Through video conferencing)
Shri Sanjai Kumar	Member	1	1 (In person)
Shri Anand Kumar Singh	Member	1	1 (Through video conferencing)

## 5.4 Stakeholders 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 31/03/2021 is shown in **Table-13**:

**Table-13**

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

The composition of Stakeholders Relationship Committee as on date of this report is shown in **Table-14**:

**Table-14**

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

### 5.4.1 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.

### 5.4.2 Meetings, Attendance and Composition of Stakeholders Relationship Committee

During the Financial Year 2020-21, the Stakeholders Relationship Committee met one time (i.e. on 22/03/2021). The attendance of the members at the meeting held during FY 2020-21 is shown in **Table-15**:

**Table-15**

Name of Director	Position in the Committee	Meetings held (During their respective tenures)	Meetings attended (In person/ Through Video Conferencing)
Smt. Rashmi Jain	Chairperson	1	1 (In person)
Shri Sanjai Kumar	Member	1	1 (Through video conferencing)
Shri Anand Kumar Singh	Member	1	1 (In person)



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### 5.4.3 Redressal of Investors' Grievance:

The Company addresses all complaints, suggestions and grievances of the investors expeditiously and resolves them within specified timeline.

### 5.4.4 Name and Designation of Compliance Officer:

Shri J. S. Marwah, is the Compliance officer of the Company in terms of SEBI (LODR) Regulations, 2015.

### 5.4.5 Name and Designation of Chief Investor Relation Officer

Shri H.C. Batra, is the Chief Investor Relation Officer of the Company.

### 5.4.6 Details of Shareholder's Complaints

The Company has attended to Investor's grievances expeditiously. During FY 2020-21, a total of 1295 queries/complaints from Shareholders were received and all the complaints were resolved at the year-end.

### 5.5 Risk Management Committee

The Company has constituted Risk Management Committee in line with the requirement of Regulation 21 of the SEBI (LODR) Regulations, 2015 (as amended). The role and responsibilities of Risk Management Committee is in line with the provisions of Regulation 21 of the SEBI (LODR) Regulations, 2015.

The composition of Risk Management Committee as on 31/03/2021 is shown in **Table-16**:

**Table-16**

Sr. No.	Name of Director	Position in the Committee	Designation
1.	Shri Puneet Chawla	Chairperson	Chairman & Managing Director
2.	Shri Sanjai Kumar	Member	Director/ NPM
3.	Shri Anand Kumar Singh	Member	Director/Finance
4.	Shri. H.C. Batra	Member & CRO	Executive Director /Finance

The composition of Risk Management Committee as on date of report is shown in **Table-17**:

**Table-17**

Sr. No.	Name of Director	Position in the Committee	Designation
1.	Shri Puneet Chawla	Chairperson	Chairman & Managing Director
2.	Shri Sanjai Kumar	Member	Director/ NPM
3.	Shri Anand Kumar Singh	Member	Director/Finance
4.	Shri Chinnsamy Ganesan	Member	Independent Director
5.	Shri. H.C. Batra	Member & CRO	Executive Director/ Finance

Company Secretary acts as Secretary to the Committee

### 5.5.1 Terms of reference/role and responsibilities for the Risk Management Committee as decided by the BoD is as under:-

The Risk Management Committee has the key role of monitoring the development, implementation and performance of the Enterprise Risk Management framework and maintains an enterprise wide view of the top risks. The Risk Management Committee shall meet at least twice in a year. The meetings of the risk management committee shall be conducted in such a manner that on a continuous basis not more than one hundred and eighty days shall elapse between any two consecutive meetings.

- 1) Assisting the Audit Committee in overseeing and monitoring the development, implementation and performance of the Enterprise Risk Management Framework;
- 2) Ensuring that management understands and accepts its responsibility for identifying, assessing and managing risks;
- 3) Reporting the top risks faced by the organization to the Audit Committee and subsequent mitigation plan;
- 4) Co-ordinating decision making with the Audit Committee to ensure consistency in the risk management responses;
- 5) Ensuring that responsibility and authorities are clearly defined and that adequate resources are assigned to the Enterprise Risk Management Framework

- 6) Ensuring that effective risk mitigation/control testing programs are in place and the results are evaluated and acted upon;
- 7) Ensuring that adequate process and systems are in place to facilitate cyber security;
- 8) Ensuring that the Audit Committee is informed about any new/emerging risks faced by the organization.
- 9) To perform all such functions as specified in Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 or any amendments thereon time to time.

### 5.5.2 Meetings, Attendance and Composition of Risk Management Committee

During the Financial Year 2020-21, the Risk Management Committee met two times (i.e. on 12/12/2020 & 09/01/2021). The attendance of the members at the meetings held during FY 2020-21 is shown in **Table-18**:

**Table-18**

Name of Director	Position in the Committee	Meetings held (During their respective tenures)	Meetings attended (In person/ Through Video Conferencing)
Shri Puneet Chawla	Chairperson	2	2 (In person)
Shri Sanjai Kumar	Member	2	1 (Through video conferencing) and 1 (In person)
Shri Anand Kumar Singh	Member	2	2 (In person)
Shri H.C. Batra	Member & CRO	2	1 (In person)

### 6. Separate Meeting of Independent Directors:

In terms of the provisions mentioned under SEBI (LODR) Regulations, 2015, Section 149 and Code of Independent Directors of the Companies Act, 2013, a separate meeting of Independent Directors was held on 22/03/2021.

All the Independent Directors attended the said Meeting and the minutes of the meeting were put up to the Board of Directors.

### 7. General Body Meetings

The Last 3 (three) Annual General Meetings and an Extraordinary General Meeting were held as under:

Financial Year AGM/EGM	Date of holding meeting	Time	Venue	Special Resolution Passed
18 <sup>th</sup> Annual General Meeting	27 <sup>th</sup> September, 2018	11:30 AM	Committee Room, Rail Bhawan	No
19 <sup>th</sup> Annual General Meeting	27 <sup>th</sup> September, 2019	2:30 PM	Committee Room, Rail Bhawan	Yes
1 <sup>st</sup> Extraordinary General Meeting	28 <sup>th</sup> September, 2020	10:30 AM	Through Video Conferencing /Other Audio Visual Means	Yes
20 <sup>th</sup> Annual General Meeting	28 <sup>th</sup> October, 2020	11:30 AM	Through Video Conferencing/ Other Audio Visual Means	No

### 8. Special Resolution passed through Postal Ballot during FY 2020-21:-

No special resolution was passed through the postal ballot in the previous year.

### 9. Means of Communication

- ❖ The Company communicates with its stakeholders through Annual Reports, Quarterly/ Annual Financial Results, News Releases, Presentations etc. and disclosures made on the Company's website i.e. [www.railtelindia.com](http://www.railtelindia.com) from time to time.
- ❖ **Annual Reports:** The Annual Report containing, inter-alia, Audited Financial Statements, Board's Report, Auditor's Report, and other important information is circulated to members and others entitled thereto. The Company's Annual Report is also available in downloadable format on the Company's website i.e. [www.railtelindia.com](http://www.railtelindia.com)
- ❖ **Quarterly/ Annual Financial Results:** The Company regularly intimates un-audited as well as audited financial results to the Stock Exchanges, immediately after approval of Board in accordance with the time frame specified in SEBI (LODR) Regulations. The results are also hosted on the website of the Company [www.railtelindia.com](http://www.railtelindia.com) for wider circulation.



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- ❖ **Newspaper publication:** These financial results as mentioned are normally published in the leading English and vernacular newspapers having nationwide circulation. During 2020-21, quarterly results have been published as follows:-

Quarter	Date of Publication	Newspaper edition
Quarter-3 and nine months ended on 31 <sup>st</sup> December, 2020	23.03.2021	Financial Express (English Version) Jansatta (Hindi Version)

- ❖ **Website:** The Company's website [www.railtelindia.com](http://www.railtelindia.com) contains separate dedicated section 'Investor Relations' where the information for shareholders is available. Full Annual Report, Shareholding Pattern, Policies, MOUs and Corporate Governance Report etc. are also available on the website. Information, latest updates and announcements regarding the Company can be accessed at company's website. E-mail ID of the Company Secretary & Compliance Officer and RTA exclusively for the purpose of registering complaints by investors has been displayed on the website under the head "Investor Relations - Investor Contact."
- ❖ **NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web-based application designed by NSE for corporates. All periodical/ event based compliance filings like shareholding pattern, corporate governance report, media releases, and statement of investor complaints, among others are filed electronically on NEAPS.
- ❖ **BSE Corporate Compliance & Listing Centre ("Listing Centre"):** BSE's Listing Centre is a web-based application designed for corporates. All periodical/ event based compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others are filed electronically on the Listing Centre.
- ❖ **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralised web-based complaints redressal system. The salient features of this system are: centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

- ❖ The Company also communicates with its institutional shareholders through a combination of analysts briefing and individual discussions and also participation in investor conferences from time to time. Financial results are discussed by way of conference calls, regularly after the close of each quarter.

## 10. General Shareholders' Information

### i) 21<sup>st</sup> Annual General Meeting

Date:	29 <sup>th</sup> September, 2021 (Wednesday)
Time:	11:30 AM
Venue:	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") at Registered Office of the Company

### ii) Financial Year:

The Company's Financial Year is from 1<sup>st</sup> April to 31<sup>st</sup> March

### iii) Dividend Payment date:

The Board of Directors of the Company has recommended a final dividend at the rate of ₹ 1.20/- per share [i.e. 12% of paid-up share capital] amounting to ₹ 38.51 Crore for the Financial Year ended 31<sup>st</sup> March, 2021 over and above the Interim Dividend of ₹ 1 per share amounting to ₹ 32.09 Crore which was declared and paid in March & April 2021, respectively. Accordingly, the total dividend for the FY 2020-21 would be ₹ 2.20 per equity share and in total amounting to ₹ 70.60 Crore. Final Dividend, if approved at the AGM shall be paid within 30 days from the date of its declaration at the AGM.

### iv) Listing on Stock Exchanges

The equity shares of the Company got listed on 26<sup>th</sup> February, 2021 on the following Stock Exchanges:-

BSE Limited	National Stock Exchange of India Limited
Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Scrip Code:543265 ISIN :- INE0DD101019.	Address: Exchange Plaza, Plot No. C/1, G Block, Bandra - Kurla Complex, Bandra (East), Mumbai – 400 051 Scrip Symbol: RAILTEL ISIN: - INE0DD101019.

The annual listing fee for the FY 2020-21 as well as for FY 2021-22 has been paid to National Stock Exchange of India Limited and BSE Ltd. Custodian Fee to NSDL and CDSL for Company's equity, bearing the code INE0DD101019 has also been paid for the Financial Year 2020-21 as well as for FY 2021-22.

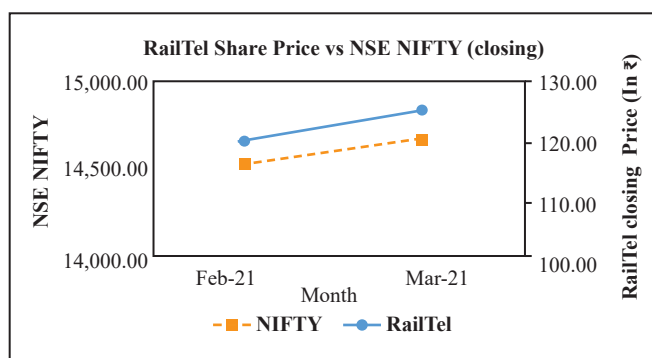
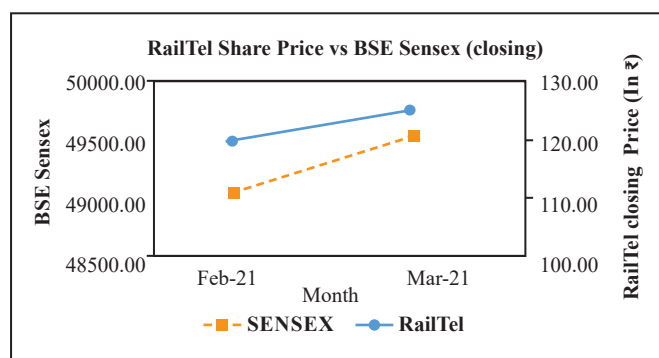
### v) RailTel's Market Price Data and performance in comparison to indices

The Equity shares of the Company got listed on NSE and BSE w.e.f. 26/02/2021. The Monthly High and Low (traded price) at NSE and BSE for the financial year 2020-21 are as under:

RAILTEL'S SHARES MARKET PRICE DATA FOR FY 2020-21												
MONTHS	RailTel Share Price at BSE			BSE SENSEX			RailTel Share Price at NSE			NSE NIFTY		
	High (₹)	Low (₹)	Close (₹)	High	Low	Close	High (₹)	Low (₹)	Close (₹)	High	Low	Close
Feb-21	125.50	104.60	121.40	52516.76	46433.65	49099.99	127.85	101.00	121.35	15,431.75	13,661.75	14,529.15
Mar-21	189.45	124.80	126.80	51821.84	48236.35	49509.15	189.70	124.60	126.80	15,336.30	14,264.40	14,690.70

\*Source: Websites of BSE and NSE

### vi) Securities of the Company have not been suspended from trading during FY 2020-21.



### vii) Registrar to the Issue and Share Transfer Agent:-

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](http://www.kfintech.com)  
E-mail Id : [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

### viii) Share Transfer System:

The entire equity share capital of the Company is in demat form. The Company obtains a half-yearly certificate from Practicing Company Secretaries as per the requirement of Regulation 40 (9) of the SEBI (LODR) Regulations 2015, confirming due compliance of Share transfer formalities by RTA and the same is filed with the Stock Exchanges and uploaded on the website of the Company. In addition, a Reconciliation of Share Capital Audit thereby confirming that the total issued capital of the Company is in agreement with the total number of dematerialized shares held with NSDL and CDSL, is submitted to the stock exchanges.





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### ix) Distribution of Shareholding as on March 31, 2021

i) Distribution of RailTel's shares according to size of holding as on March 31, 2021-

Category	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1-5000	2,73,047	95.323328	2,60,66,793	8.122055
5001- 10000	7,871	2.747842	62,09,556	1.934812
10001- 20000	3,194	1.115056	47,55,713	1.481815
20001- 30000	923	0.322228	23,62,446	0.736106
30001- 40000	411	0.143484	14,85,653	0.462909
40001- 50000	319	0.111366	15,07,850	0.469825
50001- 100000	424	0.148022	30,71,443	0.957019
100001 & Above	254	0.088674	27,54,78,953	85.835458

ii) Shareholding Pattern as on March 31, 2021:-

Category	No. of Shares Held	% of total no. of Shares
President of India	233785038	72.84
Mutual Funds	16665164	5.19
Financial Institutions/ Banks	124481	0.04
Foreign Portfolio Investors	9704937	3.02
Resident Individuals	47,65,7077	14.85
NBFC Registered with RBI	22341	0.01
Others	12979369	4.04
<b>Total</b>	<b>320938407</b>	<b>100</b>

iii) Top 10 Shareholders as on March 31, 2021:

Sr. No.	Category	Total number of Shares	% to Equity
1	President of India & its Nominees	23,37,85,038	72.84
2	Nippon Life India Trustee Ltd- A/C Nippon India Small Cap Fund	70,00,000	2.18
3	Goldman Sachs India Limited	69,63,219	2.16
4	HDFC Life Insurance Company Limited	40,50,093	1.26
5	Aditya Birla Sun Life Insurance Company Limited	25,30,266	0.78
6	HDFC Trustee Company Ltd. A/C HDFC Balanced Advantage Fund	16,46,036	0.51
7	Tata Digital India Fund	12,76,580	0.39
8	Utilico Emerging Markets Trust PLC	12,76,580	0.39
9	IIFL Focused Equity Fund	12,33,060	0.38
10	ICICI Prudential Small cap Fund	7,97,785	0.24

### x) Dematerialization of Shares and Liquidity:

The shares of the Company are in dematerialized format and are available for trading under systems of both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Share Capital Audit Report regarding reconciliation of the total issued capital, listed capital, and capital held by depositories in dematerialized form with respect to equity share capital of the company was taken from the Practicing Company Secretary on quarterly basis and duly submitted to Stock exchanges within stipulated time.

**xi) No. of shares held in dematerialized and physical mode as on March 31, 2021**

Category	Total Shares	% to Equity
CDSL	31398108	9.78
NSDL	289540299	90.22

**xii) The names and addresses of the depositories are as under:**

- **National Securities Depository Limited**- National Securities Depository Limited Trade World, A-Wing, 4<sup>th</sup> Floor, Kamala Mills Compound, Lower Parel (West), Mumbai – 400 013
- **Central Depository Services (India) Limited**- Marathon Futurex, A-Wing, 25<sup>th</sup> Floor, NM Joshi Marg, Lower Parel, Mumbai - 400 013

**xiii) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments:**

The Company has not issued any GDRs/ADRs/warrants or any convertible instruments which has impact on equity. Therefore, there are no GDRs/ADRs/warrants/convertible instruments outstanding as on 31<sup>st</sup> March, 2021.

**xiv) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:**

The disclosure under this clause is not applicable to Company.

**xv) Plant Locations/Operating Units/Company's Registered and Corporate office.**

The Company's Registered and Corporate Office is situated in Delhi. Apart from that, the Company operates through Regional Offices and various Territory offices across India.

**xvi) List of all credit ratings obtained by the Company:**

ICRA has reaffirmed the long term rating for ₹ 500 Crore Line of Credit Rating at [ICRA] AA- (pronounced ICRA double A minus) and short-term rating at [ICRA]

A1+ (pronounced ICRA A one plus). The outlook on the long term rating is stable.

**xvii) Address for Correspondence:**

<b>Regional Offices and Territorial Offices of the Company</b>	The Company has four Regional Offices at New Delhi, Mumbai, Kolkata and Hyderabad. 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.
<b>Address correspondence with the Registered Office &amp; Corporate Office (regarding the Corporate Governance matters covered under this report)</b>	The Company Secretary & Jt. GM (Law), RailTel Corporation of India Ltd.  <b>Registered &amp; Corporate Office:</b> Plate-A, 6 <sup>th</sup> Floor, Office Block, Tower-2, East Kidwai Nagar New Delhi 110023  <b>Tele: 011-22900610 and Fax: 011-22900699</b> <b>E-mail: cs@railtelindia.com</b>

**11. Other Disclosures:**

**(a) Related Party Transaction:** There has been no materially significant related party transaction, pecuniary transactions or relationships between the Company and the Directors, management, subsidiaries or relatives, except for those disclosed in the financial statements for the year ended 31<sup>st</sup> March 2021, and as reported in the Board's Report in terms of the requirement under Section 134 of the Companies Act, 2013.

The disclosure of Related Party Transactions has been made as per the requirement of Companies Act, 2013 (i.e. Form AOC-2), SEBI (LODR) Regulation, 2015 and relevant Accounting Standard (in notes to Financial Statements of the Company).

The Company has formulated a Related Party Transaction (RPT) Policy to set out the materiality thresholds for related party transactions and the manner of dealing with the transactions between the Company and its related parties based on the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.



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The RPT Policy is available at the link: <https://www.railtelindia.com/images/pdf/Policy%20for%20consideration%20and%20approval%20of%20Related%20party%20Transactions.pdf>

**(b) Details of non-compliance, penalties structure imposed by stock exchange or any statutory authority or any matter related to capital markets, during last three years.**

There has been no instance of non-compliance of any statutory regulation or Government guidelines, nor there has been any penalties or strictures imposed on the Company on any matter related to the capital market and guidelines issued by Government except as disclosed in the Secretarial Audit Report.

**(c) Whistle-Blower Policy/Vigil Mechanism**

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 i.e. [www.railtelindia.com](http://www.railtelindia.com)

The Company further affirms that no personnel have been denied access to the Audit Committee.

**(d) Web link where policy for determining 'material' subsidiaries is disclosed:**

The Company, at present, has only one Subsidiary Company namely RailTel Enterprises Limited which is not a material subsidiary Company. The weblink for policy for determining material subsidiary is uploaded on Company's website at <https://www.railtelindia.com/images/pdf/Policy%20for%20determining%20material%20subsidiaries.pdf>

**(e) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI (LODR) Regulations, 2015:**

During the year, no funds have been raised through preferential allotment or qualified institutions placement.

**(f) Certificate for Non- disqualification of Directors**

Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (LODR) Regulations, 2015, a Certificate from M/s Balika Sharma & Associates, Company Secretaries firm in practice stated that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority, has been obtained and is placed as **Annexure-A**.

**(g) Recommendations of the Committees of the Board:**

The recommendations of the Committees of the Board have been considered by the Board while deciding on the matters.

**(h) Total fees for all services paid by the Company on a consolidated basis, to the statutory auditor:**

The details of payment made to Statutory Auditor during FY 2020-21 on a consolidated basis are mentioned below:

Particulars	Amount (in ₹ )
Statutory Audit Fee, Tax Audit Fee and Certification Fee	32,79,000

**(i) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the year 2020-21**

The Company is committed towards prevention of Sexual harassment of women at workplace and takes prompt action in the event of reporting of any such incidents. Details of the complaints received during the year under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are mentioned below:.

Number of Complaints filed during the year	Number of Complaints disposed off during the year	Number of Complaints pending during the year
Nil	Nil	Nil

### (j) Code of Conduct for Board members and Senior management of the Company

The Company has in place a Code of Conduct for Board members and for Senior Management (including Whole-time directors and Senior Management as defined in the said code). This Code came into effect from 30<sup>th</sup> November, 2007 and have also been posted on the website of the Company – [www.railtelindia.com](http://www.railtelindia.com).

As per requirement of SEBI (LODR) Regulations, 2015 and DPE Guidelines on Corporate Governance, all the members of Board and Senior Management have affirmed compliance with the Code of Conduct of the Company for the Financial Year 2020-21.

Declaration signed by the Chairman & Managing Director affirming receipt of compliance with the Code of Conduct from the Board of Directors and Members of Senior Management team during FY 2020-21 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, 2021”

Sd/-

Puneet Chawla

Place: New Delhi

DIN: 08303340

Date: 28/07/2021

Chairman and Managing Director

### (k) Code of Conduct for prevention of Insider Trading in dealing with Securities of RailTel:-

In pursuance of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, RailTel’s Board had approved an Internal Code of Conduct for prevention of Insider Trading in dealing with securities of RailTel, with an aim that Insiders of the Company shall not derive any benefit or assist others to derive any benefit from the access to and possession of Unpublished Price Sensitive Information (UPSI) about the Company which is not in the public domain and thus constitutes Insider Information.

Further, in order to ensure compliance with provisions of SEBI (PIT) Regulations, 2015 (as amended) in true letter and spirit, RailTel has implemented a software namely FINTRAK for maintaining structured digital

database in relation to sharing of unpublished price sensitive information within or outside the organisation in furtherance of legitimate purpose. Such databases has been maintained at RailTel’s own server with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

**(l) Unclaimed Dividend:** The amount of dividend remaining unpaid/unclaimed for seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. As of now, no amount is yet due for transfer to Investor Education and Protection Fund.

**(m) Details of Compliance with the requirements of DPE Guidelines on Corporate Governance:** DPE has awarded ‘Excellent’ grading to RailTel for compliance of DPE Guidelines on Corporate Governance during FY 2019-20.

RailTel has secured, based on self-evaluation, an annual score of “91.84%” which falls under ‘Excellent’ grade for compliance of DPE Guidelines on Corporate Governance for FY 2020-21.

### (n) Audit qualifications:

For Audit Qualifications, the Independent Auditors Report submitted by M/s. Suresh Chandra & Associates, Chartered Accountants on the financial statements for the year ending 31<sup>st</sup> March 2021 may be referred to. The Auditors Report is unmodified.

## 12. Compliance of SEBI (LODR) Regulations, 2015 (as amended):-

The Compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses(b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulations 2015 have been made except non-compliant with respect to the composition of Board of Directors due to vacant posts of Independent Directors. In terms of Articles of Association of the Company, the power to appoint Directors on the Board of the Company vests with the President of India acting through Ministry of Railways, Government of India. Therefore, the Company has no role to play in the appointment of Directors on the Board of the Company.



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### 13. Compliance Certificate by CEO/ CFO

As per Regulation 17 (8) of the SEBI (LODR) Regulations, 2015, the Compliance Certificate for the quarter ended 31/03/2021 duly signed by the Chairman and Managing Director and Director (Finance) was placed before the Board of Directors at its meeting held on 25/06/2021 and the same is placed as **Annexure-B** to this Report.

### 14. Compliance on Corporate Governance

Certificate obtained from M/s P.C. Jain & Co, Practicing Company Secretary regarding compliance of the conditions of Corporate Governance is placed as **Annexure-C** to this Report.

### 15. Disclosure with respect to Demat Suspense Account/Unclaimed Suspense Account

The details of shares lying in Demat suspense account during the Financial Year 2020-21 are as following:-

(a)	aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;	Not Applicable, the equity Shares of the Company got listed on NSE and BSE w.e.f. 26/02/2021.
(b)	number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	NIL
(c)	number of shareholders to whom shares were transferred from suspense account during the year;	NIL
(d)	aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	Aggregate number of shareholders are 13* whose 2052 outstanding shares in the suspense account lying at the end of the year.
(e)	that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.	-

\* As on the date of this report, there is Nil shares are lying in the Demat Suspense Account.

### 16. Items of expenditure debited in Books of Accounts, which are not for the purposes of the Business.

During the year, there are no items of expenditure debited in books of accounts other than for the business purposes of the Company.

### 17. Expenses incurred which are personal in nature and incurred for the Board of Directors.

Payment of claims of Board of Directors is passed as per Company Policy.

### 18. Details of administrative and Office expenses as a percentage of total expenses vis-a-vis financial expenses and reasons for the increase.

The administrative expenses and office expenses were at 2.22% of total expenses in the year 2020-21.

(₹ In Lakhs)

Particulars	2019-2020	2020-2021
Other Expenses (Administrative Expense)*	1,781	2,595
Finance Cost**	0	0
Total Expenses	0.88	1.17
Other Expenses/Total Expenses (%)	2.02%	2.22%
Finance Cost/Total Expenses (%)	0	0

\* excluding provision of Expected Credit Loss (ECL)

\*\* Company is debt free.

### 19. Remuneration to Directors:-

Being a Government Company, the Whole-Time Directors are appointed by the President of India acting through the Ministry of Railways and draw remuneration as per Industrial Dearness Allowance (IDA) pay scales except in case of Chairman & Managing Director who is on deputation to RailTel 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. The Part-Time Official Directors/Govt. Nominee Directors nominated on the Board do not draw any remuneration from the Company for their role as a Director. Independent Directors are paid a sitting fee for attending the meetings of the Board and Committee thereof. During FY 2020-21, the Independent Directors were paid a sitting fee of ₹ 20,000/- per meeting for attending the Board Meeting and Committee Meetings. The details of Remuneration to Directors is shown in **Table-19** and **Table-20** respectively.

## 20. Details of adoption of the discretionary requirements as specified in Part E of Schedule II of the SEBI (LODR) Regulations:

- i) **The Board:** The Chairman of the Board is an Executive Director.
- ii) **Shareholder Rights:** The equity shares of the Company got listed on Stock Exchanges w.e.f.

26/02/2021. During the FY 2020-21, the Company has published financial results for the quarter and nine months ended on 31/12/2020 in accordance with the requirements of SEBI (LODR) Regulations, 2015.

- iii) **Audit Qualifications:** There are no audit qualifications on the Financial Statement for the year 2020-21.
- iv) **Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee.

