RAILTEL CORPORATION OF INDIA LIMITED

Our Company was incorporated as "*RailTel Corporation of India Limited*" on September 26, 2000, as a public limited company under the Companies Act, 1956, and the certificate of incorporation was issued by the Assistant Registrar of Companies, N.C.T. of Delhi and Haryana. Our Company received its certificate for commencement of business from the Deputy Registrar of Companies, N.C.T. of Delhi and Haryana on October 9, 2000. For details of changes in the registered office of our Company, see "*History and Certain Corporate Matters*" on page 142.

Registered and Corporate Office: Plate – A, 6th Floor, Office Block, Tower-2, East Kidwai Nagar, South Delhi, New Delhi 110023, India
Contact Person: Jasmeet Singh Marwah, Company Secretary and Compliance Officer; **Telephone:** +91 11 2290 0600; **E-mail:** cs@railtelindia.com;
Website: www.railtelindia.com; **Corporate Identity Number:** U64202DL2000GOI107905

OUR PROMOTER: THE PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF RAILWAYS, GOVERNMENT OF INDIA

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF RAILTEL CORPORATION OF INDIA LIMITED (OUR "COMPANY" OR THE "ISSUER") THROUGH AN OFFER FOR SALE BY THE PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF RAILWAYS, GOVERNMENT OF INDIA (THE "SELLING SHAREHOLDER"), FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE "OFFER PRICE"), AGGREGATING TO ₹ [●] MILLION (THE "OFFER").

SUBJECT TO RECEIPT OF NECESSARY APPROVALS FROM THE GOVERNMENT OF INDIA ("GOI"), UP TO [●] EQUITY SHARES MAY BE RESERVED FOR ELIGIBLE EMPLOYEES (DEFINED HEREINAFTER) (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS EMPLOYEE RESERVATION PORTION (IF ANY) IS REFERRED TO AS THE NET OFFER. THE OFFER WILL COMPRISE A NET OFFER OF UP TO 86,653,369 EQUITY SHARES AND THE EMPLOYEE RESERVATION PORTION OF UP TO [●] EQUITY SHARES. THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]% RESPECTIVELY OF THE POST OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND, THE RETAIL DISCOUNT, EMPLOYEE DISCOUNT, AS APPLICABLE AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDER IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMS"), AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER [●] AND ALL EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER [●] (HINDI BEING THE REGIONAL LANGUAGE OF NEW DELHI WHEREIN THE REGISTERED OFFICE OF OUR COMPANY IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.
**Retail Discount of up to ₹ [●] per Equity Share to the Offer Price may be offered to the Retail Individual Bidders and Employee Discount of up to ₹ [●] per Equity Share to the Offer Price may be offered to the Eligible Employees Bidding in the Employee Reservation Portion.*

In case of any revision in the Price Band or in the case of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid / Offer Period for at least three additional Working Days following such event, subject to the total Bid / Offer Period not exceeding ten Working Days. Any revision in the Price Band, and the revised Bid / Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Members, and by intimation to Self-Certified Syndicate Banks ("**SCSBs**"), the Sponsor Bank, and other Designated Intermediaries, as applicable.

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"), read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**").The Offer is being made through the Book Building Process in terms of Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") ("**QIB Portion**"), provided that our Company and the Selling Shareholder in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors, on a discretionary basis (the "**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which Equity Shares are allocated to Anchor Investors. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price (net of Retail Discount, if any). Subject to receipt of necessary approvals from GoI, up to [●] Equity Shares may be offered for allocation and Allotment on a proportionate basis to the Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received from them at or above the Offer Price(net of Employee Discount, if any). All Bidders (other than Anchor Investors) shall only participate in the Offer through the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective bank account (including UPI ID for RIBs using UPI Mechanism) (UPI ID, RIBs and UPI Mechanism are defined hereinafter) wherein the Bid Amounts will be blocked by the SCSBs or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see *"Offer Procedure"* on page 338.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public offer of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 each. The Offer Price/ Floor Price/ Cap Price should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in this Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 25.

ISSUER'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and this Offer, which is material in the context of this Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Selling Shareholder accepts responsibility for and confirms the statements made by it in this Draft Red Herring Prospectus to the extent of information specifically pertaining to itself and the Equity Shares being sold by it in the Offer for Sale and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

LISTING

The Equity Shares when offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received in-principle approvals from BSE and NSE for listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of this Offer, [●] shall be the Designated Stock Exchange. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the Registrar of Companies, N.C.T. of Delhi and Haryana ("**RoC**") in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents that will be available for inspection from the date of Red Herring Prospectus upto the Offer Closing Date, please see *"Material Contracts and Documents for Inspection"* on page 380.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER
ICICI Securities Limited ICICI Centre, H.T. Parekh Marg Churchgate, Mumbai 400 020 Maharashtra, India **Telephone:** +91 22 2288 2460 **E-mail:** railtel.ipo@icicisecurities.com **Website:** www.icicisecurities.com **Contact person:** Shekher Asnani/ Rupesh Khant	**IDBI Capital Markets & Securities Limited** 6th Floor, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005 Maharashtra, India **Telephone:** +91 22 2217 1700 **Email:** railtel.ipo@idbicapital.com **Website:** www.idbicapital.com **Contact Person:** Indrajit Bhagat/ Sumit Singh	**SBI Capital Markets Limited** 202, Maker Tower "E", Cuffe Parade, Mumbai 400 005 Maharashtra, India **Telephone:** +91 22 2217 8300 **E-mail:** railtel.ipo@sbicaps.com **Website:** www.sbicaps.com **Contact Person:** Sambit Rath / Karan Savardekar	**KFin Technologies Private Limited** ***(formerly known as Karvy Fintech Private Limited)*** Selenium Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi 500 032, Telangana, India **Telephone:** +91 40 6716 2222 **E-mail:** einward.ris@kfintech.com **Website:** www.kfintech.com **Contact Person:** M Murali Krishna

BID/ OFFER PROGRAMME

BID/ OFFER OPENS ON*:	**[●]**	**BID/ OFFER CLOSES**:**	**[●]**

**Our Company and the Selling Shareholder in consultation with the BRLMs may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*
***The Selling Shareholder and our Company may, in consultation with the BRLMs, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date i.e. [●], in accordance with the SEBI ICDR Regulations.*

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made, from time to time, under such provision.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made there under.

The terms not defined herein but used in the sections, "Basis for Offer Price", "Statement of Special Tax Benefits", "Key Regulations and Policies", "Industry Overview", "Restated Financial Statements", "Outstanding Litigation and Other Material Developments", "Other Regulatory and Statutory Disclosures", "Offer Procedure" and "Description of Equity Shares and Terms of Articles of Association", beginning on pages 87, 90, 138, 93, 174, 307, 315, 338, and 358 respectively shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections.

General Terms

Term	Description
"the Company", "our Company", "the Issuer" or "RailTel"	RailTel Corporation of India Limited, a public limited company incorporated under the Companies Act, 1956, having its registered and corporate office at Plate – A, 6th Floor, Office Block, Tower-2, East Kidwai Nagar, South Delhi, New Delhi 110023, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, our Company together with its Subsidiary, on a consolidated basis

Company Related Terms

Term	Description
Articles of Association/AoA	The articles of association of our Company, as amended.
Audit Committee	The audit committee of the Board of Directors constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013. For details, see *"Our Management"* on page 148.
Auditors or Statutory Auditors	The current statutory auditor of our Company, namely, Suresh Chandra and Associates, Chartered Accountants.
Board/Board of Directors	The board of directors of our Company or a duly constituted committee thereof.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, namely, Jasmeet Singh Marwah.
Corporate Social Responsibility Committee / CSR Committee	The corporate social responsibility committee constituted by our Board, as described in "*Our Management*" on page 148.
Director(s)	The director(s) of our Company.
Equity Shares	The equity shares of our Company of face value of ₹10 each.
Independent Director(s)	The non-executive, independent director(s) on our Board. For details of our Independent Directors, see "*Our Management"* on page 148.
IPO Committee	The committee constituted by our Board for the Offer.
Key Managerial Personnel	Key managerial personnel of our Company in accordance with Section 2(51) of the Companies Act and Regulation 2(1)(bb) of the SEBI ICDR Regulations and as disclosed in *"Our Management"* on page 148.

Term	Description
Materiality Policy	Policy adopted by our Company, in its Board meeting held on September 26, 2020, for identification of group companies, material creditors and material litigations.
Memorandum of Association/ MoA	The memorandum of association of our Company, as amended.
MoR / Ministry of Railways	Ministry of Railways, Government of India.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, constituted in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, and as described in *"Our Management"* on page 148.
Promoter/ Selling Shareholder	The Promoter of our Company being the President of India, acting through the MoR.
Registered Office / Registered and Corporate Office	Registered office of our Company located at Plate – A, 6th Floor, Office Block, Tower-2, East Kidwai Nagar, South Delhi, New Delhi 110023, India
Registrar of Companies or RoC	The Registrar of Companies, N.C.T. of Delhi and Haryana located at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi 110 019, Delhi, India.
Restated Financial Statements	The restated consolidated financial statements of our Company which comprise the restated consolidated statements of assets and liabilities as at March 31, 2020, March 31, 2019, and March 31, 2018, the restated consolidated statements of profit and loss (including other comprehensive income), restated consolidated statement of cash flows and restated consolidated statement of changes in equity for the financial year ended March 31, 2020, March 31, 2019 and March 31, 2018, together with the summary statement of significant accounting policies, read with annexures and notes thereto and the examination reports thereon, derived from the audited consolidated financial statements as at and for the year ended March 31, 2020, March 31, 2019, and March 31, 2018, prepared in accordance with the Ind AS, read with the Companies (Indian Accounting Standards) Rules, 2015, and restated in accordance with the SEBI ICDR Regulations and the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI.
Shareholders	Shareholders of our Company, from time to time.
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board constituted in accordance with Regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, and as described in *"Our Management"* on page 148.
Subsidiary	Subsidiary of our Company namely, RailTel Enterprises Limited.

Offer Related Terms

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the ASBA Form.
Allot/ Allotment/ Allotted	Unless the context otherwise requires, transfer of Offered Shares to successful Bidders pursuant to the Offer by the Selling Shareholder.
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Offered Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee	A successful Bidder to whom the Allotment is made.
Anchor Investor	A QIB, who applies under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and the Selling Shareholder, in consultation with the BRLMs.

Term	Description
Anchor Investor Bidding Date	The day, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which BRLMs will not accept any Bids from Anchor Investors and allocation to the Anchor Investors shall be completed.
Anchor Investor Offer Price	The final price at which Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be a price equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholder in consultation with the BRLMs.
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by our Company and the Selling Shareholder in consultation with the BRLMs, to Anchor Investors, on a discretionary basis in accordance with the SEBI ICDR Regulations. One third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors, which price shall be determined by the Company and the Selling Shareholder in consultation with the BRLMs
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by Bidders (other than Anchor Investors), to make a Bid and authorize an SCSB to block the Bid Amount in ASBA Account and will include amounts blocked by SCSB upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism.
ASBA Account	A bank account maintained with an SCSB and specified in the Bid cum Application Form which will be blocked by such SCSB to the extent of the appropriate Bid Amount in relation to a Bid by a Bidder (other than a Bid by an Anchor Investor) and includes a bank account maintained by a Retail Individual Investor linked to a UPI ID, which will be blocked in relation to a Bid by a Retail Individual Investor Bidding through the UPI Mechanism.
ASBA Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the ASBA Form (except Anchor Investors)
Bid cum Application Form / ASBA Form	Application form (with or without the use of UPI, as may be applicable), whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Banker(s) to the Offer	Collectively, Refund Bank(s), Public Offer Account Bank, Sponsor Bank and Escrow Account Bank(s)
Basis of Allotment	The basis on which Offered Shares will be Allotted to successful Bidders under the Offer, as described in *"Offer Procedure"* on page 338.
Bid(s) / Bidding	An indication by a Bidder to make an offer during the Bid / Offer Period pursuant to submission of the ASBA Form by an ASBA Bidder or on the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of a Bid cum Application Form, to subscribe to or purchase the Offered Shares at a price within the Price Band, including all revisions and modifications thereto, as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the ASBA Form. The term "Bidding" shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the ASBA Form and payable by the Bidder or as blocked in the ASBA Account of the Bidder, upon submission of the Bid in this Offer, which shall be net of the Retail Discount and / or Employee Discount, as applicable.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Bid / Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of the English national daily newspaper [●] and all editions of the Hindi national daily newspaper [●] (Hindi being the regional language of

Term	Description
	New Delhi wherein our Company's Registered Office is located), each with wide circulation and in case of any revision, the extended Bid/ Offer Closing Date shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Members, as required under the SEBI ICDR Regulations and communicated to the Designated Intermediaries and the Sponsor Bank. The Selling Shareholder and our Company and may, in consultation with the BRLMs, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date.
Bid / Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be notified in all editions of the English national daily newspaper [●] and all editions of the Hindi national daily newspaper [●] (Hindi being the regional language of New Delhi wherein our Company's Registered Office is located), each with wide circulation.
Bid / Offer Period	Except in relation to any Bids received from the Anchor Investors, the period between the Bid / Offer Opening Date and the Bid / Offer Closing Date, inclusive of both days, during which prospective Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations.
Bidder / Applicant	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the ASBA Form and unless otherwise stated or implied , includes an Anchor Investor.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process	The book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made.
BRLMs / Book Running Lead Managers	The book running lead managers to the Offer, being ICICI Securities Limited, SBI Capital Markets Limited and IDBI Capital Markets & Securities Limited.
Broker Centres	The broker centres notified by the Stock Exchanges where Bidders (other than Anchor Investors) can submit the ASBA Forms to a Registered Broker, provided that Retail Individual Investors may only submit ASBA Forms at such broker centres if they are Bidding using the UPI Mechanism. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com, respectively) as updated from time to time.
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on or after the Anchor Investor Bidding Date.
Cap Price	The higher end of the Price Band, subject to any revision thereto, above which the Offer Price and Anchor Investor Offer Price will not be finalized and above which no Bids will be accepted, including any revisions thereof.
CDP / Collecting Depository Participant	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI.
Client ID	The client identification number maintained with one of the Depositories in relation to a demat account.
Cut-off Price	The Offer Price finalized by our Company and the Selling Shareholder, in consultation with the BRLMs, which shall be any price within the Price Band.

Term	Description
	Only Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion (if any) are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-Off Price.
CRISIL	CRISIL Limited
CRISIL Report	Report titled ‘*Assessment of the telecom and telecom data services industry in India*’ issued by CRISIL dated September, 2020
Demographic Details	Details of the Bidders including the Bidders’ address, the name of the Bidders’ father / husband, investor status, occupation, PAN, MICR code, bank account details and UPI ID, wherever applicable.
Designated CDP Locations	Such locations of the CDPs where Bidders (except Anchor Investors) can submit the ASBA Forms, provided that Retail Individual Investors may only submit ASBA Forms at such locations if they are Bidding using the UPI Mechanism. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com, respectively) as updated from time to time.
Designated Date	The date on which the Escrow Collection Bank transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of RIBs using the UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus following which Equity Shares will be Allotted in the Offer.
Designated Intermediaries	In relation to ASBA Forms submitted by RIIs authorizing an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIIs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs. In relation to ASBA Forms submitted by QIBs and NIBs, Designated Intermediaries shall mean SCSBs, syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs.
Designated RTA Locations	Such locations of the RTAs where Bidders (except Anchor Investors) can submit the ASBA Forms to RTAs provided that Retail Individual Investors may only submit ASBA Forms at such locations if they are Bidding using the UPI Mechanism. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com, respectively) as updated from time to time.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	[●].
DRHP / Draft Red Herring Prospectus	This draft red herring prospectus dated September 29, 2020 filed with SEBI and Stock Exchanges and issued in accordance with the SEBI ICDR Regulations, which

Term	Description
	does not contain complete particulars of the price at which the Offered Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto.
Eligible Employee(s)	Permanent employee of our Company, Subsidiary or a Director of our Company, working in India or outside India (excluding such employees who are not eligible to invest in the Offer under applicable laws), whether whole-time or not as of the date of filing of the Red Herring Prospectus with the RoC and who is an employee of our Company at the time of submission of the Bid, but not including Directors who either themselves or through their relatives or through anybody corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares. Directors, Key Managerial Personnel and other employees of our Company involved in the Offer Price fixation process cannot participate in this Offer (as per Model Conduct, Discipline and Appeal Rules of CPSEs and office memorandum of DPE dated June 16, 2009, and July 28, 2009) and will not constitute Eligible Employees for the purposes of this Offer. An employee of our Company who is recruited against a regular vacancy but is on probation as on the date of submission of the ASBA Form will also be deemed a "permanent employee" of our Company.
Eligible FPIs	FPIs from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Offer and in relation to whom the ASBA Form and the Red Herring Prospectus constituted an invitation to subscribe to the Equity Shares.
Eligible NRI(s)	NRI(s) eligible to invest under Schedule III and Schedule IV of the FEMA Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to purchase the Offered Shares.
Employee Discount	A discount of up to ₹ [●] on the Offer Price, which may be offered to Eligible Employees Bidding in the Employee Reservation Portion (if any) and which shall be announced at least two Working Days prior to the Bid/ Offer Opening Date, subject to the Bid Amount not exceeding ₹ 500,000.
Employee Reservation Portion	The portion of the Offer, being up to [●] Equity Shares that may be reserved for allocation and Allotment to Eligible Employees on a proportionate basis, subject to the receipt of necessary approvals from the Government of India. The aggregate of reservations for employees shall not exceed 5% of our post-Offer capital. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000 (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000 (net of Employee Discount), subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount).
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank for the Offer and in whose favour the Anchor Investors will transfer money through direct credit or NEFT or RTGS or NACH in respect of the Bid Amount when submitting a Bid
Escrow and Sponsor Bank Agreement	Agreement dated [●] entered into among our Company, the Selling Shareholder, Registrar to the Offer, the BRLMs, Sponsor Bank, Escrow Account Bank, Public Offer Account Bank and the Refund Bank for the appointment of the Bankers to the Offer in accordance with the UPI Circulars and collection of the Bid Amounts and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof.

Term	Description
Escrow Collection Bank	A bank, which is a clearing member and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account will be opened.
First Bidder / Sole Bidder	The Bidder whose name shall be mentioned in the ASBA Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and Anchor Investor Offer Price will be finalized and below which no Bids will be accepted.
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
IDBI Capital	IDBI Capital Markets & Securities Limited.
ICICI Securities	ICICI Securities Limited
Maximum RIB Allottees	The maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Offered Shares available for Allotment to RIIs by the minimum Bid Lot.
Mobile App(s)	The mobile applications listed in the circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, as may be updated from time to time, which may be used by RIBs to submit Bids using the UPI Mechanism
Mutual Fund Portion	5% of the QIB Category (excluding the Anchor Investor Portion) or [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Net Offer	The Offer less the Employee Reservation Portion, if any, i.e., 86,653,369 Equity Shares.
NIIs / Non – Institutional Bidders/NIB	All Bidders that are not QIBs (including Anchor Investors) or Retail Individual Bidders and who have Bid for Offered Shares for an amount more than ₹200,000 (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	Portion of the Net Offer being not less than 15% of the Net Offer or 12,998,006 Equity Shares which shall be available for allocation to Non-Institutional Bidders on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
Non-Resident or NR	A person resident outside India, as defined under FEMA and includes FIIs, FPIs, FVCIs and Eligible NRIs.
Non-Resident Indians	A non-resident Indian as defined under the FEMA.
Offer/ Offer for Sale	Public offering of our Company through the offer for sale of up to [●] Equity Shares by the Selling Shareholder at the Offer Price, aggregating to ₹ [●] million, in terms of the Red Herring Prospectus. Subject to receipt of necessary approvals from the GoI, up to [●] Equity Shares may be reserved for allocation and Allotment on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion.
Offer Agreement	The agreement dated September 29, 2020 entered among our Company, the Selling Shareholder and the BRLMs pursuant to which certain arrangements are agreed to in relation to this Offer.
Offer Price	The final price (net of Retail Discount and Employee Discount, as applicable) within the Price Band at which Offered Shares will be Allotted to successful Bidders (except Anchor Investors) in terms of the Red Herring Prospectus.

