

To
The Members
RailTel Enterprises Limited

INDEPENDENT AUDITOR'S REPORT
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of RailTel Enterprises Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the 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 including other comprehensive income, its cash flows and the changes in equity 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Responsibility of Management for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

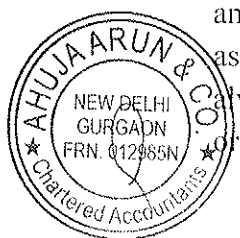
This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making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

In preparing the 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.

Those 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 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 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 financial statements, including the disclosures, and whether the 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 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of sub-section (5) of section 143 of the Companies Act, 2013, the compliance of which is set out in "**Annexure B**".
3. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Ind-AS standalone financial statements i.e. Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement 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 Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors and the same was taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure C**" to this report;
 - (g) Pursuant to the notification no. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, the provision 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has no pending litigations on its financial position in its standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. During the period 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 **Ahuja Arun & Co.**
Chartered Accountants
ICAI Firm Registration Number 012985N


CA Arun Ahuja
Partner
Membership Number: 089709
Place of Signature: New Delhi
Date: 16/06/2021
UDIN: 21089709AAAA LR 7853

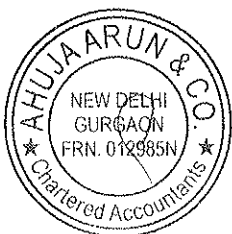


ANNEXURE A TO THE AUDITOR'S REPORT

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" in our report of even date to the members of RailTel Enterprises Limited on the accounts for the year ended 31st March 2021, we report that:

(i) In respect of fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (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.
- (c) According to the information and explanations given by the management and based on records of company examined by us, the company does not own any property, accordingly the requirement of clause 3(i)(c) of the order is not applicable to the company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) The Company has not granted any loans, secured/unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, provisions of clauses 3(a) and 3(b) of the order are not applicable to the company
- (iv) In our opinion and according to the information and explanations given to us, company has complied with the provisions of section 185 and 186 of the Companies Act 2013 with respect to the loans, making investments and providing guarantees, and securities as applicable.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) and does not have any unclaimed deposits as on March 31, 2021. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the company.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) According to the information and explanations given to us and based on the records of the company examined by us in respect of statutory dues:
- (a) Amount deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employee' state insurance, income 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) There are no material dues of provident fund, Income tax, Sales Tax, Service Tax, VAT, Goods and Service tax and other statutory dues in which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company does not have any outstanding loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable to the company
- (ix) The Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans. Accordingly, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) In view of the exemption given in terms of the notification no. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, the provision of Section 197 of the Companies Act, 2013 are not applicable to the Company, being a Government Company.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause (xiv) is not applicable to the Company.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **Ahuja Arun & Co.**
Chartered Accountants
ICAI Firm Registration Number 012985N

CA Arun Ahuja
Partner
Membership Number: 089709
Place of Signature: New Delhi
Date: 16/06/2021

UDIN: 21089709AAAA LR7853



Annexure B

Report on Directions issued by The Comptroller and Auditor General of India under section 143(5) of Companies Act 2013 as Applicable from the year 2020-21 and onwards.

Railtel Enterprises Limited for the year 2020-21

I	<p>Whether, the company has system in place to process all the accounting transactions through IT system?</p> <p>If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.</p>	<p>Yes, The company is maintaining all the books of accounts on Oracle- ERP system.</p> <p>The processing of some transactions is through manual intervention. However, the accounting entries of the same are done through Oracle-ERP accounting software. There is no impact on the financial statements.</p>
II	<p>Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan?</p> <p>If yes, the financial impact may be stated.</p> <p>Whether such cases are properly accounted for?</p>	<p>Nil</p> <p>Not Applicable</p> <p>Not Applicable</p>
III	<p>Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/ State Government agencies were properly accounted for/ utilized as per its term and conditions?</p> <p>List the cases of deviation.</p>	<p>Yes</p> <p>Nil</p>

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

For Ahuja Arun & Co.
Chartered Accountants

ICAI Firm Registration Number 012985N

CA Arun Ahuja
Partner

Membership Number: 089709

Place of Signature: New Delhi

Date: 16/06/2021

UDIN: 21089709AAAA LR 7853



**ANNEXURE C
TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
FINANCIAL STATEMENTS OF RAILTEL ENTERPRISES LIMITED**

**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 Enterprises Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 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.

Auditor's 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 as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, 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.

For **Ahuja Arun & Co.**
Chartered Accountants
ICAI Firm Registration Number 012985N

CA Arun Ahuja
Partner

Membership Number: 089709

Place of Signature: New Delhi

Date: 16/06/2021

UDIN: 21089709AAAA LR7853



RailTel Enterprises Limited
Balance Sheet as at March 31, 2021

(Amount in Thousand)

Particulars	Note No.	As at	As at
		March 31, 2021	March 31, 2020
(A) ASSETS			
(1) NON-CURRENT ASSETS			
(i) Property, Plant and Equipments	2	1,135	1,347
TOTAL NON CURRENT ASSETS		1,135	1,347
(2) CURRENT ASSETS			
(i) Financial Assets			
(a) Trade Receivables	3	2,38,476	3,59,822
(b) Cash and Cash Equivalents	4	60,141	2,08,661
(c) Other Bank Balances	5	6,21,899	7,73,729
(d) Loans and Advances	6	86	582
(e) Other Current Financial Assets	7	79,324	1,04,686
(ii) Current Tax Assets (Net)	8	43,835	37,125
(iii) Other Current Assets	9	1,33,891	1,08,043
TOTAL CURRENT ASSETS		11,77,652	15,92,648
TOTAL ASSETS		11,78,787	15,93,995
(B) EQUITY AND LIABILITIES			
(1) EQUITY			
(i) Equity Share Capital	10	1,00,000	1,00,000
(ii) Other Equity	11	1,00,864	80,359
TOTAL EQUITY		2,00,864	1,80,359
(2) LIABILITIES			
a. NON CURRENT LIABILITIES			
i. Financial Liabilities			
(a) Borrowings		-	-
(b) Other Non Current Financial Liabilities	12	87,822	-
ii. Provisions	13	646	-
iii. Deferred Tax Liabilities (net)	14	22	43
iv. Other Non Current Liabilities		-	-
TOTAL NON CURRENT LIABILITIES		88,490	43
b. CURRENT LIABILITIES			
i. Financial Liabilities			
(a) Borrowings		-	-
(b) Trade Payables	15		
-Total outstanding dues of micro enterprises and small enterprises		32,054	71,139
-Total outstanding dues of creditors other than micro enterprises and small enterprises		2,18,447	2,12,213
(c) Other Current Financial Liabilities	16	34,329	2,13,223
ii. Provisions	17	24	-
iii. Other Current Liabilities	18	6,04,579	9,17,018
TOTAL CURRENT LIABILITIES		8,89,433	14,13,593
TOTAL EQUITY AND LIABILITIES		11,78,787	15,93,995