Details of remuneration of Whole-time Directors during FY 2020-21 are given below:-

Table-19 (In ₹ Lakh)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Puneet Chawla CMD	#Ashutosh Vasant Director	Sanjai Kumar D/NPM	Anand Kumar Singh D/Finance	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	33	44	49	36	162
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6	2	11	10	29
	(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					
	Company Contribution to PF	0	3	4	3	10
	Provision for leave encashment, gratuity and pension	8	6	6	5	25
	<b>Total (A)</b>	<b>47</b>	<b>55</b>	<b>70</b>	<b>54</b>	<b>226</b>

#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

Details of payments made to Independent Directors [Part-Time Non-Official] Directors during FY2020-21:-

Table-20 (In ₹ Lakh)

Particulars of Remuneration	Name of Directors		Total Amount
	Rashmi Jain (Independent Director)	Chinnsamy Ganesan (Independent Director)	
Independent Directors Fee for attending board/ committee meetings	3.8	3.6	7.4
Commission	-	-	-
Others, please specify	-	-	-
<b>Total</b>	<b>3.8</b>	<b>3.6</b>	<b>7.4</b>

ANNEXURE-A



## Balika Sharma And Associates Company Secretaries

Address : Flat No. 211 pocket A / 3,  
Sector-7, Rohini, New Delhi,

Pin Code -110085

Mobile : 9811387946

E-mail Id: balikasharma@gmail.com

# CERTIFICATE OF NON- DISQUALIFICATION OF DIRECTORS

(As per Sub-Para (i) of Para (10) of Clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 34(3) of the said Listing Regulations)

To,  
The Members,  
RailTel Corporation of India Limited  
Plate-A, 6<sup>th</sup> Floor, Office Block, Tower-2,  
East Kidwai Nagar New Delhi-110023

As required by Sub-Para (i) of Para (10) of Clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 34(3) of the said Listing Regulations, we hereby certify that none of the Directors on the Board of RailTel Corporation of India Limited have been debarred or disqualified from being appointed or continuing as director of the Company by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

This Certificate is issued for the Financial Year 2020-2021

For **Balika Sharma & Associates**  
(Company Secretaries)

Sd/-  
**Balika Sharma**  
(Proprietor)  
M. No : F4816  
CP. No : 3222

Place: New Delhi  
Date: 26.07.2021  
UDIN number F004816C000684913

ANNEXURE-B

# CEO & CFO CERTIFICATE

## under Regulation 17(8) and 33(2) (a) of the SEBI (LODR) Regulation, 2015

To,  
The Board of Directors,  
RailTel Corporation of India Limited

In compliance with Regulation 17 (8) read with Schedule II Part B and Regulation 33 (2) (a) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, We hereby certify that:

- A. We have reviewed, Audited Quarterly Financial Statements and the Cash Flow Statement (Standalone and Consolidated) for the quarter and year ended on 31<sup>st</sup> March, 2021 and to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transaction entered into by the listed entity during the quarter ended on 31<sup>st</sup> March, 2021 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
- (i) that there is no significant change in internal control over financial reporting during the quarter ended 31<sup>st</sup> March, 2021;
  - (ii) that there are no significant changes in accounting policies during the quarter ended 31<sup>st</sup> March, 2021; and
  - (iii) that no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-  
**Puneet Chawla**  
(Chairman & Managing Director)  
DIN:08303340  
Place: New Delhi  
Date: 24/06/2021

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



ANNEXURE-C



On Path of  
**Professional  
Excellence**  
since 2000

**P.C. JAIN & CO.**

**Company Secretaries**

**(Corporate Law & Insolvency Resolution Advisor)**

## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members,  
RailTel Corporation of India Limited  
Plate-A, 6<sup>th</sup> Floor, Office Block, Tower-2,  
East Kidwai Nagar  
New Delhi-110023

Dear Sir,

1. We have examined the compliance of condition of Corporate Governance by **RailTel Corporation of India Limited (“the Company”)** for the Financial Year ended on 31<sup>st</sup> March, 2021, 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 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
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 Chapter 1.4 of DPE Guidelines, 2010 and Chapter 3.1.4 of DPE Guidelines, 2010 due to non-availability of requisite number of Non official Director during the period under reviewed.**
4. During the period under reviewed the equity shares of RailTel Corporation of India Limited were listed and admitted to dealings on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) with effect from 26<sup>th</sup> February, 2021. Therefore the Company has complied with SEBI Regulations as applicable **except with Sub-regulation 1(a) of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of composition of Board, due to non-availability of requisite number of Independent Director from 26<sup>th</sup> February 2021 till 31<sup>st</sup> March 2021.**

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

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

Sd/-  
(P C Jain)  
**Managing Partner**  
COP No. 3349  
M.No: FCS 4103

Place: Faridabad  
Date: 3<sup>rd</sup> August, 2021  
UDIN: F004103C000730433

# Business Responsibility Report (BRR)

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L64202DL2000GOI107905			
2.	Name of the Company	RailTel Corporation of India Limited (RCIL)			
3.	Registered address	Plate-A, 6 <sup>th</sup> Floor, Office Block, Tower-2, East Kidwai Nagar, New Delhi-110023 Tel.:+91 1122900600 Fax: +91 11 22900699			
4.	Website	www.railtelindia.com			
5.	E-Mail Id	cs@railtelindia.com			
6.	Financial year reported	2020-2021			
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	<b>Group</b>	<b>Class</b>	<b>Sub Class</b>	<b>Description</b>
		611	6110	61102	Maintenance of telecom network
				61104	Activities of providing internet access by the operators of wired infrastructure
		612	6120	61201	Activities of Internet access by the operator of the wireless infrastructure
				61202	Activities of maintaining and operating paging, cellular and other telecommunications networks
				61209	Activities of other wireless telecommunications activities
8.	List three Key products/services that the Company manufactures/provides (as in balance sheet)	1) NLD Services 2) ISP Services 3) IP-1 Services			
9.	Total number of locations where business activity is undertaken by the Company a) Number of International Locations (Provide details of major 5) b) Number of National Locations	a) Number of International Location is Nil. b) Number of National Locations: • Corporate Office at New Delhi • Data Center at Gurugram, Haryana and Secunderabad, Telangana • 4 Regional Offices at New Delhi (Northern Region), Kolkata (Eastern Region), Mumbai (Western Region) and Hyderabad (Southern Region) • 5 territory office under Northern Region (Delhi, Chandigarh, Lucknow, Jaipur, Allahabad) • 7 territory offices under Eastern Region (Kolkata, New Jalpaiguri, Guwahati, Patna, Bhubaneshwar, Raipur and Ranchi) • 4 territory offices under Western Region (Mumbai, Ahmedabad, Bhopal, Nagpur)			



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		<ul style="list-style-type: none"> <li>5 territory offices under Southern region (Secunderabad, Chennai, Bangalore, Ernakulam, Amravati)</li> <li>Project Offices in Agartala, Shillong, Aizawl, Naharlagun, Imphal and Dimapur</li> </ul>
10.	Markets served by the Company-Local/State/National/International	RailTel is providing services on pan India basis.

### SECTION B: FINANCIAL DETAILS OF THE COMPANY (2020-2021)

1.	Paid up Capital (INR)	₹ 3,20,93,84,070/-
2.	Total Turnover (INR)	₹ 1366 Crore
3.	Total profit after taxes (INR)	₹ 140 Crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The company to spend ₹ 369.09 Lakh for FY 2020-21 projects, which is 2% of the profit as computed in accordance with the provision of section 135 of the Companies Act, 2013.
5.	List of activities in which expenditure in 4 above has been incurred:	<ol style="list-style-type: none"> <li>PM Cares Fund.</li> <li>Support to computer center for poor children at Mathura, UP</li> <li>Akansha Super-30, providing lodging and boarding to poor but talented children in Uttarakhand.</li> <li>IT Services to various schools across India, more details can be found in Annual Report.</li> </ol>

### SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	Yes. As on 31 <sup>st</sup> March 2021, RailTel has one wholly owned Subsidiary Company i.e. RailTel Enterprises Limited.
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Yes, 01 subsidiary company
3.	Do any other entity/entities (e.g., suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No, The company does not mandate its suppliers or vendors to participate in the BR initiatives, but encourages them to adopt practices relevant to conducting business in responsible manner. Moreover, the BR initiative of the Company has the cooperation of all its stakeholders, including various Ministries, Departments of State and Central Government, State and Central PSUs in their capacity as our clients, employees, vendors, and the local populace. However, it is difficult to establish the extent to which their support helps in facilitating the BR initiatives of the Company.

### SECTION D: BR INFORMATION

#### 1. Details of Director/Directors responsible for BR

Details of the Director/Director responsible for implementation of the BR policy/policies	1)	DIN Number	06923630
	2)	Name	Sanjai Kumar
	3)	Designation	Director/NPM
	4)	Telephone number	+91 11 22900600
	5)	e-mail id	sanjai@railtelindia.com

## 2. Principle-wise (as per NVGs) BR Policy/ policies

Principle No.	Principles
P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the wellbeing of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Business should respect, protect, and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

### (a) Details of compliance (Reply in Y/N)

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for...	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)	N	N	N	N	N	N	NA	N	N
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ Owner/ CEO/ appropriate Board Director?	Y	N	Y	Y	N	Y	NA	Y	N
		Policies of the Company have been approved by the Board / Competent Authorities as per Delegated Powers.								
5.	Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
6.	Indicate the link for the policy to be viewed online	The Policies of the Company are available on the website of the Company at <a href="https://www.railtelindia.com">https://www.railtelindia.com</a>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
8.	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N



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**(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles							-		
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles							-		
3	The company does not have financial or manpower resources available for the task							-		
4	It is planned to be done within next 6 months							-		
5	It is planned to be done within the next 1 year							-		
6	Any other reason (reason for P7)								The business operation of the company does not involve influencing public and regulatory policy	

### 3. Governance related to BR

a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The equity shares of the company got listed on 26/02/2021 only and while there has been discussion on CSR policy, accountability and governance, other issues related to BRR principles will be deliberated in its subsequent meetings. Total of 10 (Ten) Board meetings were held during F.Y. 2020-21.
b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	As company got listed in February 2021, this is the first report on Business Responsibility. The BR performance of the company will be part of the Annual Report, which is uploaded on RailTel website regularly. <a href="http://www.railtelindia.com">www.railtelindia.com</a>

### SECTION-E PRINCIPLE-WISE PERFORMANCE

#### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

##### 1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes /No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?

Yes, the company has policy relating to ethics and governance. RailTel, a listed Government Company and Public Sector Enterprise is committed to observe transparency and accountability in all its operations. The Company has adopted a number of policies/ rules to strengthen ethical conduct at all levels including the following:

- RailTel's Conduct and Discipline Appeal rules:** RailTel's IDA/CDA Rules define the desirable and non-desirable acts and conduct for the employees and extend to all its employees. IDA/CDA rules also laid down procedure for actions in the case of non-compliance with the defined terms as well as for any misconduct.
- Vigilance Department:** The Company has a well-structured vigilance department, aiming at better transparency, integrity and to inculcate good governance within the organization.
- Whistle Blower Policy:** The Company has in place Whistle Blower Policy. The whistle blower mechanism has been laid down for employees to raise any ethical issues within the organisation.

d) **Code of Business Ethics & Conduct:** RailTel has laid down two separate codes, i.e., Code of Business Conduct & Ethics for Board Members and Senior Management Personnel and Code of Conduct for employees of RailTel in alignment with Company's Vision & Mission.

e) **Compliance with provisions of Right to Information Act, 2005:** As RailTel is a designated public authority, the provisions of the Right to Information Act, 2005 are applicable on us. The Company ensures smooth access to information in a timely manner.

f) In addition, several initiatives have been taken/are being taken by RailTel to strengthen Integrity, transparency and fairness in its business practices which such as, well defined "Schedule of Powers" defining the powers of the top executives and below for carrying out work in prescribed manner, implementation of "Integrity Pact Program" considered as a useful tool in ensuring transparency in the procurement process, Implementation of E-procurement mechanism for most of the procurements etc.

g) **These policies are applicable to one subsidiary**

Yes. The policies are applicable to the subsidiary company

**2. How many stakeholder complaints have been received in the past financial year, and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so?**

As per requirement of SEBI (LODR) Regulations, 2015 and provisions of Section 178 of the Companies Act, 2013, the Company has a Stakeholders Relationship Committee specifically to look into various aspects of interest of shareholders. As reported by M/s. KFin Technologies Pvt. Ltd. (Registrar & Transfer Agent of the Company), total 1295 nos. of Complaints were received during F.Y. 2020-21 and all such Complaints were resolved by 31/03/2021.

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

1) **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities:**

In its endeavour to promote sustainability from a holistic perspective, RailTel is keen to address social and environmental concerns through its various services.

**HD Video Conferencing Services:** RailTel's Telepresence Service is an end-to-end, full high-definition (FHD-1080p) videoconferencing service that gives users a virtual, face-to-face meeting experience.

Providing a meeting experience similar to that of actual meeting room. Being able to conduct day-to-day meetings for management review, sales performance, disaster mitigation and project management using laptops, desktops, or portable devices such as tablets and smartphones could be extremely useful, particularly during this pandemic times. The service helps businesses to "Go Green" due to reduction in travel, therefore reducing carbon footprints.

**e-Office- paperless office Solution: Save Paper-Go Green:** The e-Office is a cloud enabled software application developed by National Informatics Centre (NIC) that is hosted at our Secunderabad data center with disaster recovery in Gurugram

We provide e-Office implementation service that includes anything from planning to commissioning, as well as user training and support, to ensure a seamless transition from manual filing to the digital workplace by establishing a secure, safe, and effective way to manage office files and documents. e-Office is also an effective Work from Home solution as the digital files can be accessed through VPN connections. The service help in reducing carbon footprints being environment friendly as paper usage is reduced to a great extent, with savings on paper cost too.

**RailWire:** RailWire is the retail broadband service of RailTel RailWire is a collaborative public private local entrepreneur (PPLE) model providing



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broadband services by leveraging the eco system available with different partners like Access Network Provider, Aggregation Network Provider (AGNP) and Managed Service Provider (MSP) to offer high speed & cost-effective broadband to end customers. The model uses RailTel's nationwide Core fiber Backbone Network, Access Network available with Local entrepreneurs, FTTH Infrastructure providers etc. and Managed Service Partners/Application Service Providers having IT & management capabilities.

**2) For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

**(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

**(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

The company is engaged in design and delivery of Signalling, telecommunication and IT enabled services. So, this question is not applicable to it.

**3) Does the company have procedures in place for sustainable sourcing (including transportation)?**

**(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Yes, the Company has a well-documented Procurement Policy that helps in sourcing the requisites for operations and business activities in a steady, continuous and sustainable manner. The Company has policies of long-term contracts and rate-contracts to ensure that operations and business pursuits do not suffer owing to externalities.

**4) Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

**(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes, the company procurement policy and practices are guided by the Government Policies and practices. These are based on transparent procurement mechanisms which promote procurement from technically competent suppliers. However, care is also taken for the interest of local suppliers and contractors within the frame-work of CVC's guidelines. For example, the Company has a policy to encourage MSMEs and those belonging to SC/ST and Women categories in line with various guidelines issued by the Ministry.

The company is also associating with Local cable operators, village entrepreneurs, wireless network providers, residential societies, panchayats etc. (termed as Access Network Providers or ANP's) across the country for providing its retail broadband internet services under RailWire brand. This is a unique innovative PPP model helping local & village level entrepreneurs in becoming financial independent.

**5) Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)? Also, provide details thereof, in about 50 words or so.**

The Company's main business relates to telecom and IT enabled services and there has been emphasis on paperless working. Accordingly, the Company has implemented e-Office and ERP and most of the communication is through emails and other electronic means. However, some clients require reports and drawings in hard paper copy which are provided to the clients. In our office complex, all norms of State Pollution Control Board for air, water and disposal of solid wastes are complied with. Similarly, printer cartridges are refilled from the original suppliers. All the office buildings at corporate office and regional offices have installed sensor-based lightings for using energy efficiently. The Gurugram office also has sensor based taps to reduce water wastage. The building at Gurugram have also installed solar panels for lightings.

**Principle 3: Businesses should promote the well-being of all employees**

1. Please indicate the Total number of employees: 700
2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis: 1680
3. Please indicate the Number of permanent women employees: 46
4. Please indicate the Number of permanent employees with disabilities: 7
5. Do you have an employee association that is recognised by the management: No
6. What percentage of your permanent employees is members of this recognised employee association? Not Applicable
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sl. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

- 8) What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
  - a) Permanent Employees :27.71%
  - b) Permanent Women Employees: 60.87%
  - c) Casual/Temporary/Contractual Employees: 0.0%
  - d) Employees with Disabilities: 14.29%

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

- 1) **Has the Company mapped its internal and external stakeholders? Yes/No.**

Yes, the Company has identified ‘Customers’, ‘Employees’, ‘Shareholders’, ‘Vendors/ Contractors’ and ‘Society’ as its stakeholders and it understands the distinct requirement of its various stakeholders.

- 2) **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?**

The Company has identified Outsourced staff which includes technical and non-technical field staff. pantry staff, office boys, PwD, SC, ST, OBC, Women, amongst others as disadvantaged, vulnerable and marginalized stakeholders and their concerns are addressed as per the government policies as applicable from time to time.

- 3) **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.**

RailTel has always been sensitive to the needs of disadvantaged, vulnerable and marginalized stakeholders. As per recruitment rules, the Company ensures reservation of posts for SC, ST, OBCs, ex-serviceman and physically disabled persons in accordance with the instructions issued by the Government of India from time to time.

The Company is procuring goods and services as per Public Procurement Policy, 2012 from MSE and it also conducts Vendor Development Programme, including local vendors, to bring more awareness among MSE and to increase their participation.

Furthermore, The Company has a Policy for Prevention, Prohibition and Redressal of Sexual Harassment at work place for providing a congenial and safe working atmosphere to women employees.

- Principle 5: Businesses should respect and promote human rights**
- 1) **Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**



RailTel's HR Policies are aligned with the standard practice of business and human rights and are mandated for all employees posted at various stations, projects, offices, and Subsidiaries of the Company. The Human Rights provisions are also built-in our bidding documents for contracts/works invited on a competitive bidding basis covering our suppliers and contractors.

- 2) **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

During reporting period of FY 2020-21, We have received no complaints regarding violation of human rights.

Also, please refer to answer part 2 of Principle-1

**Principle 6: Businesses should respect, protect and make efforts to restore the environment.**

- 1) **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others?**

The company has a CSR and Sustainability and CSR vision document to act in socially, economically and environmentally sustainable manner at all times.

The policy covers only the company.

- 2) **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

The company has been promoting Video conferencing through its TPaaS service which helps in decreasing carbon footprint and addresses global environmental issues. The link to the services is: <https://www.railtelindia.com/our-expertise/telepresence-services.html>

The company along with all its offices, also uses and promotes e-office as one of its services for all internal file works, this reduces use of paper in the offices. The link to the services is: <https://www.railtelindia.com/our-expertise/railtel-eoffice.html>

- 3) **Does the company identify and assess potential environmental risks? Y/N**

RailTel works in the field of Telecommunication and IT based Services and this does not pose any environmental risks.

- 4) **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

None, during the reporting period

- 5) **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

Yes, the company has put in place the energy efficiency methods like sensor-based lightings in all its offices. It also has sensor-based taps to reduce water wastage in its Gurugram office. The company has also installed solar panel in its Gurgaon office to utilize solar energy. The company also uses and promotes HD video conference facility & e-Office in its office, which reduces the use of paper, helping environment.

- 6) **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

The company as such does not generate emissions/waste being in the field of telecom services.

- 7) **Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

No show cause notice/legal notice received/pending from CPCB/SPCB.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

- 1) **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

- (a) Standing Conference of Public Enterprises (SCOPE)
- (b) Broadband India Forum (BIF)
- (c) The Chartered Institute of Logistics and Transport India (CILT)
- (d) ITU-APT Foundation of India (IAFI)

**2) Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box : Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).**

The Company has a strong presence in telecom sector and IT enabled services. The Company represents its views through knowledge sharing systems, responses to surveys, feedback on industry needs, through Railways, DPE etc. as and when asked.

The Company is not directly involved in process of advocating/lobbying through above associations for the advancement or improvement of public good and formulation of government policies.

**Principle 8: Businesses should support inclusive growth and equitable development**

**1) Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof**

The Company's policies are in compliance with Government of India guidelines to promote diversity, equity and recognize people on their merits and skill sets irrespective of their race, caste, religion, colour, ancestry, marital status, gender, age and nationality.

Furthermore, the Company also has a well-structured CSR and Sustainability Policy (CSR Policy). In view of the same, the Company has various social development projects, which are aimed at promoting healthcare, promoting sanitation, digital learning and skill development for the people especially those belonging to the disadvantaged sections of the society.

**2) Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

The programs taken are mixed, Few programs are taken up in House and implemented directly, while other projects are taken up in association with NGO as implementing agency after need assessment by NGO in locations all over the country.

**3) Have you done any impact assessment of your initiative?**

Impact assessment is under consideration in FY 2021-22.

**4) What is your company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken.**

The contributed amount for FY 2020-21 is ₹ 402.51 Lakh. Following projects were undertaken in FY 2020-21:

- a) Contribution of PM Cares Fund amid COVID-19 pandemic.
- b) RailTel Akansha Super-30, Dehradun, Uttarakhand providing free lodging, boarding to poor but talented students for preparing for IIT's and other premier engineering entrance exams.
- c) Contribution to Children education center for poor children in Mathura, in Uttar Pradesh.

**5) Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

RailTel undertakes programs that have positive impact on its beneficiaries and society at large. This involves verification of the reliability and clean track record of the implementing agencies, project reach and objective in line with CSR Policy and requirement from Local administration of the project location, field verification and compliance check, sustainability factor, amongst others.

Apart from above, the CSR department and project offices have an in-house monitoring mechanism to ensure community engagement and adoption of its CSR projects which includes:

**Monitoring Mechanism:** There is a nodal officer for each CSR Project for monitoring the projects in areas adjoining the project areas. The periodical progress reports, field visit reports, physical progress reports and interaction with beneficiaries.

**Reporting:** To create awareness among stakeholder, detailed status about the CSR Policy, CSR activities and regular updates are being placed on RailTel's website. From time to time, the implementation of the major activities is reported in media. In addition to this, a separate CSR Report is included in the Annual Report.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

**1) What percentage of customer complaints/ consumer cases are pending as on the end of financial year.**

At the end of financial year, percentage of customer complaints pending are only 0.1%. The details at the end of financial year are as below:

S. No.	Category	Complaints received	Complaints Resolved	Complaints Pending
1	Technical	15396	15392	44
2	CP Grams	37	35	2
3	RailWire	169938	169793	145
4	Others/ Miscellaneous	960	940	20

**2) Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)**

The item is not applicable to RailTel.

**3) Is there any case filed by any stakeholder against the company regarding unfair trade**

**practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so**

No case was filed by any stakeholder during the reporting year.

**4) Did your company carry out any consumer survey/ consumer satisfaction trends?**

Yes, during the reporting financial year, RailTel conducted survey for one of its services, "**RailWire-Retail Broadband Service**" among ANP's (Access network Providers), The survey included feedback based on questionnaires like number of subscribers, quality of service, delivery of services, experience of being associated with RailTel, experience with support system, professionalism of the support system, reliability of the services etc.

RailTel obtained a score of 70% marks out of 100 in survey.

**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 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, 2021, 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, 2021, 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. 32 Note No. 43 to the accompanying standalone financial results, which describes the uncertainties due to outbreak of Covid-19 pandemic and the management's assessment of its impact on the business operations of the company.

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 (As described in item No. 27 of Note No. 43 of the standalone financial statements)</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>Recognition and measurement of expected credit loss involves significant management judgement. These includes:</p> <ul style="list-style-type: none"> <li>• Identification of exposures where there is a significant increase in credit risk</li> <li>• Completeness and timing of recognition of default, in accordance with the credit policy of the company</li> <li>• Estimation of Forward-Looking Adjustments</li> </ul> <p>Based on such analysis, the company has recorded an allowance aggregating to ₹ 12523 Lakhs as at 31<sup>st</sup> March 2021 as included in the standalone financial statements.</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>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.</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. 43 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>Modified Audit Procedures carried out in the light of continuing COVID-19 pandemic</b></p> <p>Due to the continuing COVID-19 pandemic, lockdown declared and travel restrictions imposed by the Government / Local Authorities during the period of our audit, audit could not be conducted by visiting the premises of the Company.</p> <p>As we could not gather audit evidence in person/ Physically and personal interaction with the officials at company, either fully or partially, we have identified such modified audit procedures as Key Audit Matter.</p> <p>Accordingly, our audit procedures were modified to carry out remotely.</p>	<p>Wherever physical access was not possible, necessary records/ reports/ documents/ certificates were made available to us by company through digital medium and email communications. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period.</p> <p>Accordingly, we modified our audit procedures as follows:</p> <p>Conducted verification of necessary records, Documents received through electronic communications in respect of company wherever physical access was not possible.</p> <p>Carried out verification of scanned copies of the documents, certificates and the related records made available to us through electronic communications.</p> <p>Making enquiries and gathering necessary audit evidence through Video Conferencing, dialogues and discussions over phone calls/conference calls, electronic communications and similar communication channels.</p> <p>Discussions and resolution of audit observations telephonically/through electronic communications instead of face-to-face interaction with the concerned/designated officials.</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 ₹ 148555 Lakhs, total liabilities of ₹ 79284 Lakhs as at 31st March 2021 and total revenues of ₹ 99493 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 2021 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 regional 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. 43 to the Standalone Financial Statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for all material foreseeable losses, on long-term contracts including derivative contracts.
  - iii. During the year there is no requirement of any amount to be transferred of an unclaimed dividend to the Investor Education and Protection fund under section 124(5) of the Companies Act, 2013.

**For Suresh Chandra & Associates**  
**Chartered Accountants**  
**FRN 001359N**  
**UDIN – 21091514AAAAAL4922**

Sd/-  
**(CA Anjula Gupta)**  
**Partner**  
**M. No: 091514**

**Place: New Delhi**  
**Date: 25.06.2021**



## 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 2021, 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 31.03.2021	₹ 11299 Lakhs
Net Block as at 31.03.2021	₹ 10394 Lakhs
Remarks	Regd. Office Building including residential flats 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 2021 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	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

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7	Income Tax Act 1961	Appeal filed against AO's order for AY 2016-17 for making additions on account of disallowance for "Exp booked in FY 2016-17 and claimed in FY 15-16 for avoiding prior period expenses in FY 2016-17" & ₹ 10 Lakh u/s 14A rule 8D, an amount equal to 1% of Annual Avg. of Investments in REL	CIT(A), New Delhi	144.09	AY 2016-17
8	Income Tax Act 1961	TDS demand due to short deduction of TDS.	TDS (Commissioner)	0.09	2010-11,11-12,19-20
9	UP VAT Act	Demand raised on assessment.	UPVAT Department	56.23	FY 2014-15
10	HVAT Act	Demand raised on assessment.	HVAT Department	7.74	FY 2015-16
11	MVAT	Demand raised on assessment for FY 2013-14	MVAT Department	2.03	FY 2013-14
12	GST	Regarding Excess ITC Claimed	GST-BIHAR	33.71	FY 2018-19
13	GST	Regarding Excess ITC Claimed	GST-BIHAR	17.4	FY 2019-20
14	GST	Regarding Excess ITC Claimed	GST-CHHATIS-GARH	222.19	FY 2018-19
15	GST	ITC Claimed but Not-Utilized and subsequently Reversed without utilized	GST-Tripura	9.4	FY 2017-18
		Total		1370.81	

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

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

**For Suresh Chandra & Associates**  
**Chartered Accountants**  
**FRN 001359N**  
**UDIN – 21091514AAAAAL4922**

**Sd/-**  
**(CA Anjula Gupta)**  
**Partner**  
**M. No.: 091514**

**Place: New Delhi**  
**Date: 25.06.2021**



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## ‘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. Since no accounting transactions are processed outside IT system, company is not prone to any such risk and hence, there is no financial implication of it.
2	Whether there are any restructuring of an existing loans or cases of waiver/ write off of debts/ loans/ interest etc. made by a lender to the company due to company’s inability to repay the loan? If yes, the financial impact may be stated.	The company has not availed any loan from any bank or financial institution.
3	Whether funds received / receivable for specific schemes from Central / State agencies were properly accounted for / utilised as per its term and conditions? List the cases of deviation.	The company is in receipt of subsidy in respect of the following project – a) Rural Wi-Fi Project - The company is in receipt of subsidy from Universal Service Obligation Fund (USOF) to the tune of ₹ 1256 lakhs till 31.03.2021 for Rural wi-fi project. The said subsidy has been properly accounted for and utilised as per its terms and conditions and for the project for which it has been received. No deviation observed. b) NE-1 & NE-2 project – the company has received subsidy of ₹ 3146 lakhs from USOF till 31.03.2021 against the execution of the project. The said subsidy has been properly accounted for and utilised as per its terms and conditions and for the project for which it has been received. No deviation observed.