Term	Description
	The Offer Price will be decided by our Company and the Selling Shareholder in consultation with the BRLMs on the Pricing Date. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus. A discount of up to [●]% on the Offer Price (equivalent of ₹ [●] per Equity Share) may be offered to Retail Individual Bidder and Eligible Employees bidding in the Employee Reservation Portion. This Retail Discount and Employee Discount, if any, will be decided by our Company and the Selling Shareholder in consultation with the BRLMs
Offer Proceeds	The proceeds of this Offer based on the total number of Offered Shares Allotted under this Offer and the Offer Price.
Offered Shares	[●] Equity Shares being offered for sale by the Selling Shareholder in the Offer.
Pre-Offer advertisement	The pre-Offer advertisement to be published by our Company under Regulation 43 of the SEBI ICDR Regulations and section 30 of the Companies Act, 2013, after filing of the Red Herring Prospectus with the RoC, in all editions of the English national daily newspaper [●] and all editions of the Hindi national daily newspaper [●] (Hindi being the regional language of New Delhi wherein the Registered Office is located), each with wide circulation, respectively.
Price Band	The price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price), including any revisions thereof. The Price Band, the Retail Discount, the Employee Discount and the minimum Bid Lot for the Offer will be decided by our Company and the Selling Shareholder, in consultation with the BRLMs and will be advertised at least two Working Days prior to the Bid / Offer Opening Date, in all editions of the English national daily newspaper [●], and all editions of the Hindi national daily newspaper [●] (Hindi also being the regional language of New Delhi wherein the Registered Office is located), each with wide circulation, respectively.
Pricing Date	The date on which the Selling Shareholder and our Company, in consultation with the BRLMs, will finalize the Offer Price.
Prospectus	The prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, among others, the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto.
Public Offer Account	The bank account opened with the Banker(s) to the Offer under Section 40(3) of the Companies Act, 2013, to receive monies from the ASBA Accounts on the Designated Date.
Public Offer Account Bank	A bank which is a clearing member and registered with SEBI as a banker to an issue and with which the Public Offer Account will be opened, in this case being [●]
QIB Bidders	QIBs who Bid in the Offer.
QIB Portion	The portion of the Net Offer being not more than 50% of the Net Offer or 43,326,683 Equity Shares, which shall be available for allocation to QIBs on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company and the Selling Shareholder in consultation with the BRLMs) subject to valid Bids being received at or above the Offer Price.
QIBs / Qualified Institutional Buyers	The qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Red Herring Prospectus or "RHP"	The red herring prospectus to be issued by our Company in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Offered Shares

Term	Description
	will be offered and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/ Offer Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date.
Refund Account(s)	Account to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made.
Refund Bank(s)	The Banker(s) to the Offer with whom the Refund Account will be opened, in this case being [●].
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock brokers and Sub-Brokers) Regulations, 1992, and with the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of circular number CIR/CFD/14/2012 dated October 4, 2012, issued by SEBI.
Registrar Agreement	The agreement dated September 28, 2020 entered into among our Company, the Selling Shareholder, the BRLMs and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer.
Registrar to the Offer or Registrar	Kfin Technologies Private Limited (formerly known as Karvy Fintech Private Limited).
Resident Indian	A person resident in India, as defined under FEMA.
Retail Discount	A discount of ₹ [●] on the Offer Price, which may be offered to Retail Individual Bidders.
Retail Individual Bidder(s) or RII(s) or RIB(s)	Bidders, who have Bid for the Offered Shares for an amount which is not more than ₹200,000 net of Retail Discount, in any of the Bidding options in the Offer (including HUFs applying through their Karta and Eligible NRI Bidders) and does not include NRIs (other than Eligible NRIs).
RTAs / Registrar and Share Transfer Agents	The registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI as per the list available on the websites of BSE and NSE.
Retail Portion	The portion of the Net Offer being not less than 35% of the Net Offer or 30,328,680 Equity Shares which shall be available for allocation to RIIs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.
Revision Form	The form used by Bidders to modify the quantity of the Offered Shares or the Bid Amount in any of their ASBA Forms or any previous Revision Form(s). QIB Bidders and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid /Offer Period and withdraw their Bids until Bid /Offer Closing Date.
SBICAP	SBI Capital Markets Limited.
Self-Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through the UPI Mechanism), a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other websites and updated from time to time; and (ii) in relation to ASBA (through the UPI Mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.

Term	Description
	Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list shall be updated on SEBI website
Selling Shareholder	The President of India, acting through MoR.
Share Escrow Agent	The share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely [●].
Share Escrow Agreement	The agreement dated [●] entered into among our Company, the Selling Shareholder and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholder and credit of such Offered Shares to the demat account of the Allottees.
Specified Locations	The Bidding centres where the Syndicate shall accept ASBA Forms from Bidders, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time.
Sponsor Bank	The Banker to the Offer registered with SEBI and appointed by our Company and the Selling Shareholder to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and / or payment instructions of the Retail Individual Bidders into the UPI and carry out other responsibilities, in terms of the UPI Circulars, in this case being [●].
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revision Forms.
Syndicate Agreement	The agreement dated [●] entered into among our Company, the Selling Shareholder, the BRLMs, the Syndicate Members and the Registrar to the Offer in relation to the collection of ASBA Forms by the Syndicate Members.
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, to be appointed pursuant to the Syndicate Agreement, namely [●].
Syndicate or Members of the Syndicate	The BRLMs and the Syndicate Members.
Systemically Important Non-Banking Financial Companies	Non-banking financial companies registered with the Reserve Bank of India and having a net-worth of more than ₹5,000 million as per its last audited financial statements.
Underwriters	[●]
Underwriting Agreement	The agreement dated [●] entered into among our Company, the Selling Shareholder and the Underwriters, entered into on or after the Pricing Date but prior to the filing of the Prospectus with the RoC.
UPI	Unified Payments Interface
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 and any subsequent circulars or notifications issued by SEBI in this regard.
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the Retail Individual Bidder by way of a notification on the Mobile App and by way of a SMS directing the Retail Individual Bidder to such Mobile App) to the Retail Individual Bidder initiated by the Sponsor Bank to authorize blocking of funds on the Mobile App equivalent to Bid Amount and subsequent debit of funds in case of Allotment.

Term	Description
UPI Mechanism	The bidding mechanism that may be used by a RIB to make a Bid in the Offer in accordance with the UPI Circulars.
UPI PIN	Password to authenticate UPI transaction.
Wilful Defaulter	A company or a person categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes any company whose director or promoter is categorized as such.
Working Day	Any day, other than the second and fourth Saturdays of each calendar month, Sundays and public holidays, on which commercial banks in Mumbai are open for business; provided however, with reference to (i) announcement of Price Band; and (ii) Bid / Offer Period, "Working Day" shall mean any day, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid / Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI circular number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, and the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018.

Technical / Industry Related Terms

Term	Description
AGR	Adjusted gross revenue
ARPU	Average revenue per user
BSNL	Bharat Sanchar Nigam Limited
BTS	Base transceiver station
DeitY	Department of Electronics and Information Technology
DLC	Domestic leased circuit
DoT	Department of Telecommunications
DTH	Direct-to-home
ETCS	European Train Control System
FY	Fiscal year
HD	High definition
ICT	Information and communication technology
ILD	International long distance
IMT	International mobile telecommunications
IOT	Internet of things
IR	Indian Railways
ISP	Internet service provider
IT	Information technology
ITC	International termination charges
ITeS	Information technology-enabled services
LSA	Licensed spectrum access
LTE	Long-term evolution
MeitY	Ministry of Electronics and Information Technology
MPLS	Multi-protocol label switching
MTNL	Mahanagar Telephone Nigam Limited
NDCP	National Digital Communications policy
NGN	Next generation network
NLD	National long distance
NOFN	National Optic Fibre Network
NSO	Network service operator
OFC	Optic Fibre Cable

Term	Description
OTT	Over-the-top
PSU	Public sector undertaking
ROW	Right of way
UASL	Unified access services/ cellular mobile services license
UL	Unified licensing
VNO	Virtual network operator
VoLTE	Voice over long term evolution
VPN	Virtual private network
VSAT	Very small aperture terminal

Conventional and General Terms or Abbreviations

Term	Description
₹/Rs./Rupee(s)/INR	Indian Rupees, the official currency of the Republic of India.
AGM	Annual General Meeting.
AIF(s)	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations.
AS/ Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India.
AY	Assessment Year.
BIS Act	The Bureau of Indian Standards Act, 1986.
BSE	BSE Limited.
Bn	Billion
CAG	Comptroller and Auditor General.
CAGR	Compounded Annual Growth Rate.
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations.
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations.
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations.
Category I FPI	FPIs who are registered with SEBI as "Category I foreign portfolio investors" under the SEBI FPI Regulations.
Category II FPI	FPIs who are registered with SEBI as "Category II foreign portfolio investors" under the SEBI FPI Regulations.
CDSL	Central Depository Services (India) Limited.
Chief Financial Officer/CFO	Chief Financial Officer of our Company.
CIN	Corporate Identity Number.
Companies Act, 1956	The erstwhile Companies Act, 1956, along with the relevant rules thereunder.
Companies Act/ Companies Act 2013	Companies Act, 2013, and the rules thereunder.
Consolidated FDI Policy	Consolidated FDI Policy issued by the DIPP by circular D/o IPP F. No. 5(1)/2017-FC-1 of 2017, effective from August 28, 2017, as amended.
Competition Act	The Competition, Act 2002, along with the relevant rules made thereunder as amended from time to time.
COPU	Committee of Public Undertakings.
CPSE	Central Public Sector Enterprise.
CPSE Capital Restructuring Guidelines	Memorandum F. No. PP/14(0005)/2016 dated June 20, 2016, of the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, GoI read with the memorandum F.No. 5/2/2016-Policy dated May 27, 2016, of the Department of Investment and Public Asset Management, Ministry of Finance, GoI.
CSR	Corporate Social Responsibility

Term	Description
Depositories	NSDL and CDSL.
Depositories Act	The Depositories Act, 1996.
DIN	Director Identification Number.
DIPAM	Department of Investment and Public Asset Management, Ministry of Finance, Government of India.
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.
DP ID	Depository Participant's Identification.
DP / Depository Participants	A depository participant as defined under the Depositories Act.
DPE	Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India.
EBIDTA	Earnings before interest, taxes, depreciation, and amortization.
EGM	Extraordinary General Meeting
Environment Act	Environment Protection Act, 1986.
EPS	Earnings Per Share.
Equity Listing Agreement	Listing Agreement to be entered into with the Stock Exchanges on which the Equity Shares are to be listed.
ESI Act	Employees State Insurance Act, 1948.
FCNR	Foreign Currency Non-Resident.
FDI	Foreign Direct Investment.
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder.
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations.
Financial Year/FY/Fiscal	Unless stated otherwise, the period of 12 months ending March 31 of that particular year.
FPI(s)	A foreign portfolio investor as defined under the SEBI FPI Regulations.
FTA	Foreign Trade (Development and Regulation) Act, 1992.
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations.
GAAR	General Anti Avoidance Rules.
GDP	Gross Domestic Product.
GIR	General Index Register.
GoI / Government of India	Government of India.
GST	Goods and Services tax.
HUF	Hindu Undivided Family.
I(D&R) Act	Industrial (Development and Regulation) Act, 1951.
ICAI	The Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
Income Tax Act	The Income tax Act, 1961.
Ind AS	The Indian Accounting Standards.
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015.
India	Republic of India.
IPO	Initial Public Offering.
IRDAI	Insurance Regulatory and Development Authority of India.
IST	Indian Standard Time.
IT	Information Technology.
MCA	Ministry of Corporate Affairs.
MICR	Magnetic Ink Character Recognition.
Mn	Million.
MoU	Memorandum of Understanding.
N.A.	Not Applicable.
NAV	Net Asset Value.

Term	Description
NBFC	Non-Banking Financial Company as defined under Section 45-IA of the RBI Act, 1934
NBFC - SI	Systematically Important NBFC, i.e. non-banking financial company not accepting / holding public deposits and/or a non-banking financial company holding public deposits and which is systemically important i.e. having total assets of ₹ 5,000 million and above as per the last audited balance sheet.
NECS	National Electronic Clearing Services.
NEFT	National Electronic Fund Transfer.
NPCI	National Payments Corporation of India.
NRE Account	Non Resident External Account.
NRO Account	Non Resident Ordinary Account.
NSDL	National Securities Depository Limited.
NSE	The National Stock Exchange of India Limited.
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer.
OM	Office Memorandum.
p.a.	Per annum.
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent Account Number.
PAT	Profit After Tax (Profit after tax excluding other comprehensive income.).
PFI	Public Financial Institution.
PIL	Public Interest Litigation.
RBI	The Reserve Bank of India.
RNW	Return on Net Worth.
RTGS	Real Time Gross Settlement.
RTI	Right to Information Act, 2005.
Rule 144A	Rule 144A under the U.S. Securities Act.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012.
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994.
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
SEBI Mutual Fund Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
SEBI Stock Brokers Regulations	Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992.

Term	Description
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations.
Sq. mtr.	Square meter.
Sq. ft.	Square feet.
State Government	The government of a state in India.
STT	Securities Transaction Tax.
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
U.S./U.S.A./United States	United States of America.
USD/US$	United States Dollars.
VAT	Value Added Tax.
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references in this Draft Red Herring Prospectus to "India" are to the Republic of India. All references to the "Government", "Indian Government", "GOI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable. All references to the "US", "USA" or "United States" are to the United States of America and its territories and possessions.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus. Further, unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time.

Financial Data

Unless the context requires otherwise, the financial information in this Draft Red Herring Prospectus is derived from our Restated Financial Statements prepared in accordance with the Ind AS as prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI. For further information, see "*Financial Information*" beginning on page 174.

Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references in this Draft Red Herring Prospectus to the terms Fiscal or Fiscal Year or Financial Year are to the 12 months ended March 31 of such year. Unless stated otherwise, or the context requires otherwise, all references to a "year" in this Draft Red Herring Prospectus are to a calendar year.

Certain figures contained in this DRHP, including financial information, have been subject to rounding adjustments. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal point to conform to their respective sources.

There are significant differences between Ind AS and U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting principles, policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting principles, policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. For risks relating to significant differences between Ind AS and other accounting principles, see "*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our financial condition*" beginning on page 51.

Unless the context otherwise indicates, any percentage amounts, as set forth in "*Risk Factors*", "*Industry Overview*", "*Our Business*", "*Management's Discussion and Analysis of Financial Conditional and Results of Operations*" on pages 25, 93, 122 and 273, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of our Restated Financial Statements.

Non-GAAP Financial Measures

We use a variety of financial and operational performance indicators to measure and analyze our operational performance from period to period, and to manage our business. Our management also uses other information that may not be entirely financial in nature, including statistical and other comparative information commonly used within the Indian financial services industry to evaluate our financial and operating performance. The key financial and operational performance indicators and ratios are defined along with a brief explanation in the section, "*Definitions and Abbreviations*", and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 1 and 273, respectively.

These financial and operational performance indicators have limitations as analytical tools. As a result, these financial and operational performance indicators should not be considered in isolation from, or as a substitute for, analysis of our historical financial performance, as reported and presented in its financial statements.

Further, these financial and operational performance indicators are not defined under Ind AS, IFRS or U.S. GAAP, and therefore, should not be viewed as substitutes for performance or profitability measures under Ind AS, IFRS or U.S. GAAP. While these financial and operational performance indicators may be used by other financial institutions operating in the Indian financial services industry, other financial institutions may use different financial or performance indicators or calculate these ratios differently, and similarly titled measures published by them may therefore not be comparable to those used by us.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India; and

- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in "million" units. One million represents 1,000,000 and one billion represents 1,000,000,000.

Figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Exchange rates

This Draft Red Herring Prospectus may contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and other currencies:

(Amount in ₹ unless otherwise specified)

	As at		
Currency	**March 31, 2020**	**March 31, 2019****	**March 31, 2018***
1 USD	75.39	69.17	65.04

#Source: RBI reference rate and www.fbil.org.in.
**Exchange rate as on March 28, 2018 as RBI reference rate is not available for March 29 and March 30 on account of being public holidays and March 31, 2018 being a Saturday.*
***Exchange rate as on March 29, 2019, as the exchange rate is not available for March 31, 2019 and March 30, 2019, being a Saturday and a Sunday respectively.*

Industry and market data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from the report titled "*Assessment of the telecom and telecom data services industry in India*" dated September 2020 ("**CRISIL Report**") prepared by CRISIL Research, a division of CRISIL Limited.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the Selling Shareholder or the BRLMs or any of their affiliates or advisors and none of these parties, jointly or severally, make any representation as to the accuracy of this information. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in *"Risk Factors"* on page 25. Accordingly, investment decisions should not be based solely on such information.

Certain information in the sections "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 93, 122 and 273, respectively, has been obtained, derived or extracted from Assessment of the telecom and telecom data services industry in India, prepared by CRISIL Limited which has been commissioned by our Company, and which is subject to the following disclaimer:

"CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. RailTel Corporation of India Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."

For risks in this regard, see "*Risk Factors - Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.*" on page 49.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "seek to", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our expected financial condition, our strategies, objectives, plans, prospects or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. For the reason described below, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Therefore, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which our Company operates and our ability to respond to them, successfully implement our strategy, growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- our ability to provide telecommunications or related services;
- changes in laws, regulations or governmental policy in the telecommunication industry in India;
- our ability to retain services of existing members of our management team;
- our dependence on the revenue from PSU customers, the Indian Railways and other GoI entities as well as State Governments;
- our ability to scale our business or manage our businesses effectively;
- any loss of key suppliers or their failure to deliver equipment or perform services; and
- our ability to further expand the coverage of our network or to maintain the coverage of our existing network

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 25, 122 and 273, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure the Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as on the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although, we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Selling Shareholder, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with SEBI requirements, our Company and the Selling Shareholder shall severally ensure that investors in India are informed of material developments from the date of this Draft Red Herring Prospectus in relation to the statements and undertakings made by them in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer. The Selling Shareholder shall ensure that it will keep our Company and the BRLMs informed of all material developments pertaining to the Equity Shares under the Offer and itself, as Selling Shareholder from the date of the Red Herring Prospectus until receipt of final listing and trading approvals by the Stock Exchanges for this Offer, that may be material from the context of the Offer.

SUMMARY OF THE OFFER DOCUMENT

Unless otherwise stated or the context otherwise requires, references in this section to "we", "our" or "us" refers to our Company. This section is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This section should be read in conjunction with the sections titled "*Risk Factors*", "*Industry Overview*" *"Our Business", "Capital Structure", "The Offer", "Outstanding Litigation and Material Developments", "Offer Procedure" "Description of Equity Shares and Terms of Articles of Association"* and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 25, 93, 76, 58, 307, 338, 358 and 273, respectively, as well as the Restated Financial Statements included in "*Financial Information*" beginning on page 174.

Summary of Business

We are an information and communications technology ("**ICT**") infrastructure provider and are one of the largest neutral telecom infrastructure providers in India (*Source: CRISIL Report*). We are a Mini Ratna (Category-I) Central Public Sector Enterprise, wholly-owned by the Government of India and under the administrative control of the Ministry of Railways. We were incorporated on September 26, 2000 with the aim of modernizing the existing telecom system for train control, operation and safety and to generate additional revenues by creating nationwide broadband and multimedia network by laying optical fiber cable by using the right of way along railway tracks.

Summary of Industry

India's GDP has increased at a CAGR of 7% from ₹ 87 trillion in Fiscal 2012 to ₹ 140 trillion in Fiscal 2019. As per the Central Statistics Office ("CSO"), India's GDP growth increased in the second half of Fiscal 2018 and was 7.1% in Fiscal 2018. GDP in the fourth quarter of Fiscal 2020 grew at a rate of 3.1% compared with 4.1% in the third quarter of Fiscal 2020, resulting in the full-year growth estimate to 4.2% compared with 6.1% in Fiscal 2019. The Indian telecom services industry can be broadly segregated into wireless, wireline and enterprise services. Wireline services are traditional landline calling services and wired broadband service. Wireless service includes mobile calling, short messaging service ("SMS"), wireless broadband, video conferencing service, triple play service, and over-the-top ("OTT") platforms. Enterprise services provide network connectivity across locations and users in an organization.

Our Promoter

Our Promoter is the President of India, acting through the Ministry of Railways, Government of India.

Offer Size

The Offer is an initial public offering of up to [●] Equity Shares through an Offer for Sale by the Selling Shareholder for cash at an Offer Price of ₹ [●] per Equity Share, aggregating up to ₹ [●] million.

Subject to receipt of the necessary approval from the Government of India, up to [●] Equity Shares may be reserved for allocation and allotment on a proportionate basis to the Eligible Employees. The Offer less Employee Reservation Portion, if any, is referred to as the Net Offer. The Offer will comprise of a Net Offer of up to 86,653,369 Equity Shares and the Employee Reservation Portion of up to [●] Equity Shares. The Offer and Net Offer shall constitute [●]% and 27% of the post-Offer paid-up Equity Share capital of our Company, respectively.

For further details, see "*The Offer*" on page 58.

Objects of the Offer

Since this is an Offer for Sale, our Company will not receive any proceeds from the Offer and all the proceeds shall go to the Selling Shareholder.

For further details, see "*Objects of the Offer*" on page 85.

Aggregate Pre-Offer Shareholding of our Promoter and the Selling Shareholder

The President of India, acting through the MoR, is our Promoter as well as the Selling Shareholder in the Offer. Accordingly, please see below the Pre-Offer shareholding of our Promoter/Selling Shareholder:

Sr. No.	**Name of the shareholder**	**Pre-Offer**	
		Number of Equity Shares	**Percentage (%)**
1.	President of India	320,938,398	99.99
2.	V. K. Yadav*	1	Negligible
3.	Rajesh Tiwari*	1	Negligible
4.	Pradeep Kumar*	1	Negligible
5.	Rajeev Sharma*	1	Negligible
6.	R.K. Jain*	1	Negligible
7.	Ashutosh Gangal*	1	Negligible
8.	Ajeet Kumar Srivastava*	1	Negligible
9.	Umesh Balonda*	1	Negligible
10.	Vinay Srivastava*	1	Negligible
	Total	**320,938,407**	**100.00**

**As a nominee holding Equity shares on behalf of our Promoter*

Summary of Restated Financial Statements

The table below sets forth a summary of the Restated Financial Statements for the Fiscals 2020, 2019 and 2018:

(in ₹ million, except earnings per Equity Share (both basic and diluted) and net asset value per Equity Share)

Particulars	**Fiscal**		
	2020	**2019**	**2018**
Equity Share capital	3,209.38	3,209.38	3,209.38
Net worth	13,693.56	12,890.85	12,291.77
Total revenue	11,660.05	10,382.66	10,212.18
Net Profit / (Loss) after tax*	1,410.66	1,353.56	1,340.06
Earnings per share (Basic) (In ₹)	4.40	4.22	4.18
Earnings per share (Diluted) (In ₹)	4.40	4.22	4.18
Net asset value per Equity Share(In ₹)	42.67	40.17	38.30
Total borrowings	Nil	Nil	Nil

** excluding items of other comprehensive income, not routed through profit and loss account.*

For further details see "*Restated Financial Statements*" beginning on page 174.

Qualifications of the Auditor

There were no auditor qualifications which have not been given effect to in the Restated Financial Information.

Summary of Outstanding Litigation

A summary of outstanding legal proceedings involving our Company as on the date of this Draft Red Herring Prospectus is set forth in the table below:

Litigation involving our Company

Type of proceeding	**Number of cases**	**Amount involved , to the extent quantifiable (₹ million)**
Civil (Material)	1	58.28
Criminal	2	15.70
Regulatory/ statutory action	-	-

Tax	14	322.30

For further details on the outstanding litigation involving our Company, Directors and Subsidiary, see "*Outstanding Litigation and Other Material Developments*" on page 307. Please also refer to the risk factor "*Risk Factors- This DRHP does not contain disclosures in relation to one of our Directors"* beginning on page 25.

Risk Factors

See "*Risk Factors*" on page 25.