Significant Accounting Policies

Note No 1

The accompanying notes referred to above form an integral part of financial statement (from Note No 1 to 28)

As per our report of even date attached

For Ahuja Arun & Co.
Chartered Accountants
FRN 012985N

CA. Arun Ahuja
(Partner)
Membership No. 089709
Date: 16/06/2021
Place: New Delhi
UDIN: 210 89709AAAALR7853



For and on behalf of the Board of Directors of
RailTel Enterprises Limited

H.C. Batra
Director & CFO
DIN: 08137865

Suresh Kumar
Director & CEO
DIN: 09131274

Nikita Sharma
Company Secretary
M No. A31561



RailTel Enterprises Limited
Statement of Profit and Loss for the for the Year ended March 31, 2021

(Amount in Thousand)

Particulars	Notes No.	For the Year Ended on March 31, 2021	For the Year Ended on March 31, 2020
I. INCOME			
a. Revenue from operations	19	6,06,893	5,34,366
b. Other Income	20	51,063	63,344
c. Finance Income	21	4,924	-
Total Income		6,62,880	5,97,710
II. EXPENSES			
a. Project Expenses	22	5,50,948	4,77,313
b. Employee Benefits Expenses	23	50,023	40,343
c. Administrative & Other Expenses	24	13,124	12,178
d. Finance Charges	25	22,319	31,420
e. Depreciation and Amortisation Expense	26	654	399
Total Expenses		6,37,068	5,61,653
III. Profit before exceptional items and tax		25,812	36,057
IV. Exceptional Items		-	-
V. Profit before tax		25,812	36,057
VI. Tax expenses			
a. Current Tax	27	5,279	9,061
b. Deferred Tax	27	(21)	11
c. Tax impact of earlier years	27	49	0
VII. Profit for the year		20,505	26,985
VIII. Other comprehensive income(OCI):			
Total comprehensive income for the year		20,505	26,985
IX. Earning per Equity Share of Rs 10/- each (For the Year)			
(a) Basic (in Rs.)	28(12)	2.05	2.70
(b) Diluted (in Rs.)	28(12)	2.05	2.70

Significant Accounting Policies

Note No 1

The accompanying notes referred to above form an integral part of financial statement (from Note No 1 to 28)

As per our report of even date attached

For Ahuja Arun & Co.
Chartered Accountants
FRN 012985N

CA. Arun Abuja
(Partner)
Membership No. 089709
Date: 16/06/2021
Place: New Delhi
UDIN: 21089709AAAALR7853



H.C. Batra
Director & CFO
DIN: 08137865

For and on behalf of the Board of Directors of
RailTel Enterprises Limited

Suresh Kumar
Director & CEO
DIN: 09131274

Nikita Sharma
Company Secretary
M No. A31561



RailTel Enterprises Limited
Cash Flow Statement for the Year ended March 31, 2021

(Amount in Thousand)

Particulars	For the Year Ended on March 31, 2021	For the Year Ended on March 31, 2020
Cash Flow from operating activities		
Profit for the year	25,812	36,057
Adjustments for:		
Depreciation and Amortisation Expense	654	399
Provision for Leave Encashment & Gratuity	670	
Interest Income (considered separately)	(50,227)	(62,636)
Non Cash Income (Discounting)	(4,924)	
(profit)/ loss on sale of property, Plant and Equipment (net)	19	-
Operating profit/(loss) before working capital changes	(27,996)	(26,180)
(Increase)/decrease in Current Financial Assets	1,47,203	(3,75,796)
(Increase)/decrease in Non Financial Current Assets	(32,558)	(1,16,014)
Increase/(decrease) in Financial Current Liabilities	(2,11,744)	4,34,345
Increase/(decrease) in Non Financial Current Liabilities	(3,12,439)	2,89,787
Increase/(decrease) in Financial Non Current Liabilities	92,745	-
Net cash generated from Operation before Tax	(3,44,788)	2,06,142
Income Tax	5,328	9,061
Net cash generated from / (used in) Operating Activities	(3,50,116)	1,97,081
Cash Flow from Investing Activities		
Purchase of Tangible & Intangible Assets	(494)	(1,050)
Sale Proceeds of Property, plant and equipment	32	-
Interest Income Received	59,642	61,776
Investment in Term Deposits	1,42,416	(57,366)
Net cash generated from / (used in) Investing Activities	2,01,596	3,360
Cash Flow from Financing Activities		
Dividend Paid	-	-
Dividend Distribution Tax Paid	-	-
Net cash generated from / (used in) financing activities	-	-
Effect of exchange difference on translation of cash and cash equivalents		
Net increase /(decrease) in cash and cash equivalents during the year	(1,48,520)	2,00,442
Cash and cash equivalents at the beginning of the year	2,08,661	8,219
Cash and cash equivalents at the end of the year	60,141	2,08,661
Cash and Cash Equivalents include the following Balance Sheet amounts		
(i) Cash and Cash Equivalent (Maturity<= 3 Months)		
Flexi Deposits	56,550	1,95,666
(ii) Balances with Scheduled Bank		
In Current A/c	3,556	12,965
(iii) Cash in Hand (Imprest)	35	30
Total	60,141	2,08,661

As per our report of even date attached

For Ahuja Arun & Co.
Chartered Accountants
FRN 012985N

CA. Arun Ahuja
(Partner)

Membership No. 089709

Date: 16/06/2021

Place: New Delhi

UDIN: 21089709AAAA LR 7853



For and on behalf of the Board of Directors of
RailTel Enterprises Limited

H.C. Batra
Director & CFO
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NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

Note-1 Significant Accounting Policies

Particulars	
1.1	<p>Corporate Information</p> <p>RailTel Enterprises Limited ('the Company') incorporated in India on 12th August 2014 is a public sector undertaking. The company is promoted by and is under administrative control of RailTel Corporation of India Limited. The Registered office of the Company is situated at 6th Floor, 3rd Block, Delhi Technology Park, Delhi-110053 and Corporate Office at Plate-A, 6th Floor, Office Tower-2, East Kidwai Nagar, New Delhi-110023.</p> <p>In line with the future business plan of RailTel it was felt to diversify into ICT project segment as a System Integrator. Hence, to have clear focus on project execution works, REL has been setup. Also this shall help RailTel make a clear distinction between RailTel's existing core activities viz-a-viz project works ensuring resource and accountable separation thereby making REL as a separate profit centre. This would also facilitate the Company in proper and suitably reflecting the operational results in a more transparent manner and activity wise. The aim is to exploit the capabilities and experience gained by RailTel from execution of number of small to large national level projects like National Knowledge Network (NKN), National Optical Fibre Network (NOFN), NE-I & NE-II projects under USOF, and various projects for many other Govt and private agencies. In recent years, RailTel has been expanding its portfolio of services in the areas of Data Centre, Cloud, Telepresence, Retail Broadband (Railwire), etc. With the creation of REL, RailTel aims to be one of the leading System Integrator in the country working in the field of ICT.</p> <p>REL shall be taking up turnkey project work for creation, management and operation in the areas of IT, Telecom, networking, Data Center and Railway's ICT and S&T projects. With a dedicated focus and organisation suited to executing projects in the areas of expertise, REL is poised to become a key driver of growth and innovation for RailTel as well</p>
1.2	<p>Summary of Significant Accounting Policies as per Ind-AS</p>
a)	<p>Basis for Preparation of financial statement</p> <p>The financial statements of the Company have been prepared to comply in all the material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015.</p> <p>The Accounting policies of the company have been drafted on the basis of Indian Generally Accepted Accounting principles (IGAAP) to the Indian Accounting Standards notified by the Ministry of Corporate Affairs on 16th February 2015 as the Companies (Indian Accounting Standards) Rules 2015 read with Companies (Indian Accounting Standards) Amendment Rules 2016. These financial statement are presented in Indian Rupees (Rs.).</p>
b)	<p>Use of Estimates</p> <p>The preparation of financial statements in conformity with Indian Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the 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, 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.</p> <p>The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the estimate affects only that year or in the year of the revision and future years, if the revision affects both current year and future year.</p>