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 – 21091514AAAAAL4922**

**Sd/-**  
**(CA Anjula Gupta)**  
**Partner**  
**M. No: 091514**

**Place: New Delhi**  
**Date: 25.06.2021**

## **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, 2021 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, 2021, 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.



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### 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 – 21091514AAAAAL4922**

**Sd/-**  
**(CA Anjula Gupta)**  
**Partner**  
**M. No.: 091514**

**Place: New Delhi**  
**Date: 25.06.2021**

## RailTel Corporation of India Limited

### Standalone Balance Sheet as at 31st March 2021

(Amount in Lakhs)

Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
<b>(A) ASSETS</b>			
<b>(1) NON CURRENT ASSETS</b>			
i. Property, Plant and Equipments	2	57,645	60,838
ii. Capital Work-in-Progress	3	21,484	25,254
iii. Right of Use Assets	4	17,026	17,296
iv. Intangible Assets	2	1,307	785
v. Financial Assets			
a. Investment	5	1,000	1,000
b. Loans and Security Deposits	6	482	332
c. Other Non Current Financial Assets	7	5,878	21,930
vi. Deferred tax assets (net)	23	2,423	-
vii. Other Non Current Assets	8	25	1,806
<b>TOTAL NON CURRENT ASSETS</b>		<b>1,07,270</b>	<b>1,29,241</b>
<b>(2) CURRENT ASSETS</b>			
i. Inventories	9	121	49
ii. Financial Assets			
a. Investment	10	-	-
b. Trade Receivables	11	76,144	47,496
c. Cash and Cash Equivalents	12	24,496	11,366
d. Other Bank Balances	13	27,526	5,654
e. Loans and Security Deposits	14	517	469
f. Other Current Financial Assets	15	12,928	20,673
iii. Current Tax Assets (Net)	16	1,190	2,377
iv. Other Current Assets	17	11,428	8,285
<b>TOTAL CURRENT ASSETS</b>		<b>1,54,350</b>	<b>96,369</b>
<b>TOTAL ASSETS</b>		<b>2,61,620</b>	<b>2,25,610</b>
<b>(B) EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
i. Equity Share Capital	18	32,094	32,094
ii. Other Equity	19	1,08,179	1,04,034
<b>TOTAL EQUITY</b>		<b>1,40,273</b>	<b>1,36,128</b>
<b>(2) LIABILITIES</b>			
<b>(a) NON CURRENT LIABILITIES</b>			
i. Financial Liabilities			
a. Borrowings		-	-
b. Leasing Liabilities	20	2,217	3,480
c. Other Non Current Financial Liabilities	21	2,136	740
ii. Provisions	22	977	990
iii. Deferred Tax Liabilities (Net)	23	-	353
iv. Other Non Current Liabilities	24	11,512	8,869
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>16,842</b>	<b>14,432</b>
<b>(b) CURRENT LIABILITIES</b>			
i. Financial Liabilities			
a. Borrowings		-	-
b. Trade Payables			
Total outstanding dues of micro enterprises and small enterprises	25	13,744	5,770
Total outstanding dues of creditors other than micro enterprises and small enterprises		38,334	29,627
c. Leasing Liabilities	26	801	774
d. Other Current Financial Liabilities	27	16,038	16,541
ii. Provisions	28	1,291	2,008
iii. Other Current Liabilities	29	34,297	20,330
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,04,505</b>	<b>75,050</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,61,620</b>	<b>2,25,610</b>

Significant Accounting Policies and the accompanying notes referred to above form an integral part of financial statement (from Note No 1 to 43)

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/-  
CA Anjula Gupta  
M.No. 091514  
Place New Delhi  
Date: 25/06/2021

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)





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21वीं वार्षिक रिपोर्ट 2020-21  
21<sup>st</sup> Annual Report 2020-21

## RailTel Corporation of India Limited

### Standalone Statement of Profit and Loss for the year ended 31st March 2021

(Amount in Lakhs)

Particulars	Notes No.	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>I. Income</b>			
a. Revenue from operations	30	1,33,728	1,08,063
b. Other Income	31	2,756	3,170
c. Finance Income	32	86	(25)
<b>Total Income (a+b+c)</b>		<b>1,36,570</b>	<b>1,11,208</b>
<b>II. Expenses :</b>			
a. Access and other Charges	33	33,817	24,903
b. License fee and spectrum charges	34	5,656	4,793
c. Expenses on Project	35	37,957	29,837
d. Employee Benefits Expenses	36	12,170	11,650
e. Administrative & Other Expenses	37	10,911	3,032
f. Corporate Social Responsibility (Refer Item No. 11 of Note No 43)		490	519
g. Depreciation, amortisation and impairment	38	15,925	13,085
h. Finance Expenses	39	183	345
<b>Total Expenses</b>		<b>1,17,109</b>	<b>88,164</b>
<b>III. Profit/(Loss) before exceptional items and tax (I-II)</b>		<b>19,461</b>	<b>23,044</b>
<b>IV. Exceptional Items</b>	40	-	(4,930)
<b>V. Profit/(Loss) Before Tax (III-IV)</b>		<b>19,461</b>	<b>18,114</b>
<b>VI. Tax expenses</b>			
a. Current tax		8,253	5,508
b. Deferred tax	41	(2,776)	(1,341)
c. Tax impact of earlier years		(57)	112
<b>VII. Profit/(Loss) for the year (V-VI) (A)</b>		<b>14,041</b>	<b>13,835</b>
<b>VIII. Other comprehensive income(OCI):</b>			
(a) Items that will not be reclassified to Profit & Loss			
Remeasurement gain/(losses) on defined benefit plans	42	159	(669)
Income tax relating to item that will not be reclassified to Profit & Loss		(40)	168
(b) Items that will be reclassified to Profit & Loss			
<b>Other comprehensive income/(Loss) (a+b) (B)</b>		<b>119</b>	<b>(501)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>14,160</b>	<b>13,334</b>
<b>IX Earning per Equity Share of ₹ 10/- each (refer item no. 22 of Note no. 43)</b>			
(a) Basic (Amount in ₹)		4.37	4.31
(b) Diluted (Amount in ₹)		4.37	4.31

Significant Accounting Policies and the accompanying notes referred to above form an integral part of financial statement (from Note No 1 to 43)

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/-  
CA Anjula Gupta  
M.No. 091514  
Place New Delhi  
Date: 25/06/2021

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, 2021

(Amount in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Profit after tax</b>	<b>14,041</b>	<b>13,835</b>
Adjustments for:		
Other comprehensive income(Net of taxes)	119	(501)
Depreciation, Amortisation and Impairment	15,925	18,015
Amortisation of Deferred Govt Grant	(302)	(213)
Non Cash Income (Discounting)	(86)	25
Non Cash Expense(Discounting)	(66)	4
Interest Expenses for Lease Liabilities	249	341
Non Cash Expense(Loss on sale of fixed asset)	2	2
Non Cash Expense(Forex Loss)	2	12
Non Cash Income (Provision written back and forex)	(12)	(26)
Provision for expected credit loss	8,316	1,251
Interest income	(2,141)	(2,139)
<b>Operating profit/(loss) before working capital change</b>	<b>36,047</b>	<b>30,606</b>
(Increase)/decrease in Financial Current Assets	(28,888)	(11,310)
(Increase)/decrease in Non Financial Current Assets	2,411	3,301
Increase/(decrease) in Financial Current Liabilities	16,202	10,134
Increase/(decrease) in Non Financial Current Liabilities	13,248	(8,383)
(Increase)/decrease in Financial Non Current Assets	1,550	(2,132)
(Increase)/decrease in Non Financial Non Current Assets	(1,845)	(61)
Increase/(decrease) in Financial Non Current Liabilities	915	(30)
Increase/(decrease) in Non Financial Non Current Liabilities	2,355	(3,038)
<b>Net cash generated from Operation before Tax</b>	<b>41,995</b>	<b>19,087</b>
Income Tax Paid	(4,440)	(3,736)
<b>Net cash generated from Operating Activities</b>	<b>37,555</b>	<b>15,351</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Tangible & Intangible Assets	(8,014)	(6,162)
Capital Advances	-	(1,541)
(Increase)/decrease in Short term investment	-	701
Interest income received	959	2,162

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Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Subsidy/Advances received	226	92
(Increase)/Decrease in Term Deposit	(6,636)	(73)
<b>Net cash used in Investing Activities</b>	<b>(13,465)</b>	<b>(4,821)</b>
<b>Cash Flow from Financing Activities</b>		
Payment for Lease Liability of Right to Use Assets	(945)	(667)
Dividend paid	(10,015)	(4,620)
Dividend Distribution Tax Paid	-	(959)
<b>Net cash generated from / (used in) financing activities</b>	<b>(10,960)</b>	<b>(6,246)</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>13,130</b>	<b>4,284</b>
Cash and cash equivalents at the beginning of the year	11,366	7,082
<b>Cash and cash equivalents at the end of the year</b>	<b>24,496</b>	<b>11,366</b>

Significant Accounting Policies and the accompanying notes referred to above form an integral part of financial statement (from Note No 1 to 43)

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

(i) Cash and Cash Equivalent (Maturity<= 3 Months)		
Flexi Deposits	12,068	2,856
(ii) Balances with Scheduled Bank		
a. In Current A/c	2,538	1,951
b. In Collection A/c	9,745	6,540
c. In Imprest A/c	22	19
(iii) CSR Escrow A/c*	123	-
<b>Total</b>	<b>24,496</b>	<b>11,366</b>

\* The said escrow account is for restricted use of CSR only.

Details of amount spent for year ended 31-March-2021 in relation to CSR activities out of the Budget for FY 2020-21 is mentioned below

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

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

Particulars	Unspent amount as on 01.04.2020	Amount Spent	Amount yet to be spent*
Construction/Acquisition of any asset	0	-	-
On any other purpose	286	113	173
<b>Total (B)</b>	<b>286</b>	<b>113</b>	<b>173</b>
<b>Grand Total (A+B)</b>	<b>663</b>	<b>490</b>	<b>173</b>

\* Includes an amount of ₹ 50 lakhs paid as advance towards CSR activities.

#### Disclosure as per Ind AS-116

Particulars	for the period ended 31st March 2021	For the year ended 31st March 2020
Total cash outflow for leases	945	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/-  
CA Anjula Gupta  
M.No. 091514  
Place New Delhi  
Date: 25/06/2021

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 31st March 2021

#### A. EQUITY SHARE CAPITAL

(Amount in Lakhs)

As on 01.04.2019	32,094
Change in Equity Share Capital during the year	-
As on 31.03.2020	32,094
As on 01.04.2020	32,094
Change in Equity Share Capital during the period	-
As on 31.03.2021	32,094

#### B. OTHER EQUITY

(Amount in Lakhs)

Particulars	Retained Earnings	General Reserve	Self Insurance Reserve*	Total Equity
Balance as at 1st April 2019	48,170	48,000	109	96,279
Profit for the year	13,835			
Other comprehensive Income/ (Loss)	(501)			
<b>Add: Total Comprehensive Income for the year ended 31st March 2020</b>	<b>13,334</b>			<b>13,334</b>
Less: Final Dividend for the F.Y. 2018-19	(4,620)			(4,620)
Less: Tax on Final Dividend for the F.Y. 2018-19	(959)			(959)
Add: Transfer to Self Insurance Reserve	(99)		99	-
Less: Transfer to General Reserve	(4,000)	4,000		-
Balance as at 31st March 2020	51,826	52,000	208	1,04,034
<b>Opening balance as on 1st April 2020</b>	<b>51,826</b>	<b>52,000</b>	<b>208</b>	<b>1,04,034</b>
Profit for the year	14,041			
Other comprehensive Income/ (Loss)	119			
<b>Add: Total Comprehensive Income for the year ended 31st March 2021</b>	<b>14,160</b>			<b>14,160</b>
Less: Interim dividend for the F.Y. 2020-21	(3,209)			(3,209)
Less: Interim dividend for the F.Y. 2019-20	(2,000)			(2,000)
Less: Final Dividend Paid F.Y. 2019-20	(4,806)			(4,806)
Add: Transfer to Self Insurance Reserve	(101)		101	-

Particulars	Retained Earnings		General Reserve	Self Insurance Reserve*	Total Equity
Less: Transfer to General Reserve		(4000)	4000		-
<b>Balance as at 31st March 2021</b>		<b>51,870</b>	<b>56,000</b>	<b>309</b>	<b>1,08,179</b>

Significant Accounting Policies and the accompanying notes referred to above form an integral part of financial statement (from Note No 1 to 43)

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/-  
CA Anjula Gupta  
M.No. 091514  
Place New Delhi  
Date: 25/06/2021

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)

# Significant Accounting Policy

Notes forming part of Standalone Financial Statements

## Note No. – 1

### A. Corporate Information

RailTel Corporation of India Limited ('the Company') incorporated in India on 26<sup>th</sup> 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, 6<sup>th</sup> 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.

#### 1. 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.

#### 2. 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

- Govt. of India offered for sale 8,71,53,369 equity shares of face value of ₹ 10/- each at a premium of ₹ 84/- per share through Initial Public Offer. The entire equity shares of the Company were listed on BSE limited and National Stock Exchange of India Limited on 26th February' 2021. The proceeds of the disinvestment have been realised by Govt. of India.

## **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/





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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. Leases

### a. 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.

### b. 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".

### c. 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.

## 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.



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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

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 ₹ 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) 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. 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.

## 23. 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.

## 24. 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.

## 25. 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.

## 26. 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.



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## 27. 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.

## 28. 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.

## 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.

**D. Investment in Subsidiaries**

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



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**Note 2. Property Plant & Equipment**

Particulars	TANGIBLE ASSETS										INTANGIBLE ASSETS					
	Freehold Land	Leasehold Land	Free Hold Building	Lease Hold Building	Prefab-ricated Building	Plant & Machinery	Leasehold Improvements	ERP Hardware	Computers	Furniture & Fixtures	Vehicles	Office Equipments	Total	Licenses	Software	Total
<b>As at 31.03.2020</b>																
<b>Gross Carrying amount</b>																
Cost as at 1st April 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)	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>
<b>As at 31.03.2021</b>																
<b>Gross Carrying amount</b>																
Cost as at 1 Apr 2020	223		2,389		1,361	164,456	2,669	222	949	401	39	863	173,572	530	954	1,484
Additions	-	-	150	-	-	8,342	-	-	195	55	-	230	8,972	31	884	915
Disposal	-	-	-	-	(6,773)	(6,773)	-	-	(28)	-	-	(11)	(6,812)	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing Gross Carrying amount (31.03.2021)</b>	<b>223</b>	<b>-</b>	<b>2,539</b>	<b>-</b>	<b>1,361</b>	<b>166,025</b>	<b>2,669</b>	<b>222</b>	<b>1,116</b>	<b>456</b>	<b>39</b>	<b>1,082</b>	<b>175,732</b>	<b>561</b>	<b>1,838</b>	<b>2,399</b>
<b>Accumulated Depreciation/ amortisation</b>																
Accumulated Depreciation as at 1st April 2020	-	-	279	-	1,279	107,513	1,625	203	838	245	35	717	112,734	217	482	699
Charge during the year	-	-	46	-	8	11,729	190	3	82	28	1	73	12,160	35	358	393
Disposal	-	-	-	-	(6,773)	(6,773)	-	-	(25)	-	-	(9)	(6,807)	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation/ amortisation (31.03.2021)</b>	<b>-</b>	<b>-</b>	<b>325</b>	<b>-</b>	<b>1,287</b>	<b>112,469</b>	<b>1,815</b>	<b>206</b>	<b>895</b>	<b>273</b>	<b>36</b>	<b>781</b>	<b>118,087</b>	<b>252</b>	<b>840</b>	<b>1,092</b>
<b>NET CARRYING AMOUNT- 31.03.2021</b>	<b>223</b>	<b>-</b>	<b>2,214</b>	<b>-</b>	<b>74</b>	<b>53,556</b>	<b>854</b>	<b>16</b>	<b>221</b>	<b>183</b>	<b>3</b>	<b>301</b>	<b>57,645</b>	<b>309</b>	<b>998</b>	<b>1,307</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. 43

### Note 3. Capital Work in Progress

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
NE Project (Net of Impairment Loss) (Refer to item no 23 of Note No. 43)	15,022	18,175
OFC Laying Works	1,110	1,449
MPLS, STM, Other Telecom Radio Equipment, Data Centre & OSS/BSS	3,544	4,236
Capital Stores lying at project site	1,802	1,242
Building	-	150
Others	6	2
<b>Total</b>	<b>21,484</b>	<b>25,254</b>

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

(Amount in Lakhs)

Particulars	Building	Land	Telecom Assets	Total
<b>As at 31.03.2020</b>				
<b>Gross Carrying amount</b>				
Recognized as at 1st April 2019	12,450	3,498	3,123	19,071
Additions	47	-	-	47
Disposal	-	-	-	-
Transfer/Adjustments	-	-	-	-
<b>Closing Gross Carrying amount (31.03.2020)</b>	<b>12,497</b>	<b>3,498</b>	<b>3,123</b>	<b>19,118</b>
<b>Accumulated Depreciation/ amortisation</b>				
Recognized as at 1st April 2019	509	75	-	584
Charge during the period	833	148	257	1,238
Disposal	-	-	-	-
Transfer/Adjustments	-	-	-	-
<b>Closing accumulated depreciation/ amortisation (31.03.2020)</b>	<b>1,342</b>	<b>223</b>	<b>257</b>	<b>1,822</b>
<b>NET CARRYING AMOUNT- 31.03.2020</b>	<b>11,155</b>	<b>3,275</b>	<b>2,866</b>	<b>17,296</b>
<b>As at 31.03.2021</b>				
<b>Gross Carrying amount</b>				
Cost as at 1 Apr 2020	12,497	3,498	3,123	19,118
Additions	2,407	(0)	-	2,407
Disposal	-	-	-	-
Transfer/adjustments	-	(1,594)	-	(1,594)
<b>Closing Gross Carrying amount (31.03.2021)</b>	<b>14,904</b>	<b>1,904</b>	<b>3,123</b>	<b>19,931</b>
<b>Accumulated Depreciation/ amortisation</b>				
Accumulated Depreciation as at 1st April 2020	1,342	223	257	1,822
Charge during the period	907	50	257	1,214
Disposal	-	-	-	-
Transfer/adjustments	-	(131)	-	(131)
<b>Closing accumulated depreciation/ amortisation (31.03.2021)</b>	<b>2,249</b>	<b>142</b>	<b>514</b>	<b>2,905</b>
<b>NET CARRYING AMOUNT- 31.03.2021</b>	<b>12,655</b>	<b>1,762</b>	<b>2,609</b>	<b>17,026</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. 43

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**NON CURRENT ASSETS****Note 5. Investment (At amortised cost)**

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<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 ₹ 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 2021	As at 31st March 2020
<b>Unsecured Considered Good unless stated otherwise</b>		
<b>Security Deposits</b>		
Considered Good	482	332
<b>Total</b>	<b>482</b>	<b>332</b>

**Note 7. Other Non Current Financial Assets**

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Deposits with Banks for Ex-Gratia	50	50
Bank Term Deposit (Having residual maturity of more than 12 months)	5,473	20,794
BG Margin Money (Having residual maturity of more than 12 months)*	86	-
Accrued interest on term deposit - Non Current	269	1,086
<b>Total</b>	<b>5,878</b>	<b>21,930</b>

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

**Note 8. Other Non Current Assets**

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Unsecured Considered Good unless stated otherwise</b>		
<b>Capital Advances</b>		
Considered Good	(0)	1,751
<b>Other</b>		
Lease prepayment/Prepaid Expenses	25	55
<b>Total</b>	<b>25</b>	<b>1,806</b>

## CURRENT ASSETS

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

Particulars	As at 31st March 2021	As at 31st March 2020
Inventory (Consumables for O&M Work)	121	49
<b>Total</b>	<b>121</b>	<b>49</b>

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

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Investment (Unquoted)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

### Note 11. Trade Receivables

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Unsecured, Considered Good</b>		
Telecommunication Business	29,275	32,376
Project works	46,869	15,120
<b>Sub Total - A</b>	<b>76,144</b>	<b>47,496</b>
<b>Significant Increase in Credit Risk - B</b>	<b>12,523</b>	<b>4,219</b>
<b>Trade Receivables (A+B)</b>	<b>88,667</b>	<b>51,715</b>
Loss Allowance*	(12,523)	(4,219)
<b>Total</b>	<b>76,144</b>	<b>47,496</b>

### Movement of Provision for expected credit loss

Balance at the beginning of the year	4,219	2,995
Add: Additional provision during the year	8,316	1,251
Less: Provision written back/adjusted during the year	12	27
<b>Balance at the end of year</b>	<b>12,523</b>	<b>4,219</b>

\* Refer to item no 27 of Note No. 43



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**Note 12. Cash and Cash Equivalents**

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
(i) Cash and Cash Equivalent (Maturity <= 3 Months)		
Flexi Deposits	12,068	2,856
(ii) Balances with Scheduled Bank		
a. In Current A/c	2,538	1,951
b. In Collection A/c	9,745	6,540
c. In Imprest A/c	22	19
(iii) CSR Escrow A/c*	123	-
<b>Total</b>	<b>24,496</b>	<b>11,366</b>

\* The said escrow account is for restricted use of CSR only.

**Note 13. Other Bank Balances**

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
BG Margin Money A/c *	252	296
In Term Deposit (Having original maturity of more than 3 months but less than 12 months or residual maturity less than 12 months)	27,274	5,358
<b>Total</b>	<b>27,526</b>	<b>5,654</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 31st March 2021	As at 31st March 2020
<b>Unsecured, Considered Good Unless Stated Otherwise</b>		
Advances to Employee	32	41
Security Deposit	485	428
<b>Total</b>	<b>517</b>	<b>469</b>

**Note 15. Other Current Financial Assets**

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Unsecured, Considered good unless stated otherwise</b>		
Accrued interest on term deposit	2,284	285
Recoverable from Railways	631	880
Unbilled Revenue	9,067	18,986
EMD Deposited	946	522
<b>Total</b>	<b>12,928</b>	<b>20,673</b>

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

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Income Tax/TDS	1,190	2,377
<b>Total</b>	<b>1,190</b>	<b>2,377</b>

### Note 17. Other Current Assets

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Advances recoverable in cash or in kind for value to be received	845	881
Indirect Tax Credit Available	7,906	6,326
Fund Assets for Defined Retirement Plans	382	-
Others	690	103
Advance Indirect Tax	1,366	789
Prepaid expenses	239	186
<b>Total</b>	<b>11,428</b>	<b>8,285</b>

### Note No. -18 Equity Share capital

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Authorized Share Capital</b>		
Equity Shares		
1,00,00,00,000 equity shares of ₹ 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 ₹ 10 each in Cash	1,500	1,500
30,59,38,400 equity shares of ₹ 10 each in consideration other than cash	30,594	30,594
<b>Total</b>	<b>32,094</b>	<b>32,094</b>

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**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 Period	Closing Balance
Year ended 31 <sup>st</sup> 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 31 <sup>st</sup> March 2021			
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 2021	As at 31st March 2020
	Number	23,37,85,038	32,09,38,407
Ministry of Railways (in the name of President of India)*	%	72.84	100

**d. Aggregate number of shares issued for consideration other than cash in last five years - NIL**

\* The President of India acting through the Ministry of Railways has disinvested 87153369 equity shares of the company of facevalue of ₹ 10 each by way of initial public offering through an offer for sale. The equity shares of the company were listed on the stock exchanges (i.e. BSE Limited ("BSE") and National Stock Exchange of India Ltd. ("NSE") w.e.f.26.02.2021.