Summary of Contingent Liabilities

Set forth below is a summary of our contingent liabilities as indicated in the Restated Financial Statements:

(in ₹ million)

Sr. No.	Contingent Liabilities	Amount as at March 31, 2020
1.	Claims against our Company but not acknowledged as debt	416.04
2.	Bank Guarantee to customer/Government	1,720.80
	Total	**2,136.84**

For further details on the contingent liabilities, see "*Restated Financial Statements*" beginning on page 174.

Summary of related party transactions

For details of the related party transactions, as per the requirements under Ind AS 24 '*Related Party Disclosures*' issued by the ICAI and as reported in the Restated Financial Statements, see "*Restated Financial Statements*" beginning on page 174.

Financing Arrangements

Neither our Promoter nor our Directors or their relatives have entered into any financing arrangements to finance or have financed the purchase by any other person of the Equity Shares other than in the normal course of business of the financing entity during the six months immediately preceding the date of this Draft Red Herring Prospectus.

Weighted average price at which the Equity Shares were acquired by our Promoter in the last one year

Our Promoter/Selling Shareholder has not acquired any Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.

Average cost of acquisition of the Equity Shares by our Promoter / the Selling Shareholder

The average cost of acquisition per Equity Share by our Promoter (including its nominees) / Selling Shareholder as on the date of this Draft Red Herring Prospectus is given below:

Name	Number of Equity Shares held*	Average cost of acquisition per Equity Share (in ₹)*
The President of India acting through Ministry of Railways, Government of India	320,938,407	10

** Including Equity Shares held by the nominees of the Promoter.*

For further details, see "*Capital Structure*" on page 76.

Pre-Offer Placement

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus till the listing of the Equity Shares.

Issue of Equity Shares for consideration other than cash in the last one year

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus.

Split or consolidation of Equity Shares in the last one year

There has been no split or consolidation of the Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.

SECTION II - RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider the risks described below as well as all the information as may be disclosed in this Draft Red Herring Prospectus before making an investment in our Equity Shares. The risks described in this section are those that we consider to be the most significant to our business, results of operations and financial condition, the Equity Shares, the industry in which we operate or the regions in which we operate, particularly India, as at the date of this Draft Red Herring Prospectus. In addition, the risks set out in this section may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. If any or a combination of the following risks or other risks that are not currently known or are now deemed immaterial actually occur, our business, prospects, results of operations and financial condition could suffer, the trading price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. As a potential investor in the Equity Shares, you should pay particular attention to the fact that we are subject to a regulatory environment in India which may differ significantly from that in other jurisdictions.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. See "Forward-Looking Statements" on page 19.

In making an investment decision, as prospective investors you must rely on your own examination of us and the terms of the Offer, including the merits and the risks involved. You should consult your tax, financial and legal advisors about the particular consequences of investing in the Offer. To obtain a complete understanding of our business, you should read this section in conjunction with the sections titled "Our Business", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Key Regulations and Policies" on pages 122, 93, 273 and 138, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus.

Our Company's Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscal 2018, 2019, and 2020 included herein are based on our Restated Consolidated Financial Statements. For further information, see "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 174 and 273, respectively.

Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to RailTel Corporation of India Limited on a standalone basis, and references to "the Group", "we", "us", "our", are to RailTel Corporation of India Limited on a consolidated basis.

Unless otherwise indicated, industry and market data used in this section has been derived from the report "Assessment of the telecom and telecom data services industry in India" dated September 2020 (the "CRISIL Report") prepared by CRISIL Research, a division of CRISIL Limited and commissioned by us in connection with the Offer. Neither we, nor the BRLMs, nor any other person connected with the Offer has independently verified this information. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant fiscal year. For further information, see "Presentation of Financial, Industry and Market Data" on page 16.

Risks Relating to Our Business and Our Industry

1. ***The telecommunications industry in India is highly regulated and changes in laws, regulations or governmental policy could potentially adversely affect our business, prospects, financial condition, cash flows and results of operations.***

Our operations are subject to governmental regulation regarding licensing, competition, and costs and arrangements pertaining to interconnection and leased lines. Changes in laws, regulations or governmental policy affecting our business activities could adversely affect our business, prospects, financial condition, cash flows and results of operations. Licenses are heavily administered and interpreted by regulators and decisions by regulators, including the fees payable, amendment or revocation of any existing licenses, could adversely affect our business, prospects, financial condition, cash flows and results of operations.

The Government grants Unified Licenses, under which companies are authorized to provide any one or more of the following services: Unified License (All Services), Access Service (Service Area-wise), Internet Service (Category 'A', with National Area jurisdiction), Internet Service (Category 'B', with jurisdiction in a Telecom Circle/Metro Area), Internet Service (Category 'C', with jurisdiction in a Secondary Switching Area), National Long Distance ("NLD") Service, International Long Distance ("ILD") Service, Global Mobile Personal Communication by Satellite Service, Public Mobile Radio Trunking Service, Very Small Aperture Terminal Closed User Group Service, INSAT Mobile Satellite System-Reporting Service, and Resale of International Private Leased Circuit Service.

As of June 30, 2020, we obtained a number of licenses for our operations including NLD license no. 10-10/06-BS-I (NLD-06) and unified license no. 20-517/2016 AS-I. These and certain other licenses that are relevant to our operations are typically valid for specified durations and are subject to renewal. The DoT retains the right to renew these licenses, and modify the terms and conditions of our licenses at any time, if in its opinion it is necessary or expedient to do so in the interest of the public or for the proper operation of the telecommunication sector. A change in certain significant terms of any of the licenses, such as their duration, the amount of charges payable under the licenses, the range of services permitted or the scope of exclusivity, if any, or the inability to renew them in a timely manner or at all, could have a material adverse effect on our business and prospects. For instance, telecom service companies pay license fees at 8% of the AGR to the Government.

As defined by the DoT, AGR includes telecom service revenue as well as non-core revenue. However, the Cellular Operators' Association of India had challenged this definition in 2005 in the Telecom Disputes Settlement and Appellate Tribunal, stating that AGR should include only revenue from core licensed telecom services (Source: CRISIL Report). The Supreme Court of India, in its judgement dated October 24, 2019, upheld the DoT's definition of AGR, i.e., to include revenue generated by licensees from both licensing and non-licensing activities. As a result of this judgment, we had provided for a certain amount as exceptional item, computed based on the demands received from DoT for earlier years till March 31, 2020. In June 2020, the DoT informed the Supreme Court that it had withdrawn 96% of its ₹ 4,000 billion demand in AGR from non-telecom PSUs as their core operation was not telecom services (Source: CRISIL Report). We subsequently reversed the amount provided as an exceptional item. Any such decisions or interpretations by the DoT in the future, may also have an adverse impact on our business, financial condition and results of operations. For further information on such licensing fees, see " -*We are involved in certain legal proceedings, any adverse developments related to which could materially and adversely affect our business, reputation and cash flows*" and "*Management's Discussions and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations and Financial Condition*" on pages 29 and 276, respectively.

Any disagreements or disputes with regulatory and other authorities can potentially affect our business, prospects, financial condition, cash flows and results of operations, including with respect to the level of control we assert over our operating assets. In addition, we are required to obtain and renew several approvals from various other regulatory bodies, including various local and municipal bodies, from time to time. See "*Key Regulations and Policies*" and "*Government and Other Approvals*" on pages 138 and 311, respectively. If we fail to obtain, maintain or renew required approvals, licenses, registrations and permits at the requisite time, this may result in the interruption of our operations and will have an adverse effect on our business, results of operations and prospects. The terms and conditions of these licenses may be amended at the discretion of the issuing authorities, and such amendments could be unfavorable to us. Changes to the terms and conditions of these licenses could subject us to additional liabilities and may adversely affect our business, financial condition, results of operations and prospects. Further, we cannot assure you that the approvals, licenses, registrations and permits issued to us will not be suspended or revoked in the event of an alleged or actual non-compliance with any terms or conditions thereof, or pursuant to any regulatory action in the future.

2. ***We are dependent on and derive a substantial portion of our revenue from PSU customers, the Indian Railways and other GoI entities as well as State Governments and our relationship with GoI entities and State***

Governments exposes us to risks inherent in doing business with them, which may adversely affect our business, results of operations and financial condition.

Our business and revenues are substantially dependent on projects awarded by government establishments, including central, state and local authorities and agencies and public sector undertakings. Any adverse changes in government policies and budgetary allocation resulting from a change in government policies or priorities, could materially and adversely affect our financing, capital expenditure, revenues, or operations relating to our existing and proposed projects as well as our ability to participate in competitive bidding or negotiations for our future projects. For instance, we performed certain services under the National Optical Fiber Network project on behalf of Bharat Broadband Network Limited ("BBNL") for connecting various gram panchayats in India, and income was recognized on the basis of terms of agreement executed between the two companies till March 31, 2017. However, during Fiscal 2018, an amount of ₹.265.12 million was reversed on the strength of cabinet decision communicated by BBNL for downward revision of administrative expenditure and establishment charges with retrospective effect. The amount of ₹ 265.12 million was reversed for income recognized till March 31, 2017, and disclosed as an exceptional item in Fiscal 2018 considering the materiality and non-recurring nature of the transaction. Any similar decisions implemented by the government in the future may adversely impact our results of operations, financial condition, cash flows and prospects.

In addition, a substantial portion of our revenues is derived from three key customers, namely, the National Informatics Centre Services Inc., the Indian Railways and the Employees' State Insurance Corporation of India. Revenue generated from these three customers represented 42.13%, 23.41% and 25.09% of our total revenue from operations, as restated, in Fiscal 2018, 2019 and 2020, respectively. The project for the Employees' State Insurance Corporation of India has been subsequently completed in Fiscal 2020 and will not be renewed. Similarly, certain other customers that contribute significantly to our revenue including the Indian Railways may not renew their arrangements or may not continue to award contracts to us on a nomination basis, due to changes in government policy or budgetary allocation. While we continue to source other customers and enter into other contracts, there can be no assurance that we will be able to entirely substitute the revenue generated from existing customers in the event they do not renew their arrangements with us. A change in government policy or budgetary allocation may also affect the ability of these customers' to perform their obligations under the contracts entered into with us. These and any other events that have an adverse impact on the operations or financial condition of these key customers would have a direct impact on our revenues and results of operation.

Given that we derive a significant portion of our revenue from PSUs and the Indian Railways, we are exposed to various additional risks inherent in doing business with them, which may adversely affect our business, results of operations and financial condition. These risks include:

- participation in contracts with government entities could subject us to stricter regulatory and testing requirements which may increase our compliance costs;
- execution of the detailed definitive documentation and agreements with PSUs and the Indian Railways may take a significant amount of time and cause delays;
- delays in project implementation and key initiatives where we have invested significant costs;
- delays in payment due to the time taken to complete internal processes of such entities and agencies;
- levy of liquidated damages due to our execution delays, which may adversely affect our profit margins;
- contracts with government agencies are awarded to the lowest bidder that meets the technical conditions of the tender, which makes winning such tenders difficult. In addition, if we have to lower our pricing in order to win tenders, it would exert pressure on our margins;
- the tender process is long and may be subject to significant delays and/or renegotiation of the terms of the bid or lowering the price for products and services included in the tender;
- political and economic factors such as pending elections, changes in leadership among key governmental decision makers, changes or delays in the implementation of government policies, revisions to tax policies and reduced tax revenues can affect the number and terms of new government contracts signed;
- any disinvestment by the GoI of its shareholding in such entities could result in a change in business operations of such entities, which may impact existing or future business arrangements between our Company and such entities;

- terms and conditions of contracts, including requests for proposals and tenders tend to be more onerous and are often more difficult to negotiate than those for other commercial contracts; and
- in the event of any non-payment or delay in payment by such customers, we may be unable to make payments to our technology partners and other third-party contractors, who may initiate proceedings against our Company, which may result in an adverse impact on our business, results of operation and financial condition.

3. If we do not continue to provide telecommunications or related services that are technologically up to date, we may not remain competitive, and our business, prospects and results of operations may be adversely affected.

The telecommunications industry is characterized by technological changes, including an increasing pace of change in existing mobile systems, industry standards, customer demand, preferences, behaviour, and ongoing improvements in the capacity and quality of network. As new technologies develop, our equipment may need to be replaced or upgraded, or our networks may need to be rebuilt in part or in whole in order to sustain our competitive position in the Indian telecommunications industry. As a result, we may require substantial capital expenditures and access to related technologies in order to integrate new technologies with our existing technology and phase out outdated and unprofitable technologies. If we are unable to modify our networks and equipment on a timely and cost-effective basis, we may lose customers and subscribers.

If the costs associated with new technologies are higher than anticipated, we may not be able to provide such technologies or expand our offerings in a manner that enables us to compete effectively with such services in the Indian telecom sector, and as a result our business, financial condition and results of operation may be adversely affected. In addition, we face the risk of unforeseen complications in the deployment of new services and technologies, and we cannot assure you that these new technologies will be commercially successful, once deployed. Our results of operations would also suffer if our new services and products are not well received by our customers and subscribers, are not appropriately timed with market opportunities or are not effectively brought to market or where our investments in such ventures do not generate commensurate returns.

Additionally, we may be unable to successfully respond to technological advances and evolving industry standards due to the following:

- Upgrading our services in response to market demand may require the adoption of new technologies including 5G that could render many of the technologies that we are currently implementing less competitive or obsolete. We may also need to gain access to related or enabling technologies in order to integrate the new technology with our existing technology, including updating our technology and services to ensure compatibility with our customers' hardware and software. Consistent with the experience of other industry players, our new services may contain flaws or other defects when first introduced to the market.

- New telecommunications services are introduced by our competitors from time to time, including competitors who may bundle such telecom services with other offerings such as content, music, applications, e-commerce and other allied services. Our competitors may gain access to new advanced technology that allows them to deliver their services at lower prices, at higher quality or with other add-on services that might make our competitors' services more attractive than our services. If we do not anticipate these changes and promptly adopt new and innovative services in response, we may not be able to capture the opportunities in the market and may lose our customers.

- To compete successfully, we may need to increase the diversity and sophistication of the services we offer and upgrade our telecommunications technology, including technology we use for 'RailWire', our broadband internet services. We may be required to make substantial capital expenditures and may not be successful in modifying our network infrastructure and/ or upgrading to use other technology in a timely and cost-effective manner in response to these changes. Additionally, new technology or trends in the telecommunications industry could have an adverse effect on the services we currently offer and may cause significant write-downs of our fixed assets. Increased adoption of these or other competing technology may lead to a decline in our turnover and profitability.

- Advancements in technology or new technology developed in related or adjacent segments of the telecommunications industry, such as 5G wireless mobile internet services, may offer consumers attractive services, which are akin to or close alternatives to wired broadband internet services, and may reduce the relevance of or demand for our wired broadband internet services.

- Developing new services can be complex. We may not be able to implement the new services effectively, promptly and economically to meet customer demand. In developing new services, we may need to make significant investments in our network infrastructure and/ or otherwise in order to support these services. If we exceed our budgeted capital expenditure and cannot meet the additional capital requirements through operating cash flows and planned financings, we may have to delay our projects, which could make us less competitive and lead to customer loss.

- Our new services may not be commercially successful. The failure of any of our services to achieve commercial acceptance could result in lower than expected turnover.

If we cannot respond to new technology successfully and offer the new services to meet the demands of our customers in a timely manner and at competitive prices, our business, financial condition, results of operations and prospects could be adversely affected.

4. We are involved in certain legal proceedings, any adverse developments related to which could materially and adversely affect our business, reputation and cash flows.

There are outstanding legal proceedings against our Company, which are pending at various levels of adjudication before various courts, tribunals and other authorities.

The summary of outstanding matters set out below includes details of criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation (as defined in the section "*Outstanding Litigation and Other Material Developments*" on page 307) involving our Company.

Litigation involving our Company

Type of proceeding	Number of cases	Amount involved , to the extent quantifiable (₹ million)
Civil (Material)	1	58.29
Criminal	2	15.70
Regulatory/ statutory action	-	-
Tax	14	322.30

For further information, see "*Outstanding Litigation and Other Material Developments*" beginning on page 307. Please also refer to the risk factor "*Risk Factors- This DRHP does not contain disclosures in relation to one of our Directors"* beginning on page 25.

There can be no assurance that these legal proceedings will be decided in our favor. In addition, we cannot assure you that no additional liability will arise out of these proceedings. Decisions in such proceedings adverse to our interests may have an adverse effect on our business, results of operations and financial condition.

5. If we cannot scale our business or manage our businesses effectively or are unable to successfully implement our strategies, the quality of our services and our results of operations could be adversely affected.

We have invested significantly to build our network in India and expand our businesses. As part of this strategy, we have invested in our network infrastructure to support our range of broadband internet access services. The build-out of our systems has placed, and selective coverage expansion will continue to place, significant demands on our systems and controls and may require additional administrative, operational and financial resources.

Our ability to expand our network and operations and manage our businesses will depend upon our ability to:

- improve our existing operational, administrative and technological systems and our financial and management controls;

- attract, retain and effectively manage our employees in order to execute our business plans and strategies, including providing high quality customer support services to our customers;
- develop effective marketing plans;
- control operational costs and maintain effective quality controls;
- offer competitive prices to customers for our services;
- ensure a high network up-time and manage service levels;
- manage the expansion of our network to identified areas and buildings;
- develop, expand and manage our data centers and related technology services and platforms;
- implement our enterprise business expansion strategy;
- implement our new IT projects quickly and effectively;
- implement our process automation projects quickly and successfully;
- attract and retain new customers;
- correctly assess the cost of investment and growth potential at a new location;
- arrange adequate funding for capital expenditures;
- obtain and maintain legal right of way for laying cables; and
- ensure the safety of our operations, including the safety of the general public when developing, installing or maintaining our overhead and underground network infrastructure.

As part of our strategies, we also intend to pursue expansion opportunities outside India. Competing successfully in international markets requires additional management attention and resources to customize our services to suit different requirements in each new country. Entering new markets also exposes us to additional risks including: legal and regulatory restrictions and operational differences in the countries in which we intend to operate; competition from existing players in such markets; foreign exchange controls that might prevent us from repatriating cash earned outside India; political and economic instability; challenges caused by distance, language and cultural differences; currency exchange rate fluctuations; potentially adverse tax consequences; and higher costs associated with doing business internationally. A failure to successfully mitigate these risks, or achieve any of the above in an efficient manner and at a pace consistent with the growth of our businesses could have an adverse effect on the quality of our services, our ability to win new and retain existing customers, and our ability to manage our costs of operations. There can be no assurance that we will be able to achieve any of the above at all times or at all, and failure to do so may cause our business, results of operations and financial condition to be adversely affected.

6. Internet security concerns and illegal distribution by third-parties could adversely affect our broadband internet access services.

Computer viruses, piracy, cyber-attacks, break-ins and other inappropriate or unauthorized uses of our network could affect our network and the services that we provide which may have the following effects on our businesses:

- interruption, delays or cessation in services to our customers;
- cause damage to our reputation and brands; and
- a threat to the security of confidential information stored in the computer system of our customers, including breaches of data privacy.

We may need to incur significant costs, including implementing additional surveillance measures, to protect us against the threat of security breaches or to alleviate adverse effects caused by such breaches, which may include computer viruses and other harmful attacks. We intend to continue to strengthen our network security to alleviate these problems. Our efforts, however, may cause interruptions, delays or cessations of our services and/ or may be ineffective, and our customers may stop using our services or assert claims against us as a result.

Breaches of our network, including breaches through hacking, may result in unauthorized access to content carried on our networks or a breach of privacy information transmissions over our network. Failure of encryption and our other security measures may undermine consumers' confidence in our services and may also result in the imposition of regulatory measures, including financial penalties, to ensure the security of services. Such events may have an adverse effect on our business, financial condition and results of operations and require us to incur further expenditure to put in place more advanced security systems to protect our network.

7. ***We depend on the continued service of our employees, and our business and growth prospects may be disrupted if we lose our employees' services or if employee costs increase.***

Our current and future success is dependent upon the continued service of our key management personnel, senior management personnel and our employees. Our industry is characterized by high demand and increased competition for skilled employees, and we may need to offer in order to attract and retain our employees in the future. We cannot assure you that we will be able to attract and retain the key personnel that we will need to achieve our business objectives. As we utilize advance technologies in our operations and business, we require expertize and skilled employees. We may not be able to identify, attract or retain such employees with the skillsets we require in a timely manner, on commercially favorable terms or at all. Although we have employment agreements with members of our key management personnel and senior management personnel, we cannot assure you that we will be able to retain key members of our management team. If we are unable to offer competitive salaries to our employees, we may not be able to retain them. If one or more of our key personnel are unable or unwilling to continue in their present positions, or if they join a competitor or form a competing company, we may lose valuable operational, technical, business or other knowhow and expertise and we may not be able to replace them easily. Further, we may not be able to effectively or successfully transition the responsibilities of our key management personnel or senior management personnel to new employees. Our business may be significantly disrupted and our financial condition and results of operations may be materially and adversely affected by any of the foregoing.

We also depend on our employees to perform our operations, deliver our services to customers and grow our business. If any of our employees are not properly trained, incentivized or motivated to perform our services in accordance with our quality standards, operating procedures, safety regulations or applicable laws, this may adversely affect our brand and our business. In particular, we rely on our employees to install devices, collect fees, and perform maintenance works on our network infrastructure. Any non-compliance by our employees with our quality standards, operating procedures, safety regulations or applicable laws or any malicious acts, including making disparaging or unauthorized statements in the public press about our business or causing personal harm to any of our customers in the course of performing their employment, could damage our reputation and subject us to claims and loss of business. Furthermore, we depend on our employees to deliver adequate service to our customers. If they fail to do so, or if we fail to adequately train or motivate our employees to do so, this could adversely affect our ability to retain our customers or to attract new customers. We may also become subject to regulatory proceedings, which impose service quality standards on us. If we are unable to properly train, motivate or incentivize our employees, if we are unable to attract or retain skilled employees or if our employees are poorly trained or engage in any misconduct, our business, operational efficiency, results of operations and prospects may be adversely affected.

While our employees are not unionized as at the date of this Draft Red Herring Prospectus, if our employees, which comprise a substantial portion of our workforce, decide to form a union or engage in collective bargaining with us for higher salaries, benefits or other rights, our operations may be adversely affected. Further, any changes in regulation, including any changes in regulations governing salaries in India, such as any increase by the government in the national minimum wage, may require us to incur additional expenses and disrupt our operations. This may adversely affect our business, operations and financial condition.