c) **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 recognized in the financial statements is stated here under:

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/ recognized, 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.

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.

d) **Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.



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	The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.
e)	<p>Property Plant and Equipments (PPE)</p> <p>Property plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses if any. All other repair and maintenance costs are recognized in profit or loss as incurred.</p>
f)	<p>Assets are recognized as tangible assets or intangible assets if the same has been put to use.</p> <p>Assets are depreciated to the residual value on a straight line basis over the estimated useful lives as defined in Schedule II of Companies Act 2013. The assets residual values and useful lives are reviewed at each financial year end or whenever there are indicators for review and adjusted prospectively.</p>
g)	<p>Cash and Cash Equivalents</p> <p>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.</p> <p>For the purpose of Statement of Cash Flows, Cash and Cash Equivalents include outstanding Bank Overdraft shown within the borrowings incurrent Liabilities in Statement of Financial Position and which are considered an integral part of Company's cash management.</p>
h)	<p>Revenue Recognition and Receivables</p> <p>1. Service Revenues</p> <p>Service revenues include incomes from project work for creation, management and operation in the areas of IT, Telecom, networking, Data Center and Railway's ICT and S&T projects. Revenues are recognized on proportionately basis on provision of services over the period of arrangement.</p> <p>Revenue shall be measured at the fair value of the consideration received or receivables.</p> <p>Service revenues are recognised as the services are rendered and are stated net of discounts, waivers and taxes. Service revenue is recognised from the date of satisfactory installation services at the customer site and as per terms of contract finalized with the customers.</p> <p>Deferred revenue includes amount received in advance from customers which would be recognised over the periods when the related services are expected to be rendered.</p> <p>2. Deposit Works</p> <p>When the outcome of a contract can be estimated reliably, contract revenue and contract costs associated with the contract are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period based on statements of account received from the contractors.</p> <p>3. Interest and Other Income</p> <p>For all financial instruments measured at amortised cost and interest bearing financial assets, classified as financial assets at fair value through profit or loss or as available for sale, interest income is recognized using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in 'finance income' in the income statement.</p>



i)	<p>Uncollectible accounts receivable</p> <p>Uncollectible accounts receivable reflects management's best estimate of probable losses inherent in the accounts receivable balance. Management primarily determines the allowance based on the aging of accounts receivable balances and historical write-off experience, net of recoveries. The Company provides for amounts outstanding net of security deposits, or in specific cases where management is of the view that the amounts are not recoverable. Amounts due from debtors that have been outstanding, though fully provided, are evaluated on a regular basis by the management and are written off, if as a result of such evaluation, it is determined that these amounts will not be collected.</p>
j)	<p>Unbilled Revenue</p> <p>Unbilled revenue represent revenue recognised in respect of services provided from the last bill cycle date to the end of the reporting period. These are billed in subsequent periods as per the terms of the billing plans/contractual arrangements.</p>
k)	<p>Taxes</p> <p>1. Current Income Tax Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.</p> <p>2. 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 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 reliability.</p>
l)	<p>Earnings Per Share</p> <p>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.</p>
m)	<p>Exceptional Item</p> <p>Exceptional items are generally non-recurring item of income & expenses within profit & loss from ordinary activity which are of such size, nature or incidence hat their disclosure is relevant to explain the performance of the company for the year.</p>
n)	<p>Provisions and Contingencies</p> <p>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</p>



	<p>such obligation.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Contingent assets are not recognized in the financial statements.</p>
o)	<p>Operating cycle</p> <p>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.</p>
p)	<p>Dividend</p> <p>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.</p> <p>Interim dividend is provided for in the year of payment.</p>
q)	<p>Financial Instruments</p> <p>A. Financial Instruments</p> <p>Initial Recognition and Measurement</p> <p>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.</p> <p>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.</p> <p>B. Financial Assets</p> <p>1. Subsequent measurement</p> <p>The subsequent measurement of financial assets depends on their classification as follows:</p> <p>a. Financial assets at carried at amortised cost</p> <p>A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the</p>



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.

d. 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.

e. Financial Liabilities

1. Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows: Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

2. Derecognition

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



NON CURRENT ASSETS

Note 2. Property Plant & Equipment

(Amount in Thousand)

Particulars	Computer	Office Equipments	Total
Year ended March 31, 2020			
Gross Carrying amount			
Cost as at April 1, 2019	771	61	832
Additions	959	91	1,050
Disposal	-	-	-
Transfer	-	-	-
Closing Gross Carrying Amount	1,730	152	1,882
Accumulated Depreciation			
Opening accumulated Depreciation	130	6	136
Charge during the year	374	25	399
Disposals / adjustment	-	-	-
Closing Accumulated Depreciation	504	31	535
Impairment			
Opening accumulated Impairment	-	-	-
Impairment during the year	-	-	-
Reversal of Impairment during the year	-	-	-
Closing Accumulated Impairment	-	-	-
NET CARRYING AMOUNT- March 31, 2020	1,226	121	1,347

Particulars	Computer	Office Equipments	Total
Year ended March 31, 2021			
Gross Carrying amount			
Cost as at April 1, 2020	1,729	152	1,881
Additions	399	95	494
Disposal	79	5	84
Transfer	-	-	-
Closing Gross Carrying Amount	2,049	242	2,291
Accumulated Depreciation			
Opening accumulated Depreciation	504	31	535
Charge during the period	615	39	654
Disposals / adjustment	31	2	33
Closing Accumulated Depreciation	1,088	68	1,156
Impairment			
Opening accumulated Impairment	-	-	-
Impairment during the period	-	-	-
Reversal of Impairment during the period	-	-	-
Closing Accumulated Impairment	-	-	-
NET CARRYING AMOUNT- March 31, 2021	961	174	1,135