## Note 19. Other Equity

(Amount in Lakhs)

Particulars	Retained Earnings	General Reserve	Self Insurance Reserve*	Total Equity
<b>Balance as at 1st April 2019</b>		<b>48,170</b>	<b>48,000</b>	<b>96,279</b>
Profit for the year	13,835	-		-
Other comprehensive Income/ (Loss)	(501)			
<b>Add: Total Comprehensive Income for the year ended 31st March 2020</b>		<b>13,334</b>		<b>13,334</b>
Less: Final Dividend for the F.Y. 2018-19		(4,620)		(4,620)
Less: Tax on Final Dividend for the F.Y. 2018-19		(959)		(959)
Add: Transfer to Self Insurance Reserve		(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>104,034</b>
<b>Opening balance as on 1st April 2020</b>		<b>51,826</b>	<b>52,000</b>	<b>104,034</b>
Profit for the year	14,041			
Other comprehensive Income/ (Loss)	119			
<b>Add: Total Comprehensive Income for the year ended 31st March 2021</b>		<b>14,160</b>		<b>14,160</b>
Less: Interim dividend for the F.Y. 2020-21		(3,209)		(3,209)
Less: Interim dividend for the F.Y. 2019-20		(2,000)		(2,000)
Less: Final Dividend Paid F.Y. 2019-20		(4,806)		(4,806)
Add: Transfer to Self Insurance Reserve		(101)	101	-
Less: Transfer to General Reserve		(4000)	4000	-
<b>Balance as at 31st March 2021</b>		<b>51,870</b>	<b>56,000</b>	<b>108,179</b>

\*(Refer Item No. 6 of Note No 43)

## NON CURRENT LIABILITIES

### Note 20. Leasing Liabilities

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Leasing Liabilities	2,217	3,480
<b>Total</b>	<b>2,217</b>	<b>3,480</b>

### Note 21. Other Non Current Financial Liabilities

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Unsecured</b>		
Security Deposit	426	315
Retention Money	1,710	425
<b>Total</b>	<b>2,136</b>	<b>740</b>

### Note 22. Provisions

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for Post Retirement Medical Benefit	931	944
Provision for Arbitration Claim	46	46
<b>Total</b>	<b>977</b>	<b>990</b>

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**Note 23. Deferred Tax Liabilities/Assets (Net)**

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<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	2,042	2,414
<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	3,152	1,062
Expenditure to be allowed on payment basis under Income Tax Law/Provisions	1,313	999
<b>Deferred Tax Liability/ (Assets) (Net)</b>	<b>(2,423)</b>	<b>353</b>

**Note 24. Other Non Current Liabilities**

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Deferred Revenue and Advance from Customers*	1,954	2,163
<b>Deferred Revenue from Government Grant</b>		
NE 1 & NE 2***	1,171	1,290
Rural WiFi***	686	653
Advances for VSS Project#	7,701	4,763
<b>Total</b>	<b>11,512</b>	<b>8,869</b>

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

#Refer item no. 30 of Note no. 43

\*\*\* Refer item no. 19 of Note no. 43

**CURRENT LIABILITIES****Note 25. Trade Payables**

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Trade Payables</b>		
Micro and Small Enterprises	13,744	5,770
<b>Other than Micro and Small Enterprises</b>		
Revenue Share Payable to Indian Railway	5,281	6,068
Towards purchase of Goods and Services	33,053	23,559
<b>Total</b>	<b>52,078</b>	<b>35,397</b>

**Note 26. Leasing Liabilities**

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Leasing Liabilities	801	774
<b>Total</b>	<b>801</b>	<b>774</b>

### Note 27. Other Current Financial liabilities

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Security Deposits	3,932	3,441
Retention Money	10,828	9,512
EMD Payable	925	3,053
Payable to Subsidiary	-	35
Bank Guarantee Deductions	346	489
Interest Accrued but not due on Noida Instalment	7	11
<b>Total</b>	<b>16,038</b>	<b>16,541</b>

### Note 28. Provisions

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Provisions for Employee Benefits</b>		
Provision for Post Retirement Medical Benefit	2	2
Provision for Pension	87	133
Provision for Gratuity & Leave Encashment	189	882
Provision for PRP	1,013	991
<b>Total</b>	<b>1,291</b>	<b>2,008</b>

### Note 29. Other Current Liabilities

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Deferred Revenue and Advance from Customers*	10,584	6,869
Advance for Railway Deposits#	8,870	3,875
Advance-Others**	3,774	3,473
<b>Deferred Revenue from Government Grant</b>		
NE 1 & NE 2***	119	119
Rural WiFi***	147	112
Government Grant		
Subsidy of NE-1 & NE-2***	1,468	1,468
Rural WiFi Subsidy***	106	132
Payable to Others	9,229	4,282
<b>Total</b>	<b>34,297</b>	<b>20,330</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. 43

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

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**Note 30. Revenue from operations**

(Amount in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Income from Telecom Services</b>		
NLD Services	43,467	41,507
ISP Services	25,490	16,622
IP-1 Services	18,931	16,346
<b>Income from Projects</b>		
Railways Project Works	15,389	16,203
Other Projects	29,851	16,771
<b>Other Operating Revenue</b>	600	614
<b>Total</b>	<b>1,33,728</b>	<b>1,08,063</b>

**Note 31. Other income**

(Amount in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Interest Income</b>		
Interest Income on deposits with Bank	2,132	2,058
Interest on Income Tax Refunds	165	75
<b>Other Non Operating Income</b>		
Miscellaneous Income	439	930
Income on Mutual Funds	8	81
Liabilities/Provision written back	12	26
<b>Total</b>	<b>2,756</b>	<b>3,170</b>

**Note 32. Finance Income**

(Amount in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Reversal of Discounting impact of Liability for FY 2018-19		(95)
Discounting Impact of Liability for FY 2019-20		70
Reversal of Discounting impact of Liability for FY of 2019-20	(70)	
Discounting Impact of Liability for FY 2020-21	156	
<b>Total</b>	<b>86</b>	<b>(25)</b>

### Note 33. Access & Other Charges

(Amount in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Operation & Maintenance of Fiber & Equipment	7,906	6,281
Share of Revenue with Konkan Railway	50	15
Hire Charges Radio Modem/Optic Fibers and Internet Access	5,444	4,644
Interconnect & Port charges	-	28
Railwire Expenses	13,580	7,216
Power & Fuel Expenses on network	3,769	3,538
Revenue Share to Railways	3,068	3,181
<b>Total</b>	<b>33,817</b>	<b>24,903</b>

### Note 34. License fee and Spectrum charges

(Amount in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Licence Fee to DoT (Revenue Share)	5,656	4,793
<b>Total</b>	<b>5,656</b>	<b>4,793</b>

### Note 35. Expenses on Project

(Amount in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Expenses on Railway Projects	13,736	14,086
Expenses on Projects (Other Than Railway)	21,410	13,541
Allocation of Employee Benefit Expenses (Refer Note No. 36)	1,757	1,381
Allocation of Administrative & Other Expenses (Refer Note No. 37)	1,054	829
<b>Total</b>	<b>37,957</b>	<b>29,837</b>

### Note 36. Employee Benefits Expenses

(Amount in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Salaries & Wages	13,277	12,397
Contribution to Provident fund	633	604
Staff welfare expenses	17	30
<b>Less: Alloation of Expenses to Projects (Refer to Note no. 35)</b>	<b>1,757</b>	<b>1,381</b>
<b>Total</b>	<b>12,170</b>	<b>11,650</b>



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**Note 37. Administrative & Other Expenses**

(Amount in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<u>Auditor Remuneration</u>		
As Auditor	24	24
As Tax Auditor	6	6
For Certification	-	1
Books & Periodicals	1	2
Communication Expenses	91	87
Conveyance Expenses	22	32
Bank Charges & Commission	27	12
Legal & Professional Expenses	326	333
Insurance	97	23
Rates & Taxes	287	351
Rent	341	201
Repair & Maintenance - Others	338	341
Tender Expenses	38	35
Training & Recruitment Expenses	23	38
Travelling Expenses	144	370
Printing & Stationary Expenses	51	56
Vehicle Hire charges	354	302
Business promotion Expenses	418	116
Other Miscellaneous Expenses	387	266
Loss on sale of Fixed Assets	2	2
Provision for Expected Credit Loss	8,316	1,251
Loss on foreign Exchange transactions	2	12
Donation to PM CARES Fund	670	-
<b>Less:- Allocation of Expenses to Project (Refer to Note no. 35)</b>	<b>1,054</b>	<b>829</b>
<b>Total</b>	<b>10,911</b>	<b>3,032</b>

**Note 38. Depreciation, Amortisation and Impairment**

(Amount in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Depreciation on tangible Assets	12,160	11,798
Charge over Right of Use (Refer Note No.4)	1,214	1,238
Amortization on Intangible Assets	393	49
Impairment on CWIP Assets (NE Project)*	2,158	(0)
<b>Sub Total</b>	<b>15,925</b>	<b>13,085</b>

\* Refer to item no. 23 of Note no. 43

### Note 39. Finance Expenses

(Amount in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Reversal of Discounting impact of Assets for FY 2018-19		(161)
Reversal of Discounting impact of Assets for FY 2019-20	(165)	
Discounting Impact of Assets for FY 2019-20		165
Discounting Impact of Assets for FY 2020-21	99	
Finance charge - Interest Cost Unwinding of Lease Liabilities	212	288
Finance charge on Instalment of Noida land	37	53
<b>Total</b>	<b>183</b>	<b>345</b>

### Note 40. Exceptional Items

(Amount in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Exceptional Item (Impairment of NE Project- Refer item No. 23 of Note No. 43)	-	(4,930)
<b>Total</b>	<b>-</b>	<b>(4,930)</b>

### Note 41. Tax Expenses

(Amount in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Current Tax (Income Tax)	8,253	5,508
Tax impact of earlier Years	(57)	112
Deferred Tax	(2,776)	(1,341)
<b>Total</b>	<b>5,420</b>	<b>4,279</b>

### Note 42. Other comprehensive income (OCI)

(Amount in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Items that will not be reclassified to Profit &amp; Loss</b>		
Remeasurement gain/(losses) on defined benefit plans	159	(669)
Income tax relating to item that will not be reclassified to Profit & Loss	(40)	168
<b>Items that will be reclassified to Profit &amp; Loss</b>		
<b>Other comprehensive income/(Loss)</b>	<b>119</b>	<b>(501)</b>

**Note-43**

**OTHER EXPLANATORY NOTES AND DISCLOSURES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March'2021**

- These Financial Statements are presented in Indian Rupees (INR) which is the Company's functional currency.
- Figures have been rounded off to nearest Rupees in lakhs. Previous year figures have, wherever necessary, been rearranged/regrouped to conform the presentation of the Current year.
- License fee to DoT and Railways Revenue Share computed at prescribed rate of 8% and 7% respectively.
- Employees benefit expenses and administrative expenses are apportioned to project works based on 5% and 3% respectively of expenses incurred on projects.
- The Current Assets/ Liabilities have been determined if they are receivable / payable within 1 year from the date of Balance Sheet. Rest has been treated as Non-Current.
- 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.
- 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 ₹ 11299 lakhs as at 31.03.2021.
- Disclosure relating to dues to Micro, Small and Medium Enterprise:

(₹ in Lakhs)

S. No.	Particulars	March' 21	March' 20
1	Amount remaining unpaid to any supplier: a) Principal Amount b) Interest due thereon	13744 NIL	5770 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

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

(₹ in Lakhs)

Particulars	March'21	March'20
Raw materials	Nil	Nil
Consumables and Spare parts	198	Nil
Capital goods	605	Nil
<b>Total</b>	<b>803</b>	<b>Nil</b>

### 10. Expenditure in foreign currency

(₹ in Lakhs)

Particulars	March'21	March'20
Travelling & conveyance	Nil	15
Repair & Maintenance	Nil	Nil
Service charges	4	Nil

### 11. Corporate Social Responsibility Expenditure

Details of amount spent for year ended 31-March-2021 in relation to CSR activities out of the Budget for FY 2020-21 is mentioned below

(₹ in Lakhs)

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

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

(₹ in Lakhs)

Particulars	Unspent amount as on 01.04.2020	Amount spent	Amount yet to be spent*
Construction/Acquisition of any asset	Nil	Nil	Nil
On any other purpose	286	113	173
<b>Total - B</b>	<b>286</b>	<b>113</b>	<b>173</b>
<b>Grand Total – (A+B)</b>	<b>663</b>	<b>490</b>	<b>173</b>

\* Includes an amount of ₹ 50 lakhs paid as advance towards CSR activities.

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**Para-wise disclosure of Applicable Indian Accounting Standards are as below:****12. 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 the period 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.

**13. IND AS 2: Inventories**

- The total carrying amounts of inventories as at 31-March-2021 is ₹ 121 Lakhs (March'20 – ₹ 49 Lakhs) as shown in Note no 9 of Balance Sheet.
- There is no reversal or any write-down that is recognized as a reduction in the amounts of inventories recognized as expense in the year and presented in cost of sales.
- Nothing out of carrying amounts of inventories has been pledged as security for liabilities.

**14. 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.

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

(₹ in Lakhs)

Particulars	Provided during the year ended 31 <sup>st</sup> March'21	As at 31 <sup>st</sup> March' 2021	Provided during the year ended 31 <sup>st</sup> March'20	As at 31 <sup>st</sup> March' 2020
<b>Deferred Tax Liability</b>				
Related to Depreciation on Fixed Assets	-372	2042	-841	2414
<b>Total Deferred Tax Liabilities</b>	<b>-372</b>	<b>2042</b>	<b>-841</b>	<b>2414</b>

Deferred Tax Assets				
Provision on debtors	2090	3152	15	1062
43B Disallowances etc.	-80	528	334	608
Others	394	785	151	391
<b>Total Deferred Tax Assets</b>	<b>2404</b>	<b>4465</b>	<b>500</b>	<b>2061</b>
Deferred Tax Liability / (Asset) (Net)	<b>-2776</b>	<b>-2423</b>	<b>-1341</b>	<b>353</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 change in effective tax rate from March'2020 to March'2021 is mainly due to change in tax rates as tabulated here under:

Particulars	March'21 (In %)	March,21 (In ₹ Lakhs)	March'20 (In %)	March,20 (In ₹ Lakhs)
PBT		19461		18114
Applicable Tax Rate	25.17%	4898	25.17%	4560
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	18.46%	3592	8.72%	1579
3. Tax effect on previous years disallowances	-1.02%	-198	-2.71%	-491
4. Tax effect of additional deductions	0%	0	-1.70%	-307
Average Effective Tax	<b>42.61%</b>	<b>8293</b>	<b>29.48%</b>	<b>5340</b>

#### 16. 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 year 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 year ended 31.03.2021.
- There is no obsolete asset which has been so far held under CWIP/Fixed Asset.
- Depreciation / amortization on all the PPE / Intangible assets have been disclosed separately.



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- j) There is no restriction on title of PPE / Intangible Assets, and nothing has been pledged as security and liability.
- k) The amount of contractual commitment for acquisition of PPE is ₹ 7319 lakhs (March'20 – ₹ 6269 Lakhs).
- l) 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.
- m) 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 year has been shown separately.
- n) There are no temporarily idle PPE / intangible assets.
- o) ₹ 33289 Lakhs Gross Carrying value of assets have been fully depreciated, but still are in use.
- p) During the reporting Year Assets having Net Book Value of ₹ 5 Lakh (Gross Book Value 6812 Lakhs) has been retired with sale proceeds of ₹ 3 Lakh and loss of ₹ 2 lakh has been booked.
- q) 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

17. 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 ₹ 347 lakhs during the FY 2019-20 and has been recognized as other operating revenue.

## 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 depositions) 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**

(₹ in Lakhs)

Assumptions	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
Discount Rate	6.79% per annum	6.79% per annum	6.71% per annum	6.71% 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	6.71% per annum	6.71% per annum	7.77% per annum	7.77% per annum
Average future service (in Years)	20.78 Years	-	21.42 Years	-

**Table II: Service Cost**

(₹ in Lakhs)

All Figures in INR	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
Current Service Cost	160	225	165	233
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>160</b>	<b>225</b>	<b>165</b>	<b>233</b>





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**Table III: Net Interest Cost**

(₹ in Lakhs)

All Figures in INR	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
Interest Cost on Defined Benefit Obligation	120	157	104	142
Interest Income on Plan Assets	114	104	79	116
<b>Net Interest Cost (Income)</b>	<b>6</b>	<b>53</b>	<b>25</b>	<b>26</b>

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

(₹ in Lakhs)

All Figures in INR	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
Opening of defined benefit obligations	1,792	2,336	1,340	1,824
Service cost	160	225	165	233
Interest Cost	120	157	104	142
Benefit Paid	-82	-90	-55	-83
<b>Actuarial (Gain)/Loss on total liabilities:</b>	<b>-17</b>	<b>-29</b>	<b>238</b>	<b>220</b>
- due to change in financial assumptions	-17	-17	187	188
- due to change in demographic assumptions	0	0	0	0
- due to experience variance	0	-12	51	32
<b>Closing of defined benefit obligation</b>	<b>1,973</b>	<b>2,599</b>	<b>1,792</b>	<b>2,336</b>

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

(₹ in Lakhs)

All Figures in INR	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
Opening fair value of plan assets	1,700	1,545	1,015	1,496
Actual Return on Plan Assets	134	127	95	103
Employer Contribution	603	827	646	28
Benefit Paid	-82	-89	-56	-82
<b>Closing fair value of plan assets</b>	<b>2,355</b>	<b>2,410</b>	<b>1,700</b>	<b>1,545</b>

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

(₹ in Lakhs)

All Figures in INR	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
Expected Interest Income	114	103	79	116
Actual Income on Plan Asset	134	127	95	103
<b>Actuarial gain / (loss) on Assets</b>	<b>20</b>	<b>24</b>	<b>16</b>	<b>-13</b>

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

(₹ in Lakhs)

All Figures in INR	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
Opening amount recognized in OCI outside P&L account	0	N/A	0	N/A
Actuarial gain / (loss) on liabilities	17	N/A	-238	N/A
Actuarial gain / (loss) on assets	20	N/A	16	N/A
<b>Closing amount recognized in OCI outside P&amp;L account</b>	<b>37</b>	<b>N/A</b>	<b>-222</b>	<b>N/A</b>

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

(₹ in Lakhs)

All Figures in INR	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
Present Value of Obligations	1,973	2,599	1,792	2,336
Fair value of plan assets	2,355	2,410	1,700	1,545
Net Obligations	-382	189	92	791
Amount not recognized due to asset limit	0	0	0	0
<b>Net defined benefit liability / (assets) recognized in balance sheet</b>	<b>-382</b>	<b>189</b>	<b>92</b>	<b>791</b>

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

(₹ in Lakhs)

All Figures in INR	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
Service cost	160	225	165	233
Net Interest Cost	6	53	25	25
Net actuarial (gain)/ loss	0	-53	0	233
<b>Expenses Recognized in the statement of Profit &amp; Loss</b>	<b>166</b>	<b>225</b>	<b>190</b>	<b>491</b>



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

Item	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
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**

(₹ in Lakhs)

All Figures in INR	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
Opening of Net defined benefit liability	92	791	325	328
Service cost	160	225	165	233
Net Interest Cost	6	53	25	25
Re-measurements	-37	-53	223	233
Contribution paid to fund	-603	-827	-646	-28
<b>Closing of Net defined benefit liability</b>	<b>-382</b>	<b>189</b>	<b>92</b>	<b>791</b>

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

(₹ in Lakhs)

All Figures in INR	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
Present Value of Obligation as at the end of the year	1,973	2,599	1,792	2,336
Present Value of Obligation as at the beginning of the year	-1,792	-2,336	-1,340	-1,824
Benefit Paid	82	90	56	82
Actual Return on Assets	-134	-127	-95	-103
OCI	37	N/A	-223	0
<b>Expenses Recognized in the Statement of Profit and Loss</b>	<b>166</b>	<b>226</b>	<b>190</b>	<b>491</b>

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

(₹ in Lakhs)

All Figures in INR	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
Opening net defined benefit liability / (asset)	92	791	325	328
Expense charged to profit and loss account	166	225	190	491
Amount recognized outside profit & loss account	0	0	0	0
Employer Contributions	-603	-827	-646	-28
OCI	-37	N/A	223	0
<b>Closing net defined benefit liability / (asset)</b>	<b>-382</b>	<b>189</b>	<b>92</b>	<b>791</b>

**Table XIV: Sensitivity Analysis**

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

(₹ in Lakhs)

Item	Period	Gratuity			Leave Encashment		
		Amt.	Impact (Absolute)	Impact %	Amt.	Impact (Absolute)	Impact %
Base Liability	March'21	1,973			2,599		
	March'20	1,792			2,336		
Increase Discount Rate by 0.50%	March'21	1,871	-101	-5.14%	2,496	-103	-3.95%
	March'20	1,700	-93	-5.17%	2,243	-92	-3.95%
Decrease Discount Rate by 0.50%	March'21	2,083	111	5.61%	2,710	111	4.26%
	March'20	1,893	101	5.64%	2,435	99	4.26%
Increase Salary Inflation by 1.00%	March'21	2,117	144	7.30%	2,823	224	8.63%
	March'20	1,933	141	7.88%	2,537	202	8.63%
Decrease Salary Inflation by 1.00%	March'21	1,819	-153	-7.78%	2,402	-197	-7.59%
	March'20	1,648	-144	-8.02%	2,159	-177	-7.58%
Increase Withdrawal Rate by 1.00%	March'21	2,005	33	1.66%	2,520	-79	-3.05%
	March'20	1,817	26	1.43%	2,247	-88	-3.78%
Decrease Withdrawal Rate by 1.00%	March'21	1,935	-38	-1.93%	2,691	92	3.54%
	March'20	1,762	-30	-1.68%	2,438	103	4.39%

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

(₹ in Lakhs)

All Figures in INR	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
Year 1	118	233	131	240
Year 2	67	223	59	186
Year 3	104	208	98	179
Year 4	123	197	87	162
Year 5	119	178	100	160
After 5th Year	1,442	1,560	1,317	1,409
<b>Total</b>	<b>1,973</b>	<b>2,599</b>	<b>1,792</b>	<b>2,336</b>



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## Post-Retirement Medical Scheme

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

(₹ in Lakhs)

All Figures in INR	March 31, 2021	March 31, 2020
<b>Defined Benefit Obligation at beginning of year</b>	946	423
Current Service Cost	44	45
Past Service Cost	0	0
(Gain) / Loss on settlements	0	0
Interest Expense	64	33
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 - Due to Demographic Assumptions	0	0
Remeasurements - Due to Financial Assumptions	-20	233
Remeasurements - Due to Experience Adjustments	-101	212
<b>Defined Benefit Obligation at end of year</b>	933	946
<b>Discount Rate (%)</b>	6.79%	6.71%
<b>Medical Inflation Rate (%)</b>	5.00%	5.00%

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

(₹ in Lakhs)

All Figures in INR	March 31, 2021	March 31, 2020
<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**

(₹ in Lakhs)

All Figures in INR	March 31, 2021	March 31, 2020
<b>Reimbursement Rights at beginning of year</b>	0	0
Reimbursement Service Cost	0	0
Gain/ (loss) on Settlements	0	0
Interest Income	0	0
Employer Contributions to Reimbursement Rights	0	0
Reimbursements to Employer	0	0
Increase / (Decrease) due to effect of any business combination / divesture / transfer)	0	0
Increase / (Decrease) due to Plan combination	0	0
Benefits paid by the Company in Prior Year and settled by Fund Manager in current year	0	0
Net Transfer In / (Out) (Including the effect of any business combination / divesture)	0	0
Remeasurements - Return on Reimbursement Rights (Excluding Interest Income)	0	0
<b>Reimbursement Rights at end of year</b>	<b>0</b>	<b>0</b>

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

(₹ in Lakhs)

All Figures in INR	March 31, 2021	March 31, 2020
<b>Asset Ceiling / Onerous Liability at beginning of year</b>	0	0
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**

(₹ in Lakhs)

All Figures in INR	March 31, 2021	March 31, 2020
Current Service Cost	44	45
Past Service Cost	0	0
(Gain) / Loss on Settlements	0	0
Reimbursement Service Cost	0	0
<b>Total Service Cost</b>	<b>44</b>	<b>45</b>
Interest Expense on DBO	64	33
Interest (Income) on Plan Assets	0	0
Interest (Income) on Reimbursement Rights	0	0
Interest Expense on (Asset Ceiling) / Onerous Liability	0	0
<b>Total Net Interest Cost</b>	<b>64</b>	<b>33</b>
Reimbursement of Other Long-Term Benefits	0	0

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<b>Defined Benefit Cost included in P &amp; L</b>	<b>108</b>	<b>78</b>
Remeasurements - Due to Demographic Assumptions	0	0
Remeasurements - Due to Financial Assumptions	-20	234
Remeasurements - Due to Experience Adjustments	-101	212
(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>-121</b>	<b>445</b>
<b>Total Defined Benefit Cost recognized in P&amp;L and OCI</b>	<b>-13</b>	<b>523</b>
<b>Discount Rate (%)</b>	<b>6.79%</b>	<b>6.71%</b>
<b>Medical Inflation Rate (%)</b>	<b>5%</b>	<b>5%</b>

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

(₹ in Lakhs)

All Figures in INR	March 31, 2021	March 31, 2020
Defined Benefit Obligation	933	946
Fair Value of Plan Assets	0	0
<b>Funded Status</b>	<b>933</b>	<b>946</b>
Effect of Asset Ceiling / Onerous Liability	0	0
<b>Net Defined Benefit Liability / (Asset)</b>	<b>933</b>	<b>946</b>

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

(₹ in Lakhs)

All Figures in INR	March 31, 2021	March 31, 2020
<b>Net Defined Benefit Liability / (Asset) at beginning of year</b>	<b>946</b>	<b>423</b>
Defined Benefit Cost included in P & L	108	78
Total Remeasurements included in OCI	-121	445
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>933</b>	<b>946</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:

(₹ in Lakhs)

Particulars		Period	Base	+ 100 Basis Points	-100 Basis Points
Discount Rate	Assumptions (%)	March'21	6.79%	7.79%	5.79%
		March'20	6.71%	7.71%	5.71%
	PV of DBO (In lakhs)	March'21	933	684	1182
		March'20	946	693	1201
	Variation (%)	March'21	0.00%	-26.68%	26.74%
		March'20	0.00%	-26.77%	26.91%
Medical Inflation Rate	Assumptions (%)	March'21	5.00%	6.00%	4.00%
		March'20	5.00%	6.00%	4.00%
	PV of DBO (In lakhs)	March'21	933	1255	717
		March'20	946	1273	725
	Variation (%)	March'21	0.00%	34.53%	-23.12%
		March'20	0.00%	34.51%	-23.34%

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

(₹ in Lakhs)

All Figures in INR	March 31, 2021	March 31, 2020
Year 1	32	32
Year 2	0	0
Year 3	0	0
Year 4	3	3
Year 5	5	5
After 5th Year	893	906

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

(₹ 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 01.04.2020	133	946	882	1,961
Additional provision made in the year	0	-13	354	341
Amount utilized/adjusted during the year	-133	0	-1430	-1563
Unused amount reversed during the year	0	0	0	0
Carrying amount at the end of the year as on 31.03.2021	0	933	-194	739



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(₹ 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

### 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 31.03.2021 for various purposes is as under: -

(₹ in Lakhs)

Grant/Subsidy Received For	Up to 31.03.2021	Up to 31.03.2020
North East Project	3,146	3,146
Rural Wi-Fi	1,256	1,030
<b>Total</b>	<b>4,402</b>	<b>4,176</b>

#### Grant/Subsidy on NE Project:

- The Company had undertaken projects of NE-1 and NE-2 with a total capital outlay of ₹ 45125 Lakhs for which anticipated subsidy of Universal Service Obligation Fund of Department of Telecommunication, Government of India was pegged at ₹ 38800 Lakhs and net cash outflow of ₹ 6325 Lakhs. Against this, the Company has incurred total capital expenditure of ₹ 29858 Lakhs (Net of Stock Transfer amounting to ₹ 1521 lakhs to other projects and other regions). Company has received subsidy of ₹ 3146 Lakhs with a net cash outflow of ₹ 26712 Lakhs up to 31.03.2021. 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.
- During the year ended 31.03.2021, depreciation of ₹ 472 Lakhs (March'20 – ₹ 472 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 ₹ 119 Lakhs (March'20 – ₹ 119 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 ₹ 1256 lakhs up to 31.03.2021 from Department of Telecommunication (DoT-USOF) for installation of Wi-Fi in rural areas. An amount of ₹ 1466 lakhs have been capitalized up to 31.03.2021 on account of partial commissioning of wi-fi services at the stations. The Company has amortized an amount of ₹ 183 lakhs out of the subsidy received in proportion to the depreciation on assets capitalized and the same i.e. ₹ 183 lakhs (March'20 – ₹ 94 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

(₹ in Lakhs)

S. No	Particulars	March'21	March'20
1	The amount of exchange differences recognised in profit or (loss).	(2)	(12)
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 year.	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	RITES Limited
10	India Railways
11	National High Speed Rail Corporation
12	Mumbai Railway Vikas Corporation
13	Maharashtra Rail Infrastructure Development Corporation Ltd
14	Indian Railway Finance Corporation
15	Indian Railway Stations Development Corporation Ltd
16	CAO Rail Wheel Plant Bela
17	Research Design and Standards Organization

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(ii) Subsidiaries: RailTel Enterprises Limited

(iii) Key Management Personnel:

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	He has been divested of the charge/duties of the post of Director/POM w.e.f. 24/09/2020 as per MoR Letter.
3	Sh. Sanjai Kumar	Director/NPM	23/05/2018	He has been entrusted with additional charge of the post of Director/POM w.e.f. 28/09/2020 as per MOR Letter.
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 Personnel:

(₹ 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
Salaries and Allowances	March'21	33	44	49	36	22
	March'20	26	51	56	33	22
Provident Fund Contribution	March'21	0	3	4	3	2
	March'20	0	3	3	2	2
Pension Contribution	March'21	5	3	3	3	1
	March'20	5	3	3	1	1
Value of Perquisites	March'21	6	2	11	10	1
	March'20	5	2	9	6	1
Leave Encashment (Part of FSC)	March'21	3	0	0	0	0
	March'20	3	0	0	0	0

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

(₹ in Lakhs)

Employee Name	Designation	Gratuity	Leave Encashment	Gratuity	Leave Encashment
		As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2020
Sh. Sanjai Kumar	Director/NPM	13	24	13	22
Sh. J S Marwah	Company Secretary	4	9	3	8
Sh. Ashutosh Vasant	Director/POM	13	18	12	16
Sh. Anand Kumar Singh	Director/Finance	-	15	-	13

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

(₹ In Lakhs)

Nature of Transactions	Amount
On account of operating Income	₹ 2015 Lakhs (March' 20 – ₹ 475 Lakhs)
On account of Non-Operating Income	₹ 56 Lakhs (March' 20 – ₹ 5 Lakhs*)
Receivables as at 31.03.2021	₹ 1313 Lakhs (March' 20 – ₹ 666 Lakhs)
Other Current Assets (Unbilled Receivables) as at 31.03.2021	₹ 101 Lakhs (March' 20 – Nil)
Other Current Account Transactions	Nil (March'20 – ₹ 35 Lakhs)
On account of operating Expense	Nil (March'20 – ₹ 126 Lakhs)
Other Payable as at 31.03.2021	Nil (March'20 – ₹ 45 Lakhs)

\*Net off excess income booked of ₹ 39 Lakhs of FY 2018-19 reversed during the FY 2019-20.