8. ***We may require significant amounts of capital to finance our business expansion, which may require us to incur significant capital expenditure, and operating and financing costs. We may not be able to obtain additional financing to meet our business and operational capital requirements, including our capital expenditure requirements.***

We may incur higher levels of capital expenditure than currently anticipated in order to maintain and expand our network coverage, including establishing our fiber optic cables both underground and overhead. Our ability to finance our operating and capital expenditures, including for our business expansion, will depend significantly on our ability to generate cash from our operations or obtain alternative financing. We may not be successful in financing such expenditure and such capital expenditure may not result in the growth of our business and the expected positive impact on our results of operations. If our capital expenditure requirements increase due to these or other factors, it may have an adverse impact on our business, results of operations, financial condition and prospects. Further, future network expansion will be dependent on future demand for our services. If we underestimate our future capital needs or overestimate our future cash flows, we may require additional funding to meet our expenditure requirements, including by raising debt.

If we obtain debt financing to fund our operations in the future, we will also need to generate sufficient cash to service our debt obligations. In order to meet our business and operational financing requirements or to service our debt obligations, we will need to continue generating cash flows at or above current levels. However, we cannot assure you that we will be able to do so. Our ability to generate cash is subject to general economic, financial, competitive, industry, legal and other factors and conditions, many of which are outside our control. In particular, our operations are subject to price and demand volatility in the telecommunications industry. If we cannot generate sufficient cash from our operations, we may be required to, among other things, reduce capital expenditures, sell assets, or raise equity. We may not be successful in taking these actions, which could cause us to incur debt. There can be no assurance that we will be able to raise debt financing on commercially favorable terms or at all if we are required to do so in order to meet our business or operating capital requirements. If any of the above occurs, our business, results of operations, financial condition and prospects will be materially and adversely affected.

We expect to continue to make investments and incur capital expenditure to maintain and upgrade our network to meet consumers' demands for new or existing services, and to continue to offer competitive services. Furthermore, we may need to obtain additional financing if our business plans are affected by changes in the telecommunications or cable services industry, developments in technology, or if our turnover and cash flow are significantly reduced. Financing might not be available to us when needed, or may only be available on terms that are commercially unfavorable to us. Any debt financing, if available, may involve restrictive covenants. If we are unable to raise the amounts required on commercially favorable terms or at all, we may be unable to pursue our growth strategy. In addition, future adverse conditions in the financial markets may impair our ability to finance our operations. We are also subject to regulatory restrictions on raising offshore financing. There can be no assurance that any future financings will not be dilutive to your shareholdings of our Equity Shares. If we cannot raise sufficient funds on commercially favorable terms, we may need to delay or abandon some of our business plans or otherwise forego market opportunities, and our business, results of operations, financial condition and prospects may be adversely affected.

9. The loss of key suppliers or their failure to deliver equipment or perform services in a timely or satisfactory manner could adversely affect us.

We rely on third parties for certain services, including empaneled partners and OEMS for ICT hardware implementation, software delivery and digital transformation. We also enter into arrangements with access network providers to deliver last mile connectivity services to customers. We also engage with third-parties for the supply of network equipment, including fiber optic cables, IT software and other products, and for the supply of services to operate and maintain our network and to deliver our services to our customers, including the laying of network cables. We need to have an adequate supply of installation equipment on hand for delivery to our customers in a timely manner. We purchase equipment related to our network, including optical network terminals and equipment routers, and obtain services from our suppliers on a purchase order basis and typically do not have long-term contracts with our suppliers. Additionally, the delivery of our services and the operation and maintenance of our network require a reliable and uninterrupted supply of a significant amount of power, which we obtain from third-party electricity providers. Our supply of such products and services may be disrupted or terminated due to circumstances and events outside of our control, including unexpected power cuts, failure or damage to electrical power grids, natural disasters, malicious acts of third-parties or the financial condition or business viability of our suppliers. Our suppliers may also choose not to continue to supply us with products or services which we require for our business and operations. . We also depend on a limited number of suppliers who provide us with upstream bandwidth services, including supplying us with bandwidth to carry our network traffic, and there are only a limited number of suppliers in the market who may be able to supply us with such bandwidth at the scale and quality we require. Additionally, certain of our suppliers may also supply equipment to our competitors which may reduce our suppliers' ability to meet our requirements. Further, certain of our bandwidth suppliers also offer services similar to our broadband internet services and may compete with us. If our suppliers are unable to or cease to supply us with the products or services, we may not be able to operate our business in a timely manner or at all, or if the costs of these products or services increase, we may incur additional costs and disruptions in our services as we source for alternative suppliers. There can be no assurance that we will be able to obtain suitable alternative suppliers on terms which are commercially favorable or at all. Any disruption to our supply of bandwidth, equipment or services from our suppliers could negatively affect our operating results, especially if we are unable to spread the costs over a larger subscription base or effectively pass on the additional costs by increasing our subscription prices.

If hardware or software products provided to us by third-party suppliers are defective or related services are unsatisfactory, it may create technical problems in the delivery of our services, damage our reputation and result in the loss of customers. Our suppliers may rely on contract-based manual labor to perform certain services for us, including the laying of cables and the maintenance of our network infrastructure. Such labor may not comply with service and quality standards, safety guidelines, operating procedures or applicable law, which may result in the services being performed for us to be unsatisfactory or unsafe. If our suppliers fail to comply with such standards or other applicable regulations, they may become subject to penalties or legal proceedings. In turn, this may disrupt our supply from such suppliers, which would affect our business and operations. Furthermore, we may also become subject to claims or legal proceedings by government authorities, regulators or third-parties or our network and services may be disrupted or affected as a result of such compliance failures by our suppliers. In addition, it may be difficult or impossible to enforce claims against such suppliers, especially if the warranties included in contracts and service level agreements with our customers (including those mandated or implied by applicable law) exceed those in contracts with our suppliers or if the services provided do not otherwise comply with the terms of those contracts or service level agreements. Our ability to recover from suppliers in such cases or in other situations may also be limited if such suppliers become insolvent. The occurrence of any of these risks could have a material adverse effect on our business, financial condition, results of operations and prospects.

Further, some of our suppliers are also regulated and may require certain licenses to supply us with the services and equipment we require to operate our business. If our suppliers are unable to obtain or renew such licenses or if their licenses are revoked, we may not be able to obtain the services or equipment we require to operate our business and our services and network may be disrupted. While our suppliers may appeal against such revocation or suspension, there can be no assurance that they will be successful in such appeals.

10. Our ability to further expand the coverage of our network or to maintain the coverage of our existing network may be limited by our ability to obtain or renew access rights on land or buildings owned by third-parties.

As of June 30, 2020, we have access to right of way for optical fiber cable network along 67,415 route kilometers over railway tracks and have high capacity optical fiber cable network along 55,000 route kilometers. In addition, we have optical fiber cable network along 8,852 route kilometers over land and building owned by third-parties. We intend to continue to expand our network, which may involve building new network infrastructure over new land or connecting our network to or installing our network devices in new locations and buildings. Our ability to achieve such expansion would require us to obtain or renew licenses or rights of way from third-parties over such land or buildings to access and install our network infrastructure. Such third-parties include municipal corporations, electricity distribution companies, statutory authorities, government bodies, state organizations, private companies and individuals. We may also be required to obtain legal rights of way from government authorities to use public infrastructure, such as poles, for laying or maintaining our network infrastructure, including our cables and ducts. Such rights or approvals are typically valid for defined time periods and are required to be renewed. Further, municipal authorities and government bodies may also impose additional restrictions on us.

In the absence of established policy guidelines for granting such rights, including rights for laying overhead cables, and the criteria for obtaining such rights not being clear, it would be difficult or time-consuming for us to obtain such access rights. In addition, most of our rights of way permits for underground infrastructure has been obtained from the Indian Railways for a period of 30 years or till we remain a public sector undertaking, whichever is earlier. Remaining rights of way are granted to us for one-year periods, to be renewed annually. If we are unable to obtain or renew these rights in a timely manner, this could delay or disrupt our services and our ability to implement our business strategies. In addition, a small portion of our network utilizes overhead cables to connect our customers to our network. Governmental authorities in states in which we operate may decide to implement policies to that require us to remove our over-ground network infrastructure and to re-install underground network infrastructure, which will require us to incur financial expense. We are also required to indemnify other governmental authorities for any loss, including loss of or damage to property, loss of life or economic loss, arising from laying of our cables. We may also be required to comply with additional procedures and protocols which are prescribed by government authorities and set out in the permits granted to us when performing any work on our network cables, including maintenance work. If we fail to comply with such procedures or protocols, we may become subject to penalties, our licenses may be cancelled and we may be blacklisted by the relevant executing agency. Further, if our licenses, rights of way or other approvals are revoked by government authorities or we fail to comply with the conditions or standards prescribed by such authorities, we may be forced to remove our network infrastructure, which would result in the reduction in the coverage of our network and a loss of our customers. While we have not experienced any instances where we have been forced by any third-parties or government authorities to discontinue our operations located in or which pass over certain land or buildings as a result of not having obtained or renewed the necessary rights or approvals, there can be no assurance that we will not experience such forced discontinuation in the future. If we are unable to obtain such rights or approvals or to renew such rights or approvals when they expire, our ability to expand our network and to implement our business strategies will be restricted, and we may become subject to claims, legal proceedings or suffer financial losses on investments on capital expenditure which could adversely affect our business, results of operations, financial condition and prospects.

We also require access rights to lay a portion of our network infrastructure on land or buildings owned by various parties including private individuals, organizations or companies. Certain of these third-parties, including organizations overseeing or managing gated communities in which large numbers of residential consumers reside, may charge us fees for such access rights. If the fees charged to us by such third-parties are substantial or too high, we may not be able to provide our services at cost-competitive prices and may lose our competitiveness in the market. Additionally, we may be unable to obtain such access rights from such third-parties at all if such third-parties have established business relationships with any of our competitors, or if they refuse to engage with us. If we are unable to secure such access rights, our business and operations could be adversely affected.

11. We generate certain portion of our revenue from providing data services and a failure to successfully compete in providing data services could have an adverse effect on our business, financial condition, results of operations and prospects.

We generate certain portion of our revenue from providing data services, and in Fiscal 2018, 2019 and 2020, revenue generated from providing ISP services represented 14.48%, 15.63%, and 14.26% of our total income, respectively. Various factors such as rising income levels, decline in prices of smartphones, increasing availability of mobile-based content, higher data demanding media including videos, games and other applications on smartphones and the rollout of long term evolution or LTE networks have led to a rapid growth of data usage in the telecom sector in India.

Growth in our data revenues is dependent on the prices we are able to charge for various data offerings and the level of data usage by our customers. We cannot assure you that data usage growth will be adequate to compensate for any future reduction in data prices. Further, if our competitors are able to offer data services that are, or that are perceived to be, more affordable or of a higher quality than those offered by us, we may be required to reduce the price of our data offerings or risk losing market share. If we are unable to remain competitive in providing data services in the future, our business, prospects, results of operations and financial condition may be adversely affected.

12. The economic environment, increased pricing pressure and decreased utilization rates could negatively impact our revenues and operating results.

IT spending of customers are often driven by the growth in revenue of customers. Economic slowdown in the past has reduced the IT spending budgets of our customers and have in the past adversely affected and may in the future adversely affect our revenue, profitability and results of operation. Our infrastructure managed services, NLD and ISP business may be affected in terms of prices and growth.

With regard to the Indian economy, we continue to experience pricing pressure due to competition in the markets in which we operate. Lead times for orders or contracts have become much longer, as we have longer credit periods. These factors have affected and will affect the growth in demand for our corporate business.

We have invested in building our network and data center infrastructure and will continue to invest in the future. Our utilization rates of the existing and prospective infrastructure will determine our profitability. We may not utilize our infrastructure at the optimum level which would impact our revenue.

Reduction in IT spending, inability to maintain or increase prices, extended credit terms, and inability to maintain or improve utilization rates of our infrastructure may adversely impact our revenues, gross profits, operating margins and results of operations.

13. ***The continuity of our services is highly dependent on the proper functioning of our network and infrastructure, and any disruption to our services or damage to our network infrastructure or failure of our network could materially and adversely affect our business.***

The provision of our services and the success of our business depends, in part, on the quality, stability, resilience and robustness of our network. In particular, damage to our network operations center, data centers (including core equipment therein) or other network infrastructure, could have a significant impact on the ability of our network to function properly. Our network infrastructure, including our technology platforms and customer relationship management systems, is vulnerable to damage or cessation of operations from fire, earthquakes, severe storms, heavy rainfall, other natural disasters, power loss, telecommunications failures, technological failures, network software flaws, malicious acts by third-parties, vandalism, acts of terrorism, social unrest, cyber-attacks and computer viruses, transmission cable cuts, human error and other events beyond our control. We may experience equipment failures, shutdowns of part of our network or even catastrophic failure of our entire network as a result of any such factors. Our customers may also claim from us loss or damage they may suffer as a result of such failures or shutdown, and our insurance may not be sufficient to cover such claims.

Further, those parts of our network, including any branch switches, area switches, fiber switches, customer switches and cables, which are situated underground may be subject to accidental damage by third-parties, including local government and municipal authorities, undertaking construction works while those parts of our network situated above ground may be subject to damage cause by environmental elements, including storms and heavy rainfall. Prolonged maintenance or repair works on our network would cause disruptions in our services. We may also be unable to effectively monitor, track or maintain our underground network due to the physical difficulties with monitoring and accessing underground infrastructure. As we intend to invest in the continuous development of our underground network, if any of the foregoing occurs, our return on invested capital may be adversely affected and our investment may be diminished or lost. Further, the operation of our business requires a large amount of power. We cannot be certain that there will be adequate power in all the locations in which we operate. While we have made arrangements for back-ups in case of power failure, in the event our back-ups fail or in case of a prolonged power outage, we may incur loss or damage to our equipment.

Our network may also be disrupted by failures in the software or hardware on which our technology and IT systems rely, computer viruses, security breaches, cyber-attacks, including hacking by third-parties which may result in delays, disruptions or suspension of our services, and may compromise the security of our, our customers’ and our employees’ content and personal data. Any compromise to the security of our network and systems could expose us to substantial financial and reputational liability, and we may have to invest substantial resources to develop the security systems of our networks to defend against such attacks. There can be no assurance that our network backup or other recovery measures will be sufficient and effective if such events occur and cause disruptions or damage to our network. Sustained or repeated system or network failures, whether from operational disruption, natural disaster or any other factors, which disrupt our services to customers or our ability to meet our business obligations in a timely manner or at all would adversely affect our reputation and may result in a loss of customers and revenue. We may also become subject to legal proceedings and be required to rectify or remove our network infrastructure, including overhead cables, which may require us to incur expenses, disrupt our business and operations and adversely affect our prospects.

14. ***Our business may not be compatible with delivery methods of bandwidth / connectivity developed in the future.***

We face the risk that fundamental changes may occur in the delivery of connectivity services in India. The internet market has seen significant changes in the recent past from connecting fixed offices/ locations to connecting mobile devices to connecting disparate automated devices and to continue to be relevant in this dynamic and disruptive environment, we will have to develop new technology or modify our existing technology to accommodate these developments. Our pursuit of these technological advances, whether directly through internal development or by third-party license, may require substantial time and money. We may be unable to adapt our connectivity service business to alternate delivery means and new technologies may not be available to us at all.

15. If we are unable to meet our service level commitments, our reputation and results of operation could suffer.

Most of our customer contracts provide that we maintain certain service level commitments to our customers. If we fail to meet our service level commitments, we may be contractually obligated to pay the affected customer a financial penalty, which varies by contract, and the customer may in some cases be able to terminate its contract. In addition, if such a failure were to occur, there can be no assurance that our customers will not seek other legal remedies that may be available to them, including:

- requiring us to provide free services;
- seeking damages for losses incurred; and
- cancelling or electing not to renew their contracts.

Any of these events could materially increase our expenses or reduce our net revenue, which would have a material adverse effect on our reputation and results of operations. Our failure to meet our commitments could also result in substantial customer dissatisfaction or loss. As a result of such customer loss and other potential liabilities, our net revenue and results of operations could be materially and adversely affected.

16. Any delay in the collection of our dues and receivables from our customers may have a material and adverse effect on our results of operations and cash flows.

Our business depends on our ability to successfully obtain payment from our customers of the amounts they owe us for work performed. In Fiscal 2018, 2019 and 2020, our debtor cycle based on closing balances (net of expected credit loss) was approximately 174 days, 167 days and 164 days, respectively. In Fiscal 2018, 2019 and 2020, our trade receivables were ₹ 4,666.78 million, ₹ 4,595.72 million and ₹ 5,070.70 million, respectively, representing 47.78%, 45.81% and 44.95%, respectively, of our revenue from operations in such periods. We cannot assure you that we will be able to accurately assess the creditworthiness of our customers and will be able to collect the dues in time.

Macroeconomic conditions could also result in financial difficulties for our customers, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause customers to delay payment, request modifications of their payment terms, or default on their payment obligations to us, cause us to enter into litigation for non-payment, all of which could increase our receivables. In any such case, we might experience delays in the collection of, or be unable to collect, our customer balances, and if this occurs, our results of operations and cash flows could be adversely affected. In addition, if we experience delays in billing and collection for our services, our revenue and cash flows could be adversely affected.

17. The confidential information or data of our customers may be misappropriated by our employees and as a result, cause us to breach our contractual obligations in relation to such confidential information.

We store confidential information and data of our customers. We cannot assure you that the steps taken by us to protect such data will adequately prevent the disclosure of confidential information by an employee or a subcontractor or a subcontractor's employee and we may not have internal controls and processes to ensure that our employees do not misappropriate or unlawfully distribute such information. If the confidential information is disclosed by us or is misappropriated by our employees or subcontractors, our clients may raise claims against us for breach of our contractual obligations. The successful assertion of any claim may have an adverse effect on our business, financial condition and results of operations.

18. Our reputation and business may be harmed and we may be subject to legal claims if there is loss, disclosure or misappropriation of or access to our subscribers' or our own information or other breaches of our information security.

We make extensive use of online services and centralized data processing services, including through third-party service providers. The secure maintenance and transmission of subscriber information is an important element of our operations. Our information technology and other systems, or those of service providers, that maintain and transmit subscriber information may be compromised by a malicious third-party penetration of our network security, or that of a third-party service provider, or impacted by advertent or inadvertent actions or inactions by our employees, or those of a third-party service provider.

In addition, third-party service providers and we process and maintain our proprietary business information and personal data related to our subscribers or suppliers. Our information technology and other systems that maintain and transmit this information, or those of third party service providers, may also be compromised by a malicious third-party penetration of our network security or that of a third-party service provider, or impacted by intentional or inadvertent actions or inactions by our employees or those of a third-party service provider. As a result of any of these risks, our business information, or subscriber or supplier data may be lost, disclosed, accessed or taken without consent.

Any major compromise of our data or network security, failure to prevent or mitigate the loss of our services or any subscriber information and delays in detecting any such compromise or loss could disrupt our operations, damage our reputation and subscribers' willingness to purchase our service and subject us to additional costs and liabilities, including litigation. Should we be held liable in a large number of these disputes, our reputation, business and operations may be adversely affected.

19. Failure to complete development, testing and introduction of new services, including managed services, could affect our ability to compete in the industry.

We continuously develop, test and introduce new communications services so that we can compete for new customers and in new segments of the communications business. Sometimes the introduction of new services requires the successful upgrade or development of new technology, which may be dependent on the conclusion of contract negotiations with vendors and vendors meeting their obligations in a timely manner. In addition, our new service offerings may not be widely accepted by our customers. If we are not able to successfully complete the development and introduction of new services, including new managed services, in a timely manner, our business could be materially and adversely affected.

20. Certain of our infrastructure projects are eligible for certain subsidies and any change or withdrawal of these subsidies by the relevant government entity may affect our results of operations.

We benefit from certain subsidies for projects carried out for government entities, including subsidies granted under the 'Universal Service Obligation Fund' of the DoT. In Fiscal 2018, 2019 and 2020 the aggregate amount amortised in the statement of profit and loss in proportion to depreciation on assets capitalized out of subsidy was ₹ 5.80 million, ₹ 13.10 million, and ₹ 21.30 million, respectively, representing 0.06%, 0.13%, and 0.18% of our total income in such periods, respectively. There can be no assurance that these and other projects will continue to enjoy similar subsidies in the future. If the subsidies expire or terminate or in the event that the relevant authority rejects our entitlement to these subsidies, we may incur higher capital expenditure, which may negatively impact our financial condition and results of operations.

21. We may not meet the selection criteria set for high value contracts by the Government.

Selection as service provider for large government projects is undertaken through a tender process, and many of the bids in which we participate are subject to the satisfaction of certain eligibility conditions and performance standards. These include reputation, experience and sufficiency of financial resources. While we have satisfied pre-qualification criteria to bid for such projects in the past, there can be no assurance that we will be able to meet such criteria to bid for these and other similar projects in the future. We spend considerable time and resources in the preparation and submission of bids, and there can be no assurance that we will be awarded such contracts.

In addition, government conducted tender processes may be subject to change in qualification criteria, unexpected delays and uncertainties. In the event that new projects which have been announced and which we intend to bid for are not put up for bidding within the announced timeframe, or qualification criteria are modified such that we are unable to qualify, our business, prospects, financial condition, cash flows and results of operations could be materially and adversely affected. Our ongoing projects have been awarded to us for a definite term and the relevant authorities may float tenders for such projects after expiry of the current term. There can be no assurance that we will be awarded such projects at the end of the tender process. Further, in situations where our bids have been successful, there may be delays in award of the projects, which may result in us having to retain resources which remain unallocated, thereby adversely affecting our financial condition and results of operations.

22. We may be unable to secure adequate financing to meet our capital requirements in the future on acceptable terms or in requisite time.