As per our report of even date attached

For Ahuja Arun & Co.
Chartered Accountants
FRN 012985N

CA Arun Ahuja
(Partner)
Membership No. 089709

Date: 16/06/2021

Place: New Delhi

UDIN: 21089709 AAAALR7853



For and on behalf of the Board of Directors of
RailTel Enterprises Limited

H.C Batra
Director & CFO
DIN: 08137865

Suresh Kumar
Director & CEO
DIN: 09131274

Nikita Sharma
Company Secretary
M No. A31561



CURRENT ASSETS

Note 3. Trade Receivables

(Amount in Thousand)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good unless stated Otherwise		
Project works		
Considered Good	2,38,476	3,59,822
Considered Doubtful		
Total	2,38,476	3,59,822
Less: Provision for Doubtful Receivables	-	-
Trade Receivables (Project Works)	2,38,476	3,59,822
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - Credit Impaired	-	-
Total	2,38,476	3,59,822

Note 4. Cash and Cash Equivalents

(Amount in Thousand)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Cash and Cash Equivalent (Maturity <= 3 Months)	-	-
a. Term Deposits	56,550	1,95,666
b. Remittance in Transit		
(ii). Balances with Scheduled Bank		
a. In Current A/c	3,556	12,965
(iii) Cash in Hand (Imprest) A/c	35	30
Total	60,141	2,08,661

Note 5. Other Bank Balances

(Amount in Thousand)

Particulars	As at March 31, 2021	As at March 31, 2020
BG Margin Money A/c	12,532	12,532
In Term Deposit (Having original maturity of more than 3 months but less than 12 months)	6,09,367	7,61,197
Total	6,21,899	7,73,729

Note:

1. BG (Margin Money) represent bank deposit under lien (for issuing Bank guarantee by bank)
2. Balance in Term Deposit includes FDRs from ETCS project funds INR 43.38 Crores as on 31.03.2021



Note 6. Loans and Advances*(Amount in Thousand)*

Particulars	As at March 31, 2021	As at March 31, 2020
Advances to Employee	86	0
Advances to Others	0	582
Loans Receivables which have significant increase in credit risk	-	-
Loans Receivables - Credit Impaired	-	-
Total	86	582

Note 7. Other Current Financial Assets*(Amount in Thousand)*

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits	1,223	1,222
Accrued interest on term deposits	29,073	38,488
EMD Deposited	193	193
Unbilled Revenue	48,835	61,258
Other Receivable #	-	3,525
Total	79,324	1,04,686

Receivable from Holding Company Railtel Corporation of India Limited

Note 8. Current Tax Assets*(Amount in Thousand)*

Particulars	As at March 31, 2021	As at March 31, 2020
TDS-Income Tax	10,148	25,909
Advance Income Tax	5,243	80
IT Refundable	28,444	11,136
Total	43,835	37,125

Note 9. Other Current Assets*(Amount in Thousand)*

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with Tax Authorities		
- VAT Credit	1,362	1,362
- GST on Advance from Customers	92,044	85,979
- GST Input	40,235	9,890
Prepaid Expenses	-	547
Recoverable From Others	250	247
Project Work in Progress (DRDO)	-	10,018
Total	1,33,891	1,08,043



Note 10. Equity Share Capital

(Amount in Thousand)

(a) **Authorised Share Capital:**

Particulars	As at March 31, 2021	As at March 31, 2020
Equity Shares		
5,00,00,000 Equity shares of Rs.10/- each (Previous Period 5,00,00,000 Equity shares of Rs.10/- each)	5,00,000	5,00,000
Issued Subscribed & Paid up Capital:		
1,00,00,000 Equity shares of Rs.10/- each (Previous Period 1,00,00,000 Equity shares of Rs.10/- each)	1,00,000	1,00,000
Total	1,00,000	1,00,000

(b) **Shares held by Holding company, its Subsidiary and Associates:**

Particulars		As at March 31, 2021	As at March 31, 2020
		% Held	% Held
Holding Company	Numbers	1,00,00,000	1,00,00,000
Raitel Corporation of India Limited	% Held	100%	100%

(c) **Details of Shareholders holding more than 5% Shares:-**

Particulars		As at March 31, 2021	As at March 31, 2020
		% Held	% Held
Holding Company	Numbers	1,00,00,000	1,00,00,000
Raitel Corporation of India Limited	% Held	100%	100%

(d) **The Reconciliation of number of shares outstanding is set out below:-**

Particulars	As at March 31, 2021	As at March 31, 2020
Equity Shares Opening	1,00,00,000	1,00,00,000
Add: Shares issued during the year	-	-
Less: Buy back during the year	-	-
Equity Shares at the End	1,00,00,000	1,00,00,000

(e) **Terms and Conditions**

Right, Preference and restriction attached to shares

The Company has only one class of equity shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. During the year ended Mar 31, 2021, company has not declared any dividend.



RailTel Enterprises Limited
Statement of Changes in Equity for the Year ended March 31, 2021

Note 11. Other Equity

A. EQUITY SHARE CAPITAL

(Amount in Thousand)	
As on April 1, 2019	1,00,000
Change in Equity Share Capital during the Year	-
As on March 31, 2020	1,00,000
As on April 1, 2020	1,00,000
Change in Equity Share Capital during the Year	-
As on March 31, 2021	1,00,000

B. OTHER EQUITY

Particulars	(Amount in Thousand)			Total Equity
	Retained Earnings	General Reserve	Other Reserves	
Balance as at April 1, 2019	53,374			53,374
Add: Total Comprehensive Income for the year	26,985			26,985
Less: Transfer to General Reserve	-			-
Balance as at March 31, 2020	80,359			80,359
Balance as at April 1, 2020	80,359			80,359
Add: Total Comprehensive Income for the year	20,505	-	-	20,505
Less: Transfer to General Reserve	-	-	-	-
Balance as at March 31, 2021	1,00,864	-	-	1,00,864

Significant Accounting Policies

Note No 1

The accompanying notes referred to above form an integral part of financial statement (from Note No 1 to 28)

As per our report of even date attached

For Ahuja Arun & Co.
Chartered Accountants
FRN 012985N

CA. Arun Ahuja
(Partner)
Membership No. 089709

Date: 16/06/2021

Place: New Delhi

UDIN: 21089709AAAALR7853



For and on behalf of the Board of
Directors of RailTel Enterprises Limited

H.C Batra
Director & CFO
DIN: 08137865

Suresh Kumar
Director & CEO
DIN: 09131274

Nikita Sharma
Company Secretary
M No. A31561



NON CURRENT LIABILITIES**Note 12. Non Current Financial liabilities***(Amount in Thousand)*

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposit	27,171	-
Retention Money	60,651	-
Total	87,822	-

Note 13. Long Term Provisions*(Amount in Thousand)*

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Leave Encashment & Gratuity (LT)	646	-
Total	646	-

Note 14. Deferred Tax Liabilities (net)*(Amount in Thousand)*

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Liability	22	43
Depreciation claimed as deduction under Income Tax Act but chargeable in the statement of profit and loss in future years		
Total	22	43

CURRENT LIABILITIES**Note 15. Trade Payables***(Amount in Thousand)*

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Payables		
Micro and Small Enterprises	32,054	71,139
Other than Micro and Small Enterprises	2,18,447	2,12,213
Total	2,50,501	2,83,352



Note 16. Other Current Financial liabilities*(Amount in Thousand)*

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposit	5,680	2,469
Retention Money	14,963	19,636
Expense payable	11,275	68,235
EMD Payable	2,411	1,16,259
Other Payable #	-	6,624
Total	34,329	2,13,223

Due to Holding Company Railtel Corporation India Limited for Admin and Other Expenses.