(vii) Transactions with Railway PSUs & Railway Units

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

(₹ in Lakhs)

Particulars	Period	Revenue	Expense	Receivable	Payable	Advance Received
Centre For Railway Information Systems	March'21	286	0	332	0	98
	March'20	341	0	304	0	0
Container Corporation of India Ltd	March'21	7	0	12	0	0
	March'20	14	0	12	0	0
Dedicated freight corridor Corporation of India Limited	March'21	446	1	621	0	577
	March'20	587	0	338	0	553



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Indian Railway Catering and Tourism Corporation Limited	March'21	463	5	166	2	2
	March'20	1265	6	37	0	0
IRCON International Limited	March'21	174	3	63	0	0
	March'20	54	5	23	0	0
Konkan Railway Corporation of India Limited	March'21	101	145	41	37	1
	March'20	207	124	106	0	22
Rail Land Development Authority	March'21	15	0	18	0	0
	March'20	1	0	0	0	0
Rail Vikas Nigam Limited	March'21	543	0	353	0	655
	March'20	514	0	218	0	614
RITES Limited	March'21	83	0	137	0	7
	March'20	80	0	122	0	0
India Railways	March'21	31592	8707	22977	5938	16149
	March'20	25629	3572	7904	6284	8638
National High-Speed Rail Corporation	March'21	298	0	21	0	459
	March'20	246	0	0	0	605
Mumbai Railway Vikas Corporation	March'21	30	0	5	0	5
	March'20	51	0	0	0	5
Maharashtra Rail Infrastructure Development Corporation Ltd	March'21	4	0	5	0	24
	March'20	1	0	0	0	15
Indian Railway Finance Corporation	March'21	416	0	491	0	0
	March'20	0	0	0	0	0
Indian Railway Station Development Corporation Ltd	March'21	4	0	1	0	0
	March'20	0	0	0	0	0
CAO Rail Wheel Plant Bela	March'21	0	0	0	0	0
	March'20	7	0	0	0	0
Research Design and Standards Organization	March'21	0	22	32	0	0
	March'20	0	0	52	0	0
<b>Total</b>	March'21	<b>34462</b>	<b>8883</b>	<b>25275</b>	<b>5977</b>	<b>17977</b>
	March'20	<b>28997</b>	<b>3707</b>	<b>9116</b>	<b>6284</b>	<b>10452</b>

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

Numerator	For the year ended 31st March 2021	For the year ended 31st March 2020
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Used as Numerator (₹ in Lakhs))	14041	13835
<b>Denominator</b>		
- Number of Equity Shares (Face value of ₹ 10/- each)	320938407	320938407
- Number of Shares allotted during the Year	NIL	NIL
- Weighted Average number of equity shares for calculating Basic Earnings Per Share	320938407	320938407
- Weighted Average number of equity shares for calculating Diluted Earnings Per Share	320938407	320938407
- Basic Earnings Per Share (₹ / per share) (Face value of ₹ 10/- each)	4.37	4.31
- Diluted Earnings Per Share (₹ / per share) (Face value of ₹ 10/each)	4.37	4.31

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

Based on an impairment assessment, using replacement cost approach with applicable depreciation till date of Balance sheet (The replacement cost has been determined based on market-based data), the Company has recognized the impairment loss amounting ₹ 2158 lakhs (PY – ₹ 4930 lakhs shown under exceptional items) during the year ending 31<sup>st</sup> March 2021 in statement of profit and loss for NE Project. The said amount includes amount of ₹ 794 lakhs (March'20 – ₹ 3962 lakhs) relating to assets totally damaged and no future economic benefits are expected from these assets. 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 as at 31.03.2021 of ₹ 7088 lakhs, Impairment loss of ₹ 4756 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 confirms that no further provision is required towards damaged assets as at the reporting date. However, 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.

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**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.

(₹ in Lakhs)

Particulars	Provision for Arbitration Claim	Provision for Performance Related Pay	Total
Carrying Amount at the beginning of the year as on 01.04.2020	46	991	1037
Additional provision made in the year	0	546	546
Amount utilized/adjusted during the year	0	-502	-502
Unused amount reversed during the year	0	-22	-22
Carrying amount at the end of the year as on 31.03.2021	46	1013	1059

(₹ 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

**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**

(₹ in Lakhs)

Particulars	Service Tax	Income Tax	VAT	GST	Other	Total
Carrying Amount at the beginning of the year 01.04.2020	825	2282	116	0	938	4161
Additions during the year	0	0	2	302	0	304
Amount adjusted during the year	0	0	0	0	300	300
Carrying amount at the end of the year 31.03.2021	825	2282	118	302	638	4165

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 31.03.2021.

24.1(b) Bank Guarantees given by the Company to Customers/Government as on 31.03.2021 is ₹ 18854 lakhs (March'20 – ₹ 17028 lakhs).

24.1(c) Capital Commitments

(₹ in Lakhs)

Particulars	March'21	March'20
Estimated amounts of contracts remaining to be executed on capital account	7319	6269

## 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

- The carrying value of financial assets and liabilities with maturity less than 12 months are considered to be representative of their fair value.
- Fair value of other financial assets and liabilities carried at amortized cost is determined by discounting of cash flows using discount rate.
- A discount rate of 3.70% (SBI Rate) has been used for balances as on 31/03/2021.

### Financial Instrument

#### Financial Instruments by Category



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

(₹ in Lakhs)

Particulars	Financial Assets/ Liabilities at amortised costs		Financial Assets/ Liabilities at FVTPL		Financial Assets/ Liabilities at FVTOCI	
	March'21	March'20	March'21	March'20	March'21	March'20
<b>Assets</b>						
Investments (Refer to Note No. 10)	Nil	Nil	Nil	Nil	Nil	Nil
Trade Receivables (Refer to Note No. 11)	76,144	47,496	Nil	Nil	Nil	Nil
Cash & Cash Equivalents (Refer to Note No. 12 & 13)	52,022	17,020	Nil	Nil	Nil	Nil
Other Financial Assets (Refer to Note No. 6,7,14 & 15)	19,805	43,404	Nil	Nil	Nil	Nil
<b>Liabilities</b>	March'21	March'20	March'21	March'20	March'21	March'20
Trade Payables (Refer to Note No. 25)	52,078	35,397	Nil	Nil	Nil	Nil
Other Financial Liabilities (Refer to Note No. 20, 21, 26 & 27)	21,192	21,535	Nil	Nil	Nil	Nil

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

(₹ in Lakhs)

Particulars	As at March'21	As at March'20
<b>Financial assets at amortised cost</b>		
Interest expenses on other financial assets	99	165
Interest income on other financial liabilities	156	70
<b>Financial assets at Fair Value through Profit or Loss (FVTPL)</b>	<b>Nil</b>	<b>Nil</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.

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

(₹ in Lakhs)

Ageing	March 31, 2021			
	Gross Amount	Expected credit Loss	Gross Amount	Expected credit Loss
	Government and PSU*		Telecom and others	
Within 1 year	61705	1239	8300	520
1 -2 years	4772	676	556	288
2 -3 years	3932	965	139	112
More than 3 years	6105	5565	3158	3158
Total	76514	8445	12153	4078
<b>Total Expected Credit Loss (8445+4078) = ₹ 12523 Lakhs</b>				

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(₹ 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>
<b>Total Expected Credit Loss (1197+3022) = ₹ 4219 Lakhs</b>				

\* The amount recoverable in respect of dues from one of the customer in respect of agreement dated 16<sup>th</sup> September 2010 is being reconciled with the customer. Pending final reconciliation /settlement with customer, the dues outstanding for more than three years amounting to ₹ 3572 Lakhs has been provided for under expected Credit loss, as a prudent Accounting practices.

Similarly, other receivables from Govt./ PSU above 3 years have been fully provided for where the realization is uncertain.

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'21 and March'20 was as follows: -

(₹ in Lakhs)

Particulars	As at March'21		As at March'20	
	Gross Carrying Value	Net Value after Impairment	Gross Carrying Value	Net Value after Impairment
Trade Receivables (Refer to Note No. 11)	88,667	76,144	51,715	47,496
Other Financial Assets (Refer to Note No. 6,7,14 & 15)	19,805	19,805	43,404	43,404

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.

(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
<b>Geographical Segment</b>		
Pan India	49,472	36,604
Abroad	Nil	Nil
<b>Total</b>	<b>49,472</b>	<b>36,604</b>

(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
<b>Major Product Line</b>		
Railway Project Works	15,389	16,203
Other Projects	29,851	16,771
Others	4,232	3,630
<b>Total</b>	<b>49,472</b>	<b>36,604</b>

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(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
<b>Type of Customer</b>		
Government Customers	41,047	34,770
Non - Government Customers	8,425#	1,834
<b>Total</b>	<b>49,472</b>	<b>36,604</b>

(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
<b>Type of Contract</b>		
Fixed Price Contracts	24,298	17,362
Time- and- Materials Contracts	25,174	19,242
<b>Total</b>	<b>49,472</b>	<b>36,604</b>

(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
<b>Sales Channel</b>		
Direct to Customer	49,472	36,604
Through Intermediaries	-	-
<b>Total</b>	<b>49,472</b>	<b>36,604</b>

(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
<b>Duration of Contract</b>		
Short Term	48,282	36,530
Long Term	1,190	74
<b>Total</b>	<b>49,472</b>	<b>36,604</b>

**Contract Assets**

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivable	46,869*	15,120
Unbilled Revenue	5,641**	13,094
Work in Progress	0	0
<b>Total</b>	<b>52,510</b>	<b>28,214</b>

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Contract Liability	21,673	12,111
<b>Total</b>	<b>21,673</b>	<b>12,111</b>

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

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Revenue recognized during the year from the contract liability balance at the beginning	2,685	4,165
<b>Total</b>	<b>2,685</b>	<b>4,165</b>

### Revenue Recognized from performance obligations satisfied partially in Previous Year

(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Revenue recognized due to change in Transaction Price	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

\* Includes trade receivable of ₹ 4278 lakhs recoverable from a customer out of which ₹ 2638 lakhs is disputed by the customer and management is of the opinion that it is fully recoverable. However, due to significant increase in credit risk, in addition to the ECL as per Ind AS requirement, the company has made additional provision under ECL in respect of outstanding for more than 3 years taking the underlying obligation into consideration on this project. Further, the Company has also claimed an amount of ₹ 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). The same is under active consideration of AMRCD.

\*\* Includes amount of ₹ 865 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. However, UAT is in progress and could not be completed due to pandemic situation.

# The company entered into a contract with a customer for providing Content on Demand (COD Services) on revenue sharing basis with an advance annual Minimum Guarantee fees vide LOA dated 14-01-2020. The revenue so generated by the company is to be shared in the ratio of 1:1 with the Railway Board. The customer paid 50% of the stipulated Annual minimum guarantee amount of Rs 31.50 Crores along with the performance guarantee for the payable balance amount. Due to Covid pandemic, train services were disrupted and the balance towards minimum guarantee fees has not been paid by the customer. The customer had requested for certain concession in terms of LOA which has not been approved by the Railway board vide its communication dated 03.06.2021. The company has recognized income only up to the 13.01.2021 (expiry of the first year) secured with valid Performance Bank guarantee, pending receipt of payment from customer and the same is booked under unbilled revenue. Accordingly, the company has also accounted for the amount payable to Railway board up to 13.01.2021.”

## 29. Ind AS 116 –Leases

### A As a Lessee

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

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**Right of use – Asset**

(₹ in Lakhs)

<b>Right-of-use assets, except for investment property (Note No. 4)</b>		
<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2021</b>	<b>As at 31<sup>st</sup> March 2020</b>
Building	12655	11155
Land	1762	3275
Telecom Assets	2609	2866
<b>Total</b>	<b>17026</b>	<b>17296</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**

(₹ in Lakhs)

<b>Maturity analysis - Contractual undiscounted cash flows</b>	<b>As at 31<sup>st</sup> March 2021</b>	<b>As at 31<sup>st</sup> March 2020</b>
<b>Less than one year</b>	920	1164
One to five years	1959	2723
More than five years	1180	2315
<b>Total undiscounted lease liabilities</b>	<b>4059</b>	<b>6202</b>

**Lease Liabilities included in the statement of Financial Position**

(₹ in Lakhs)

<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2021</b>	<b>As at 31<sup>st</sup> March 2020</b>
Current	801	774
Non - Current	2217	3480
<b>Total</b>	<b>3018</b>	<b>4254</b>

**Amount Recognized in profit & Loss Account**

(₹ in Lakhs)

<b>Particulars</b>	<b>for the year ended 31<sup>st</sup> March 2021</b>	<b>for the year ended 31<sup>st</sup> March 2020</b>
Interest on lease liabilities	249	341
Variable lease payments not included in the measurement of lease liabilities	Nil	Nil
Expenses relating to Short term leases and leases of low-value assets, excluding short-term leases of low-value assets	Nil	Nil

**Amounts recognized in the statement of Cash flows -**

(₹ in Lakhs)

<b>Particulars</b>	<b>for the year ended 31<sup>st</sup> March 2021</b>	<b>for the year ended 31<sup>st</sup> March 2020</b>
Total cash outflow for leases	945	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 year ended March 31, 2021.
- 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**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
Lease Income	84135	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**

(₹ in Lakhs)

Particulars	As at 31st March 2021
Less than one year	7969
One to two years	3960
Two to three years	3505
Three to four years	1824
Four to five years	373
More than five years	619
Total undiscounted lease payments	18250

Other Disclosures –

- The Company has been offering NLD Services, infrastructure services (Dark Fibers, Tower space and co-location etc.) under IP-I registration, ILD and Internet services under unified license to its customers under respective operating lease.
  - The Company has entered into a non-cancellable long-term lease arrangement to provide optical fiber on indefeasible right of use (IRU) basis. The lease rental receivable proportionate to actual kilometers accepted by the customer is credited to the statement of profit and loss on a straight – line basis over the lease term. Due to the nature of the transaction, it is not possible to compute gross carrying amount, depreciation for the year and accumulated depreciation of the asset given on operating lease as of March'2021 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





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(VSS) at 6049 stations across Pan India, to the RCIL (Holding company). Total advance amount received by RailTel Enterprises Ltd. (REL) Subsidiary of the company from Railways has been remitted to the Company for execution of the project after adjusting the value of work executed by REL.

31. The Board of Directors in its meeting held on June 25, 2021 considered and recommended a final dividend @ 12% i.e. ₹ 1.20 per share aggregating to ₹ 3851 lakhs for the financial year 2020-21. This final dividend is in addition to Interim Dividend of ₹ 1 per share already paid by the Company for the financial year 2020-21. The final dividend is subject to approval of shareholders in the ensuing Annual General Meeting.

### 32. COVID -19 Impact & Assessment

The Covid-19 pandemic has already resulted in economic slowdown throughout the world including India. The second wave has impacted India immensely. The operations of the Company have not 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.

### 33. New Accounting Standards not yet adopted by the Company

MCA notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

### 34. New Amendments not yet adopted by the Company

On March 24, 2021, the MCA through a notification, amended Schedule III of the Companies Act, 2013. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Current maturities of long-term borrowings should be disclosed separately within borrowings instead of earlier disclosure requirement under Other Financial Liabilities.
- Certain additional disclosures in the statement of changes in equity due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in progress and intangible asset under development.
- Additional disclosures relating to Corporate Social Responsibility, undisclosed income and crypto or virtual currency.
- Disclosure of specified ratios along with explanation for items included in numerator and denominator and explanation for change in any ratio in excess of 25% compared to preceding year.

- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel and related parties and details of benami property held.

These amendments are applicable from April 1, 2021. The Company is currently evaluating the impact of these amendment on the financial statements.

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/-  
**CA Anjula Gupta**  
**M.No. 091514**  
**Place New Delhi**  
**Date: 25/06/2021**

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)**



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**SURESH CHANDRA & ASSOCIATES  
CHARTERED ACCOUNTANTS**

504, Prakash Deep Building, 7, Tolstoy Marg, Connaught Place, New Delhi – 110001  
Phone: 011-47023959 E-Mail: sca\_ca\_co@yahoo.com, web: www.scaca.in

# 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, 2021, 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, 2021, 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. 32 Note No. 43 to the accompanying consolidated financial results, which describes the uncertainties due to outbreak of Covid-19 pandemic and the management's assessment of its impact on the business operations of the company.

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 (As described in item No. 27 of Note No. 43 of the consolidated financial statements)</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>Recognition and measurement of expected credit loss involves significant management judgement. These includes:</p> <ul style="list-style-type: none"> <li>• Identification of exposures where there is a significant increase in credit risk</li> <li>• Completeness and timing of recognition of default, in accordance with the credit policy of the group</li> <li>• Estimation of Forward Looking Adjustments</li> </ul> <p>Based on such analysis, the group has recorded an allowance aggregating to ₹ 12523 Lakhs as at 31st March 2021 as included in the consolidated financial statements.</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>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 group's process of ECL calculation.</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 group 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. 43 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>



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<b>3</b>	<p><b>Modified Audit Procedures carried out in the light of continuing COVID-19 pandemic</b></p> <p>Due to the continuing COVID-19 pandemic, lockdown declared and travel restrictions imposed by the Government / Local Authorities during the period of our audit, audit could not be conducted by visiting the premises of the group.</p> <p>As we could not gather audit evidence in person/ Physically and personal interaction with the officials at group, either fully or partially, we have identified such modified audit procedures as Key Audit Matter.</p> <p>Accordingly, our audit procedures were modified to carry out remotely.</p>	<p>Wherever physical access was not possible, necessary records/ reports/ documents/ certificates were made available to us by company through digital medium and email communications. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period.</p> <p>Accordingly, we modified our audit procedures as follows:</p> <p>Conducted verification of necessary records, Documents received through electronic communications in respect of company wherever physical access was not possible.</p> <p>Carried out verification of scanned copies of the documents, certificates and the related records made available to us through electronic communications.</p> <p>Making enquiries and gathering necessary audit evidence through Video Conferencing, dialogues and discussions over phone calls/conference calls, electronic communications and similar communication channels.</p> <p>Discussions and resolution of audit observations telephonically / through electronic communications instead of face-to-face interaction with the concerned/designated officials.</p>
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### 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 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 ₹ 11788 Lakhs as at 31<sup>st</sup> March 2021, total revenues of Rs 6629 Lakhs and net cash flow amounting to ₹ 1485.20 Lakhs (decrease) 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 the 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 05<sup>th</sup> 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:
- 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. 43 to the Consolidated Financial Statements;
  - The Group has made provision, as required under the applicable law or accounting standards, for all material foreseeable losses, on long-term contracts including derivative contracts.
  - During the year there is no requirement of any amount to be transferred of an unclaimed dividend to the Investor Education and Protection fund under section 124(5) of the Companies Act, 2013.

**For Suresh Chandra & Associates**  
**Chartered Accountants**  
**FRN 001359N**  
**UDIN - 21091514AAAAAM8306**

**Sd/-**  
**(CA Anjula Gupta)**  
**Partner**  
**M. No.: 091514**

**Place: New Delhi**  
**Date: 25.06.2021**





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## ‘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. Since no accounting transactions are processed outside IT system, company is not prone to any such risk and hence, there is no financial implication of it.
2	Whether there are any restructuring of an existing loans or cases of waiver/ write off of debts/ loans/ interest etc. made by a lender to the company due to company’s inability to repay the loan? If yes, the financial impact may be stated.	The company has not availed any loan from any bank or financial institution.
3	Whether funds received / receivable for specific schemes from Central / State agencies were properly accounted for / utilised as per its term and conditions? List the cases of deviation.	The company is in receipt of subsidy in respect of the following project – a) Rural Wi-Fi Project - The company is in receipt of subsidy from Universal Service Obligation Fund (USOF) to the tune of ₹ 1256 lakhs till 31.03.2021 for Rural wi-fi project. The said subsidy has been properly accounted for and utilised as per its terms and conditions and for the project for which it has been received. No deviation observed. b) NE-1 & NE-2 project – the company has received subsidy of ₹ 3146 lakhs from USOF till 31.03.2021 against the execution of the project. The said subsidy has been properly accounted for and utilised as per its terms and conditions and for the project for which it has been received. No deviation observed.

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 - 21091514AAAA AM8306**

Sd/-  
**(CA Anjula Gupta)**  
**Partner**  
**M. No.: 091514**

**Place: New Delhi**  
**Date: 25.06.2021**

## **‘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, 2021, 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 31<sup>st</sup> March 2021, 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.



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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 - 21091514AAAA AM8306**

**Sd/-**  
**(CA Anjula Gupta)**  
**Partner**  
**M. No.: 091514**

**Place: New Delhi**  
**Date: 25.06.2021**

## 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 ₹ Lakhs)

Sl. No.	Particulars	F.Y. 2020-21	F.Y. 2019-20
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	01.04.2020 to 31.03.2021 (same as Holding Company)	01.04.2019 to 31.03.2020 (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	1008.64	803.59
6.	Total assets	11787.87	15939.95
7.	Total Liabilities	9779.22	14136.35
8.	Investments	Nil	Nil
9.	Turnover	6068.93	5343.66
10.	Profit before taxation	258.12	360.57
11.	Provision for taxation	53.07	90.72
12.	Profit after taxation	205.05	269.85
13.	Proposed Dividend	Nil	Nil
14.	% of shareholding	100	100

### Part “B”: Associates and Joint Ventures - Not Applicable

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

Sd/-  
CA Anjula Gupta  
M.No. 091514  
Place New Delhi  
Date: 25/06/2021

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

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

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

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

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21वीं वार्षिक रिपोर्ट 2020-21  
21<sup>st</sup> Annual Report 2020-21

# RailTel Corporation of India Limited

## Consolidated Balance Sheet as at 31st March 2021

(Amount in Lakhs)

Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
<b>(A) ASSETS</b>			
<b>(1) NON CURRENT ASSETS</b>			
i. Property, Plant and Equipments	2	57,658	60,854
ii. Capital Work-in-Progress	3	21,484	25,254
iii. Right of Use Assets	4	17,026	17,296
iv. Intangible Assets	2	1,307	785
v. Financial Assets			
a. Investment	5	-	-
b. Loans and Security Deposits	6	482	332
c. Other Non Current Financial Assets	7	5,878	21,930
vi. Deferred tax assets (net)	23	2,423	-
vii. Other Non Current Assets	8	25	1,806
<b>TOTAL NON CURRENT ASSETS</b>		<b>106,283</b>	<b>128,257</b>
<b>(2) CURRENT ASSETS</b>			
i. Inventories	9	121	49
ii. Financial Assets			
a. Investment	10	-	-
b. Trade Receivables	11	77,216	50,707
c. Cash and Cash Equivalents	12	25,097	13,452
d. Other Bank Balances	13	33,744	13,391
e. Loans and Security Deposits	14	530	487
f. Other Current Financial Assets	15	13,607	21,352
iii. Current Tax Assets (Net)	16	1,629	2,748
iv. Other Current Assets	17	12,766	9,366
<b>TOTAL CURRENT ASSETS</b>		<b>164,710</b>	<b>111,552</b>
<b>TOTAL ASSETS</b>		<b>270,993</b>	<b>239,809</b>
<b>(B) EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
i. Equity Share Capital	18	32,094	32,094
ii. Other Equity	19	109,188	104,839
<b>TOTAL EQUITY</b>		<b>141,282</b>	<b>136,933</b>
<b>(2) LIABILITIES</b>			
<b>(a.) NON CURRENT LIABILITIES</b>			
i. Financial Liabilities			
a. Borrowings		-	-
b. Leasing Liabilities	20	2,217	3,480
c. Other Non Current Financial Liabilities	21	3,014	740
ii. Provisions	22	983	990
iii. Deferred Tax Liabilities (Net)	23	-	353
iv. Other Non Current Liabilities	24	11,512	8,869
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>17,726</b>	<b>14,432</b>
<b>(b.) CURRENT LIABILITIES</b>			
i. Financial Liabilities			
a. Borrowings		-	-
b. Trade Payables			
Total outstanding dues of micro enterprises and small enterprises		14,064	6,481
Total outstanding dues of creditors other than micro enterprises and small enterprises	25	39,206	31,406
c. Leasing Liabilities	26	801	774
d. Other Current Financial Liabilities	27	16,280	18,272
ii. Provisions	28	1,291	2,008
iii. Other Current Liabilities	29	40,343	29,503
<b>TOTAL CURRENT LIABILITIES</b>		<b>111,985</b>	<b>88,444</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>270,993</b>	<b>239,809</b>

Significant Accounting Policies and the accompanying notes referred to above form an integral part of financial statement (from Note No 1 to 43)

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/-  
**CA Anjula Gupta**  
**M.No. 091514**  
**Place New Delhi**  
**Date: 25/06/2021**

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 31st March 2021

(Amount in Lakhs)

Particulars	Notes No.	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>I. Income</b>			
a. Revenue from operations	30	137,782	112,805
b. Other Income	31	3,212	3,799
c. Finance Income	32	135	(25)
<b>Total Income (a+b+c)</b>		<b>141,129</b>	<b>116,579</b>
<b>II. Expenses :</b>			
a. Access and other Charges	33	33,817	24,903
b. License fee and spectrum charges	34	5,656	4,793
c. Expenses on Project	35	41,450	34,008
d. Employee Benefits Expenses	36	12,670	12,053
e. Administrative & Other Expenses	37	10,990	3,149
f. Corporate Social Responsibility (Refer Item No. 11 of Note No 43)		490	519
g. Depreciation, amortisation and impairment	38	15,932	13,089
h. Finance Expenses	39	406	659
<b>Total Expenses</b>		<b>121,411</b>	<b>93,173</b>
<b>III. Profit/(Loss) before exceptional items and tax (I-II)</b>		<b>19,718</b>	<b>23,406</b>
IV. Exceptional Items	40	-	(4,930)
<b>V. Profit/(Loss) Before Tax (III-IV)</b>		<b>19,718</b>	<b>18,476</b>
<b>VI. Tax expenses</b>			
a. Current tax	41	8,306	5,598
b. Deferred tax		(2,777)	(1,341)
c. Tax impact of earlier years		(56)	112
<b>VII. Profit/(Loss) for the year (V-VI) (A)</b>		<b>14,245</b>	<b>14,107</b>
<b>VIII. Other comprehensive income(OCI):</b>			
(a) Items that will not be reclassified to Profit & Loss	42		
Remeasurement gain/(losses) on defined benefit plans		159	(669)
Income tax relating to item that will not be reclassified to Profit & Loss		(40)	168
(b.) Items that will be reclassified to Profit & Loss			
Other comprehensive income/(Loss) (a+b) (B)		119	(501)
<b>Total comprehensive income for the year (A+B)</b>		<b>14,364</b>	<b>13,606</b>
IX Earning per Equity Share of ₹ 10/- each (refer item no. 22 of Note no. 43)			
(a) Basic (Amount in ₹)		4.44	4.40
(b) Diluted (Amount in ₹)		4.44	4.40

Significant Accounting Policies and the accompanying notes referred to above form an integral part of financial statement (from Note No 1 to 43)

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/-  
CA Anjula Gupta  
M.No. 091514  
Place New Delhi  
Date: 25/06/2021

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, 2021

(Amount in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Profit after tax</b>	<b>14,245</b>	<b>14,107</b>
Adjustments for:		
Other comprehensive income(Net of taxes)	119	(501)
Depreciation, Amortisation and Impairment	15,932	18,019
Amortisation of Deferred Govt Grant	(302)	(213)
Non Cash Income (Discounting)	(135)	25
Non Cash Expense(Discounting)	(66)	4
Non Cash Expense (Interest credited in Project A/c)	223	314
Interest Expenses for Lease Liabilities	249	341
Non Cash Expense (Loss on sale of fixed asset)	3	2
Non Cash Expense (Forex Loss)	2	12
Non Cash Income (Provision written back and forex)	(12)	(26)
Provision for expected credit loss	8,316	1,251
Interest income	(2,643)	(2,766)
<b>Operating profit/(loss) before working capital change</b>	<b>35,931</b>	<b>30,569</b>
(Increase)/decrease in Financial Current Assets	(26,840)	(15,118)
(Increase)/decrease in Non Financial Current Assets	2,140	2,231
Increase/(decrease) in Financial Current Liabilities	13,415	13,953
Increase/(decrease) in Non Financial Current Liabilities	9,900	(5,217)
(Increase)/decrease in Financial Non Current Assets	1,619	(2,152)
(Increase)/decrease in Non Financial Non Current Assets	(926)	(62)
Increase/(decrease) in Financial Non Current Liabilities	1,773	(9)
Increase/(decrease) in Non Financial Non Current Liabilities	2,358	(3,036)
<b>Net cash generated from Operation before Tax</b>	<b>39,370</b>	<b>21,159</b>
Income Tax Paid	(4,493)	(3,827)
<b>Net cash generated from Operating Activities</b>	<b>34,877</b>	<b>17,332</b>

<b>Cash Flow from Investing Activities</b>		
Purchase of Tangible & Intangible Assets	(8,936)	(6,174)
Capital Advances	-	(1,541)
(Increase)/decrease in Short term investment	-	701
Interest income received	1,556	2,780
Subsidy/Advances received	225	92
(Increase)/Decrease in Term Deposit	(5,117)	(656)
<b>Net cash used in Investing Activities</b>	<b>(12,272)</b>	<b>(4,798)</b>
<b>Cash Flow from Financing Activities</b>		
Payment for Lease Liability of Right to Use Assets	(945)	(667)
Dividend paid	(10,015)	(4,620)
Dividend Distribution Tax Paid	-	(959)
<b>Net cash generated from / (used in) financing activities</b>	<b>(10,960)</b>	<b>(6,246)</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>11,645</b>	<b>6,288</b>
Cash and cash equivalents at the beginning of the year	13,452	7,164
<b>Cash and cash equivalents at the end of the year</b>	<b>25,097</b>	<b>13,452</b>

Significant Accounting Policies and the accompanying notes referred to above form an integral part of financial statement (from Note No 1 to 43)

<b>1. Cash and Cash Equivalents include the following Balance Sheet amounts</b>		
(i) Cash and Cash Equivalent (Maturity<= 3 Months)		
Flexi Deposits	12,633	4,813
(ii) Balances with Scheduled Bank		
a. In Current A/c	2,574	2,080
b. In Collection A/c	9,745	6,540
c. In Imprest A/c	22	19
(iii) CSR Escrow A/c*	123	-
<b>Total</b>	<b>25,097</b>	<b>13,452</b>

\* The said escrow account is for restricted use of CSR only.