We may require additional funds in connection with our future business expansion, development initiatives or for running the ordinary course of business. Our ability to obtain additional capital is subject to a variety of uncertainties, including our future credit rating, financial condition, results of operations and cash flows, conditions in the capital markets in which we may seek to raise funds and general economic, political and other conditions in India and elsewhere. In obtaining the additional source of funding, to meet such working capital requirements, we may enter into new debt facilities with lending institutions or raise additional debt in the capital markets. If we decide to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional restrictive covenants. Such financing could cause our debt to equity ratio to increase or require us to create charges or liens on our assets in favor of such lenders. Since the ability and willingness of our lenders to extend financing facilities to us is dependent on a number of factors outside our control and therefore, we cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Further, if we decide to raise additional funds through the issuance of equity, the ownership interest of our existing shareholders may be diluted.

Our failure to obtain sufficient financing as and when required could result in the delay or abandonment of any business growth or implementation of our business development plans and this may affect our business and future results of operations.

23. We may be subject to legal proceedings and claims regarding information disseminated over or the use of data from our network or through our services, which could increase our costs or require us to discontinue certain services.

We may be subject to claims for defamation, negligence, copyright or trademark infringement, personal injury, privacy rights violations or other legal claims relating to the information we publish on our digital platforms or disseminate through our network or data that we use from our network or through our services, including our broadband services.

Certain businesses, organizations and individuals may send unsolicited commercial e-mails or other content, which may be viewed as offensive by recipients, through our network. There can be no assurance that customers will not use our network or engage in a conduct while using our network which could subject us to claims for damages, damage our reputation and brand or other effects which could adversely affect our business, results of operations, financial condition or prospects.

Our services include message display boards across cities, and certain businesses, organizations and individuals may regard such content as offensive or defamatory, and may commence legal proceedings, including defamation suits, against us. If such proceedings against us are commenced, we may be required to engage in prolonged legal or other proceedings, and may be required to incur substantial expenses to defend against such claims. There can be no assurance that we would be successful in defending against such claims. If we are unsuccessful in defending against such claims, we may become subject to financial penalties or be required to pay compensation. Additionally, we may be required to discontinue certain of our services. The occurrence of any of the foregoing would adversely affect our business, results of operations, financial condition and prospects.

We may also be subject to claims and enforcement actions, including under censorship and personal data protection laws, based upon the content or data accessible from our digital platforms through links to other websites or through content and materials that may be posted by members on our platforms. Lawsuits or claims may be brought against us for content distributed through our network, including any politically sensitive or illegal content, and such content may damage our reputation and brand. We may be required to incur substantial expenses to defend against such claims or discontinue certain of our services, which could adversely affect our business, results of operations, financial condition and prospects.

24. Our business, financial condition and results of operations may be materially adversely affected by global health epidemics, including the recent COVID-19 outbreak, and the continuing effect of the same cannot be predicted.

In late 2019, COVID-19, commonly known as the "novel coronavirus", emerged in Wuhan, China, and by March 11, 2020 was declared a global pandemic by the World Health Organization. Governments and municipalities around the world instituted measures in an effort to control the spread of COVID-19, including quarantines, shelter-in-place orders, school closings, travel restrictions, and closure of non-essential businesses. By the end of March, the macroeconomic impacts became significant, exhibited by, among other things, a rise in unemployment and market volatility.

In order to contain the spread of COVID-19 virus, the Government of India initially announced a 21-day lockdown on March 24, 2020, which, after being subject to successive extensions, is being relaxed currently. In compliance with the lockdown orders announced by the Indian Government, we temporarily closed certain of our offices and substantially, all of our employees were compelled to work remotely. The rapid shift to a remote working environment creates inherent productivity, connectivity, and oversight challenges. Governmental restrictions have been inconsistent and it is not clear when a return to worksite locations or travel will be permitted or what restrictions will be in place in those environments. The extent and/ or duration of ongoing workforce restrictions and limitations could impact our ability to successfully provide our services, comply with various reporting requirements to the regulators in a timely manner, among others. In addition, the changed environment under which we are operating could have an impact on our internal controls over financial reporting as well as our ability to meet a number of our compliance requirements in a timely or quality manner.

If the COVID-19 outbreak progresses in ways that continue to disrupt our operations including through lockdowns and limited access to business resources, such disruption may materially negatively affect our operating results for Fiscal 2021 and possible subsequent periods.

With the outbreak of COVID-19, international stock markets have begun to reflect the uncertainty associated with the slow-down in the global economy and the reduced levels of international travel experienced since the beginning of January, large declines in oil prices and the significant decline in the Dow Jones Industrial Average at the end of February and beginning of March 2020 was largely attributed to the effects of COVID-19. In addition, the widespread lockdowns implemented by various countries since March 2020 has further slowed-down the global economy and disrupted daily operations of most companies. If the spread of the COVID-19 continues to limit the level of economic activity globally, and in particular in India, this likely would negatively affect, and may materially negatively affect, our operating results, cash flow and business.

Further, our ability to ensure the safety of our workforce and continuity of operations while confirming with measures implemented by the central and state governments in relation to the health and safety of our employees may result in increased costs. In the event a member or members of our management team contract(s) COVID-19, our operations may be potentially affected. Further, in the event any of our employees contract COVID-19, we may be required to quarantine our employees and shut down our offices and/or data centers, as necessary. Risks arising on account of COVID-19 can also threaten the safe operation of our offices and impact the well-being of our employees.

The ultimate impact of such a pandemic will depend on a number of factors, many of which are outside our control. These factors include the duration, severity and scope of the pandemic, the impact of the pandemic on economic activity in India and globally, the eventual level of infections in India or in the regions in which we operate, and the impact of any actions taken by governmental bodies or health organisations (whether mandatory or advisory) to combat the spread of the virus.

25. We have experienced negative cash flows in the past, and any such negative cash flows in the future could adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.

The following table sets forth certain information relating to our cash flows on a consolidated basis for the periods indicated. We may in the future experience negative operating cash flows.

Particulars	Fiscal 2018	Fiscal 2019	Fiscal 2020
	(₹ million)		
Net cash flow generated from / (used in) operating activities	408.81	353.93	1,733.03
Net cash flow generated from / (used in) investing activities	15.41	406.46	(479.54)
Net cash flow generated from / (used in) the financing activities	(620.20)	(772.40)	(624.62)
Net increase/(decrease) in cash and cash equivalents	(195.98)	(12.01)	628.87

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further information, see "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 174 and 273 respectively.

26. Our data center business could be harmed by prolonged power outages or shortages, increased costs of energy or general lack of availability of electrical resources.

As of June 30, 2020 we owned and operated two data centers in India. Our data centers are susceptible to regional costs of power, power shortages, planned or unplanned power outages and limitations on the availability of adequate power resources.

Power outages, including, but not limited to those relating to large storms, earthquakes, fires and tsunamis, could harm our customers and our business. We attempt to limit our exposure to system downtime by using backup generators and power supplies; however, we may not be able to limit our exposure entirely even with these protections in place. As of June 30, 2020 one of our data centers is located in owned building while the other data center is located in building taken on lease. As a result, in the event of a power outage, we may be dependent upon the utility company, to restore the power.

In addition, global fluctuations in the price of power can increase the cost of energy, and we may not always choose to pass these increased costs on to our customers. We rely on third parties to provide a sufficient amount of power for current and future customers. At the same time, power and cooling requirements are growing on a per unit basis. As a result, some customers are consuming an increasing amount of power per cabinet. This means that we could face power limitations in our data centers. This could have a negative impact on the effective available capacity of a given center and limit our ability to grow our business, which could have a negative impact on our financial performance, operating results and cash flows.

We may also have difficulty obtaining sufficient power capacity for potential expansion sites in new or existing markets. We may experience significant delays and substantial increased costs demanded by the utilities to provide the level of electrical service required by our current data center designs.

27. Increased sharing of existing and new passive telecommunication infrastructure may adversely affect us.

We believe that growth and demand for mobile telecommunication services in India will lead to an increased impetus for the sharing and integration of passive telecommunications infrastructure such as towers, poles, conduits and physical sites, as mobile telecommunication operators will increasingly need to outsource their passive telecommunication infrastructure needs as high-speed data transfer becomes more commonplace. There can be no assurance, however, that Indian telecommunication operators will not increasingly share existing and new passive telecommunication infrastructure constructed by other Indian telecommunication operators, other existing telecommunication infrastructure companies or their respective affiliates, which could adversely affect our tower infrastructure services business and consequently our financial condition, cash flows and prospects.

In addition, if BSNL and MTNL, large wireless service providers in India, were to begin to engage in significant amounts of site sharing with other operators or otherwise offer tower infrastructure services sharing availability, this could create a significant new competitor to our tower infrastructure services business.

Our tower infrastructure services business currently faces competition principally from:

- Indian wireless communication operators that share their own tower infrastructure services with other carriers;
- Indian power transmission operators who may let their existing infrastructure be utilized by wireless telecommunication service providers;
- International, national and regional tower infrastructure services companies, including joint ventures formed by other wireless communication operators; and
- Site development companies that purchase antenna space on existing towers for wireless carriers and manage new tower site construction.

Competitive pricing pressures for customers from these competitors could adversely affect our tower infrastructure services business growth prospects and revenue. If we lose customers in this space due to pricing pressures or otherwise, we may not be able to find new customers, which may have an adverse effect on our profitability and cash flows. Increasing competition in this business could also make the acquisition of high quality tower assets, and securing the rights to land for our towers, more costly. Competition can also lead to the inability to gain new customers. We cannot therefore assure you that we will be able to successfully compete within this increasingly competitive business sector.

28. Any deficiency in our billing and credit control and customer management processes could materially and adversely affect our operations.

Reliable billing, credit control, collection and customer management systems are critical to support our ability to maintain and increase turnover, avoid turnover loss, monitor potential credit problems and bill customers accurately and in a timely manner. We will need to expand and adapt our billing and credit control systems to capture new revenue streams as our business continues to grow. The development of new businesses may impose a greater burden on our systems and may strain our administrative, operational and financial resources. Our billing, credit control, collection and customer management systems may be affected by computer viruses, cyber-attacks, telecommunications failures, software flaws and systems failures, human error in managing or operating our software systems, and increased operational load as a result of an increase in the scale of our operations. Further, we depend on certain third-parties to invoice and collect payments from our customers for our ‘Rail Wire’ operations. Any deficiency in billing, credit control, collection and customer management systems or delays in upgrades or integration of new systems could adversely affect our business, financial condition, results of operations and prospects.

29. If we fail to comply with health and safety standards, we may become subject to liability.

Our network infrastructure includes overhead cables, structures and other physical installations which may be situated in densely populated locations, including residential and commercial areas. While we implement procedures and protocols to comply with health and safety standards, the safety of our network infrastructure may be compromised if there are any physical failures, including structural collapse or the collapse of adjacent or nearby trees and other structures, or electrical failures, including electrical short-circuits, in our network infrastructure, which may occur as a result of natural disasters, events beyond our control, failings in design, construction, installation or maintenance, wear and tear, malicious acts of third-parties, human error, or any other events within or outside of our control., and may in the future continue to experience such events. The occurrence of any of these events may cause harm to persons, including our customers, our employees and any other third-parties or the general public, or damage to their property, which may subject us to financial liability, reputational damage and, potentially, criminal liability. Further, if we fail to effectively implement or comply with health and safety standards for our employees, including standards imposed by the government or regulators in respect of our employees’ working conditions, we may be subject to legal and financial liability. Additionally, our reputation and ability to attract suitable employees may be adversely affected. If we fail to comply with any applicable health and safety standards, or if any of the foregoing events or similar events occur, our business, financial condition, results of operations or prospects may be adversely affected.

30. Compliance with subscriber verification norms, know your client (“KYC”) regulations and data privacy norms may require us to incur expenditure, which may adversely impact our financial condition and cash flows.

Regulators are introducing stringent subscriber verification and KYC guidelines, including biometric verification and quality of KYC documents. We are required to comply with KYC requirements and processes in relation to our customers as per applicable Indian law. If we are unable to develop, maintain and update customer information in accordance with applicable KYC norms or are unable to prevent the misuse of our services, we may be held liable for non-compliance with governmental regulations. In a recent judgment, the Supreme Court upheld the constitutional validity of 'Aadhaar' and has simultaneously restricted its use by private entities for verification of the identity of the mobile phone users and limited the use of Aadhaar for social welfare schemes of GoI. Telecom service operators like us had built their electronic KYC authentication systems around the biometric database of Aadhaar. Restrictions on usage of Aadhaar by the Supreme Court has led to us requiring to revamp and rework the process and infrastructure for verification of customers for ensuring KYC compliance, from online verification system based on Aadhaar to the alternate modes of verification, which has had substantial cost implications on our business and operations. Alternate mode of KYC verification could be expensive, time consuming and onerous for us for the compliance with data privacy norms.

We are subject to data privacy laws, rules and regulations that regulate the use of customer data. Compliance with these laws, rules and regulations may restrict our business activities, require us to incur increased expense and devote considerable time to compliance efforts. The existing and emerging data privacy regulations limit the extent to which we can use personal identifiable information and limit our ability to use third-party firms in connection with customer data. Certain of these laws, rules and regulations are relatively new and their interpretation and application remain uncertain. Data privacy laws, rules and regulations are also subject to change and may become more restrictive in the future. For example, under the Information Technology Act, 2000, as amended, we are subject to civil liability for wrongful loss or gain arising from any negligence by us in implementing and maintaining reasonable security practices and procedures with respect to sensitive personal data or information on our computer systems, networks, databases and software. India has also implemented privacy laws, including the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011, which impose limitations and restrictions on the collection, use, transfer and disclosure of sensitive personal data or information. With the anticipated introduction of the proposed Personal Data Protection Bill, 2018, we may be subject to additional compliance, which includes retaining data of customers within India when brought into effect. Changes or further restrictions in data privacy laws, rules and regulations could have a material adverse effect on our business, financial condition and results of operations. The cost and operational consequences of implementing further data protection measures could be significant and this may have a material adverse effect on our business, financial condition and results of operations.

31. Any asset impairment could adversely affect our financial condition and results of operations.

We have non-current assets such as property, plant and equipment, network infrastructure, intangible assets, leasehold interests in land and buildings, investments in a subsidiary, telecommunications facilities and computer equipment, and are required to review these assets for impairment at each balance sheet date. This review is made with reference to the recoverable amounts in respect of those assets or, in the case of goodwill, the fair market value of the relevant businesses. Impairment of any of these assets could adversely affect our financial condition and results of operations.

The recoverable amount of an asset depends on the prevailing market conditions at the time of the review, the nature of the asset, its fair value and value in use. In assessing value in use, the estimated future cash flows from the asset are discounted to their present value using a pre-tax discount rate that reflects our current market assessment of the time value of money and the risks specific to the asset. Estimated future cash flows arising from future use of the asset are determined by analyzing our target market share, market competition, future changes to our cost structure and technological change as well as related future capital expenditure required to maintain the asset's performance. Further, if any of our assets, including our network switches, are damaged as a result of factors which may be beyond our control, or if our assets become obsolete as a result of advances in technology or changes in market dynamics, the value of our assets may be reduced. For instance, we have recognized impairment loss amounting to ₹ 492.98 million in Fiscal 2020 that is presented as an "exceptional item" in our Restated Financial Statements. For further information, see "*Restated Financial Statements – Annexure VI – Note 42 – Items 25*" on page 230. Any reduction in the recoverable amount of an asset below its carrying value, whether due to a weak economic environment, challenging market conditions, asset or portfolio sale decisions by management or any other condition or occurrence, could be charged to the income statement and could thus materially and adversely affect our results of operations and shareholders' equity in the period in which the impairment occurs.

32. Our business relies on intellectual property, including intellectual property owned by third-parties, and we may inadvertently infringe the patents and proprietary rights of others.

We depend on and use certain intellectual property of third-parties, including of our suppliers of technology we use for our network, for our business and in order to provide our services to customers. If we are unable to obtain or continue to obtain rights to use such third-party intellectual property rights on commercially favorable terms or at all, we may be required to modify our services or cease providing certain services to our customers, which may adversely affect our business and results of operations.

We may not be aware of all intellectual property rights that our services or the products used to transmit or receive our services may potentially infringe. Certain of the services, products and technology provided to us by our third-party suppliers may utilize intellectual property belonging to other third-parties. We cannot assure you that our suppliers will not infringe on the intellectual property of third-parties by supplying us with their services, products or technology, or that our use of such services, products or technology from our suppliers will not cause us to infringe on the intellectual property rights of third-parties. Therefore, there can be no assurance that our services or the products used to transmit or receive our services will not infringe on intellectual property owned by third-parties. Further, third-parties, including our competitors, have or may in the future acquire intellectual property rights that cover or include those which we already use for our services and in the course of our business. To the extent that we are required to pay royalties to third-parties to whom we are not currently making payments, these increased costs of doing business could materially and adversely affect our operating results. Further, there can be no assurance that we or our suppliers would be able to obtain licenses from third-party owners of such intellectual property rights on commercially favorable terms or at all, and if we were unable to obtain such licenses, that we or our suppliers would be able to redesign our services or the products used to transmit or receive our services to avoid infringement. Any court-imposed penalties relating to violations of third-party intellectual property rights could have a material and adverse effect on our business, financial condition, results of operations and prospects.

33. We depend on our intellectual property including our logo and trademark, and failure to protect our intellectual property would adversely affect our business, financial condition and results of operations.

As of June 30, 2020, we owned the 'RailTel' logo and trademark and certain other intellectual property including 'RailCloud' and 'RailWire'. Our ability to compete effectively depends in part on our ability to protect our rights in intellectual property and our efforts to protect our intellectual property (including our reliance on trade secret laws) may not be adequate. Litigation may be necessary to protect and enforce our intellectual property rights, or to defend ourselves against claims by third parties that our business operations or use of our intellectual property infringe their intellectual property rights. Any litigation or claims brought by or against us could result in substantial costs and diversion of our resources. Unauthorized parties may infringe upon or misappropriate our trademarks or proprietary information. While our domain name including www.railtelindia.com cannot be copied, we may be unable to renew registration of our domain names, and other parties could create an alternative domain name resembling ours that could be passed off as our domain name. A successful claim of trademark, copyright or other intellectual property infringement against us could prevent us from providing our service, which could harm our business, financial condition or results of operations.

34. We depend on subscriptions for our wired broadband internet services operations, 'Rail Wire', and our inability to renew existing customers' subscriptions and acquire new subscribers could have an adverse effect on our business.

We offer subscriptions for our wired broadband internet services, 'RailWire'. The subscription period ranges from one month to one year. Our ability to renew existing subscriptions at commercially viable levels is critical to our 'RailWire' business. There can be no assurance that we will be able to retain any of our customers or renew any of our existing subscriptions on commercially favorable terms or at all. Moreover, we may not be able to offset in whole or in part any decreases in the number of our existing customers with increases in the number of new customers for our services. If our customers do not renew their existing subscriptions, our revenue could decrease and our costs could increase which could have an adverse effect on our business, financial condition, results of operations and prospects.

35. The Annexure to our Statutory Auditors' report issued under the Companies (Auditor's Report) Order, on our consolidated and standalone financial statements contain certain qualifications, which do not require any corrective adjustments in the financial information.

We have set out below a summary of certain auditors' adverse remarks appearing in the annexure to auditor's report under the Companies (Auditor's Report) Order, for the last Fiscal:

Financial Year	**Statutory Auditors' Remarks**
Audited Consolidated and Standalone Financial Statements	
Fiscal 2020	The title deeds of immovable properties are held in the name of the Company except in case of leasehold building situated at Kidwai Nagar, Delhi where the lease deed is yet to be executed between the company and NBCC though the building space has already been handed over to the Company.

In addition, our accounts for Fiscal 2020 are also subject to a supplementary audit by the office of C&AG as required under the Companies Act. There is no assurance that the C&AG audit or our CARO reports for any future fiscal periods will not contain such comments or any other qualifications for such future fiscal periods or otherwise affect our results of operations in such future fiscal periods. Investors should consider these remarks in evaluating our financial position, cash flows and results of operations. Any such qualifications in the auditors' report on our financial statements in the future may also adversely affect the trading price of the Equity Shares.

36. We may be unable to replace lost revenue due to customer cancellations, renewals at lower rates or other less favorable terms.

It is key to our profitability that we offset committed recurring revenue due to customer cancellations, terminations, price reductions or other less favorable terms by adding new customers, selling more high-margin services, features and functionalities to existing customers and increasing traffic usage by all customers. Some customers may elect not to renew and others may renew at lower prices, lower committed traffic levels, or contract only for shorter time frame. Historically, a significant percentage of our renewals, particularly with larger customers, have led to declines in unit price as competition has increased and the market for certain parts of our business has saturated. Our renewal rates may decline as a result of a number of factors, including competitive pressures, customer dissatisfaction with our services, customers' inability to continue their operations and spending levels, the impact of multi-vendor policies, customers implementing or increasing their use of in-house technology solutions and general economic conditions.

In addition, as we expand the network to rural areas, there is an operational cost involved in both the establishment and operation of these nodes. While the expansion is facilitated by government policies, we have to subsequently get additional business for capacity utilization in these nodes to make them profitable. If we are not able to do this rapidly by scaling up the business through these towns, we run the risk of overcapacity on the network in new areas, which results in a higher cost structure and lower margins.

37. If we are unable to use software licensed from third parties or if we make use of open source software under license terms that interfere with our proprietary rights it could disrupt our business.

Our technology platform and internal systems incorporate software licensed from third parties, including some software, known as open source software, which we use without charge. Although we monitor our use of open source software, the terms of many open source licenses to which we are subject have not been interpreted by the courts of many jurisdictions and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to provide our technology offering to our customers. In the future, we could be required to seek licenses from third parties in order to continue offering our solution, which licenses may not be available on terms that are acceptable to us, or at all. Alternatively, we may need to re-engineer our offering or discontinue using portions of the functionality provided by our technology. In addition, the terms of open source software licenses may require us to provide software that we develop using such software to others on unfavourable terms, such as by precluding us from charging license fees or by requiring us to disclose our source code. Any such restriction on the use of our own software, or our inability to use open source or third-party software, could result in disruptions to our business or operations, or delays in our development of future solutions or enhancements of our existing platform, which could impair our business.

38. Telecommunications carriers that we do business with, could suffer from decreasing margins and financial distress, which may negatively impact our business.