Note 17. Short Term Provisions*(Amount in Thousand)*

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Leave Encashment & Gratuity (ST)	24	-
Total	24	-

Note 18. Other Current Liabilities*(Amount in Thousand)*

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Revenue/Advance from Customer	1,193	4,530
Advance-VSS Project	-	1,73,653
Advance-ETCS Project	5,03,400	3,85,400
Advance-Others	39,882	2,72,167
Project Control Account (ETCS): See Note 28.5	31,666	9,346
Project Control Account (VSS): See Note 28.4	-	47,945
OTHER PAYABLES		
Payable to Others	28,438	23,977
Total	6,04,579	9,17,018



Note 19. Revenue from operations

(Amount in Thousand)

Particulars	For the Year Ended on March 31, 2021	For the Year Ended on March 31, 2020
Income from Projects	6,06,893	5,34,366
Total	6,06,893	5,34,366

Note 20. Other Income

(Amount in Thousand)

Particulars	For the Year Ended on March 31, 2021	For the Year Ended on March 31, 2020
Interest Income		
Interest Income on deposits with Bank #	50,227	62,636
Interest Income on IT Refund	598	-
Other Non Operating Income		
Excess provision written back	-	-
Miscellaneous Income	238	708
Total	51,063	63,344

Includes "Interest Income on VSS Project Funds is NIL for FY 2020-21 and INR 294.98 Lacs for FY 2019-20.

Includes "Interest Income on ETCS Project Funds is INR 223.19 Lacs for FY 2020-21 and INR 93.46 Lacs for FY 2019-20.

Note 21. Finance Income

Particulars	For the Year Ended on March 31, 2021	For the Year Ended on March 31, 2020
Discounting Impact of Liability	4,924	-
Total	4,924	-

Note 22. Expenses on Project

(Amount in Thousand)

Particulars	For the Year Ended on March 31, 2021	For the Year Ended on March 31, 2020
Project Expense	5,50,948	4,77,313
Total	5,50,948	4,77,313

Note 23. Employee Benefit Expenses

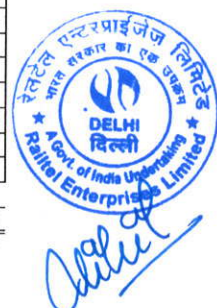
(Amount in Thousand)

Particulars	For the Year Ended on March 31, 2021	For the Year Ended on March 31, 2020
Salary and Wages	47,552	38,925
Contribution to Provident Fund	2,471	1,418
Total	50,023	40,343

Note 24. Administrative & Other Expenses

(Amount in Thousand)

Particulars	For the Year Ended on March 31, 2021	For the Year Ended on March 31, 2020
Auditor's Remuneration		
(a) Auditor	53	53
(b) For Taxation Matters	25	25
Bank Charges	7	108
Rates and Taxes	207	2
Professional & Consultancy	3,181	5,753
Printing & Stationary Expenses	188	275
Business Development Expenses	45	78
Travelling & Conveyance Expense	3,262	4,736
Misc Expenses	316	284
Advertisement Tender	18	-
Computer Software Expense	134	-
Repair and Maintenance on PPE	55	301
Manpower Support	5,611	506
Training Fees	3	57
Net Loss from Sale of Assets	19	-
Total	13,124	12,178



Note 25. Finance charges*(Amount in Thousand)*

Particulars	For the Year Ended on March 31, 2021	For the Year Ended on March 31, 2020
Finance Charges	22,319	31,420
Total	22,319	31,420

Note: FY 2020-21: Interest Income of INR 223.19 Lacs from ETCS Project FDRs is transferred to ETCS project funds.

Note: FY 2019-20: Interest income (Net of Corporate Tax) of INR 220.74 Lacs from VSS project FDRs is transferred to VSS project funds and Interest Income of INR 93.46 Lacs from ETCS Project FDRs is transferred to ETCS project funds

Note 26. Depreciation and Amortisation*(Amount in Thousand)*

Particulars	For the Year Ended on March 31, 2021	For the Year Ended on March 31, 2020
Depreciation on Tangible Assets	654	399
	654	399

Note 27. Tax Expenses*(Amount in Thousand)*

Particulars	For the Year Ended on March 31, 2021	For the Year Ended on March 31, 2020
Current Tax (Income Tax)	5,279	9,061
Tax impact of earlier Years	49	0
Deferred Tax Asset	(21)	11
Total	5,307	9,072



Note-28**OTHER EXPLANATORY NOTES AND DISCLOSURES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2021**

1. These Financial Statements are presented in Indian Rupees (INR) which is the Company's functional currency.
2. Figures have been rounded off to nearest Rupees in thousand. Previous year figures have, wherever necessary, been rearranged/regrouped to conform the presentation of the Current year.
3. 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.
4. As per decision taken by Ministry of Railways VSS project shall be executed by holding company i.e RCIL, accordingly advance received from Railways has been remitted to RCIL along with interest credited to Project Account as per relevant MOU with Ministry. Formal MOU has been signed with Ministry by Holding Company on 25/06/2020.
5. The Interest income includes interest received on "Bank Term Deposits" on account of "European Train Control System (ETCS) Project" is Rs. 223.19 lakh. The interest expense recognized on project advances received on ETCS project is Rs. 223.19 lakh and the same is credited to Project Control Account.
6. **Micro and small enterprises**

(Amount in Thousands)

SN	Particulars	Mar'21	Mar'20
1	Amount remaining unpaid to any supplier: a) Principal Amount b) Interest due thereon	31,995 NIL	71,139 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



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

7. 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 i.e., commercial tax department, which are considered as financial asset.