Details of amount spent for year ended 31-March-2021 in relation to CSR activities out of the Budget for FY 2020-21 is mentioned below

(Amount in Lakhs)

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





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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 01.04.2020	Amount Spent	Amount yet to be spent*
Construction/Acquisition of any asset	0	-	-
On any other purpose	286	113	173
<b>Total (B)</b>	<b>286</b>	<b>113</b>	<b>173</b>
<b>Grand Total (A+B)</b>	<b>663</b>	<b>490</b>	<b>173</b>

\* Includes an amount of ₹ 50 lakhs paid as advance towards CSR activities.

Disclosure as per Ind AS-116

(Amount in Lakhs)

Particulars	for the period ended 31st March 2021	For the year ended 31st March 2020
Total cash outflow for leases	945	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/-  
CA Anjula Gupta  
M.No. 091514  
Place New Delhi  
Date: 25/06/2021

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 Changes in Equity for the year ended 31st March 2021

#### A. EQUITY SHARE CAPITAL

(Amount in Lakhs)

As on 01.04.2019	32,094
Change in Equity Share Capital during the year	-
As on 31.03.2020	32,094
As on 01.04.2020	32,094
Change in Equity Share Capital during the period	-
As on 31.03.2021	32,094

#### B. OTHER EQUITY

Particulars	Retained Earnings	General Reserve	Self Insurance Reserve*	Total Equity	
<b>Balance as at 1st April 2019</b>		<b>48,703</b>	<b>48,000</b>	<b>109</b>	<b>96,812</b>
Profit for the year	14,107				
Other comprehensive Income/ (Loss)	(501)				
<b>Add: Total Comprehensive Income for the year ended 31st March 2020</b>		<b>13,606</b>			<b>13,606</b>
Less: Final Dividend for the F.Y. 2018-19		(4,620)			(4,620)
Less: Tax on Final Dividend for the F.Y. 2018-19		(959)			(959)
Add: Transfer to Self Insurance Reserve		(99)		99	-
Less: Transfer to General Reserve		(4,000)	4,000		-
Balance as at 31st March 2020		<b>52,631</b>	<b>52,000</b>	<b>208</b>	<b>104,839</b>
<b>Opening balance as on 1st April 2020</b>		<b>52,631</b>	<b>52,000</b>	<b>208</b>	<b>104,839</b>
Profit for the year	14,245				
Other comprehensive Income/ (Loss)	119				
<b>Add: Total Comprehensive Income for the year ended 31st March 2021</b>		<b>14,364</b>			<b>14,364</b>
Less: Interim dividend for the F.Y. 2020-21		(3,209)			(3,209)
Less: Interim dividend for the F.Y. 2019-20		(2,000)			(2,000)
Less: Final Dividend Paid F.Y. 2019-20		(4,806)			(4,806)
Add: Transfer to Self Insurance Reserve		(101)		101	-
Less: Transfer to General Reserve		(4000)	4000		-
<b>Balance as at 31st March 2021</b>		<b>52,879</b>	<b>56,000</b>	<b>309</b>	<b>109,188</b>
*(Refer Item No. 6 of Note No 43)					

Significant Accounting Policies and the accompanying notes referred to above form an integral part of financial statement (from Note No 1 to 43)

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/-  
CA Anjula Gupta  
M.No. 091514  
Place New Delhi  
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A K Singh  
Director Finance  
(DIN : 07018776)

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

# Significant Accounting Policy

## Note No. – 1

### I. Corporate Information

RailTel Corporation of India Limited incorporated in India on 26<sup>th</sup> 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, 6<sup>th</sup> 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.

#### 1. Main objective of the Group 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.

#### 2. 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

3. Govt. of India offered for sale 8,71,53,369 equity shares of face value of ₹ 10/- each at a premium of ₹ 84/- per share through Initial Public Offer. The entire equity shares of the Company were listed on BSE limited and National Stock Exchange of India Limited on 26th February' 2021. The proceeds of the disinvestment have been realised by Govt. of India.

## II. Summary of Significant Accounting Policies

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.

### 1. Basis of 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 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 notified under section 133 of the Companies Act, 2013 read together with the Rules made thereunder. 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 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.



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

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

## 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 Group 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 Group recognizes such parts as separate component of assets with specific useful lives and provides depreciation over their useful life. Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repair and maintenance costs are recognized in profit or loss as incurred.
- b) Assets are recognized as tangible assets or intangible assets if provisional acceptance certificate has been issued or Group has started offering services from these tangible or intangible assets.

- 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 Group and the management is confident of exercising control over them, expenses on such assets are treated as retrievable expenses (returnable item of assets after the decommissioning of link) and a depreciation of 100% may be charged on all these assets.
- 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 Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured.
- 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





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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

### a. As a Lessee

The Group 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 Group'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 Group 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 Group 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 Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### b. As a Lessor

When the Group 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 Group 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 Group 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 Group applies Ind AS 115 "Revenue from contract with customers" to allocate the consideration in the contract.

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

**c. Infeasible Right to Use ('IRU')-** The Group 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.

## 10. Borrowing Costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are 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 Group'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 Group 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, darkfibre, TowerSpace etc. Service revenue also includes revenues associated with access and Inter connection for usage of the network of other operators. Group'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 Group's performance as the Group's performs, Group's transfer control of service overtime and, therefore, satisfies a performance obligation and recognizes revenue overtime. The Group uses output methods to recognize revenue



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as the output selected faithfully depict the Group'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 Fibre Cable, installation of Network Operations Centre, installation of Indoor/Outdoor Wireless Access Points, Load Balancer, Wi-Fi Access Controller, installation of software, chats, Anti-Virus, Firewalls etc. Group'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 centre or commissioned properly. Since the customer receives control of the goods and/or service after Successful commissioning of indented facilities, Group'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 Group uses output methods to recognize Revenue as the output selected faithfully depict the Group'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

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, the Group 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 the Group and Railways dated 21/09/2006. The same is provided for in the Restated Consolidated Statement of profit & Loss.

#### 17. Employee Benefits

Employee benefits include provident fund, pension, gratuity and compensated absences.

##### 1. Defined contribution plans

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

##### 2. Defined benefit plans

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

- i) Gratuity is payable on separation @15 days' pay for each completed year of service to eligible employee, who rendered continuous service of 5 year or more. The gratuity ceiling of Rs 20 lakhs has been considered for actuarial valuation.
- ii) Leave Encashment is payable on separation to eligible employee who have accumulated earned leave. Leave salary is provided for based on valuation, as balance sheet date, made by independent actuary.
- iii) The Group has Post- Retirement Medical Scheme (PRMS) to provide assistance for meeting a part of medical expenses incurred by retired members only after their retirement for dependent family members and self and dependent family members of the ex-employee in case of death of the employee.



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

## 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) Deferred Tax

Deferred tax Asset/Liability is recognized on temporary differences calculated based on the Balance Sheet Approach being the differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose that accumulate over the period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognized for all temporary differences. Deferred tax assets in respect of unabsorbed depreciation, carry forward of losses and unused tax credits are recognized to the extent it is probable that future taxable income will be available to realize such assets. Deferred tax assets and liabilities

are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their 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 Group.

## 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 Group for the year.

## 26. Provisions and Contingencies

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

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

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

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

Contingent assets are not recognized in the financial statements.

## 27. Operating cycle

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

## 28. Dividend

Dividend distribution to the Group's shareholders is recognized as a liability in the financial statements in the period in which the dividend is approved by the 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 Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. The Group determines the classification of its financial assets and liabilities at initial recognition. **All financial assets and liabilities are initially recognized at fair value** plus directly attributable transaction costs in case of financial assets and liabilities not at fair value through profit or loss. Financial assets and liabilities carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the statement of profit & loss.

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

### B. Financial Assets

#### 1. Subsequent measurement

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

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

## C. Financial Liabilities

### 1. Subsequent measurement

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

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

### 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.





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**Note 2. Property Plant & Equipment**

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 31.03.2020</b>																
<b>Gross Carrying amount</b>	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 1st April 2019		(1,400)		(10,520)									(11,920)			
Recognition of right-of-use asset on initial application of IND As 116 disclosed separately*																
Adjusted balance at April 1, 2019	223	-	2,389	1,257	1,436	163,783	1,238	222	905	338	39	832	172,662	530	516	1,046
Additions	-	-	-	-	23	4,899	387	-	86	63	-	36	5,494	-	438	438
Disposal	-	-	-	-	(98)	(4,042)	-	-	(24)	-	-	(3)	(4,167)	-	-	-
Transfer/Adjustments	-	-	-	(1,257)	-	(184)	1,044	-	-	-	-	-	(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>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	-	-	-	-	(98)	(4,042)	-	-	(20)	-	-	(2)	(4,162)	-	-	-
Transfer/Adjustments	-	-	-	(767)	-	(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>
<b>As at 31.03.2021</b>																
<b>Gross Carrying amount</b>	223		2,389		1,361	164,456	2,669	222	967	401	39	865	173,592	530	954	1,484
Cost as at 1 Apr 2020			150		-	8,342	-	-	199	55	-	231	8,977	31	884	915
Additions	-	-	-	-	-	(6,773)	-	-	(29)	-	-	(11)	(6,813)	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing Gross Carrying amount (31.03.2021)</b>	<b>223</b>	<b>-</b>	<b>2,539</b>	<b>-</b>	<b>1,361</b>	<b>166,025</b>	<b>2,669</b>	<b>222</b>	<b>1,137</b>	<b>456</b>	<b>39</b>	<b>1,085</b>	<b>175,756</b>	<b>561</b>	<b>1,838</b>	<b>2,399</b>
<b>Accumulated Depreciation/ amortisation</b>																
Accumulated Depreciation as at 1st April 2020	-	75	279	1,277	1,279	107,514	1,624	203	842	245	35	717	112,738	217	482	699
Charge during the year	-	-	46	-	8	11,729	190	3	88	28	1	74	12,167	35	358	393
Disposal	-	-	-	-	-	(6,773)	-	-	(25)	-	-	(9)	(6,807)	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation/ amortisation (31.03.2021)</b>	<b>-</b>	<b>-</b>	<b>325</b>	<b>-</b>	<b>1,287</b>	<b>112,470</b>	<b>1,814</b>	<b>206</b>	<b>905</b>	<b>273</b>	<b>36</b>	<b>782</b>	<b>118,098</b>	<b>252</b>	<b>840</b>	<b>1,092</b>
<b>NET CARRYING AMOUNT- 31.03.2021</b>	<b>223</b>	<b>-</b>	<b>2,214</b>	<b>-</b>	<b>74</b>	<b>53,555</b>	<b>855</b>	<b>16</b>	<b>232</b>	<b>183</b>	<b>3</b>	<b>303</b>	<b>57,658</b>	<b>309</b>	<b>998</b>	<b>1,307</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. 43

### Note 3. Capital Work in Progress

(Amount in Lakhs)

Particulars	for the period ended 31st March 2021	For the year ended 31st March 2020
NE Project (Net of Impairment Loss) (Refer to item no 23 of Note No. 43)	15,022	18,175
OFC Laying Works	1,110	1,449
MPLS, STM, Other Telecom Radio Equipment, Data Centre & OSS/BSS	3,544	4,236
Capital Stores lying at project site	1,802	1,242
Building	-	150
Others	6	2
<b>Total</b>	<b>21,484</b>	<b>25,254</b>



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

(Amount in Lakhs)

Particulars	Building	Land	Telecom Assets	Total
<b>As at 31.03.2020</b>				
<b>Gross Carrying amount</b>				
Recognized as at 1st April 2019	12,450	3,498	3,123	19,071
Additions	47	-	-	47
Disposal	-	-	-	-
Transfer/Adjustments	-	-	-	-
<b>Closing Gross Carrying amount (31.03.2020)</b>	<b>12,497</b>	<b>3,498</b>	<b>3,123</b>	<b>19,118</b>
<b>Accumulated Depreciation/ amortisation</b>				
Recognized as at 1st April 2019	509	75	-	584
Charge during the period	833	148	257	1,238
Disposal	-	-	-	-
Transfer/Adjustments	-	-	-	-
<b>Closing accumulated depreciation/ amortisation (31.03.2020)</b>	<b>1,342</b>	<b>223</b>	<b>257</b>	<b>1,822</b>
<b>NET CARRYING AMOUNT- 31.03.2020</b>	<b>11,155</b>	<b>3,275</b>	<b>2,866</b>	<b>17,296</b>
<b>Gross Carrying amount</b>				
Cost as at 1 Apr 2020	12,497	3,498	3,123	19,118
Additions	2,407	(0)	-	2,407
Disposal	-	-	-	-
Transfer/adjustments		(1,594)		(1,594)
	<b>14,904</b>	<b>1,904</b>	<b>3,123</b>	<b>19,931</b>
<b>Accumulated Depreciation/ amortisation</b>				
Accumulated Depreciation as at 1st April 2020	1,342	223	257	1,822
Charge during the period	907	50	257	1,214
Disposal				-
Transfer/adjustments		(131)		(131)
	<b>2,249</b>	<b>142</b>	<b>514</b>	<b>2,905</b>
	<b>12,655</b>	<b>1,762</b>	<b>2,609</b>	<b>17,026</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. 43

## NON CURRENT ASSETS

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

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Long Term Investments-at Cost</b>		
Trade (Unquoted)		
<b>Total Carrying Value</b>	-	-

### Note 6. Loans and Security Deposits

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Unsecured Considered Good unless stated otherwise</b>		
<b>Security Deposits</b>		
Considered Good	482	332
<b>Total</b>	<b>482</b>	<b>332</b>

### Note 7. Other Non Current Financial Assets

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Deposits with Banks for Ex-Gratia	50	50
Bank Term Deposit (Having residual maturity of more than 12 months)	5,473	20,794
BG Margin Money (Having residual maturity of more than 12 months)*	86	-
Accrued interest on term deposit - Non Current	269	1,086
<b>Total</b>	<b>5,878</b>	<b>21,930</b>

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

### Note 8. Other Non Current Assets

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Unsecured Considered Good unless stated otherwise</b>		
<b>Capital Advances</b>		
Considered Good	(0)	1,751
<b>Other</b>		
Lease prepayment/Prepaid Expenses	25	55
<b>Total</b>	<b>25</b>	<b>1,806</b>

## CURRENT ASSETS

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

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Inventory (Consumables for O&M Work)	121	49
<b>Total</b>	<b>121</b>	<b>49</b>

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

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Investment (Unquoted)	-	-
<b>Total</b>	-	-

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

**Note 11. Trade Receivables**

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Unsecured, Considered Good</b>		
Telecommunication Business	29,275	32,378
Project works	47,941	18,329
<b>Sub Total - A</b>	77,216	50,707
<b>Significant Increase in Credit Risk - B</b>	12,523	4,219
<b>Trade Receivables (A+B)</b>	89,739	54,926
Loss Allowance*	(12,523)	(4,219)
<b>Total</b>	<b>77,216</b>	<b>50,707</b>

**Movement of Provision for expected credit loss**

Balance at the beginning of the year	4,219	2,995
Add: Additional provision during the year	8,316	1,251
Less: Provision written back/adjusted during the year	12	27
<b>Balance at the end of year</b>	<b>12,523</b>	<b>4,219</b>

\* Refer to item no 27 of Note No. 43

**Note 12. Cash and Cash Equivalents**

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
(i) Cash and Cash Equivalent (Maturity<= 3 Months)		
Flexi Deposits	12,633	4,813
(ii) Balances with Scheduled Bank		
a. In Current A/c	2,574	2,080
b. In Collection A/c	9,745	6,540
c. In Imprest A/c	22	19
(iii) CSR Escrow A/c*	123	-
<b>Total</b>	<b>25,097</b>	<b>13,452</b>

\* The said escrow account is for restricted use of CSR only.

### Note 13. Other Bank Balances

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
BG Margin Money A/c *	377	421
In Term Deposit (Having original maturity of more than 3 months but less than 12 months or residual maturity less than 12 months)	33,367	12,970
<b>Total</b>	<b>33,744</b>	<b>13,391</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 31st March 2021	As at 31st March 2020
<b>Unsecured, Considered Good Unless Stated Otherwise</b>		
Advances to Employee	33	41
Advances to Others		6
Security Deposit	497	440
<b>Total</b>	<b>530</b>	<b>487</b>

### Note 15. Other Current Financial Assets

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Unsecured, Considered good unless stated otherwise</b>		
Accrued interest on term deposit	2,574	670
Recoverable from Railways	631	880
Unbilled Revenue (Refer to item no 27 of Note No. 43)	9,454	19,277
EMD Deposited	948	525
<b>Total</b>	<b>13,607</b>	<b>21,352</b>

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

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Income Tax/TDS	1,629	2,748
<b>Total</b>	<b>1,629</b>	<b>2,748</b>

### Note 17. Other Current Assets

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Advances recoverable in cash or in kind for value to be received	847	884
Indirect Tax Credit Available	9,242	7,298
Fund Assets for Defined Retirement Plans	382	-
Others	690	103
Advance Indirect Tax	1,366	789
Prepaid expenses	239	192
Project Work in Progress (DRDO)		100
<b>Total</b>	<b>12,766</b>	<b>9,366</b>

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

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Authorized Share Capital</b>		
Equity Shares		
1,00,00,00,000 equity shares of Rs 10 each	100,000	100,000
<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 Period	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 2021			
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 2021	As at 31st March 2020
	Number	23,37,85,038	32,09,38,407
Ministry of Railways (in the name of President of India)*	%	72.84	100

**d. Aggregate number of shares issued for consideration other than cash in last five years - NIL**

\* The President of India acting through the Ministry of Railways has disinvested 87153369 equity shares of the company of facevalue of ₹ 10 each by way of initial public offering through an offer for sale. The equity shares of the company were listed on the stock exchanges (i.e. BSE Limited ("BSE") and National Stock Exchange of India Ltd. ("NSE") w.e.f.26.02.2021.

## NOTE 19. OTHER EQUITY

(Amount in Lakhs)

Particulars	Retained Earnings	General Reserve	Self Insurance Reserve*	Total Equity
<b>Balance as at 1st April 2019</b>	<b>48,703</b>	<b>48,000</b>	<b>109</b>	<b>96,812</b>
<b>Add: Total Comprehensive Income for the year ended 31st March 2020</b>	<b>13,606</b>			<b>13,606</b>
Profit for the year	14,107			
Other comprehensive Income/ (Loss)	(501)			
Less: Final Dividend for the F.Y. 2018-19	(4,620)			(4,620)
Less: Tax on Final Dividend for the F.Y. 2018-19	(959)			(959)
Add: Transfer to Self Insurance Reserve	(99)		99	-
Less: Transfer to General Reserve	(4,000)	4,000		-
<b>Balance as at 31st March 2020</b>	<b>52,631</b>	<b>52,000</b>	<b>208</b>	<b>104,839</b>
<b>Opening balance as on 1st April 2020</b>	<b>52,631</b>	<b>52,000</b>	<b>208</b>	<b>104,839</b>
<b>Add: Total Comprehensive Income for the year ended 31st March 2021</b>	<b>14,364</b>			<b>14,364</b>
Profit for the year	14,245			
Other comprehensive Income/ (Loss)	119			
Less: Interim dividend for the F.Y. 2020-21	(3,209)			(3,209)
Less: Interim dividend for the F.Y. 2019-20	(2,000)			(2,000)
Less: Final Dividend Paid F.Y. 2019-20	(4,806)			(4,806)
Add: Transfer to Self Insurance Reserve	(101)		101	-
Less: Transfer to General Reserve	(4000)	4000		-
<b>Balance as at 31st March 2021</b>	<b>52,879</b>	<b>56,000</b>	<b>309</b>	<b>109,188</b>

\*(Refer Item No. 6 of Note No 43)

## NON CURRENT LIABILITIES

### Note 20. Leasing Liabilities

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Leasing Liabilities	2,217	3,480
<b>Total</b>	<b>2,217</b>	<b>3,480</b>

### Note 21. Other Non Current Financial Liabilities

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Unsecured</b>		
Security Deposit	698	315
Retention Money	2,316	425
<b>Total</b>	<b>3,014</b>	<b>740</b>



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**Note 22. Provisions**

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for Post Retirement Medical Benefit	931	944
Provision for Gratuity & Leave Encashment	6	
Provision for Arbitration Claim	46	46
<b>Total</b>	<b>983</b>	<b>990</b>

**Note 23. Deferred Tax Liabilities/(Assets) (Net)**

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<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	2,042	2,414
Less:		
<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	3,152	1,062
Expenditure to be allowed on payment basis under Income Tax Law/ Provisions	1,313	999
<b>Deferred Tax Liability/ (Assets) (Net)</b>	<b>(2,423)</b>	<b>353</b>

**Note 24. Other Non Current Liabilities**

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Deferred Revenue and Advance from Customers* Long Term	1,954	2,163
<b>Deferred Revenue from Government Grant</b>		
NE 1 & NE 2***	1,171	1,290
Rural WiFi***	686	653
Advances for VSS Project#	7,701	4,763
<b>Total</b>	<b>11,512</b>	<b>8,869</b>

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

#Refer item no. 30 of Note no. 43

\*\*\* Refer item no. 19 of Note no. 43

## CURRENT LIABILITIES

### Note 25. Trade Payables

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Trade Payables		
Micro and Small Enterprises	14,064	6,481
<b>Other than Micro and Small Enterprises</b>		
Revenue Share Payable to Indian Railway	5,281	6,068
Towards purchase of Goods and Services	33,925	25,338
Amount Payables to DoT	-	-
<b>Total</b>	<b>53,270</b>	<b>37,887</b>

### Note 26. Leasing Liabilities

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Leasing Liabilities - Current	801	774
<b>Total</b>	<b>801</b>	<b>774</b>

### Note 27. Other Current Financial liabilities

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Security Deposits	3,989	3,466
Retention Money	10,977	9,708
EMD Payable	949	4,216
Expense payable	12	382
Bank Guarantee Deductions	346	489
Interest Accrued but not due on Noida Instalment	7	11
<b>Total</b>	<b>16,280</b>	<b>18,272</b>

### Note 28. Provisions

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Provisions for Employee Benefits</b>		
Provision for Post Retirement Medical Benefit Current	2	2
Provision for Pension	87	133
Provision for Gratuity & Leave Encashment	189	882
Provision for PRP	1,013	991
<b>Other Provisions</b>		
Provision for Final Dividend	-	-
Provision for DDT on Final Dividend	-	-
<b>Total</b>	<b>1,291</b>	<b>2,008</b>

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**Note 29. Other Current Liabilities**

(Amount in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Deferred Revenue and Advance from Customers*	10,596	6,915
Advance for Railway Deposits#	14,269	10,335
Advance-Others**	3,808	5,326
Project Control Account (ETCS) ##	317	93
Project Control Account (VSS) ##		479
<b>Deferred Revenue from Government Grant</b>		
NE 1 & NE 2***	119	119
Rural WiFi***	147	112
<b>Government Grant</b>		
Subsidy of NE-1 & NE-2***	1,468	1,468
Rural WiFi Subsidy***	106	132
Payable to Others	9,513	4,524
<b>Total</b>	<b>40,343</b>	<b>29,503</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. 43

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

## Interest income ( Net of Corporate Tax) of Nil (PY - INR 220.74 Lakhs) and Interest Income of INR 223.19 Lakhs (PY - INR 93.46 Lakhs) in respect of VSS project FDRs & ETCS Project FDRs respectively are transferred to respective project fund

### Note 30. Revenue from operations

(Amount in Lakhs)

Particulars	for the period ended 31st March 2021	For the year ended 31st March 2020
<b>Income from Telecom Services</b>		
NLD Services	43,467	41,507
ISP Services	25,490	16,622
IP-1 Services	18,931	16,346
<b>Income from Projects</b>		
Railways Project Works	17,814	18,821
Other Projects	31,480	18,895
<b>Other Operating Revenue</b>	600	614
<b>Total</b>	<b>137,782</b>	<b>112,805</b>

### Note 31. Other income

(Amount in Lakhs)

Particulars	for the period ended 31st March 2021	For the year ended 31st March 2020
<b>Interest Income</b>		
Interest Income on deposits with Bank #	2,635	2,685
Interest on Income Tax Refunds	171	75
<b>Other Non Operating Income</b>		
Miscellaneous Income	386	932
Income on Mutual Funds	8	81
Liabilities/Provision written back	12	26
<b>Total</b>	<b>3,212</b>	<b>3,799</b>

# Interest Income includes Nil (PY - INR 294.98 lakhs) & INR 223.19 Lakhs (PY - INR 93.46 Lakhs) for VSS project fund and ETCS project fund respectively.