The Indian telecom industry has undergone significant disruption over the past two years, owing to aggressive pricing strategies of new entrants. The smaller players, who could not compete, merged with larger players, who managed to stay afloat. As the number of players has reduced from eight to four over the past two years, the industry is seeing early signs of recovery, especially in the last two quarters of Fiscal 2019. (*Source: CRISIL Report*). As part of this trend, several telecommunications carriers that we do business with have in the recent past, suffered from reduced profit margins and other significant financial pressures. Some of these companies have been acquired and are undergoing restructurings of their businesses. There is no assurance that we will continue to derive business from these carriers. Further, if any of the major carriers that we do business with encounters financial difficulties or files for bankruptcy, we may be unable to recover amounts owed to us.

39. Our Statutory Auditors have included certain matters of emphasis in our Restated Financial Statements.

Our Statutory Auditors have included certain matters of emphasis in relation in our Restated Financial Statements. For further information, see "*Management's Discussion and Analysis on the Financial Conditions and Results of Operations - Auditor Observations/ Remarks*" from pages 304 to 305.

There can be no assurance that any similar remarks or matters of emphasis will not form part of our financial statements for the future fiscal periods, which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected.

40. We are subject to guidelines issued by the Telecom Regulatory Authority of India ("TRAI") including the quality of service (QOS) guidelines. Failure to comply with one or more applicable guidelines may expose us to fines/penalties.

TRAI has issued guidelines to the ISPs for ensuring better quality of service. The salient features of the guidelines are as follows:

- All internet service providers shall provide adequate information to subscribers regarding internet/ broadband services being offered and marketed by them;
- All internet service providers shall provide information regarding contention ratios or the number of users competing for the same bandwidth, adopted by them to provide internet/ broadband service in their tariff plans submitted to TRAI, manual of practice, call centers and on their websites;
- All internet service providers shall publish quarterly contention ratio for different internet/ broadband services on their website to facilitate subscribers to take informed decision;
- All internet service providers must use the contention ratios better than specified ratios for different services to ensure sufficient bandwidth for providing good quality of service to their subscribers.

Fixing up a contention ratio may put standalone ISPs at a disadvantage as cost of delivery of internet bandwidth may increase. Telecom companies offering similar internet services are tempted to offer significantly lower prices and incentives as they own the last mile. Also, by bundling telephony along with internet, they can enhance their otherwise idle last mile. Under such circumstances, it will be very difficult for ISPs providing retail service to compete with big telecom companies which can offer broadband services by cross subsidizing with voice/ other services. In the event of our failure to comply with one or more of the above guidelines, we may expose ourselves to fines/ penalties.

In addition, the TRAI amended the tariff for telecommunication services through the Telecommunication Tariff (Sixty Third Amendment) Order, 2018, in February 2018, under which:

- If a service provider fails to comply with the reporting requirement, then it will be charged ₹ 5,000 by way of financial disincentive for every day of delay, subject to a maximum of ₹ 200,000; and
- In case of tariffs being found predatory, the service provider will be charged an amount not exceeding ₹ 5 million per tariff plan for each service area, by way of financial disincentive, provided the service provider

has a market share (either subscriber base or gross revenue) of at least 30% in a service area (*Source: CRISIL Report*)

In case of any failure to comply with the applicable guidelines and reporting requirements, the TRAI may impose penalties, or otherwise enforce increased scrutiny and control over our operations, including by way of withholding approvals, or issuing conditional approvals in respect of any proposed actions for which we may seek approval in the future, or even cancel our license.

41. ***The loss of certificates, keys and passwords may result in a loss of access to our servers and the services of third parties, which may result in a loss of data, which could have a material adverse effect on our business, results of operations, cash flows and financial condition.***

Due to security considerations, access to our servers and services of third parties are controlled by multifactor authentication, which include certificates, keys and passwords. These certificates, keys and passwords are typically stored on our employee's computers. The loss of these certificates, keys and passwords may result in a loss of access to our servers or the services of third parties, which may result in a loss of data, which could have a material adverse effect on our business, results of operations, cash flows and financial condition.

42. ***Our Registered and Corporate Office is not owned by us and we are in the process of executing a lease deed for the same. Further ll of our regional offices, facilities and premises are leased from third-parties pursuant to lease agreements, which we may be unable to renew on satisfactory terms or at all.***

Our Company does not own the Registered and Corporate Office. The lease deed is in the process of being executed. While we have been handed over the building space, there can be no assurance that we will be able to successfully execute the lease deed and register it or in the future, be able to retain, renew or extend the lease for the existing location on same or similar terms, or will be able to find alternate locations on similar terms favourable to us, in time or at all.

Further, our regional offices, data centers, network infrastructure and premises from which we conduct our operations are located on land or in buildings most of which we do not own but occupy or access on a leasehold basis. Some of our lease agreements are for short-term periods, including certain lease agreements which are for a period of upto 12 months, and therefore need to be renewed regularly. Some of these leases are renewable with the mutual agreement of our landlords, who may choose not to renew our lease on terms which are equally favorable to use or at all. Our operations, development and maintenance of our network, delivery of our services to our customers and the growth of our business depend on our ability to secure leases over such property. The third-party owners of such property may not agree to lease such property to us or to renew our leases on commercially acceptable terms or at all, or may decide to lease such property to our competitors instead of us, which may put us at a strategic disadvantage or adversely affect our business and operations. Further, if the third-party owners of the property we lease fail to comply with laws and regulations applicable to the property we lease, such property may become subject to legal proceedings or legal action, which may adversely impact our use of such property and may disrupt our operations. If we are unable to renew or secure rights to use property necessary for our operations, our business, results of operations and financial condition may be adversely affected.

43. ***Our Company may not be in compliance with certain provisions of the SEBI Listing Regulations and/or Companies Act, as may be applicable in relation to terms of reference of the Audit Committee and the Nomination and Remuneration Committee as we are controlled by the GoI.***

As of the date of this Draft Red Herring Prospectus, the composition of our Board of Directors is not in compliance with the requirements of the SEBI Listing Regulations, Companies Act and the DPE Guidelines. Presently, the Board of Directors comprises eight Directors which includes four Whole–time Directors, two Part–time Government Directors/ Nominee Directors and two Part–time (Non–official) Directors / Independent Directors. As the Chairman of our Board is an executive director, we are required to have at least four more independent directors in order to be compliant with regulation 17(1) of Chapter IV of the SEBI Listing Regulations. Being a Government company, all the Directors are appointed by the Government of India. Further, the terms of appointment of all Directors (including their remuneration) are approved by the President of India acting through the MoR, as also mentioned in our AoA. Accordingly, the Nomination and Remuneration Committee does not have the power to directly approve these matters and such matters can only be noted, or taken on record. Further, under Section 139(5) of the Companies Act, the Comptroller and Auditor General of India ("CAG") shall appoint a duly qualified auditor as the statutory auditor of a government company. Since the Company is a central public sector undertaking and a government company, its statutory auditor is appointed by the CAG. Further, the Company would continue to be a government company even after completion of the Offer. Accordingly, the Audit Committee does not have the power to directly appoint the statutory auditor of the Company and such appointment can only be noted or taken on record by the Audit Committee In relation to the above non-compliances, our Company has filed an exemption letter with SEBI on July 8, 2020, under Regulation 300(1) of the SEBI ICDR Regulations seeking certain exemptions from the relevant provisions of the SEBI Listing Regulations and the SEBI ICDR Regulations.

Pursuant to the exemption letter dated September 15, 2020, our Company has also been exempted from compliance with the requirements of the SEBI Listing Regulations, Companies Act and the DPE Guidelines. Further, we may be subject to penalties for non-compliance with any of the aforementioned provisions of the SEBI Listing Regulations and SEBI ICDR Regulations which could have an adverse effect on our reputation, business operations, financial conditions and results of our operations. To this extent, we are not compliant with the SEBI Listing Regulations. For details, see "*Our Management – Corporate Governance*" on page 157.

44. We have entered into, and will continue to enter into, related party transactions. There is no assurance that our future related party transactions would be on terms favourable to us when compared to similar transactions with unrelated or third parties.

We have entered into and may, in the course of our business, continue to enter into transactions with related parties including our Subsidiary and Key Managerial Personnel in the future. Primarily these transactions include provision of services to our Subsidiary. For further information on our related party transactions, see "*Related Party Transactions*" on page 303. Further, some of our related party transactions have not been conducted on an arm's length basis and accordingly, we were required to obtain corporate approvals for the same. We may continue to enter into related party transactions which are not on arm's length basis. There can be no assurance that we could not have achieved more favourable commercial terms for these transaction had they been conducted with other parties. Further, it is likely that we may enter into related party transactions in the future and such transactions may potentially involve conflicts of interest. Although in terms of the Companies Act, we are required to adhere to various compliance requirements such as obtaining prior approvals from our Audit Committee and Board for certain related party transactions, there can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

45. Our insurance policies do not cover all losses or risks and our insurance coverage may not adequately protect us against possible risk of loss.

Our operations are subject to inherent risks such as defects, malfunctions or failures of equipment, fire, natural disasters and transportation. We believe that we maintain insurance coverage in amounts consistent with the industry norms. However, our insurance may not be adequate to completely cover any or all our liabilities, specifically risks related to natural disasters, malicious acts by third-parties or human error by our suppliers or employees. Further, there is no assurance that the insurance premiums payable by us will be commercially justifiable, and that our insurance policies will be adequate to cover the losses in respect of which the insurance had been availed. For instance, we are particularly vulnerable to the loss from damage to our network due to fire, adverse weather conditions or natural disasters such as floods, storms or drought. While we maintain insurance against these risks, we cannot assure you that such insurance will be adequate. If we suffer a significant uninsured loss or if an insurance claim in respect of the subject matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations could be materially and adversely affected.

46. We have certain contingent liabilities that have not been provided for in our financial statements, which if they materialize, may adversely affect our financial condition.

As of March 31, 2020 our contingent liabilities as per Ind Accounting Standard 37 – Provisions, Contingent Liabilities and Contingent Assets, that have not been provided for, were as follows:

Particulars	As of March 31, 2020
	(₹ million)
Claims against the Company not acknowledged as debts	
Service tax	82.50
Income tax	228.20
VAT	11.60
DoT	
Other	93.74
Total	**416.04**
Bank guarantees given by the Company to customers/ government	1,720.80
Total	**2,136.84**

As of March 31, 2018, 2019 and 2020 our ratio of total liabilities plus contingent liabilities to net worth was 112.84%, 97.71%, and 90.73% respectively. If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations. For further information, see "*Financial Information*" on page 174.

47. We are wholly-owned and controlled by the GoI, which makes us susceptible to changes to its policies. The GoI will continue to retain majority shareholding in our Company after the Offer, which will allow it to exercise significant influence over us. Further, the GoI could require us to take actions aimed at serving the public interest, which may not necessarily be profitable or financially feasible.

We are currently wholly-owned and controlled by the GoI acting through the MoR. Upon completion of the Offer, the GoI will control approximately [●]% of our paid up Equity Share capital. Accordingly, the GoI will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholder approval, including the composition of our Board, the adoption of amendments to our Articles of Association, the approval of formation of subsidiary companies or joint ventures and the sale of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures.

Under the Companies Act, we will continue to be a public sector undertaking which is owned and controlled by the President of India. This may affect the decision making process in certain business and strategic decisions taken by our Company going forward and as a result our management may take actions that are contrary to your financial interest. As a result of our controlling ownership by the GoI, we are required to adhere to certain restrictions and may not be able to diversify our services and solutions without the prior approval of the GoI. There can be no assurance that the GoI will grant us such approvals in the future. The GoI will retain control over the decisions requiring adoption by our shareholders acting by a simple majority. This concentration of ownership may also delay, defer or even prevent a change in our control and may make some transactions more difficult or impossible without the support of the GoI. The interests of the GoI with respect to such matters and the factors that it will take into account when exercising its voting rights may not be consistent with and may conflict with the interests of our other shareholders, including investors that purchase the Equity Shares in this Offer.

Pursuant to our Articles of Association, the GoI may, from time to time, issue such directives or instructions as may be considered necessary in regard to the conduct of our business and affairs and may vary and annul any such directive or instruction. The GoI will have the power to elect and remove the Directors and therefore determine the outcome of most proposals for corporate action requiring approval of the Board or the shareholders, including with respect to the payment of dividends. For further information on the Articles of Association, see "*Description of Equity Shares and terms of the Articles of Association*" on page 358.

In addition, the GoI influences our operations through various departments and policies. Our business is dependent, directly and indirectly, on the policies and support of the GoI, in many significant ways, including with respect to the cost of our capital, the financial strength of the MoR, the management and growth of our business and our overall profitability. Additionally, the MoR is also significantly affected by the policies and support of the GoI. In particular, given the importance of the Indian Railways to the Indian economy, the GoI could require us to take actions aimed at serving the public interest, which may not necessarily be profitable or financially feasible. Any such actions or directives may adversely impact our business, financial condition and results of operation.

48. Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.

We have availed the services of an independent third party research agency, CRISIL Research, a division of CRISIL Limited, to prepare an industry report titled "*Assessment of the telecom and telecom data services industry in India*" dated September 2020, for purposes of inclusion of such information in this Draft Red Herring Prospectus. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from this industry report. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or the BRLMs or any of our or their respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.

The industry measures and other relevant information identified and included in the CRISIL Report takes into account such information for either all or certain of the Key IT/ ICT Companies and Key Telecom Companies only to the extent available to CRISIL (as indicated in the CRISIL Report and reflected in the "*Industry Overview – Competitive Assessment*" on page 93. For example, we have derived certain industry information in this Draft Red Herring Prospectus from the CRISIL Report, and the CRISIL Report highlights certain industry and market data relating to us and our competitors, which is not based on any standard methodology and subject to various assumptions. We cannot assure you that CRISIL's assumptions are correct or will not change and accordingly our position in the market may differ from that presented in this Draft Red Herring Prospectus.

49. We do not have access to records and data pertaining to certain historical legal and secretarial information in relation to certain disclosures. Further, there are certain discrepancies in the records available with us.

We are unable to trace certain corporate and other documents such as copies of certain prescribed forms filed with the RoC relating to allotment of equity shares from incorporation to the year 2006. Despite having conducted search of our records and a search in the records of the RoC for the untraceable documents, which was conducted by a practicing company secretary engaged by us, we have not been able to trace the aforementioned documents. Further, we have also been unable to trace the form filings made in the year 2004 in relation to the change of our registered office. While we believe that we had filed these forms with the RoC in a timely manner, we have not been able to obtain copies of these forms. Accordingly, we have relied on other documents, including corresponding board and/or shareholder resolutions, where available, statutory registers of members, allotment and share transfer, and audited financial statements for such matters. There may be inconsistencies between the date of filing of the relevant forms filed with the RoC for allotment of shares to the President of India and the register maintained noting the allotment made to the President of India. We cannot assure you that the above mentioned form filings and resolutions will be available in the future. Although no regulatory action/litigation is pending against us in relation to the missing documents, we cannot assure you that we will not be subject to penalties imposed by regulatory authorities in this respect. We have relied on the independent search report by practising company secretary engaged by us and we cannot assure you of the accuracy and completeness of the report.

50. Failure to offer customer support in a timely and effective manner may adversely affect our relationships with our customers.

From time to time, our customers require our support teams to assist them in using our services effectively, help them in resolving post-deployment issues quickly and in providing ongoing support. If we do not devote sufficient resources or are otherwise unsuccessful in assisting our customers effectively in a timely manner or at all, it could adversely affect our ability to retain existing customers and could prevent prospective customers from adopting our services. We may be unable to respond quickly enough to accommodate short-term increases in demand for customer support. We also may be unable to modify the nature, scope and delivery of our customer support to compete with changes in the support services provided by our competitors. Increased demand for customer support, without corresponding revenue, could increase costs and adversely affect our reputation, business, results of operations and financial condition. Our sales are highly dependent on our business reputation and on positive recommendations from our customers. Any failure to maintain high-quality customer support, or a market perception that we do not maintain high-quality customer support, could adversely affect our reputation, business, results of operations and financial condition.

51. We appoint contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations, cash flows and financial condition.

In order to maintain operational efficiencies, we appoint independent contractors who in turn engage on-site contract labour for performance of certain of our operations. Although we do not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractor, as the case may be. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations, cash flows and financial condition.

52. Our investments in technology, especially our research and development activities, may not yield the intended results in a timely manner or at all, which may adversely affect our financial condition and results of operations.

We invest in and intend to continue investing in newer technologies, including, technologies to enhance our R&D capabilities, particularly with a view to enter into new businesses. Our focus areas include IoT, big data analytics, artificial intelligence and machine learning. Our choice of focus areas and investments in technology and human capital for R&D are based on the management's perception of the messaging and cloud based communications industry. We cannot assure you that such investments will yield the intended results as anticipated. Our inability to achieve intended results from our investments in R&D may adversely affect our financial position and results of operations.

53. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.

We have declared and paid dividend in each year Fiscal 2008. For further information, see "*Dividend Policy*" on page 172. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

Further, our Subsidiary may not pay cash dividends on shares that we hold in it. Consequently, our Company may not receive any return on investments in its Subsidiary.

54. This DRHP does not contain disclosures in relation to one of our Directors.

We have not made any disclosure required under the SEBI ICDR Regulations in respect of one of our Directors and have separately sought an exemption from making disclosures in respect of him under applicable provisions of the SEBI ICDR Regulations. We cannot assure you that we will receive any exemption in a timely manner or at all. Non-receipt of such exemption may require us to undertake additional disclosures.

55. We will not receive any proceeds from the Offer

The Offer comprises an offer for sale of [●] Equity Shares by the President of India acting through the MoR. Accordingly, we will not receive any of the proceeds of the Offer, as the same will be remitted to the Selling Shareholder. For further details, see "*Objects of the Offer*" beginning on page 85.

56. We have not received consent for the Offer from a lender.

Under an existing financing documents, we require prior approval from a lender in the event of any change in our Company's capital structure where the shareholding of our Promoter gets diluted below current level. As of March 31, 2020, we did not have any outstanding borrowings. As of the date of this DRHP we have not received consent from such lender for the Offer.

Further, there can be no assurance that we will receive the consent from the lender in a timely manner or at all. In absence of such consent or as a consequence of our failure to obtain such consent prior to the Offer, may lead to a default under the financing documents and may, require us to close the facilities and repay any amounts borrowed thereunder, including any penal interest or charges for such default. Any such default individually or in the aggregate, have a material and adverse effect on our Company's business, results of operations, liquidity, and financial condition.

57. Significant differences exist between Ind AS and other accounting principles, such as IFRS and U.S. GAAP, which may be material to investors' assessment of our financial condition.

The financial statements included in this Draft Red Herring Prospectus have been prepared in accordance with Ind AS, as applicable, in the relevant period of reporting. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements, which are restated as per the SEBI ICDR Regulations included in this Draft Red Herring Prospectus, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

Risks Relating to India

58. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could also adversely affect the financial markets and our business.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic diseases such as the COVID-19 and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war in India or globally may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

59. Any deterioration in the general economic conditions in India and globally could adversely affect our business and results of operations.

Our performance and the growth of our business are dependent on the health of the Indian economy. Any slowdown in the Indian economy or future volatility in global markets could increase in our borrowing costs, result in freeze in lending generally, thereby adversely affecting our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operations, financial condition, cash flows and the trading price of the Equity Shares.

India's economy could be adversely affected by a general rise in interest rates, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the Government of India towards our banking and finance industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations and the market price of the Equity Shares.

60. Our business and results of operations could be adversely affected by disruptions in global economic conditions and the Indian economy in particular.

As substantially all of our operations are located in India, our financial performance and growth are necessarily dependent on economic conditions prevalent in India. The Indian economy may be materially and adversely affected by political instability or regional conflicts; a general rise in interest rates; inflation; exchange rate fluctuations; changes in tax, trade, and monetary policies; occurrence of natural or man-made disasters; downgrade in India's debt rating; and adverse economic conditions occurring elsewhere in the world, such as a slowdown in economic growth in China, the repercussions of the United Kingdom referendum to withdraw from the European Union and other matters. While the Indian economy has grown significantly in recent years, it has experienced economic slowdowns in the past. The Indian economy could be adversely impacted by inflationary pressures, currency depreciation, the poor performance of its large agricultural and manufacturing sectors, trade deficits, recent initiatives by the Indian government towards demonetization of certain Indian currency and other factors. Unfavorable changes in the above factors or in other business and economic conditions affecting our customers could result in a corresponding decline in our business.

We are also exposed to secondary effects of an economic downturn such as bankruptcies and restructuring of suppliers and customers, payment delays, lower demand from customers, consolidations of suppliers, credit worthiness of such suppliers. A significant portion of our revenue is affected by fares and tariffs charged by our suppliers which are determined basis prevailing policies of the respective governments that may be affected by the economic downturn. It is difficult to predict the effects of the uncertainty in global economic conditions. If economic conditions worsen globally or in India, our growth plans, business, financial condition and results of operations could be adversely impacted.

61. A significant change in the Government of India's economic liberalization and deregulation policies could adversely affect our business and the price of our Equity Shares.

A large part of our business and customers are located in India or are related to and influenced by the Indian economy. The Government of India has traditionally exercised, and continues to exercise, a dominant influence over many aspects of the economy. Unfavorable government policies including those relating to the internet and e-commerce, consumer protection and data-privacy, could adversely affect business and economic conditions in India, our ability to implement our strategy and our future financial performance. Since 1991, successive Governments, including coalition Governments, have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector and encouraging the development of the Indian financial sector.

However, the members of the Government of India and the composition of the coalition in power are subject to change. As a result, it is difficult to predict the economic policies that will be pursued by the Government of India. For example, there may be an increasing number of laws and regulations pertaining to the internet and e-commerce, which may relate to liability for information retrieved from or transmitted over the internet or mobile networks, user privacy, content restrictions and the quality of services provided through the internet. Furthermore, the growth and development of e-commerce may also result in more stringent consumer protection laws that may impose additional burdens on network and service providers generally. The rate of economic liberalization could change and specific laws and policies digitalization of economic activity, affecting broadband services, foreign investment, currency exchange and other matters affecting investment in our securities could change as well. Any significant change in India's economic liberalization and deregulation policies could adversely affect business and economic conditions in India generally and our business in particular.