FINANCIAL LIABILITIES

Security deposits, Retention Money & Earnest Money Deposit

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

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

Particulars	Provided during the year ended 31-Mar-21	As at 31-Mar-21	Provided during the year ended 31-Mar-20	As at 31-Mar-20
Deferred Tax Liability				
Related to Depreciation on Fixed Assets	(21)	22	11	43
Total Deferred Tax Liabilities	(21)	22	11	43
Deferred Tax Assets				
Provision on debtors	-	-	-	-
43B Disallowances etc.	-	-	-	-
Others	-	-	-	-
Total Deferred Tax Assets	-	-	-	-
Deferred Tax Liability / (Asset) (Net)	(21)	22	11	43

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:

(Amount in Thousands)

Particulars	31-Mar-2021		31-Mar-2020	
Profit Before Taxes	25,812		36,057	
Applicable Tax Rate	25.17%	6,496	25.17%	9,075
1. Tax effect of income that are not taxable in determining taxable profit	-4.80%	(1,239)	0%	0.00
2. Tax effect of expenses that are not deductible in determining taxable profit	0.08%	22	-0.04%	(14)
3. Tax effect on recognition of previously unrecognized allowance/disallowances	0%	0.00	0%	0.00
4. Tax effect of additional deductions	0%	0.00	0%	0.00
5. Tax expenses/income related to prior year	0%	0.00	0%	0.00
6. difference in tax due to income chargeable to tax at special rate	0%	0.00	0%	0.00
Average Effective Tax Rate	20.45%	5,279	25.13%	9,061



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

- a) The Company has continued with the carrying value of Property, Plant & Equipment & Intangible asset at the date of transition to Ind-AS measured as per Indian GAAP.
- b) The depreciation has been charged at the straight-line method
- c) The useful life of all the PPE have been defined in the accounting policies
- d) The gross carrying amount and the accumulated depreciation at the beginning and at the end of year is as per Note 2 to accounts.
- e) No asset has been classified as held for sale in accordance with IND AS 105
- f) No asset has been acquired through business combinations.
- g) There has been no increase or decrease resulting from revaluations and impairment losses.
- h) No impairment loss has been recognized in profit & loss in accordance with IND AS 36
- i) No impairment loss has been reversed in profit & loss in accordance with IND AS 36.
- j) Depreciation on all the PPE has been disclosed separately
- k) There is no restriction on title of PPE and nothing has been pledged as security and liability.
- l) Entire depreciation has been recognized in the statement of Profit & Loss account, nothing has been charged to cost of other assets. Accumulated depreciation at the end of the period has been shown separately.
- m) There are no contractual commitments for the acquisition of PPE.
- n) There is no temporarily idle PPE
- o) During the reporting Period Assets having Net Book Value of Rs. 50.924 Thousand (Gross Book Value 84.059 Thousand) has been retired with sale proceeds of Rs. 32.10 Thousand and loss of Rs 18.824 Thousand has been booked.

10. **Disclosure Requirement as per IND AS 19 – Employee Benefits**

Pension:

REL 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



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

Table I: Assumptions

(Amount in Thousands)

Assumptions	Gratuity	Leave Encashment
	31-Mar-21	31-Mar-21
Discount Rate	6.27% p.a.	6.27% p.a.
Rate of increase in Compensation levels	6.00% p.a.	6.00% p.a.
Rate of Return on Plan Assets	Not Applicable	Not Applicable
Average future service (in Years)	10.00 Years	-

Table II: Service Cost

(Amount in Thousands)

All Figures in INR	Gratuity	Leave Encashment
	31-Mar-21	31-Mar-21
Current Service Cost	129	165
Past Service Cost (including curtailment Gains/Losses)	130	246
Gains or losses on Non-Routine settlements	0	0
Total	259	411

Table III: Net Interest Cost

(Amount in Thousands)

All Figures in INR	Gratuity	Leave Encashment
	31-Mar-21	31-Mar-21
Interest Cost on Defined Benefit Obligation	0	0
Interest Income on Plan Assets	0	0
Net Interest Cost (Income)	0	0

Table IV: Change in Present Value of Obligations

(Amount in Thousands)

All Figures in INR	Gratuity	Leave Encashment
	31-Mar-21	31-Mar-21
Opening of defined benefit Obligations	0	0
Service cost	259	411
Interest Cost	0	0
Benefit Paid	0	0
Actuarial (Gain)/Loss on total liabilities:	NA	NA
- due to change in financial assumptions	NA	NA
- due to change in demographic assumptions	NA	NA
- due to experience changes	NA	NA
Closing of defined benefit obligation	259	411

Table V: Change in Fair Value of Plan Assets

(Amount in Thousands)

All Figures in INR	Gratuity	Leave Encashment
	31-Mar-21	31-Mar-21
Opening fair value of plan assets	0	0
Actual Return on Plan Assets	0	0
Employer Contribution	0	0
Benefit Paid	0	0
Closing fair value of plan assets	0	0



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

All Figures in INR	Gratuity	Leave Encashment
	31-Mar-21	31-Mar-21
Expected Interest Income	0	0
Actual Income on Plan Asset	0	0
Actuarial gain / (loss) on Assets	0	0

Table VII: Other Comprehensive Income*(Amount in Thousands)*

All Figures in INR	Gratuity	Leave Encashment
	31-Mar-21	31-Mar-21
Opening amount recognized in OCI outside profit and loss account	0	NA
Actuarial gain / (loss) on liabilities	0	NA
Actuarial gain / (loss) on assets	0	NA
Closing of amount recognized in OCI outside profit and loss account	0	NA

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

Table VIII: The amount to be recognized in Balance Sheet Statement*(Amount in Thousands)*

All Figures in INR	Gratuity	Leave Encashment
	31-Mar-21	31-Mar-21
Present Value of Obligations	259	411
Fair value of plan assets	0	0
Net Obligations	259	411
Amount not recognized due to asset limit	0	0
Net defined benefit liability / (assets) recognized in balance sheet	259	411

Table IX: Expense Recognized in Statement of Profit and Loss*(Amount in Thousands)*

All Figures in INR	Gratuity	Leave Encashment
	31-Mar-21	31-Mar-21
Service cost	259	411
Net Interest Cost	0	0
Net actuarial (gain)/ loss	0	0
Expenses Recognized in the statement of Profit & Loss	259	411

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



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

(Amount in Thousands)

Item	Gratuity	Leave Encashment
	31-Mar-21	31-Mar-21
Government of India Securities	0%	0%
State Government Securities	0%	0%
High Quality Corporate Bonds	0%	0%
Equity Shares of Listed Companies	0%	0%
Property	0%	0%
Special Deposit Scheme	0%	0%
Fund Managed by Insurer	100%	100%
Bank Balance	0%	0%
Other Investments	0%	0%
Total	100%	100%

Table XI: Change in Net Defined Obligations

(Amount in Thousands)

All Figures in INR	Gratuity	Leave Encashment
	31-Mar-21	31-Mar-21
Opening of Net defined benefit liability	0	0
Service cost	259	411
Net Interest Cost	0	0
Re-measurements	0	0
Contribution paid to fund	0	0
Closing of Net defined benefit liability	259	411

Table XII: Reconciliation of Expense in Profit and Loss Statement

(Amount in Thousands)

All Figures in INR	Gratuity	Leave Encashment
	31-Mar-21	31-Mar-21
Present Value of Obligation as at the end of the nine month period	259	411
Present Value of Obligation as at the beginning of the period	0	0
Benefit Paid	0	0
Actual Return on Assets	0	0
OCI	0	N/A
Expenses Recognised in the Statement of Profit and Loss	259	411

Note: The expense amount mentioned in Table IX reconciled with Zero difference.