### Note 32. Finance Income

(Amount in Lakhs)

Particulars	for the period ended 31st March 2021	For the year ended 31st March 2020
Reversal of Discounting impact of Liability for FY 2018-19		(95)
Discounting Impact of Liability for FY 2019-20		70
Reversal of Discounting impact of Liability for FY of 2019-20	(70)	
Discounting Impact of Liability for FY 2020-21	205	
<b>Total</b>	<b>135</b>	<b>(25)</b>

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**Note 33. Access & Other Charges**

(Amount in Lakhs)

Particulars	for the period ended 31st March 2021	For the year ended 31st March 2020
Operation & Maintenance of Fiber & Equipment	7,906	6,281
Share of Revenue with Konkan Railway	50	15
Hire Charges Radio Modem/Optic Fibers and Internet Access	5,444	4,644
Interconnect & Port charges	-	28
Railwire Expenses	13,580	7,216
Power & Fuel Expenses on network	3,769	3,538
Revenue Share to Railways	3,068	3,181
<b>Total</b>	<b>33,817</b>	<b>24,903</b>

**Note 34. License fee and Spectrum charges**

(Amount in Lakhs)

Particulars	for the period ended 31st March 2021	For the year ended 31st March 2020
Licence Fee to DoT (Revenue Share)	5,656	4,793
<b>Total</b>	<b>5,656</b>	<b>4,793</b>

**Note 35. Expenses on Project**

(Amount in Lakhs)

Particulars	for the period ended 31st March 2021	For the year ended 31st March 2020
Expenses on Railway Projects	15,971	16,497
Expenses on Projects (Other Than Railway)	22,668	15,301
Allocation of Employee Benefit Expenses (Refer Note No. 36)	1,757	1,381
Allocation of Administrative & Other Expenses (Refer Note No. 37)	1,054	829
<b>Total</b>	<b>41,450</b>	<b>34,008</b>

**Note 36. Employee Benefits Expenses**

(Amount in Lakhs)

Particulars	for the period ended 31st March 2021	For the year ended 31st March 2020
Salaries & Wages	13,753	12,786
Contribution to Provident fund	657	618
Staff welfare expenses	17	30
<b>Less: Alloation of Expenses to Projects (Refer to Note no. 35)</b>	<b>1,757</b>	<b>1,381</b>
<b>Total</b>	<b>12,670</b>	<b>12,053</b>

### Note 37. Administrative & Other Expenses

(Amount in Lakhs)

Particulars	for the period ended 31st March 2021	For the year ended 31st March 2020
Auditor Remuneration		
As Auditor	24	24
As Tax Auditor	6	6
For Certification	-	1
Books & Periodicals	1	2
Communication Expenses	91	87
Conveyance Expenses	22	32
Bank Charges & Commission	27	14
Legal & Professional Expenses	358	390
Insurance	97	23
Rates & Taxes	290	352
Rent	341	201
Repair & Maintenance - Others	339	344
Tender Expenses	39	35
Training & Recruitment Expenses	23	39
Travelling Expenses	177	417
Printing & Stationary Expenses	53	59
Vehicle Hire charges	354	302
Business promotion Expenses	419	116
Other Miscellaneous Expenses	392	269
Loss on sale of Fixed Assets	3	2
Provision for Expected Credit Loss	8,316	1,251
Loss on foreign Exchange transactions	2	12
Donation to PM CARES Fund	670	-
<b>Less:- Allocation of Expenses to Project (Refer to Note no. 35)</b>	<b>1,054</b>	<b>829</b>
<b>Total</b>	<b>10,990</b>	<b>3,149</b>

### Note 38. Depreciation, Amortisation and Impairment

(Amount in Lakhs)

Particulars	for the period ended 31st March 2021	For the year ended 31st March 2020
Depreciation on tangible Assets	12,167	11,802
Charge over Right of Use (Refer Note No.4)	1,214	1,238
Amortization on Intangible Assets	393	49
Impairment on CWIP Assets (NE Project)*	2,158	(0)
<b>Total</b>	<b>15,932</b>	<b>13,089</b>

\* Refer to item no. 23 of Note no. 43

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**Note 39. Finance Expenses**

(Amount in Lakhs)

Particulars	for the period ended 31st March 2021	For the year ended 31st March 2020
Reversal of Discounting impact of Assets for FY 2018-19		(161)
Reversal of Discounting impact of Assets for FY 2019-20	(165)	
Discounting Impact of Assets for FY 2019-20		165
Discounting Impact of Assets for FY 2020-21	99	
Finance charge - Interest on VSS and ETCS Project *	223	314
Finance charge - Interest Cost Unwinding of Lease Liabilities	212	288
Finance charge on Instalment of Noida land	37	53
<b>Total</b>	<b>406</b>	<b>659</b>

\* Interest income( Net of Corporate Tax) of Nil (PY - INR 220.74 Lakhs) and Interest Income of INR 223.19 Lakhs (PY - INR 93.46 Lakhs) in respect of VSS project FDRs & ETCS Project FDRs respectively are transferred to respective project fund

**Note 40. Exceptional Items**

(Amount in Lakhs)

Particulars	for the period ended 31st March 2021	For the year ended 31st March 2020
Exceptional Item (Impairment of NE Project- Refer item No. 23 of Note No. 43)	-	(4,930)
<b>Total</b>	<b>-</b>	<b>(4,930)</b>

**Note 41. Tax Expenses**

(Amount in Lakhs)

Particulars	for the period ended 31st March 2021	For the year ended 31st March 2020
Current Tax (Income Tax)	8,306	5,598
Tax impact of earlier Years	(56)	112
Deferred Tax	(2,777)	(1,341)
<b>Total</b>	<b>5,473</b>	<b>4,369</b>

**Note 42. Other comprehensive income (OCI)**

(Amount in Lakhs)

Particulars	for the period ended 31st March 2021	For the year ended 31st March 2020
<b>Items that will not be reclassified to Profit &amp; Loss</b>		
Remeasurement gain/(losses) on defined benefit plans	159	(669)
Income tax relating to item that will not be reclassified to Profit & Loss	(40)	168
<b>Items that will be reclassified to Profit &amp; Loss</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income/(Loss)</b>	<b>119</b>	<b>(501)</b>

**Note-43**

**OTHER EXPLANATORY NOTES AND DISCLOSURES FORMING PART OF  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March'2021**

- These Financial Statements are presented in Indian Rupees (INR) which is the Group's functional currency.
- Figures have been rounded off to nearest Rupees in lakhs. Previous year figures have, wherever necessary, been rearranged/regrouped to conform the presentation of the Current year.
- License fee to DoT and Railways Revenue Share payable by the group, computed at prescribed rate of 8% and 7% respectively.
- Employees benefit expenses and administrative expenses are apportioned to project works based on 5% and 3% respectively of expenses incurred on projects in case of group.
- The Current Assets/ Liabilities have been determined if they are receivable / payable within 1 year from the date of Balance Sheet. Rest has been treated as Non-Current.
- 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 by the group.
- Purchase of leasehold Building at East Kidwai Nagar for 30 years term for creation of Corporate Office of the group. 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 ₹ 11299 lakhs as at 31.03.2021.
- Disclosure relating to dues to Micro, Small and Medium Enterprise:

(₹ in Lakhs)

S. No.	Particulars	March'21	March'20
1	Amount remaining unpaid to any supplier: a) Principal Amount b) Interest due thereon	14064 NIL	6481 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



## 9. Value of imports calculated on CIF basis

(₹ in Lakhs)

Particulars	March'21	March'20
Raw materials	Nil	Nil
Consumables and Spare parts	198	Nil
Capital goods	605	Nil
<b>Total</b>	<b>803</b>	<b>Nil</b>

## 10. Expenditure in foreign currency

(₹ in Lakhs)

Particulars	March'21	March'20
Travelling & conveyance	Nil	15
Repair & Maintenance	Nil	Nil
Service charges	4	Nil

## 11. Corporate Social Responsibility Expenditure

Details of amount spent for year ended 31-March-2021 in relation to CSR activities out of the Budget for FY 2020-21 is mentioned below

(₹ in Lakhs)

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

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

(₹ in Lakhs)

Particulars	Unspent amount as on 01.04.2020	Amount spent	Amount yet to be spent*
Construction/Acquisition of any asset	Nil	Nil	Nil
On any other purpose	286	113	173
<b>Total - B</b>	<b>286</b>	<b>113</b>	<b>173</b>
<b>Grand Total – (A+B)</b>	<b>663</b>	<b>490</b>	<b>173</b>

\* Includes an amount of ₹ 50 lakhs paid as advance towards CSR activities.

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

**12. Financial Instruments**

**FINANCIAL ASSETS**

**Trade receivables**

As per Ind AS 109, Group 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**

Group makes investment in liquid mutual funds which are fair valued based on the unit price prevailing as at the period 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.

**13. IND AS 2: Inventories**

1. The total carrying amounts of inventories as at 31-March-2021 is ₹ 121 Lakhs (March'20 – ₹ 49 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 amounts of inventories recognized as expense in the year and presented in cost of sales.
3. Nothing out of carrying amounts of inventories has been pledged as security for liabilities.

**14. 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.

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

(₹ in Lakhs)

Particulars	Provided during the year ended 31 <sup>st</sup> March'21	As at 31 <sup>st</sup> March' 2021	Provided during the year ended 31 <sup>st</sup> March'20	As at 31 <sup>st</sup> March' 2020
<b>Deferred Tax Liability</b>				
Related to Depreciation on Fixed Assets	-372	2042	-842	2414



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<b>Total Deferred Tax Liabilities</b>	-372	2042	-842	2414
<b>Deferred Tax Assets</b>				
Provision on debtors	2090	3152	15	1062
43B Disallowances etc.	-80	528	334	608
Others	394	785	150	391
<b>Total Deferred Tax Assets</b>	<b>2404</b>	<b>4465</b>	<b>499</b>	<b>2061</b>
Deferred Tax Liability / (Asset) (Net)	-2776	-2423	-1341	353

**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 change in effective tax rate from March'2020 to March'2021 is mainly due to change in tax rates as tabulated here under:

Particulars	Holding Company (RCIL)				Subsidiary Company (REL)			
	Mar'21	Mar'21	Mar'20	Mar'20	Mar'21	Mar'21	Mar'20	Mar'20
	(In %)	(₹ In Lakhs)	(In %)	(₹ In Lakhs)	(In %)	(₹ In Lakhs)	(In %)	(₹ In Lakhs)
Applicable Tax Rate	25.17%	4898	25.17%	4559	25.17%	65.12	25.17%	90.75
1. Tax effect of income that are not taxable in determining taxable profit	0%	0	0	0	4.61%	11.95	0%	0.00
2. Tax effect of expenses that are not deductible in determining taxable profit	18.46%	3592	8.72%	1579	0.09%	0.22	-0.04%	-0.14
3. Tax effect on previous years disallowances	-1.02%	-198	-2.71%	-491	0%	0.00	0%	0.00
4. Tax effect of additional deductions	0%	0	-1.70%	-307	0%	0.00	0%	0.00
5. Tax expenses/income related to prior year	0%	0	0%	0	0%	0.00	0%	0.00
6. difference in tax due to reclassification of income and expenses	0%	0	0%	0	0%	0.00	0%	0.00
<b>Average Effective Tax</b>	<b>42.61%</b>	<b>8293</b>	<b>29.48%</b>	<b>5,340</b>	<b>20.47%</b>	<b>52.95</b>	<b>25.13%</b>	<b>90.61</b>

Particulars	For the year ended March 31 <sup>st</sup> 2021	For the year ended March 31 <sup>st</sup> 2020
Weighted average consolidated effective tax rate	42.32%	29.39%

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

- a) The depreciation / amortization has been charged at the straight-line method.
- b) The Group assessed the impairment of Assets and is of the opinion that since the Group 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.
- c) The useful life of all the PPE / Intangible Assets have been defined in the accounting policies
- d) A reconciliation of the carrying amount at the beginning and end of the year is as per note no 2 of Balance Sheet.
- e) No assets have been classified as held for sale in accordance with IND AS 105.
- f) 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
- g) No Capital expenses was incurred on Assets not owned by the Group during the year ended 31.03.2021.
- h) There is no obsolete asset which has been so far held under CWIP/Fixed Asset.
- i) Depreciation / amortization on all the PPE / Intangible assets have been disclosed separately.
- j) There is no restriction on title of PPE / Intangible Assets, and nothing has been pledged as security and liability.
- k) The amount of contractual commitment for acquisition of PPE is ₹ 7319 lakhs (March'20 – ₹ 6269 Lakhs).
- l) 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.
- m) 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 year has been shown separately.
- n) There are no temporarily idle PPE / intangible assets.
- o) ₹ 33289 Lakhs Gross Carrying value of assets have been fully depreciated, but still are in use.
- p) During the reporting Year Assets having Net Book Value of ₹ 6 Lakh (Gross Book Value 6813 Lakhs) has been retired with sale proceeds of ₹ 3 Lakh and loss of Rs 3 lakh has been booked.
- q) 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 group'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

17. 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 ₹ 347 lakhs during the FY 2019-20 and has been recognized as other operating revenue.

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## 18. Disclosure Requirement as per IND AS 19 – Employee Benefits

### Employee Benefits – Defined Contribution

#### Pension:

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

#### Provident Fund:

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

Post-Retirement Medical is provided for based on actuarial valuations, as at the Balance Sheet date.

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

**Table I: Assumptions**

Assumptions	Holding Company		Subsidiary Company		Group	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
Discount Rate	6.79% per annum	6.79% per annum	6.27% per annum	6.27% per annum	6.71% per annum	6.71% per annum
Rate of increase in Compensation levels	6.00% per annum	6.00% per annum	6.00% per annum	6.00% per annum	6.00% per annum	6.00% per annum
Rate of Return on Plan Assets	6.71% per annum	6.71% per annum	Not Applicable	Not Applicable	7.77% per annum	7.77% per annum
Average future service (in Years)	20.78 Years	-	10 Years	-	21.42 Years	-

**Table II: Service Cost**

(₹ in Lakhs)

All Figures in INR	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
Current Service Cost	162	227	165	233
Past Service Cost (including curtailment Gains/Losses)	1	2	0	0
Gains or losses on Non Routine settlements	0	0	0	0
<b>Total</b>	<b>163</b>	<b>229</b>	<b>165</b>	<b>233</b>

**Table III: Net Interest Cost**

(₹ in Lakhs)

All Figures in INR	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
Interest Cost on Defined Benefit Obligation	120	157	104	142
Interest Income on Plan Assets	114	104	79	116
<b>Net Interest Cost (Income)</b>	<b>6</b>	<b>53</b>	<b>25</b>	<b>26</b>

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

(₹ in Lakhs)

All Figures in INR	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
Opening of defined benefit obligations	1,792	2,336	1,340	1,824
Service cost	163	229	165	233
Interest Cost	120	157	104	142
Benefit Paid	-82	-90	-55	-83
<b>Actuarial (Gain)/Loss on total liabilities:</b>	<b>-17</b>	<b>-29</b>	<b>238</b>	<b>220</b>
- due to change in financial assumptions	-17	-17	187	188
- due to change in demographic assumptions	0	0	0	0
- due to experience variance	0	-12	51	32
<b>Closing of defined benefit obligation</b>	<b>1,976</b>	<b>2,603</b>	<b>1,792</b>	<b>2,336</b>

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

(₹ in Lakhs)

All Figures in INR	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
Opening fair value of plan assets	1,700	1,545	1,015	1,496
Actual Return on Plan Assets	134	127	95	103
Employer Contribution	603	827	646	28
Benefit Paid	-82	-89	-56	-82
<b>Closing fair value of plan assets</b>	<b>2,355</b>	<b>2,410</b>	<b>1,700</b>	<b>1,545</b>



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

(₹ in Lakhs)

All Figures in INR	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
Expected Interest Income	114	103	79	116
Actual Income on Plan Asset	134	127	95	103
<b>Actuarial gain / (loss) on Assets</b>	<b>20</b>	<b>24</b>	<b>16</b>	<b>-13</b>

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

(₹ in Lakhs)

All Figures in INR	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
Opening amount recognized in OCI outside P&L account	0	N/A	0	N/A
Actuarial gain / (loss) on liabilities	17	N/A	-238	N/A
Actuarial gain / (loss) on assets	20	N/A	16	N/A
<b>Closing amount recognized in OCI outside P&amp;L account</b>	<b>37</b>	<b>N/A</b>	<b>-222</b>	<b>N/A</b>

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

(₹ in Lakhs)

All Figures in INR	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
Present Value of Obligations	1,976	2,603	1,792	2,336
Fair value of plan assets	2,355	2,410	1,700	1,545
Net Obligations	-379	193	92	791
Amount not recognized due to asset limit	0	0	0	0
<b>Net defined benefit liability / (assets) recognized in balance sheet</b>	<b>-379</b>	<b>193</b>	<b>92</b>	<b>791</b>

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

(₹ in Lakhs)

All Figures in INR	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
Service cost	163	229	165	233
Net Interest Cost	6	53	25	25
Net actuarial (gain)/ loss	0	-53	0	233
<b>Expenses Recognized in the statement of Profit &amp; Loss</b>	<b>169</b>	<b>229</b>	<b>190</b>	<b>491</b>

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

(₹ in Lakhs)

Item	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
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**

(₹ in Lakhs)

All Figures in INR	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
Opening of Net defined benefit liability	92	791	325	328
Service cost	163	229	165	233
Net Interest Cost	6	53	25	25
Re-measurements	-37	-53	223	233
Contribution paid to fund	-603	-827	-646	-28
<b>Closing of Net defined benefit liability</b>	<b>-379</b>	<b>193</b>	<b>92</b>	<b>791</b>

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

(₹ in Lakhs)

All Figures in INR	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
Present Value of Obligation as at the end of the year	1,976	2,603	1,792	2,336
Present Value of Obligation as at the beginning of the year	-1,792	-2,336	-1,340	-1,824
Benefit Paid	83	89	56	82
Actual Return on Assets	-134	-127	-95	-103
OCI	37	N/A	-223	0
<b>Expenses Recognized in the Statement of Profit and Loss</b>	<b>169</b>	<b>229</b>	<b>190</b>	<b>491</b>

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

(₹ in Lakhs)

All Figures in INR	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
Opening net defined benefit liability / (asset)	92	791	325	328
Expense charged to profit and loss account	169	229	190	491
Amount recognized outside profit & loss account	0	0	0	0
Employer Contributions	-603	-827	-646	-28
OCI	-37	N/A	223	0
<b>Closing net defined benefit liability / (asset)</b>	<b>-379</b>	<b>193</b>	<b>92</b>	<b>791</b>





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**Table XIV: Sensitivity Analysis**

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

(₹ in Lakhs)

Item	Period	Gratuity			Leave Encashment		
		Amt.	Impact (Absolute)	Impact %	Amt.	Impact (Absolute)	Impact %
Base Liability	March'21	1,976			2,603		
	March'20	1,792			2,336		
Increase Discount Rate by 0.50%	March'21	1,873	-103	-5.21%	2,500	-103	-3.96%
	March'20	1,700	-93	-5.17%	2,243	-92	-3.95%
Decrease Discount Rate by 0.50%	March'21	2,086	110	5.57%	2,714	111	4.26%
	March'20	1,893	101	5.64%	2,435	99	4.26%
Increase Salary Inflation by 1.00%	March'21	2,120	144	7.29%	2,827	224	8.61%
	March'20	1,933	141	7.88%	2,537	202	8.63%
Decrease Salary Inflation by 1.00%	March'21	1,821	-155	-7.84%	2,406	-197	-7.57%
	March'20	1,648	-144	-8.02%	2,159	-177	-7.58%
Increase Withdrawal Rate by 1.00%	March'21	2,008	32	1.62%	2,524	-79	-3.03%
	March'20	1,817	26	1.43%	2,247	-88	-3.78%
Decrease Withdrawal Rate by 1.00%	March'21	1,938	-38	-1.92%	2,695	92	3.53%
	March'20	1,762	-30	-1.68%	2,438	103	4.39%

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

(₹ in Lakhs)

All Figures in INR	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
Year 1	118	234	131	240
Year 2	67	223	59	186
Year 3	104	208	98	179
Year 4	123	197	87	162
Year 5	119	178	100	160
After 5th Year	1,445	1,563	1,317	1,408
<b>Total</b>	<b>1,976</b>	<b>2,603</b>	<b>1,792</b>	<b>2,336</b>

## Post-Retirement Medical Scheme

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

(₹ in Lakhs)

All Figures in INR	March 31, 2021	March 31, 2020
Defined Benefit Obligation at beginning of year	946	423
Current Service Cost	44	45
Past Service Cost	0	0
(Gain) / Loss on settlements	0	0
Interest Expense	64	33
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 - Due to Demographic Assumptions	0	0
Remeasurements - Due to Financial Assumptions	-20	233
Remeasurements - Due to Experience Adjustments	-101	212
Defined Benefit Obligation at end of year	933	946
Discount Rate (%)	6.79%	6.71%
Medical Inflation Rate (%)	5.00%	5.00%

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

(₹ in Lakhs)

All Figures in INR	March 31, 2021	March 31, 2020
Fair Value of Plan Assets at beginning of year	0	0
Interest Income	0	0
Employer Contributions	0	0
Employer Direct Benefit Payments	0	0
Employer Direct Settlement Payments	0	0
Benefit Payments from Plan Assets	0	0
Benefit Payments from Employer	0	0
Settlement Payments from Plan Assets	0	0
Settlement Payments from Employer	0	0
Other (Employee Contribution, Taxes, Expenses)	0	0
Increase / (Decrease) due to effect of any business combination / divestiture / transfer)	0	0
Increase / (Decrease) due to Plan combination	0	0
Remeasurements - Return on Assets (Excluding Interest Income)	0	0
Fair Value of Plan Assets at end of year	0	0

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**Table III: Changes in Reimbursement Rights**

(₹ in Lakhs)

All Figures in INR	March 31, 2021	March 31, 2020
<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 / divesture / transfer)	0	0
Increase / (Decrease) due to Plan combination	0	0
Benefits paid by the Company in Prior Year and settled by Fund Manager in current year	0	0
Net Transfer In / (Out) (Including the effect of any business combination / divesture)	0	0
Remeasurements - Return on Reimbursement Rights (Excluding Interest Income)	0	0
<b>Reimbursement Rights at end of year</b>	<b>0</b>	<b>0</b>

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

(₹ in Lakhs)

All Figures in INR	March 31, 2021	March 31, 2020
<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**

(₹ in Lakhs)

All Figures in INR	March 31, 2021	March 31, 2020
Current Service Cost	44	45
Past Service Cost	0	0
(Gain) / Loss on Settlements	0	0
Reimbursement Service Cost	0	0
Total Service Cost	44	45
Interest Expense on DBO	64	33
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	64	33
Reimbursement of Other Long-Term Benefits	0	0
<b>Defined Benefit Cost included in P &amp; L</b>	<b>108</b>	<b>78</b>

Remeasurements - Due to Demographic Assumptions	0	0
Remeasurements - Due to Financial Assumptions	-20	233
Remeasurements - Due to Experience Adjustments	-101	212
(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>-121</b>	<b>445</b>
<b>Total Defined Benefit Cost recognized in P&amp;L and OCI</b>	<b>-13</b>	<b>525</b>
<b>Discount Rate (%)</b>	<b>6.79%</b>	<b>6.71%</b>
<b>Medical Inflation Rate (%)</b>	<b>5%</b>	<b>5%</b>

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

(₹ in Lakhs)

All Figures in INR	March 31, 021	March 31, 020
Defined Benefit Obligation	933	946
Fair Value of Plan Assets	0	0
<b>Funded Status</b>	<b>933</b>	<b>946</b>
Effect of Asset Ceiling / Onerous Liability	0	0
<b>Net Defined Benefit Liability / (Asset)</b>	<b>933</b>	<b>946</b>

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

(₹ in Lakhs)

All Figures in INR	March 31, 2021	March 31, 2020
<b>Net Defined Benefit Liability / (Asset) at beginning of year</b>	<b>946</b>	<b>423</b>
Defined Benefit Cost included in P & L	108	78
Total Remeasurements included in OCI	-121	445
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>933</b>	<b>946</b>



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### 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		Period	Base	+ 100 Basis Points	-100 Basis Points
Discount Rate	Assumptions (%)	March'21	6.79%	7.79%	5.79%
		March'20	6.71%	7.71%	5.71%
	PV of DBO (In lakhs)	March'21	933	684	1182
		March'20	946	693	1201
	Variation (%)	March'21	0.00%	-26.68%	26.74%
		March'20	0.00%	-26.77%	26.91%
Medical Inflation Rate	Assumptions (%)	March'21	5.00%	6.00%	4.00%
		March'20	5.00%	6.00%	4.00%
	PV of DBO (In lakhs)	March'21	933	1255	717
		March'20	946	1273	725
	Variation (%)	March'21	0.00%	34.53%	-23.12%
		March'20	0.00%	34.51%	-23.34%

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

(₹ in Lakhs)

All Figures in INR	March 31, 2021	March 31, 2020
Year 1	32	32
Year 2	0	0
Year 3	0	0
Year 4	3	3
Year 5	5	5
After 5th Year	893	906

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

(₹ 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 01.04.2020	133	946	882	1,961
Additional provision made in the year	0	-13	362	349
Amount utilized/adjusted during the year	-133	0	-1430	-1563
Unused amount reversed during the year	0	0	0	0
Carrying amount at the end of the year as on 31.03.2021	0	933	-186	747

(₹ 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

### 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 31.03.2021 for various purposes is as under: -

(₹ in Lakhs)

Grant/Subsidy Received For	Up to 31.03.2021	Up to 31.03.2020
North East Project	3,146	3,146
Rural Wi-Fi	1,256	1,030
<b>Total</b>	<b>4,402</b>	<b>4,176</b>

#### Grant/Subsidy on NE Project:

- The Group had undertaken projects of NE-1 and NE-2 with a total capital outlay of ₹ 45125 Lakhs for which anticipated subsidy of Universal Service Obligation Fund of Department of Telecommunication, Government of India was pegged at ₹ 38800 Lakhs and net cash outflow of ₹ 6325 Lakhs. Against this, the Group has incurred total capital expenditure of ₹ 29858 Lakhs (Net of Stock Transfer amounting to ₹ 1521 lakhs to other projects and other regions). Group has received subsidy of ₹ 3146 Lakhs with a net cash outflow of ₹ 26712 Lakhs up to 31.03.2021. In the opinion of the management, the Group has complied with all the conditions set out for the subsidy and accordingly, there is no liability to refund the subsidy already received.
- During the year ended 31.03.2021, depreciation of ₹ 472 Lakhs (March'20 – ₹ 472 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 ₹ 119 Lakhs (March'20 – ₹ 119 lakhs) in proportion to depreciation which is shown under the head other operating revenue.