62. Any adverse change in India's credit rating by an international rating agency could materially adversely affect our business and profitability.

India's sovereign rating is Baa3 with a "negative" outlook (Moody's), BBB-with a "stable" outlook (S&P) and BBB- with a "negative" outlook (Fitch). India's sovereign rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse change in India's credit ratings by international rating agencies may adversely impact the Indian economy and consequently our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

63. Changing laws, rules and regulations and legal uncertainties, including in India and globally, may adversely affect our business, results of operations and prospects.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances briefly mentioned below, may adversely affect our business, financial condition, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with such changes in applicable law and policy.

For instance, with the introduction of the General Data Protection Regulation in the European Union and for subsequent compliance by Indian compliance, we may need to comply with certain additional data protection requirements while collecting, transmitting and storing data of our customers. Further, the GAAR became effective in India from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit among other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain.

We have not determined the impact of such legislations on our business. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

64. If there is any change in tax laws or regulations, or their interpretation, such changes may significantly affect our financial statements for the current and future years.

Any change in Indian tax laws could have an effect on our operations. For instance, the Taxation Laws (Amendment) Ordinance, 2019 ("**Taxation Amendment Ordinance**"), a new tax ordinance issued by India's Ministry of Finance on September 20, 2019, prescribed certain changes to the income tax rate applicable to companies in India. According to the Taxation Amendment Ordinance, companies were permitted to voluntarily opt in favor of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate for Indian companies from 34.94% to approximately 25.17%. The Taxation Amendment Ordinance also stipulated that once a company opts for lower tax rates, it forgoes its option to claim specified exemptions/deductions. Subsequently, in line with the Taxation Amendment Ordinance, the Taxation Laws (Amendment) Act, 2019 ("**Taxation Amendment Act**") was notified on December 12, 2019. The Taxation Amendment Act repealed the Taxation Amendment Ordinance. However, anything done or any action taken under the Taxation Amendment Ordinance is deemed to have been done or taken under the corresponding provisions of the Taxation Amendment Act. While we have opted for the concessional regime, any such future amendments may affect our other benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

In addition, we are subject to tax related inquiries and claims. We may be particularly affected by claims from tax authorities on account of income tax assessment and GST that combines taxes and levies by the central and state governments into one unified rate of interest with effect from July 1, 2017. We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have an adverse effect on our business.

The Government of India has announced the union budget for Fiscal 2021, pursuant to which the Finance Act, 2020 has introduced various amendments. As such, there is no certainty on the impact that the Finance Act, 2020 may have on our business and operations or on the industry in which we operate. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

65. If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our customers and our profits might decline.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the amount of commission to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

66. The ability of Indian companies to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms. In addition, we cannot assure you that any required approvals for borrowing in foreign currency will be granted to us without onerous conditions, or at all. Such, and other, limitations on raising foreign capital may adversely affect our business growth, results of operations, and financial condition.

67. Investors may have difficulty enforcing foreign judgements against us or our management.

We are a limited liability company incorporated under the laws of India. All of our Directors and executive officers are residents of India and majority of our assets and such directors' and officers' assets are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons outside India, or to enforce judgements obtained against us or such parties outside India.

Recognition and enforcement of foreign judgements is provided for under Section 13, Section 14 and Section 44A of the Code of Civil Procedure, 1908 ("CPC") on a statutory basis. Section 13 of the CPC provides that foreign judgements shall be conclusive regarding any matter directly adjudicated upon, between the same parties or between parties under whom they or any of them claim litigating under the same title except (i) where the judgement has not been pronounced by a court of competent jurisdiction; (ii) where the judgement has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgement is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgement was obtained were opposed to natural justice; (v) where the judgement has been obtained by fraud; or (vi) where the judgement sustains a claim founded on a breach of any law then in force in India. Under Section 14 of the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgement, presume that the judgement was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

Section 44A of the CPC provides that where a foreign judgement has been rendered by a superior court, within the meaning of that section, in any country or territory outside India which the Government of India has by notification declared to be in a reciprocating territory, it may be enforced in India as if the judgement had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees or judgements which are not of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties, and does not include arbitral awards. The United Kingdom, Republic of Singapore and Hong Kong are amongst those countries which have been declared by the Government of India to be reciprocating countries for the purposes of Section 44A of the CPC.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgements, other than arbitration awards, in civil and commercial matters. Therefore, a final judgement for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgement is rendered may bring a new suit in a competent court in India based on a final judgement that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgement in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Further, it is unlikely that an Indian court would enforce a foreign judgement if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgements that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgement in India is required to obtain approval from the RBI under FEMA to execute such a judgement or to repatriate any amount recovered.

68. Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and wide-spread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as a shareholder of an entity in another jurisdiction.

Risks Relating to the Equity Shares

69. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution. However, if the laws of the jurisdiction the investors are located in do not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emption rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

70. Any future issuance of Equity Shares may dilute your shareholding and sales of the Equity Shares by our major shareholders may adversely affect the trading price of the Equity Shares.

We may be required to finance our growth, whether organic or inorganic, through future equity offerings. Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in us. Any future issuances of Equity Shares (including under an employee benefit scheme) or the disposal of Equity Shares by any of our other principal shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring debt. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of the Equity Shares. Any future issuances could also dilute the value of your investment in the Equity Shares. We cannot predict the effect, if any, that the sale of the Equity Shares held by our major shareholders or the availability of these Equity Shares for future sale will have on the market price of the Equity Shares.

71. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under the current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("**STT**") is levied both at the time of transfer and acquistion of the equity shares (unless exempted under a prescribed notification), and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of equity shares held for more than 12 months, which are sold using any other platform other than on a recognised stock exchange and on which no STT has been paid, are subject to long term capital gains tax in India.

Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. In cases where the seller is a non-resident, capital gains arising from the sale of the equity shares will be partially or wholly exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident.

Historically, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the equity shares. We cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition, results of operations and cash flows.

72. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, this conversion is subject to the shares having been held on a repatriation basis and, either the security having been sold in compliance with the pricing guidelines or, the approval of RBI having been obtained for the sale of shares and corresponding remittance of the sale proceeds. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 357. Our ability to raise foreign capital under the FDI route is therefore constrained by Indian law, which may adversely affect our business, financial condition, results of operation and prospects.

73. Our Equity Shares have never been publicly traded and may experience price and volume fluctuations following the completion of the Offer, an active trading market for the Equity Shares may not develop, the price of our Equity Shares may be volatile and you may be unable to resell your Equity Shares at or above the Offer Price or at all.

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for our Equity Shares will develop or, if developed, the liquidity of such market for the Equity Shares. The Offer Price is proposed to be determined through a book building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after this Offer could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Draft Red Herring Prospectus. A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

74. Future sales of Equity Shares by our Promoter may adversely affect the market price of the Equity Shares.

After the completion of the Offer, our Promoter will own, directly, more than [●]%of our outstanding Equity Shares. Upon expiry of the lock-in period provided under the SEBI ICDR Regulations, our Promoter will be eligible to sell part or all of the Equity Shares held by it. Future sales of a large number of the Equity Shares by our Promoter, either in one sale or over a series of sales, could adversely affect the market price of the Equity Shares. Similarly, the perception that any such primary or secondary sale may occur could adversely affect the market price of the Equity Shares. No assurance may be given that our Promoter will not dispose of, pledge or encumber their Equity Shares in the future, or that the market price of the Equity Shares will not be adversely affected by any such disposal, pledge or encumbrance of their Equity Shares.

75. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

SECTION III – INTRODUCTION

THE OFFER

The following table summarizes the Offer details:

Offer(1)(2)	Up to [●] Equity Shares aggregating up to ₹ [●] million*
Of which:	
Employee Reservation Portion(2)	Up to [●] Equity Shares aggregating up to ₹ [●] million*
Net Offer	Up to 8,66,53,369 Equity Shares aggregating up to ₹ [●] million*
Of which:	
A. **QIB Portion**(4)	Not more than 43,326,683 Equity Shares
Of which:	
Anchor Investor Portion(5)	Up to [●] Equity Shares
Balance available for allocation to QIBs other than the Anchor Investor Portion (assuming the Anchor Investor Portion is fully subscribed)	[●] Equity Shares
Mutual Fund Portion (5% of the QIB Portion) excluding Anchor Investor Portion)	Up to [●] Equity Shares
B. **Non-Institutional Portion**(4)	Not less than 12,998,006 Equity Shares
C. **Retail Portion** (3)(4)	Not less than 30,328,680 Equity Shares
Pre and post – Offer Equity Shares	
Equity Shares outstanding prior to the Offer	320,938,407 Equity Shares
Equity Shares outstanding after the Offer	320,938,407 Equity Shares
Use of proceeds of this Offer	As the Offer is an Offer for Sale, our Company will not receive any proceeds from the Offer. See "*Objects of the Offer*" on page 85.

** To be updated upon finalization of the Offer Price.*

1) *Our Board of Directors has approved the Offer pursuant to a resolution passed at their meeting held on September 28, 2020. The Selling Shareholder, through its letter dated September 28, 2020 conveyed its approval for the Offer for Sale of up to 8,66,53,369 Equity Shares. The Equity Shares offered by the Selling Shareholder in the Offer are eligible for being offered in the Offer for Sale as required by the SEBI ICDR Regulations. For further details, see "Capital Structure" on page 76.*

2) *Subject to receipt of necessary approvals from the GoI, up to [●] Equity Shares may be reserved for allocation and Allotment on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion. Since the retention of the Employee Reservation Portion is subject to receipt of necessary approvals from the GoI, the allocation and Allotment of Equity Shares under various portions mentioned in the table above (i.e., under the QIB Portion, Non-Institutional Portion and the Retail Portion) are in respect of the Net Offer size of 8,66,53,369 Equity Shares.*

   Eligible Employees Bidding in the Employee Reservation Portion (if any) can Bid up to a Bid Amount of ₹500,000 (net of Employee Discount). However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000 (net of Employee Discount). In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be *available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000 (net of Employee Discount), subject to the maximum value of Allotment made to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation over ₹200,000), shall be added to the Net Offer.*

3) *Our Company and the Selling Shareholder, in consultation with the BRLMs, may offer a discount of up to ₹ [●] per Equity Share on the Offer Price to the Retail Individual Bidders and / or a discount of up to ₹ [●] per Equity Share on the Offer Price to the Eligible Employees Bidding under the Employee Reservation Portion (if any), respectively. The amount of Retail Discount and Employee Discount, as applicable, will be advertised in all newspapers wherein the Pre-Offer Advertisement will be published. For further details, see "Offer Procedure" on page 338.*

4) *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis and in accordance with the applicable laws, rules, regulations and guidelines. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. Under-subscription in the Employee Reservation Portion shall be added to the Net Offer. For further details, see "Offer Structure" on page 334.*

5) *Our Company and the Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Offer Price. In the event of under subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added back to the QIB Category. For further details, see "Offer Procedure" on page 338.*

Allocation to Bidders in all categories (including the Employee Reservation Portion), except for the Anchor Investor Portion if any, and the Retail Portion, shall be made on a proportionate basis subject to valid Bids being received at or above the Offer Price, as applicable. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis. For further details, see "Offer Procedure– Basis of Allotment" on page 338.

For details of the terms of the Offer and Offer Procedure, see "*Terms of the Offer*" or "*Offer Procedure*" beginning on page 328.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information as derived from the Restated Financial Statements. The summary financial information presented below should be read in conjunction with "*Restated Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 174 and 273, respectively.

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RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Amount in ₹ million)

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
ASSETS			
NON CURRENT ASSETS			
Property, Plant and Equipment's	6,085.27	7,859.77	6,843.46
Capital Work-in-Progress	2,525.46	2,998.95	3,641.63
Right of Use Assets	1,729.60	-	-
Intangible Assets	78.43	39.59	36.44
Financial Assets			
Investment	-	-	
Loans and Security Deposits	33.20	34.68	37.73
Other Non Current Financial Assets	2,193.00	6.53	-
Deferred tax assets (net)	-	-	40.13
Other Non Current Assets	180.60	310.00	988.62
TOTAL NON CURRENT ASSETS	**12,825.56**	**11,249.52**	**11,588.01**
CURRENT ASSETS			
Inventories	4.89	8.71	-
Financial Assets			
Investment	-	70.45	-
Trade Receivables	5,070.70	4,595.72	4,666.78
Cash and Cash Equivalents	1,345.20	716.33	728.34
Other Bank Balances	1,339.10	3,352.96	4,363.87
Loans and Security Deposits	48.74	43.20	25.24
Other Current Financial Assets	2,135.36	1,178.78	1,121.84
Current Tax Assets (Net)	274.79	327.29	220.90
Other Current Assets	936.66	733.79	513.81
TOTAL CURRENT ASSETS	**11,155.44**	**11,027.23**	**11,640.78**
TOTAL ASSETS	**23,981.00**	**22,276.75**	**23,228.79**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	3,209.38	3,209.38	3,209.38
Other Equity	10,484.18	9,681.47	9,082.39
TOTAL EQUITY	**13,693.56**	**12,890.85**	**12,291.77**
LIABILITIES			
NON CURRENT LIABILITIES			
Financial Liabilities			
Leasing Liabilities	348.00	41.18	-
Other Non Current Financial Liabilities	73.98	91.84	904.79
Provisions	98.96	46.94	18.53
Deferred Tax Liabilities (Net)	35.40	169.44	-
Other Non Current Liabilities	1,078.30	1,121.03	2,602.49
TOTAL NON CURRENT LIABILITIES	**1,634.64**	**1,470.43**	**3,525.81**
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	-	-	
Trade Payables			

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Total outstanding dues to micro enterprises and small enterprises	648.14	386.66	177.27
Total outstanding dues of creditors other than micro and small enterprises	3,140.62	2,280.98	2,532.37
Leasing Liabilities	77.40	13.62	-
Other Current Financial Liabilities	1,827.06	1,534.92	734.94
Provisions	200.92	367.09	383.54
Other Current Liabilities	2,758.66	3,332.20	3,583.09
TOTAL CURRENT LIABILITIES	**8,652.80**	**7,915.47**	**7,411.21**
TOTAL EQUITY AND LIABILITIES	**23,981.00**	**22,276.75**	**23,228.79**

RESTATED SUMMARY STATEMENT OF PROFIT AND LOSS

(Amount in ₹ million)

		For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Income				
Revenue from operations		11,280.54	10,032.69	9,767.79
Other Income		379.91	352.01	429.04
Finance Income		(0.40)	(2.04)	15.35
Total Income		**11,660.05**	**10,382.66**	**10,212.18**
Expenses				
Access and other Charges		2,490.34	2,635.20	2,500.86
License fee and spectrum charges		479.27	459.90	473.41
Expenses on Project		3,400.78	2,494.13	2,533.19
Employee Benefits Expenses		1,205.34	1,120.20	1,179.94
Administrative & Other Expenses		314.83	271.40	431.62
Corporate Social Responsibility		51.91	30.30	7.55
Depreciation and amortisation		1,309.00	1,115.75	1,186.29
Finance Expenses		68.00	78.89	38.09
Total Expenses		**9,319.47**	**8,205.77**	**8,350.95**
Profit/ (Loss) before exceptional items and tax		**2,340.58**	**2,176.89**	**1,861.23**
Exceptional Items		(492.98)	-	(265.12)
Profit/ (Loss) Before Tax		**1,847.60**	**2,176.89**	**1,596.11**
Tax expenses				
Current tax		559.81	580.74	794.32
Deferred tax		(134.04)	209.57	(236.00)
Tax impact of earlier years		11.17	33.02	(302.27)
Profit/ (Loss) for the period		**1,410.66**	**1,353.56**	**1,340.06**
Net profit attributable to				
a) Owners of the company	**A**	1,410.66	1,353.56	1,340.06
b) Non Controlling interest				
Other comprehensive income (OCI):				
i. Items that will not be reclassified to Profit & Loss				
Remeasurement losses on defined benefit plans		(66.85)	(2.10)	(32.14)
Income tax relating to item that will not be reclassified to Profit & Loss		16.82	0.73	11.12
ii. Items that will be reclassified to Profit & Loss				
Other comprehensive income/ (Loss)	**B**	**(50.03)**	**(1.37)**	**(21.02)**
Total comprehensive income for the Year (A+B)		**1,360.63**	**1,352.19**	**1,319.04**
Earning per Equity Share of Rs. 10/- each				
(a) Basic (In Rupees)		4.40	4.22	4.18
(b) Diluted (In Rupees)		4.40	4.22	4.18

RESTATED STATEMENT OF CASH FLOWS

(Amount in ₹ million)

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit after Tax	**1,410.66**	**1,353.56**	**1,340.06**
Adjustments for:			
Other comprehensive income (Net of taxes)	(50.03)	(1.37)	(21.02)
Depreciation and Amortisation Expense	1,309.00	1,115.75	1,186.29
Amortisation of Deferred Govt Grant	(21.39)	(13.20)	(5.80)
Impairment of CWIP	492.98	-	-
Non Cash Income (Discounting)	0.40	2.04	(15.35)
Non Cash Expense (Discounting)	2.46	(1.10)	15.98
Non Cash Expense (Interest credited in Project A/c)	31.42	26.90	22.11
Interest Expenses for Lease Liabilities	34.12	53.09	-
Non Cash Expense (Loss on sale of fixed asset)	0.20	0.09	0.70
Non Cash Expense (Forex Loss)	1.20	-	10.04
Non Cash Income (Provision written back and forex)	(2.61)	(26.39)	(27.80)
Provision for doubtful debts (net)	125.11	13.21	51.20
Interest income	(276.61)	(291.52)	(356.03)
Operating profit/ (loss) before working capital change	**3,056.91**	**2,231.06**	**2,200.38**
(Increase)/decrease in Financial Current Assets	460.42	32.16	(787.90)
(Increase)/decrease in Non Financial Current Assets	223.05	278.61	393.84
Increase/(decrease) in Financial Current Liabilities	1,395.33	772.97	225.68
Increase/(decrease) in Non Financial Current Liabilities	(712.99)	(294.28)	(703.37)
(Increase)/decrease in Financial Non Current Assets	(2,185.42)	(0.52)	18.72
(Increase)/decrease in Non Financial Non Current Assets	(6.09)	2.57	(139.38)
Increase/(decrease) in Financial Non Current Liabilities	(3.09)	(804.46)	499.00
Increase/(decrease) in Non Financial Non Current Liabilities	(112.39)	(1,250.48)	(793.66)
Net cash generated from Operation before Tax	**2,115.73**	**967.63**	**913.31**
Income Tax Paid	(382.70)	(613.70)	(504.50)
Net cash generated from Operating Activities	**1,733.03**	**353.93**	**408.81**
Cash Flow from Investing Activities			
Purchase of Tangible & Intangible Assets	(617.36)	(837.50)	(1,172.16)
Capital Advances	(154.03)	21.06	(157.75)
(Increase)/decrease in Short term investment	70.10	(70.10)	-
Interest income received	278.06	278.11	403.41
Deposit with Bank for Ex gratia	0.00	(5.00)	-
Subsidy/Advances received	9.22	20.10	73.91
(Increase)/Decrease in Term Deposit	(65.53)	999.79	868.00
Net cash used in Investing Activities	**(479.54)**	**406.46**	**15.41**
Cash Flow from Financing Activities			
Payment for Lease Liability of Right to Use Assets	(66.70)	(19.30)	-
Dividend paid	(462.00)	(624.70)	(515.30)
Dividend Distribution Tax Paid	(95.92)	(128.40)	(104.90)
Net cash generated from / (used in) financing activities	**(624.62)**	**(772.40)**	**(620.20)**
Effect of exchange difference on translation of cash and cash equivalents			
Net increase/ (decrease) in cash and cash equivalents during the Year	628.87	(12.01)	(195.98)
Cash and cash equivalents at the beginning of the year	716.33	728.34	924.32
Cash and cash equivalents at the end of the Year	**1,345.20**	**716.33**	**728.34**

		For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash and Cash Equivalents including the following Balance Sheet amounts				
(i)	Cash and Cash Equivalent (Maturity<= 3 Months)			
	Flexi Deposits	481.25	37.70	39.50
(ii)	Balances with Scheduled Bank			
a.	In Current A/c	208.05	92.59	164.48
b.	In Collection A/c	654.00	584.56	523.35
c.	In Imprest A/c	1.90	1.48	1.01
	Total	**1,345.20**	**716.33**	**728.34**

GENERAL INFORMATION

Our Company was incorporated as "*RailTel Corporation of India Limited*" on September 26, 2000, as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Assistant Registrar of Companies, N.C.T. of Delhi and Haryana. Our Company received its certificate for commencement of business from the Deputy Registrar of Companies, N.C.T. of Delhi and Haryana on October 9, 2000.

For details, see "*History and Certain Corporate Matters*" on page 138.

Registered and Corporate Office

RailTel Corporation of India Limited
Plate – A, 6th Floor
Office Block, Tower – 2
East Kidwai Nagar, South Delhi
New Delhi 110023
India

Registration number: 107905

Corporate Identity Number: U64202DL2000GOI107905

Board of Directors

The table below sets forth the details of the constitution of our Board of Directors as on the date of this Draft Red Herring Prospectus:

Name	Designation	DIN	Address
Puneet Chawla	Chairman and Managing Director	08303340	Flat No. D-4, Tower-8, New Moti Bagh Flats, South Moti Bagh, New Delhi-110021, India.
Sanjai Kumar	Director (Network, Planning and Marketing)/ Whole-time Director	06923630	C-4, Tower-3, Type-VI Flats, Kidwai Nagar East, Sarojini Nagar, South West Delhi, Delhi – 110023, India
Anand Kumar Singh	Director (Finance)/ Whole-time Director and Chief Financial Officer	07018776	Flat A 5, Tower 3, Type 6, Kidwai Nagar East, Sarojini Nagar, South West Delhi, Delhi – 110023, India
Umesh Balonda	Part–time Government Director (Nominee Director)	08444478	9-A, Railway Board Officers Flats, Sarojini Nagar, New Delhi – 110 023, India
Vinay Srivastava	Part–time Government Director (Nominee Director)	08638850	D1-15, Bharti Nagar Maharshi Raman Marg New Delhi 110003
Rashmi Jain	Part–time (Non–official) Director/ Independent Director	08187234	Sector 15A, House No. 40, Gautam Buddha Nagar, Noida – 201 301, Uttar Pradesh, India
Chinnasamy Ganesan	Part–time (Non–official) Director/ Independent Director	07615862	Flat No.1, SPA Mount 99, LDG Road, Little Mount, Saidapet, Chennai – 600 015, Tamil Nadu, India

**Pursuant to order bearing number 2012/E(O)II/40/31 dated September 24, 2020, issued by the Ministry of Railways, Government of India, one of our Whole-time Director has been divested of the charge/ duties of the post of Director till further orders and he may not attend the meeting of our Board of Directors during this period. The Railway Board, Government of India vide its order dated September 28, 2020 has assigned the additional charge/ duties of the post of Director (Planning, Operation and Management) to Sanjai Kumar, Director (Network, Planning and Marketing) /*

Whole time Director till further order. Please also refer to the risk factor "*Risk Factors- This DRHP does not contain disclosures in relation to one of our Directors"* beginning on page 25.