Table XIII: Reconciliation of Liability in Balance Sheet

(Amount in Thousands)

All Figures in INR	Gratuity	Leave Encashment
	31-Mar-21	31-Mar-21
Opening net defined benefit liability / (asset)	0	0
Expense as above	259	411
Amount recognized outside profit & loss account	0	0
Employer Contributions	0	0
OCI	0	
Closing net defined benefit liability / (asset)	259	411

Note: The closing net liability amount mentioned in Table XI reconciled with Zero difference.



Table XIV: Sensitivity Analysis

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

(Amount in Thousands)

Item	Gratuity			Leave Encashment		
	31-Mar-21	Impact (Absolute)	Impact %	31-Mar-21	Impact (Absolute)	Impact %
Base Liability	259			411		
Increase Discount Rate by 0.50%	248	(10,852)	-4.19%	398	(13,659)	-3.32%
Decrease Discount Rate by 0.50%	270	11,406	4.41%	426	14,288	3.47%
Increase Salary Inflation by 1.00%	282	23,231	8.98%	439	27,826	6.77%
Decrease Salary Inflation by 1.00%	237	(21,423)	-8.28%	385	(26,008)	-6.32%
Increase Withdrawal Rate by 1.00%	251	(7,627)	-2.95%	399	(12,288)	-2.99%
Decrease Withdrawal Rate by 1.00%	266	7,770	3.00%	425	13,328	3.24%

Note:

- The base liability is calculated at discount rate of 6.27% per annum and salary inflation rate of 6.00% per annum for all future years.
- Liabilities are very sensitive to salary escalation rate, discount rate & withdrawal rate.
- Liabilities are very less sensitive due to change in mortality assumptions. Hence, sensitivities due to change in mortality are ignored.

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

All Figures in INR	Gratuity	Leave Encashment
	31-Mar-21	31-Mar-21
Year 1	1	23
Year 2	1	22
Year 3	1	20
Year 4	7	20
Year 5	8	19
After 5th Year	241	307
Total	259	411

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

Particulars	Provision for Gratuity & Leave Encashment
Carrying Amount at the beginning of the year as on Apr 1, 2020	0
Additional provision made during the year	670
Amount utilized/adjusted during the year	0
Unused amount reversed during the year	0
Carrying amount at the end of year as on Mar 31, 2021	670



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11. Related party disclosures

Names of related parties and their relationship:

- (i) Enterprises under common control: NA
- (ii) Related parties under IND AS-24 with whom transactions have taken place during the period

Nature of Relationship		Party Name		
Holding Company		RailTel Corporation of India Limited		
Individual owning an interest in the voting power of reporting enterprise that gives them significant influence over the Company		NA		
Key Managerial Personnel				
S. No.	Name	Designation	Date of appointment	Date of Cessation (If any)
1.	Sh. Puneet Chawla	Chairman Director	20.12.2018 20.06.2019	
2.	Sh. Harish Chandra Batra	Director Director & CFO	19.05.2018 26.06.2018	
3.	Sh. A.K. Sablania	Director Director & CEO	25.06.2018 26.06.2018	31.03.2021 31.03.2021
4.	Ms. Nikita Sharma	Company Secretary	23.12.2019	
Relatives of Key Managerial Personnel and relatives of Individual owning an interest in the voting power of reporting enterprise that gives them significant influence over the Company		NA		
Enterprises over which relatives of Key Managerial Personnel are able to exercise significant influence		NA		

Related Party Transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial period:

A) With Holding Company:

(Amount in Thousands)

Nature of Transactions	Mar'21	Mar'20
On account of Project related expenses	2,01,527.75	42,787.03
On account of Project Control Account (DRDO Amoni-Tejpur)	NIL	4,697.92
On account of Admin and other expenses	5611.42	506.43*
On account of Admin and other expenses (Prepaid)	NIL	NIL
Payable to Railtel Corporation of India Ltd.	1,31,269.99	66,551.94
Other Current Financial Liability (Expense Payable)	10,080.35	NIL
Purchase of fixed assets	NIL	NIL

Nature of Transactions	Mar'21	Mar'20
On account of Revenue from operation	NIL	12,642.85
Receivable from Railtel Corporation of India Ltd.	NIL	4,534.99
Other Receivable (IuT)	NIL	3,524.76



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B) With Key Managerial Personnel

Disclosures of transactions of the Company with Key Managerial Personnel:

(Amount in Thousands)

Particulars	Name	Sh. Yudhveer	Smt. Nikita Sharma
	Designation	Company Secretary	Company Secretary
Salaries and Allowances	2020-21	-	1140.68
	2019-20	894.32	264.67
Retirement Benefit Paid	2020-21	-	166.43
	2019-20	160.48	40.33

C) With Other Companies of Railways*(Amount in Thousands)*

Particulars	Year	Revenue	Expenditure	Receivable	Payable	Customer Advance
Indian Railway Catering and Tourism Corporation Limited	20-21	43,903	-	14,158	-	-
	19-20	51,764	-	2,608	-	-
National High Speed Rail Corporation Limited	20-21	1,340	-	420	-	-
	19-20	1,466	-	-	-	-
Research Design and Standards Organisation	20-21	3,728	-	1,739	-	-
	19-20	3,618	-	997	-	-
Chittaranjan Locomotive Works	20-21	1,802	-	542	-	-
	19-20	1,786	-	533	-	-
Indian Railways	20-21	2,42,496	-	1,03,988	-	5,39,875
	19-20	2,61,843	-	2,96,028	-	6,45,954
Dedicated Freight Corridor Corporation of India	20-21	-	-	300	-	-
	19-20	2,334	-	2,770	-	-
Container Corporation of India Ltd.	20-21	17,409	-	12,879	-	-
	19-20	39,604	-	17,413	-	-
Modern Coach Factory (MCF)	20-21	160	-	566	-	-
	19-20	1,298	-	1,469	-	-

Information about major customers:*(Amount in Thousand)*

Name of Customer	Financial Year	Project Name	Percentage of Total Revenue	Amount of Revenue
System Planning & Implementation Centre (SPIC- DRDO)	2020-21	DRDO OFC Laying Project	31.31%	1,90,041
CSTE/Project/West, Northern Railway	2020-21	Northern Railway Signalling Project	39.96%	2,42,496
CSTE/Project/West, Northern Railway	2019-20	Northern Railway Signalling Project	48.96%	2,61,843



- D) No provisions for doubtful debts related to the amount of outstanding balances have been created for any related party;
- E) No expense is recognized during the period in respect of bad or doubtful debts due from related parties.
- F) No guarantees have been given on behalf of any related party.