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

The Group had received Rural Wi-Fi Subsidy amounting to ₹ 1256 lakhs up to 31.03.2021 from Department of Telecommunication (DoT-USOF) for installation of Wi-Fi in rural areas. An amount of ₹ 1466 lakhs have been capitalized up to 31.03.2021 on account of partial commissioning of wi-fi services at the stations. The Group has amortized an amount of ₹ 183 lakhs out of the subsidy received in proportion to the depreciation on assets capitalized and the same i.e. ₹ 183 lakhs (March'20 – ₹ 94 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

(₹ in Lakhs)

S. No	Particulars	March'21	March'20
1	The amount of exchange differences recognised in profit or (loss).	(2)	(12)
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 year.	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	RITES Limited
10	India Railways
11	National High Speed Rail Corporation
12	Mumbai Railway Vikas Corporation
13	Maharashtra Rail Infrastructure Development Corporation Ltd
14	Indian Railway Finance Corporation
15	Indian Railway Stations Development Corporation Ltd
16	CAO Rail Wheel Plant Bela
17	Research Design and Standards Organization

(ii) Key Management Personnel:

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	He has been divested of the charge/duties of the post of Director/POM w.e.f. 24/09/2020 as per MoR Letter.
3	Sh. Sanjai Kumar	Director/NPM	23/05/2018	He has been entrusted with additional charge of the post of Director/POM w.e.f. 28/09/2020 as per MOR Letter.
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 & CEO	25.06.2018 26.06.2018	Ceased to be Director & CEO w.e.f. 31/03/2021
10	Sh. Yudhveer	Company Secretary	24.05.2017	22.12.2019
11	Smt. Nikita Sharma	Company Secretary	23.12.2019	

(iii) Disclosures of transactions of the Group with Key Management Personnel:

(₹ 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
Salaries and Allowances	March'21	33	44	49	36	22	0	11
	March'20	26	51	56	33	22	9	2
Provident Fund Contribution	March'21	0	3	4	3	2	0	2
	March'20	0	3	3	2	2	2	0.37
Pension Contribution	March'21	5	3	3	3	1	0	0
	March'20	5	3	3	1	1	0	0
Value of Perquisites	March'21	6	2	11	10	1	0	0
	March'20	5	2	9	6	1	0	0
Leave Encashment (Part of FSC)	March'21	3	0	0	0	0	0	0
	March'20	3	0	0	0	0	0	0





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

(₹ In Lakhs)

Employee Name	Designation	Gratuity	Leave Encashment	Gratuity	Leave Encashment
		As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2020
Sh. Sanjai Kumar	Director/NPM	13	24	13	22
Sh. J S Marwah	Company Secretary	4	9	3	8
Sh. Ashutosh Vasant	Director/POM	13	18	12	16
Sh. Anand Kumar Singh	Director/Finance	-	15	-	13

(v) Transactions with Railway PSUs & Railway Units

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

(₹ in Lakhs)

Particulars	Period	Revenue	Expense	Receivable	Payable	Advance Received
Centre For Railway Information Systems	March'21	286	0	332	0	98
	March'20	341	0	304	0	0
Container Corporation of India Ltd	March'21	181	0	141	0	0
	March'20	410	0	186	0	0
Dedicated freight corridor Corporation of India Limited	March'21	446	1	624	0	577
	March'20	611	0	366	0	553
Indian Railway Catering and Tourism Corporation Limited	March'21	902	5	308	2	2
	March'20	1783	6	63	0	0
IRCON International Limited	March'21	174	3	63	0	0
	March'20	54	5	23	0	0
Konkan Railway Corporation of India Limited	March'21	101	145	41	37	1
	March'20	207	124	106	0	22
Rail Land Development Authority	March'21	15	0	18	0	0
	March'20	1	0	0	0	0
Rail Vikas Nigam Limited	March'21	543	0	353	0	655
	March'20	514	0	218	0	614
RITES Limited	March'21	83	0	137	0	7
	March'20	80	0	122	0	0
India Railways	March'21	34074	8707	24045	5938	21548
	March'20	28314	3572	10894	6284	15098
National High-Speed Rail Corporation	March'21	311	0	25	0	459
	March'20	261	0	0	0	605

Mumbai Railway Vikas Corporation	March'21	30	0	5	0	5
	March'20	51	0	0	0	5
Maharashtra Rail Infrastructure Development Corporation Ltd	March'21	4	0	5	0	24
	March'20	1	0	0	0	15
Indian Railway Finance Corporation	March'21	416	0	491	0	0
	March'20	0	0	0	0	0
Indian Railway Station Development Corporation Ltd	March'21	4	0	1	0	0
	March'20	0	0	0	0	0
CAO Rail Wheel Plant Bela	March'21	0	0	0	0	0
	March'20	7	0	0	0	0
Research Design and Standards Organization	March'21	0	22	32	0	0
	March'20	0	0	52	0	0
<b>Total</b>	<b>March'21</b>	<b>37570</b>	<b>8883</b>	<b>26621</b>	<b>5977</b>	<b>23376</b>
	<b>March'20</b>	<b>32635</b>	<b>3707</b>	<b>12334</b>	<b>6284</b>	<b>16912</b>

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

<b>Numerator</b>	<b>For the year ended 31st March 2021</b>	<b>For the year ended 31st March 2020</b>
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Used as Numerator (₹ in Lakhs))	14245	14107
<b>Denominator</b>		
-Number of Equity Shares (Face value of ₹10/- each)	320938407	320938407
-Number of Shares allotted during the Year	NIL	NIL
-Weighted Average number of equity shares for calculating Basic Earnings Per Share	320938407	320938407
-Weighted Average number of equity shares for calculating Diluted Earnings Per Share	320938407	320938407
-Basic Earnings Per Share (₹ / per share) (Face value of ₹ 10/- each)	4.44	4.40
-Diluted Earnings Per Share (₹ / per share) (Face value of ₹ 10/each)	4.44	4.40

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

Based on an impairment assessment, using replacement cost approach with applicable depreciation till date of Balance sheet (The replacement cost has been determined based on market-based data), the Company has recognized the impairment loss amounting ₹ 2158 lakhs (PY – ₹ 4930 lakhs shown under exceptional items) during the year ending 31<sup>st</sup> March 2021 in statement of profit and loss for NE Project. The said amount includes amount of ₹ 794 lakhs (March'20 – ₹ 3962 lakhs) relating to assets totally damaged and no future economic benefits are expected from these assets. 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 as at 31.03.2021 of ₹ 7088 lakhs, Impairment loss of ₹ 4756 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, Group 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, Group 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 confirms that no further provision is required towards damaged assets as at the reporting date. However, the Group 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.

(₹ in Lakhs)

Particulars	Provision for Arbitration Claim	Provision for Performance Related Pay	Total
Carrying Amount at the beginning of the year as on 01.04.2020	46	991	1037
Additional provision made in the year	0	546	546
Amount utilized/adjusted during the year	0	-502	-502
Unused amount reversed during the year	0	-22	-22
Carrying amount at the end of the year as on 31.03.2021	46	1013	1059

(₹ 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

- 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 Group not acknowledged as debts



(₹ in Lakhs)

Particulars	Service Tax	Income Tax	VAT	GST	Other	Total
Carrying Amount at the beginning of the year 01.04.2020	825	2282	116	0	938	4161
Additions during the year	0	0	2	302	0	304
Amount adjusted during the year	0	0	0	0	300	300
Carrying amount at the end of the year 31.03.2021	825	2282	118	302	638	4165

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 Group has not considered any contingent liability in this regard as on 31.03.2021.

24.1(b) Bank Guarantees given by the Group to Customers/Government as on 31.03.2021 is ₹ 19013 lakhs (March'20 – ₹ 17208 lakhs).

24.1(c) Capital Commitments

(₹ in Lakhs)

Particulars	March'21	March'20
Estimated amounts of contracts remaining to be executed on capital account	7319	6269

## 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

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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'21 and March'20 is presented below:

(₹ in Lakhs)

Sr. No.	Particulars	March'21			March'20		
		Telecom Services	Project Work Services	Total	Telecom Services	Project Work Services	Total
		A	B	A+B	A	B	A+B
<b>1</b>	<b>Segment Revenue</b>						
	Revenue from operations	88488	49294	137782	75089	37716	112805
	<b>Sales/Revenue from Operations</b>	<b>88488</b>	<b>49294</b>	<b>137782</b>	<b>75089</b>	<b>37716</b>	<b>112805</b>
<b>2</b>	<b>Segment Results</b>						
	<b>Profit/Loss before Taxes</b>						
	Segment Operating Income/(Loss)	20413	7844	28257	15321	3708	19029
	<b>Total</b>	<b>20413</b>	<b>7844</b>	<b>28257</b>	<b>15321</b>	<b>3708</b>	<b>19029</b>
	Add/Less: (i) Other Un-allocable expenditure net of un-allocable income			-8268			131
	(ii) Finance cost net of Finance income			-271			-684
	<b>Total Profit before Tax</b>	<b>20413</b>	<b>7844</b>	<b>19718</b>	<b>15321</b>	<b>3708</b>	<b>18476</b>
<b>3</b>	<b>Segment Assets</b>						
	a. Property, Plant & Equipment Assets (Net Blocks)	57658	0	57658	60855	0	60855
	b. Right of Use Assets	17026	0	17026	17296	0	17296
	b. Other Assets	59882	54473	114355	74346	32467	106813
	c. Capital CWIP	21484	0	21484	25254	0	25254
	d. Un-allocable assets	0	0	60470	0	0	29591
	<b>Total Assets</b>	<b>156050</b>	<b>54473</b>	<b>270993</b>	<b>177751</b>	<b>32467</b>	<b>239809</b>

<b>4</b>	<b>Segment Liabilities</b>						
	a. Segment Liabilities	100004	27434	127438	78483	21041	99524
	b. Un-allocable Liabilities			2274			3352
	<b>Total liabilities</b>	<b>100004</b>	<b>27434</b>	<b>129712</b>	<b>78483</b>	<b>21041</b>	<b>102876</b>

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 ₹ 34074 lakhs (previous year : Rs 28314 lakhs contributed by two customers).

## 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

- The carrying value of financial assets and liabilities with maturity less than 12 months are considered to be representative of their fair value.
- Fair value of other financial assets and liabilities carried at amortized cost is determined by discounting of cash flows using discount rate.
- A discount rate of 3.70% (SBI Rate) has been used for balances as on 31/03/2021.

### Financial Instrument

#### Financial Instruments by Category

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

(₹ in Lakhs)

Particulars	Financial Assets/Liabilities at amortised costs		Financial Assets/Liabilities at FVTPL		Financial Assets/Liabilities at FVTOCI	
	March'21	March'20	March'21	March'20	March'21	March'20
<b>Assets</b>						
Investments (Refer to Note No. 10)	Nil	Nil	Nil	Nil	Nil	Nil
Trade Receivables (Refer to Note No. 11)	77,216	50,707	Nil	Nil	Nil	Nil
Cash & Cash Equivalents (Refer to Note No. 12 & 13)	58,841	26,843	Nil	Nil	Nil	Nil
Other Financial Assets (Refer to Note No. 6,7,14 & 15)	20,497	44,101	Nil	Nil	Nil	Nil
<b>Liabilities</b>	<b>March'21</b>	<b>March'20</b>	<b>March'21</b>	<b>March'20</b>	<b>March'21</b>	<b>March'20</b>
Trade Payables (Refer to Note No. 25)	53,270	37,887	Nil	Nil	Nil	Nil
Other Financial Liabilities (Refer to Note No. 20, 21, 26 & 27)	22,312	23,266	Nil	Nil	Nil	Nil

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

(₹ in Lakhs)

Particulars	As at March'21	As at March'20
<b>Financial assets at amortised cost</b>		
Interest expenses on other financial assets	99	165
Interest income on other financial liabilities	205	70
<b>Financial assets at Fair Value through Profit or Loss (FVTPL)</b>	<b>Nil</b>	<b>Nil</b>
<b>Financial assets at Fair Value through Other Comprehensive Income (FVTOCI)</b>	<b>Nil</b>	<b>Nil</b>

**Financial Risk Management**

The Group has exposure to the following risk from its use of financial instruments: -

1. Credit Risk
2. Liquidity Risk
3. Market Risk

The Group has established a risk management policy to identify and analyze the risks faced by the Group. The audit committee broadly oversees how management monitors compliances with the Group'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 Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation and arises principally from the Group's trade receivables, employee loans and other activities that are in the nature of leases.

The Group 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 Group 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 Group 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. Group 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, Group used expected credit loss model to assess the impairment loss or gain. The Group 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, Group 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.

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

(₹ in Lakhs)

Ageing	March 31, 2021			
	Gross Amount	Expected credit Loss	Gross Amount	Expected credit Loss
	Government and PSU*		Telecom and others	
Within 1 year	62435	1239	8300	520
1 -2 years	5114	676	556	288
2 -3 years	3932	965	139	112
More than 3 years	6105	5565	3158	3158
Total	77586	8445	12153	4078
<b>Total Expected Credit Loss (8445+4078) = ₹ 12523 Lakhs</b>				

(₹ 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
Total	47757	1197	7169	3022
<b>Total Expected Credit Loss (1197+3022) = ₹ 4219 Lakhs</b>				

\* The amount recoverable in respect of dues from one of the customer in respect of agreement dated 16<sup>th</sup> September 2010 is being reconciled with the customer. Pending final reconciliation /settlement with customer, the dues outstanding for more than three years amounting to Rs 3572 Lakhs has been provided for under expected Credit loss, as a prudent Accounting practices.

Similarly, other receivables from Govt./ PSU above 3 years have been fully provided for where the realization is uncertain.

The Group 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'21 and March'20 was as follows: -



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(₹ in Lakhs)

Particulars	As at March'21		As at March'20	
	Gross Carrying Value	Net Value after Impairment	Gross Carrying Value	Net Value after Impairment
Trade Receivables (Refer to Note No. 11)	89,739	77,216	54,926	50,707
Other Financial Assets (Refer to Note No. 6,7,14 & 15)	20,497	20,497	44,101	44,101

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 Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group reputation, typically the Group 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 Group 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 Group invests in liquid funds and the level of the investments is insignificant in view of the level of the operation of the Group.

## 4. Capital Management

The Group manages its capital to ensure that the Group 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 Group uses the operational cash flows to meet its working capital requirements. The funding requirements are met through internal accruals. The Group is not subject to any externally imposed capital requirements.

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

### Disaggregation of Revenue

The Group 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 Group 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 Group 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 Group's principal business is to provide neutral telecom infrastructure. The Group 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.

(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
<b>Geographical Segment</b>		
Pan India	53,526	41,347
Abroad	Nil	-
<b>Total</b>	<b>53,526</b>	<b>41,347</b>

(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
<b>Major Product Line</b>		
Railway Project Works	17,814	18,886
Other Projects	31,480	18,831
Others	4,232	3,630
<b>Total</b>	<b>53,526</b>	<b>41,347</b>

(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
<b>Type of Customer</b>		
Government Customers	45,101	39,513
Non - Government Customers	8,425#	1,834
<b>Total</b>	<b>53,526</b>	<b>41,347</b>

(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
<b>Type of Contract</b>		
Fixed Price Contracts	26,042	22,105
Time- and- Materials Contracts	27,484	19,242
<b>Total</b>	<b>53,526</b>	<b>41,347</b>

(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
<b>Sales Channel</b>		
Direct to Customer	53,526	41,347
Through Intermediaries	-	-
<b>Total</b>	<b>53,526</b>	<b>41,347</b>

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(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
<b>Duration of Contract</b>		
Short Term	52,336	41,273
Long Term	1,190	74
<b>Total</b>	<b>53,526</b>	<b>41,347</b>

**Contract Assets**

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivable	47,941*	18,329
Unbilled Revenue	6,028**	13,385
Work in Progress	0	100
<b>Total</b>	<b>53,969</b>	<b>31,814</b>

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Contract Liability	27,434	21,041
<b>Total</b>	<b>27,434</b>	<b>21,041</b>

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

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Revenue recognized during the year from the contract liability balance at the beginning	3,339	4,165
<b>Total</b>	<b>3,339</b>	<b>4,165</b>

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

(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Revenue recognized due to change in Transaction Price	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

\* Includes trade receivable of ₹ 4278 lakhs recoverable from a customer out of which ₹ 2638 lakhs is disputed by the customer and management is of the opinion that it is fully recoverable. However, due to significant increase in credit risk, in addition to the ECL as per Ind AS requirement, the company has made additional provision under ECL in respect of outstanding for more than 3 years taking the underlying obligation into consideration on this project.

Further, the Company has also claimed an amount of ₹ 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). The same is under active consideration of AMRCD.

\*\* Includes amount of ₹ 865 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. However, UAT is in progress and could not be completed due to pandemic situation.

# The company entered into a contract with a customer for providing Content on Demand (COD Services) on revenue sharing basis with an advance annual Minimum Guarantee fees vide LOA dated 14-01-2020. The revenue so generated by the company is to be shared in the ratio of 1:1 with the Railway Board. The customer paid 50% of the stipulated Annual minimum guarantee amount of Rs 31.50 Crores along with the performance guarantee for the payable balance amount. Due to Covid pandemic, train services were disrupted and the balance towards minimum guarantee fees has not been paid by the customer. The customer had requested for certain concession in terms of LOA which has not been approved by the Railway board vide its communication dated 03.06.2021. The company has recognized income only up to the 13.01.2021 (expiry of the first year) secured with valid Performance Bank guarantee, pending receipt of payment from customer and the same is booked under unbilled revenue. Accordingly, the company has also accounted for the amount payable to Railway board up to 13.01.2021.”

## 29. Ind AS 116 –Leases

### 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

(₹ in Lakhs)

Right-of-use assets, except for investment property (Note No. 4)		
Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Building	12655	11155
Land	1762	3275
Telecom Assets	2609	2866
<b>Total</b>	<b>17026</b>	<b>17296</b>

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

### Lease Liabilities

(₹ in Lakhs)

Maturity analysis - Contractual undiscounted cash flows	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Less than one year	920	1164
One to five years	1959	2723
More than five years	1180	2315
<b>Total undiscounted lease liabilities</b>	<b>4059</b>	<b>6202</b>

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**Lease Liabilities included in the statement of Financial Position**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Current	801	774
Non - Current	2217	3480
<b>Total</b>	<b>3018</b>	<b>4254</b>

**Amount Recognized in profit & Loss Account**

(₹ in Lakhs)

Particulars	for the year ended 31 <sup>st</sup> March 2021	for the year ended 31 <sup>st</sup> March 2020
Interest on lease liabilities	249	341
Variable lease payments not included in the measurement of lease liabilities	Nil	Nil
Expenses relating to Short term leases and leases of low-value assets, excluding short-term leases of low-value assets	Nil	Nil

**Amounts recognized in the statement of Cash flows -**

(₹ in Lakhs)

Particulars	for the year ended 31 <sup>st</sup> March 2021	for the year ended 31 <sup>st</sup> March 2020
Total cash outflow for leases	945	667

## Other Disclosure-

- There are no significant restrictions or covenants imposed by the leases
- There are no lease pending commencement to which the Group has committed as at year ended March 31, 2021.
- 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**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
Lease Income	84135	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

(₹ in Lakhs)

Particulars	As at 31st March 2021
Less than one year	7969
One to two years	3960
Two to three years	3505
Three to four years	1824
Four to five years	373
More than five years	619
Total undiscounted lease payments	18250

#### Other Disclosures –

- a) The Group 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 Group 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'2021 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). Total advance amount received by RailTel Enterprises Ltd. (REL) Subsidiary of the company from Railways has been remitted to the Company for execution of the project after adjusting the value of work executed by REL.
31. The Board of Directors in its meeting held on June 25, 2021 considered and recommended a final dividend @ 12% i.e. ₹ 1.20 per share aggregating to ₹ 3851 lakhs for the financial year 2020-21. This final dividend is in addition to Interim Dividend of ₹ 1 per share already paid by the Company for the financial year 2020-21. The final dividend is subject to approval of shareholders in the ensuing Annual General Meeting.

### 32. COVID -19 Impact & Assessment

The Covid-19 pandemic has already resulted in economic slowdown throughout the world including India. The second wave has impacted India immensely. The operations of the Group have not been significantly impacted following a nationwide lockdown by the Government of India.

The Group 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 Group'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 Group 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 Group will continue to closely monitor any material changes to future economic conditions.



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### 33. New Accounting Standards not yet adopted by the Company

MCA notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

### 34. New Amendments not yet adopted by the Company

On March 24, 2021, the MCA through a notification, amended Schedule III of the Companies Act, 2013. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Current maturities of long-term borrowings should be disclosed separately within borrowings instead of earlier disclosure requirement under Other Financial Liabilities.
- Certain additional disclosures in the statement of changes in equity due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in progress and intangible asset under development.
- Additional disclosures relating to Corporate Social Responsibility, undisclosed income and crypto or virtual currency.
- Disclosure of specified ratios along with explanation for items included in numerator and denominator and explanation for change in any ratio in excess of 25% compared to preceding year.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel and related parties and details of benami property held.

These amendments are applicable from April 1, 2021. The Company is currently evaluating the impact of these amendment on the financial statements.

**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/-  
**CA Anjula Gupta**  
**M. No. 091514**  
**Place New Delhi**  
**Date: 25/06/2021**

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 2021

The preparation of financial statements of **RAILTEL CORPORATION OF INDIA LIMITED** for the period ended 31 March 2021 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 25.06.2021.

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 2021 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 behalf of the  
Comptroller & Auditor General of India**

**Place: New Delhi  
Dated: 02.09.2021**

**Sd/-  
(K.S. Ramuwalia)  
Principal Director of Audit  
Railway Commercial, New Delhi**



## C&AG Comments

### 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 2021

The preparation of financial statements of **RAILTEL CORPORATION OF INDIA LIMITED** for the year ended 31 March 2021 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) 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 25.06.2021.

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 2021. 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 behalf of the  
Comptroller & Auditor General of India**

Sd/-

**(K.S. Ramuwalia)**

**Principal Director of Audit  
Railway Commercial, New Delhi**

**Place: New Delhi**

**Dated: 02.09.2021**



RailTel IPO Listing Ceremony at BSE, Mumbai



**RailTel Rajbhasha Quarterly Meeting Dated 2<sup>nd</sup> March 2021**



**RailTel review meeting over HD video conference service**



**Inauguration of Security Operation Center by CMD/RailTel at Gurugram Office**



Governance Now Award in Digital PSU (Mini Ratna) Category



CMD Leadership Award to Shri Puneet Chawla, CMD RailTel at Governance Now 8<sup>th</sup> PSU Awards

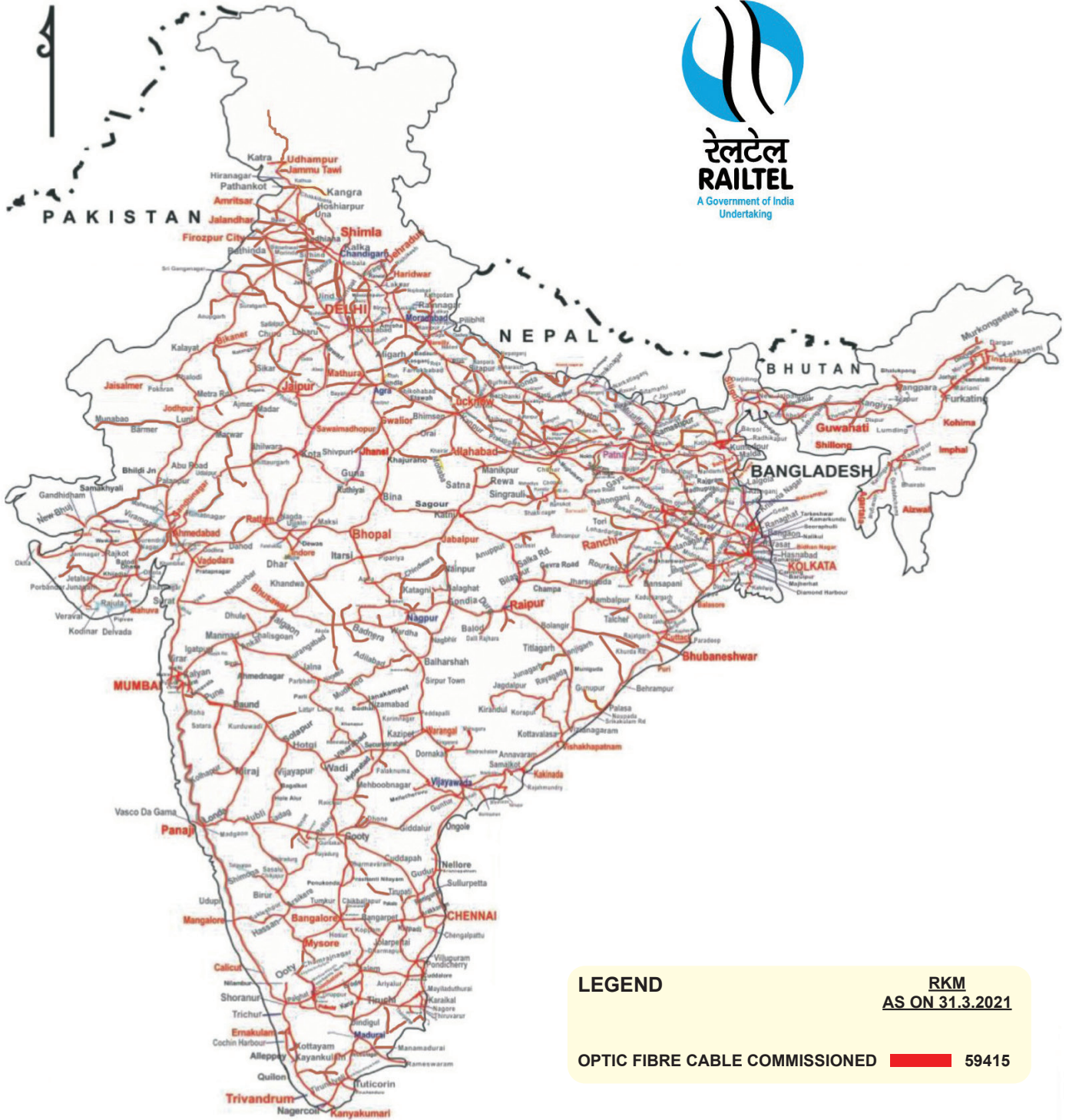
# OPTIC FIBRE CABLE NETWORK

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A Government of India  
Undertaking



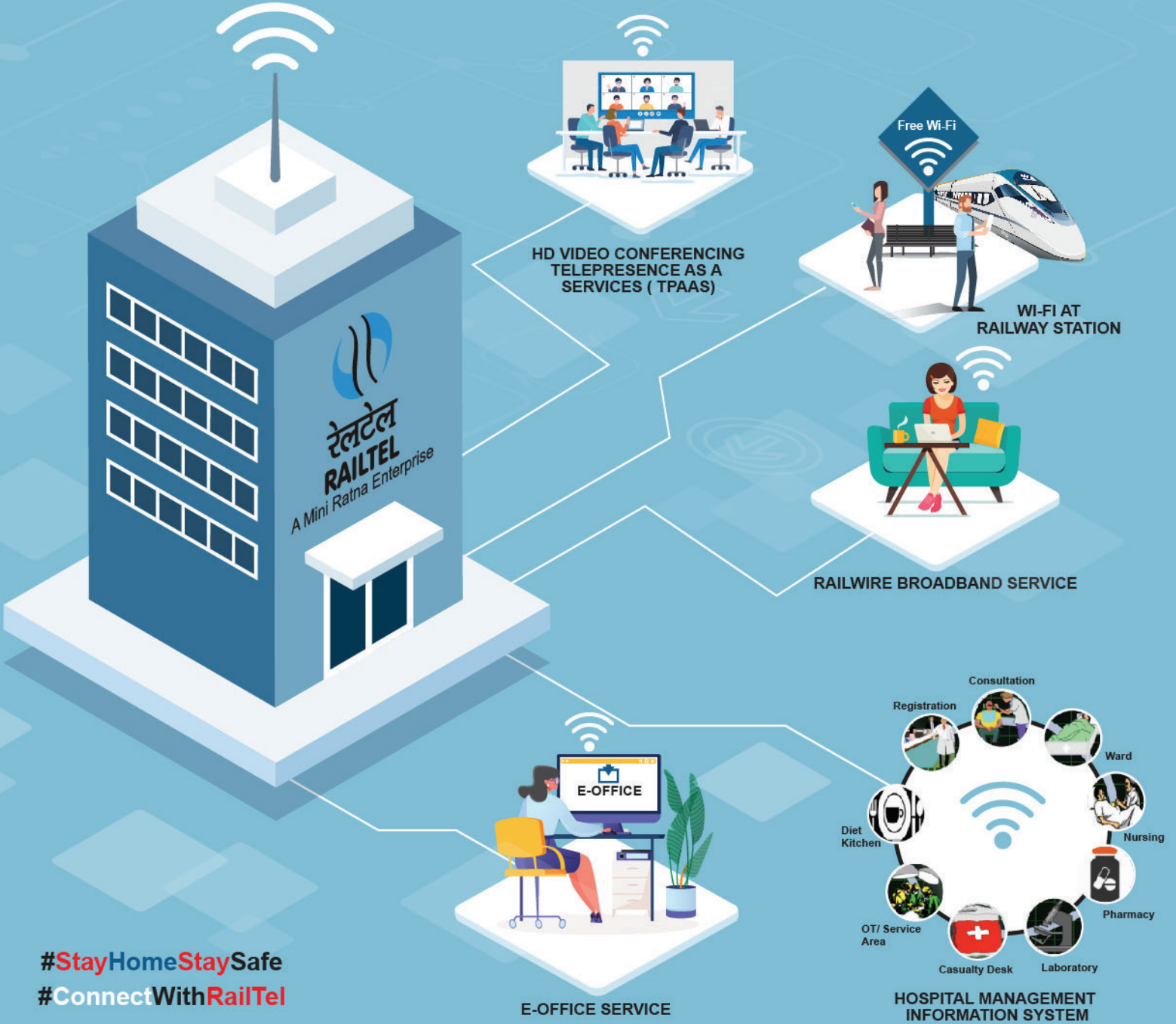
## LEGEND

**RKM**  
AS ON 31.3.2021

OPTIC FIBRE CABLE COMMISSIONED  59415

MAP NOT TO SCALE

# PROVIDING DIGITAL SOLUTIONS



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#ConnectWithRailTel



रेलटेल कॉर्पोरेशन ऑफ इण्डिया लिमिटेड  
(भारत सरकार का उपक्रम)

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

**CIN: L64202DL2000GOI107905**

**Regd. & Corporate Office:**

Plate-A, 6<sup>th</sup> Floor, Office Block Tower-2, East Kidwai Nagar, New Delhi-110023

**Phone: 011-22900600, Fax: 011-22900699**