12. Earnings per share calculated in accordance with the provisions of IND AS – 33

(Amount in Thousands)

Numerator	Year Ended Mar'21	Year Ended Mar'20
Profit after tax as per Profit and Loss Account (Used as Numerator)	20,505	26,985
Denominator		
-Number of Equity Shares (Face value of INR10/- each)	10000000	10000000
-Number of Shares allotted during the year	NIL	NIL
-Weighted Average number of equity shares for calculating Basic Earnings Per Share	10000000	10000000
-Weighted Average number of equity shares for calculating Diluted Earnings Per Share	10000000	10000000
-Basic Earnings Per Share (Face value of INR 10/- each)	2.05	2.70
-Diluted Earnings Per Share (Face value of INR 10/- each)	2.05	2.70

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

Contingent liabilities:

-Disclosures as required by IND AS 37

INR 15,873.38 Thousand represents the Bank Guarantees submitted by the Company as on 31.03.2021, (Previous Period 2019-20: INR 17,983.78 Thousand represents the Bank Guarantees submitted by the Company as on 31.03.2020)

Contingent asset:

There are no contingent assets.

14. Financial Instruments by Category

-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.



The carrying value and fair value of financial instruments by each category as at March 31, 2021 were as follows: -

(Amount in Thousands)

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
Assets						
Trade Receivables (Refer Note No. 3)	2,38,476	3,59,822	NIL	NIL	NIL	NIL
Cash & Cash Equivalents (Refer Note No. 4)	60,141	2,08,661	NIL	NIL	NIL	NIL
Other Financial Assets (Refer Note No. 7)	79,324	1,04,686	NIL	NIL	NIL	NIL
Liabilities						
Trade Payables (Refer Note No. 15)	2,50,501	2,83,352	NIL	NIL	NIL	NIL
Other Financial Liabilities (Refer Note No. 12 & 16)	1,22,150	2,13,223	NIL	NIL	NIL	NIL

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

(Amount in Thousands)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial Assets at amortised cost		
Interest Income on other financial liabilities	4,924	NIL
Interest Expenses on other financial liabilities	NIL	NIL
Financial assets at Fair Value through Profit or Loss (FVTPL)	NIL	NIL
Financial assets at Fair Value through Other Comprehensive Income (FVTOCI)	NIL	NIL

15. Financial Risk Management

The Company has exposure to the following risk from its use of financial instruments: -

1. Credit Risk
2. Liquidity Risk
3. Market Risk

The board of director has overall responsibility for the establishment & oversight of the Company's risk management framework.

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
- 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.

(Amount in Thousands)

Ageing	As at March 31, 2021			
	Gross Amount	Expected credit Loss	Gross Amount	Expected credit Loss
	Government and PSU		Others	
Within 1 year	2,04,253	0	0	0
1 -2 years	34,223	0	0	0
2 -3 years	0	0	0	0
More than 3 years	0	0	0	0
Total	2,38,476	0	0	0

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 31, 2021 and March 31, 2020 is as follows: -

(Amount in Thousands)

	As at March 31, 2021		As at March 31, 2020	
	Gross Carrying Value	Net Value after Impairment	Gross Carrying Value	Net Value after Impairment
Trade Receivables (Refer Note No. 3)	2,38,476	2,38,476	3,59,822	3,59,822
Other Financial Assets (Refer Note No. 7)	79,324	79,324	1,04,686	1,04,686

Employee Loans, and other assets are either not past due or past due but not impaired.

2. Liquidity Risk

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

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.

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.

16. 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.



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

(Amount in Thousands)

Particulars	For the Year Ended Mar 31, 2021	For the Year Ended Mar 31, 2020
Geographical Region		
PAN India	6,06,893	5,34,366
Abroad	-	-
Total	6,06,893	5,34,366

(Amount in Thousands)

Particulars	For the Year Ended Mar 31, 2021	For the Year Ended Mar 31, 2020
Major Product Line		
Railway Project Work	2,42,496	2,61,843
Other Projects	3,64,397	2,72,523
Total	6,06,893	5,34,366

(Amount in Thousands)

Particulars	For the Year Ended Mar 31, 2021	For the Year Ended Mar 31, 2020
Type of Customer		
Government Customers	6,06,893	5,34,366
Non - Government Customers	-	-
Total	6,06,893	5,34,366

(Amount in Thousands)

Particulars	For the Year Ended Mar 31, 2021	For the Year Ended Mar 31, 2020
Type of Contract		
Cost Plus Contracts	4,32,537	3,17,257
Fixed Price Contracts	1,74,356	2,17,109
Total	6,06,893	5,34,366

(Amount in Thousands)

Particulars	For the Year Ended Mar 31, 2021	For the Year Ended Mar 31, 2020
Sales Channel		
Direct to Customer	6,06,893	5,34,366
Through Intermediaries	-	-
Total	6,06,893	5,34,366

(Amount in Thousands)

Particulars	For the Year Ended Mar 31, 2021	For the Year Ended Mar 31, 2020
Duration of Contract		
Short Term Contracts	6,06,893	5,34,366
Long Term Contracts	-	-
Total	6,06,893	5,34,366

Contract Balances

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



Contract Assets

(Amount in Thousands)

Particulars	For the Year Ended Mar 31, 2021	For the Year Ended Mar 31, 2020
Trade Receivable	2,38,476	3,59,822
Unbilled Revenue	48,835	61,258
Project Work in Progress	-	10,018
Total	2,87,311	4,31,098

Contract Liability

(Amount in Thousands)

Particulars	For the Year Ended Mar 31, 2021	For the Year Ended Mar 31, 2020
Contract Liability (Advance from customer/contracts)	5,76,141	8,93,042
Total	5,76,141	8,93,042

- The project execution under ETCS project (1800 Crores) has not started due to revised Railway Board Guidelines in regard to Technology.

Revenue Recognised during the period from the contract liability balance at the beginning

(Amount in Thousands)

Particulars	For the Year Ended Mar 31, 2021	For the Year Ended Mar 31, 2020
Revenue Recognised during the period out of contract liability at the beginning of the period	61,985	-
Total	61,985	-

Revenue Recognised from performance obligations satisfied partially in Previous Period

(Amount in Thousands)

Particulars	For the Year Ended Mar 31, 2021	For the Year Ended Mar 31, 2020
Revenue recognised due to Change in Transaction Price	-	-
Total	-	-

17. COVID -19 Impact & Assessment

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

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

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



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18. 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.

19. 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 Ahuja Arun & Co.
Chartered Accountants
FRN 012985N



CA. Arun Ahuja
(Partner)
Membership No. 089709

Date: 16/06/2021

Place: New Delhi

UDIN: 21089709AAAALR7853

For and on behalf of the Board of Directors of
RailTel Enterprises Limited


H.C. Batra
Director & CFO
DIN: 08137865


Suresh Kumar
Director & CEO
DIN: 09131274


Nikita Sharma
Company Secretary
M No. A31561