For further details of our Board of Directors, see "*Our Management*" on page 148.

Company Secretary and Compliance Officer

Jasmeet Singh Marwah
Plate – A, 6th Floor
Office Block, Tower – 2
East Kidwai Nagar, South Delhi
New Delhi 110023
India
Telephone: +91 11 2290 0600
E-mail: cs@railtelindia.com

Investor Grievances

Bidders may contact the Company Secretary and Compliance Officer, the Registrar to the Offer and / or the BRLMs in case of any pre–Offer or post–Offer related problems, such as those relating to non-receipt of letters of Allotment, non-receipt of refund intimations, non–credit of Allotted Equity Shares in the respective beneficiary account or non-receipt of funds by electronic mode. For all the Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs or the Registrar to the Offer in the following manner:

All Offer related grievances, other than of Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the ASBA Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder's DP ID, Client ID, PAN, date of the submission of the ASBA Form, address of the Bidder, number of the Equity Shares applied for, the name and address of the relevant Designated Intermediary where the ASBA Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than Retail Individual Bidders Bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID (in case of Retail Individual Bidders Bidding through the UPI Mechanism). Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents / information mentioned hereinabove.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor.

All grievances relating to Bids submitted with Registered Brokers may be addressed to them with copy to the Stock Exchanges and to the Registrar to the Offer.

Book Running Lead Managers

ICICI Securities Limited
ICICI Centre
H.T. Parekh Marg, Churchgate
Mumbai 400 020

Maharashtra, India
Telephone: +91 22 2288 2460
E-mail: railtel.ipo@icicisecurities.com
Website: www.icicisecurities.com
Contact person: Shekher Asnani/Rupesh Khant
SEBI Registration No.: INM000011179

IDBI Capital Markets & Securities Limited
6th Floor, IDBI Tower
WTC Complex, Cuffe Parade
Mumbai 400 005
Maharashtra, India
Telephone: +91 22 2217 1700
E-mail: railtel.ipo@idbicapital.com
Website: www.idbicapital.com
Contact Person: Indrajit Bhagat/ Sumit Singh
SEBI Registration No.: INM000010866

SBI Capital Markets Limited
202, Maker Tower 'E'
Cuffe Parade, Mumbai 400 005
Maharashtra, India
Telephone: +91 22 2217 8300
E-mail: railtel.ipo@sbicaps.com
Website: www.sbicaps.com
Contact Person: Sambit Rath / Karan Savardekar
SEBI Registration No.: INM000003531

Statement of the inter-se allocation of responsibilities among the BRLMs

The responsibilities and co-ordination by the BRLMs for various activities in this Offer are as follows:

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring with relative components and formalities	BRLMs	ICICI Securities
2.	Due diligence of our Company including its operations/management/ business/plans/legal, etc. Drafting and design of the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI including finalisation of the Prospectus and RoC filing.	BRLMs	ICICI Securities
3.	Drafting and approval of all statutory advertisements	BRLMs	ICICI Securities
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report.	BRLMs	SBICAP
5.	Coordination with Auditors on restated financial statements and all Auditors deliverables	BRLMs	ICICI Securities
6.	Appointment of Bankers to the Offer and Registrar to the Offer (including coordinating all agreements, if any to be entered with such parties)	BRLMs	IDBI Capital

Sr. No.	Activity	Responsibility	Co-ordination
7.	Appointment of other intermediaries including printers, advertising agency (including coordinating all agreements, if any to be entered with such parties)	BRLMs	SBICAP
8.	Finalization of pricing presentation, in consultation with the Selling Shareholder and the Company	BRLMs	SBICAP
9.	Preparation of roadshow presentation, FAQs and International Institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy; • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedule.	BRLMs	SBICAP
10.	Domestic Institutional marketing of the Offer, which will cover, *inter alia*: • Institutional marketing strategy; • Finalizing the list and division of domestic investors for one-to-one meetings; and • Finalizing domestic road show and investor meeting schedule.	BRLMs	IDBI Capital
11.	Non-institutional and retail marketing of the Offer, which will cover, *inter alia*: • Finalising media, marketing and public relations strategy; • Finalising centers for holding conferences for brokers, etc.; • Follow-up on distribution of publicity and Offer material including forms, the Prospectus and deciding on the quantum of Offer material; and • Finalising collection centers	BRLMs	IDBI Capital
12.	Managing the book and finalisation of Offer Price, in consultation with the Selling Shareholder and the Company	BRLMs	ICICI Securities
13.	Co-ordination with Stock Exchanges for book building software, anchor investor portion (if any), bidding terminals, mock trading and payment of 1% security deposit	BRLMs	SBICAP
14.	Post Offer activities, which shall involve: • essential follow-up steps, advising the Company about the closure of the Offer based on the Bid file, finalisation of the Basis of Allotment or weeding out of multiple applications, listing of Equity Shares, demat credit etc., including co-ordination with various agencies connected with the intermediaries such as registrar to the Offer; • coordinating with Stock Exchanges and SEBI for release of 1% security deposit post-closure of the Offer. • payment of applicable securities transaction tax on the sale of unlisted Equity Shares by the Selling Shareholder under the Offer for Sale included in the Offer to the GoI and filing of the securities transaction tax return by the prescribed due date as per Chapter VII of the Finance (no. 2) Act, 2004	BRLMs	IDBI Capital

Legal Counsel to our Company and the Selling Shareholder as to Indian Law

M/s. Crawford Bayley & Co.
State Bank Building, 4th Floor

N.G.N. Vaidya Marg, Fort
Mumbai – 400 023
Maharashtra, India
Telephone: +91 22 2266 3353
E-mail: sanjay.asher@crawfordbayley.com

International Legal Counsel to our Company and the Selling Shareholder

Squire Patton Boggs Singapore LLP
1 Marina Boulevard
#21-01 One Marina Boulevard
Singapore 018989
Republic of Singapore
Telephone: +65 6922 8668

Legal Counsel to the Book Running Lead Managers as to Indian Law

J. Sagar Associates
Vakils House
18 Sprott Road
Ballard Estate
Mumbai 400 001
Maharashtra, India
Telephone: +91 22 4341 8600

Registrar to the Offer

KFin Technologies Private Limited (formerly known as "Karvy Fintech Private Limited")
Selenium Tower-B, Plot No.31 & 32
Financial District
Nanakramguda, Serilingampally
Hyderabad, Rangareddi 500 032
Telangana, India
Telephone: +91 40 6716 2222
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M Murali Krishna
SEBI Registration No.: INR000000221

Statutory Auditors of our Company

Suresh Chandra and Associates
Chartered Accountants
504, Prakash Deep Building
7, Tolstoy Marg
New Delhi – 110 001
Telephone: +919811008484
Email: info@scaca.in
Firm Registration Number: 001359N
Peer Review Number: 011913

Changes in Auditors

There has been no change in the statutory auditors of the Company during the last three years:

Bankers to our Company

Axis Bank Limited D-15, South Ex Part 2, New Delhi- 110049 **Telephone:** 011 41075304 **Email:** southextension.branchhead@axisbank.com **Website:** www.axisbank.com **Contact person:** Deepak Mittal	**HDFC Bank Limited** SCO-36, Sector-14, Gurugram, Haryana, 122001 **Telephone:** 9999002126 **Email:** Anita.Shandilya@hdfcbank.com **Website:** www.hdfcbank.com **Contact person:** Anita Shandilya
IndusInd Bank Limited New Tower, Hyatt Regency Complex, Block A, District Centre, Bhikaji Cama place, R. K. Puram New Delhi- 110066 **Telephone:** 8527276193/9873604352/9313060715 **Email:** ashish.kamra@indusind.com/apoorv.gupta@indusind.com/sandeep.kalra@indusind.com **Website:** www.indusind.com **Contact person:** Ashish Kamra/ Apoorv Gupta/ Sandeep Kalra	**RBL Bank Limited** Upper Ground Floor, Hansalaya Building 15, Barakhamba Road, New Delhi- 110001 **Telephone:** 9811452009/9899862189 **Email:** gaurav.gupta@rblbank.com/vibhu.mahajan@rblbank.com **Website:** http://www.rblbank.com/ **Contact person:** Gaurav Gupta/ Vibhu Mahajan
Punjab & Sind Bank Plot no. 151, Sector 44, Gurugram 122003 **Telephone:** 7506120320 **Email:** g1509@psb.co.in **Website:** www.psbindia.com **Contact person:** Shashi Kant Singh	**State Bank of India** Rail Bhavan, 1 Rafi Marg, New Delhi **Telephone:** 011 23381381/ 011 23389733 **Email:** sbi.03771@sbi.co.in **Website:** www.sbi.co.in **Contact person:** Sanjay Agarwal
Union Bank of India C-1, Green Park Extension, Near Green Park, Gurudwara, Yusuf Sarai, New Delhi **Telephone:** 011 26515040/ 26515466/ 9410666945 **Email:** yusufsarai@unionbankofindia.com **Website:** www.unionbankofindia.co.in **Contact person:** Kumar Santosh Narayan	**Yes Bank Limited** 48, Nyaya Marg, Chankyapuri, New Delhi **Telephone:** 011 66569000 **Email:** sasshank.shekhar@yesbank.in **Website:** www.yesbank.in **Contact person:** Sasshank Shekhar

Syndicate Members

The Syndicate Members will be appointed prior to filing the Red Herring Prospectus with RoC.

Bankers to the Offer

[●]

Self-Certified Syndicate Banks

The list of SCSBs is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes on the website of SEBI, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which a Bidder (other than an Anchor Investor), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes on the SEBI website, and at such other websites as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Bids submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of the ASBA Forms from the members of the Syndicate is available on the website of SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time. For more information on such branches collecting ASBA Forms from the members of Syndicate at Specified Locations, see the website of SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35).

Registered Brokers

Bidders could submit ASBA Forms in the Offer using the stock broker network of the Stock Exchanges, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of BSE and NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and, https://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm respectively, or such other website as updated from time to time.

Self-Certified Syndicate Banks eligible as Sponsor Banks for UPI

The list of SCSBs through which Bids can be submitted by RIBs using the UPI Mechanism, including details such as the eligible Mobile Apps and UPI handle which can be used for such Bids, is available on the website of the SEBI, and may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list shall be updated on the SEBI website.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and email address, is provided on the websites of Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

IPO Grading

No credit agency registered with SEBI has been appointed for the purposes of obtaining a grading for the Offer.

Credit Rating

As this is an offer of Equity Shares, credit rating is not required.

Experts

Except as disclosed below, our Company has not obtained any expert opinions:

Our Company has received written consent from our Statutory Auditors, Suresh Chandra and Associates, Chartered Accountants, to include their name as an "expert" as defined under Section 2(38) of the Companies Act, 2013 read with Section 26(5) of the Companies Act, 2013 in respect of their (a) examination report dated September 26, 2020 on the Restated Financial Statements; (b) report dated September 26, 2020 on the statement of possible special tax benefits available to our Company and the Shareholders and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an expert as defined under the U.S. Securities Act.

Trustees

As this is an offer of Equity Shares, the appointment of trustees is not required.

Monitoring Agency

This being an Offer for Sale of Equity Shares, our Company will not receive any of the proceeds from the Offer. Accordingly, no monitoring agency is appointed for the Offer.

Appraising Entity

As the Offer is an offer for sale of Equity Shares by the Selling Shareholder, our Company will not receive any proceeds from the Offer. Accordingly, no appraising entity is required to be appointed.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at SEBI Northern Regional Office, 5th Floor, Bank of Baroda Building, 16, Sansad Marg, New Delhi **-** 110 001 and simultaneously through the SEBI Intermediary Portal at https://siportal.sebi.gov.in, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

Our Company is registered with the Registrar of Companies, N.C.T of Delhi and Haryana. The Red Herring Prospectus and Prospectus will be delivered in accordance with section 32 read with section 26 of the Companies Act, along with the material contracts and documents referred to in the Red Herring Prospectus and the Prospectus with the RoC at:

Registrar of Companies

N.C.T of Delhi and Haryana
4^{th} Floor, IFCI Tower
61, Nehru Place
New Delhi 110 019
India

Book Building Process

The Book building process, in the context of the Offer, refers to the process of collection of Bids from Bidders on the basis of the Red Herring Prospectus, the ASBA Forms, and the Revision Forms within the Price Band. The Price Band, Bid Lot, rupee amount of the Retail Discount and Employee Discount, as applicable shall be decided by our Company and the Selling Shareholder in consultation with the BRLMs, and advertised in all newspapers wherein the Pre-Offer advertisement will be published, at least two Working Days prior to the Bid / Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their website. The Offer Price shall be determined by the Selling Shareholder and our Company in consultation with the BRLMs after the Bid/Offer Closing Date.

All potential Bidders (other than Anchor Investors) shall participate in this Offer mandatorily through the ASBA process. Pursuant to the UPI Circulars, Retail Individual Bidders may also participate in this Offer through UPI in the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can

revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Anchor Investors are not allowed to revise or withdraw their Bids after the Anchor Investor Bidding Date. Except for Allocation to Retail Individual Investors and the Anchor Investors, allocation in the Offer will be on a proportionate basis. For further details, see "*Terms of the Offer*" and "*Offer Procedure*" beginning on pages 328 and 338, respectively.

Each Bidder by submitting a Bid in the Offer will be deemed to have acknowledged the above restrictions and the terms of the Offer.

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Offer. The Selling Shareholder has specifically confirmed that they will comply with the SEBI ICDR Regulations and any other directions issued by SEBI, as applicable in relation to the Offered Shares. In this regard, our Company along with the Selling Shareholder has appointed the BRLMs to manage this Offer and procure Bids for this Offer.

The process of Book Building is in accordance with the guidelines, rules and regulations prescribed by SEBI under the SEBI ICDR Regulations and the Bidding Processes are subject to change from time to time. Investors are advised to make their own judgment about investment through this process prior to submitting a Bid in this Offer.

Bidders should note that this Offer is also subject to obtaining (i) final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment.

For further details on the method and procedure for Bidding, see "*Offer Procedure*" beginning on page 338.

Illustration of Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Offer Procedure*" beginning on page 338.

Underwriting Agreement

After the determination of the Offer Price and allocation of Offered Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholder intend on entering into the Underwriting Agreement with the Underwriters for the Offered Shares. The underwriting shall be to the extent of the Bids uploaded, subject to Regulation 40 of the SEBI ICDR Regulations. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of the Offered Shares:

(This portion has been intentionally left blank and will be completed before the filing of the Prospectus with the RoC.)

Name, address, telephone number and email address of the Underwriters	**Indicative Number of Offered Shares to be underwritten**	**Amount underwritten (in ₹ million)**
[●]	[●]	[●]
[●]	[●]	[●]
Total	[●]	[●]

The above-mentioned is indicative underwriting and will be finalised after determination of Offer Price and Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of our Board and the Selling Shareholder, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or are registered as brokers with the Stock Exchange(s). Our Board of Directors/ IPO Committee, at its meeting, held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above.

The underwriting arrangements mentioned above shall not apply to the subscriptions by the ASBA Bidders/ UPI Bidders in the Offer (except for ASBA Bids/ Bids using UPI Mechanism procured by any member of the Syndicate). The Underwriting Agreement shall list out the role and obligations of each Member of the Syndicate, and inter alia contain a clause stating that margin collected shall be uniform across all categories indicating the percentage to be paid as margin by the investors at the time of Bidding.

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after determination of the Offer Price, but prior to the filing of the Prospectus with the RoC. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company, as of the date on this Draft Red Herring Prospectus, is set forth below:

(in ₹, except share data)

		Aggregate nominal value	Aggregate value at Offer Price#
A)	**AUTHORISED SHARE CAPITAL**		
	1,000,000,000 Equity Shares	10,000,000,000	
B)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	320,938,407 Equity Shares	3,209,384,070	
C)	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Offer for Sale of up to [●] Equity Shares by the Selling Shareholder*	[●]	[●]
	Which includes:		
	Employee Reservation Portion of up to [●] Equity Shares**	[●]	[●]
	Net Offer of up to 86,653,369 Equity Shares	866,533,690	[●]
D)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	320,938,407 Equity Shares	3,209,384,070	
E)	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer		Nil
	After the Offer		[●]

#To be updated upon finalization of the Offer Price.

**Our Board of Directors has approved the Offer pursuant to a resolution passed at their meeting held on September 28, 2020. The Selling Shareholder, through its letter dated September 28, 2020 conveyed its approval for the Net Offer of up to 86,653,369 Equity Shares. The Equity Shares offered by the Selling Shareholder in the Offer are eligible for being offered in the Offer for Sale as required by the SEBI ICDR Regulations.*

***Subject to receipt of necessary approvals from the GoI, up to [●] Equity Shares may be reserved for allocation and Allotment on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion. Since the retention of the Employee Reservation Portion is subject to receipt of necessary approvals from the GoI, the allocation and Allotment of Equity Shares under various portions mentioned in the table above (i.e., under the QIB Portion, Non-Institutional Portion and the Retail Portion) are in respect of the Net Offer size of up to 8,66,53,369 Equity Shares.*

The Selling Shareholder and our Company, in consultation with the BRLMs, may offer a discount of ₹ [●] per Equity Share on the Offer Price to the Retail Individual Bidders and ₹ [●] per Equity Share to the Eligible Employees Bidding under the Employee Reservation Portion (if any). The amount of Retail Discount and Employee Discount, as applicable, will be advertised in all newspapers wherein the Pre-Offer Advertisement will be published.

Changes in our Authorized Share Capital

There is no change in the authorized share capital of our Company since incorporation.

Notes to Capital Structure

1. Share capital history of our Company

History of Equity Share capital of our Company

The history of the Equity Share Capital of our Company is in the table below:

Date of allotment	Name(s) of allottee(s)	Nature of allotment	No. of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration
September 26, 2000	1 Equity Share each to Ashok Kumar, N. K. Chidambaram, R. N. Kumar, A. K. Chopra, A. K. Misra, Rajendra Kashyap and Akhil Agarwal (as nominees of the President of India).	Initial subscription to the MoA	7	10	10	Cash
July 2, 2001	The President of India through Chairman Railway Board, MoR	Further allotment	15,000,000	10	10	Cash
December 22, 2003#	The President of India through Secretary Railway Board, MoR	Allotment pursuant to transfer of OFC assets to our Company from Indian Railways	143,054,600	10	10	Other than cash
July 8, 2004#	The President of India through Secretary Railway Board, MoR	Allotment pursuant to transfer of OFC assets to our Company from Indian Railways	76,354,200	10	10	Other than cash
July 12, 2006#	The President of India through Secretary Railway Board, MoR	Allotment pursuant to transfer of OFC assets to our Company from Indian Railways	29,852,800	10	10	Other than cash
March 14, 2007#	The President of India through Secretary Railway Board, MoR	Allotment pursuant to transfer of OFC assets to our Company from Indian Railways	56,676,800	10	10	Other than cash

#We have placed reliance on the disclosures made in the Board minutes and/or financial statements, to ascertain the details of the issue of Equity Shares, the nature of allotment, issue price per equity share and the nature of consideration since the Form 2 for the relevant allotments are neither available in the records of our Company nor are they available in the records of the RoC as certified by P. C. Jain & Co., Company Secretaries, in the search report dated September 21, 2020. For further information, please refer to risk factor "We do not have access to records and data pertaining to certain historical legal and secretarial information in relation to certain disclosures. Further, there are certain discrepancies in the records available with us." under section titled 'Risk Factors' on page 25.

2. As on the date of this Draft Red Herring Prospectus, our Company does not have any preference share capital.

3. Issue of Equity Shares for consideration other than cash

Our Company has not issued any Equity Shares or preference shares out of revaluation of reserves at any time since incorporation.

Except as disclosed below, our Company has not issued any Equity Shares or preference shares for consideration other than cash at any time since incorporation:

Date of allotment	Names of allottees	Number of Equity Shares allotted	Face value (₹)	Issue price (₹)	Reason for allotment	Benefits accrued to our Company
December 22, 2003#	The President of India through Secretary Railway Board, MoR	143,054,600	10	10	Allotment pursuant to transfer of OFC assets to our Company from Indian Railways	Received OFC and other assets.
July 8, 2004#	The President of India through Chairman Railway Board, MoR	76,354,200	10	10	Allotment pursuant to transfer of OFC assets to our Company from Indian Railways	Received OFC and other assets.
July 12, 2006#	The President of India through Secretary Railway Board, MoR	29,852,800	10	10	Allotment pursuant to transfer of OFC assets to our Company from Indian Railways	Received OFC and other assets.
March 14, 2007#	The President of India through Secretary Railway Board, MoR	56,676,800	10	10	Allotment pursuant to transfer of OFC assets to our Company from Indian Railways	Received OFC and other assets.

#We have placed reliance on the disclosures made in the Board minutes and/or financial statements, to ascertain the details of the issue of Equity Shares, the nature of allotment, issue price per equity share and the nature of consideration since the Form 2 for the relevant allotments are neither available in the records of our Company nor are they available in the records of the RoC as certified by P. C. Jain & Co., Company Secretaries, in the search report dated September 21, 2020. For further information, please refer to risk factor "We do not have access to records and data pertaining to certain historical legal and secretarial information in relation to certain disclosures. Further, there are certain discrepancies in the records available with us." under section titled 'Risk Factors' on page 25.

4. Our Company has not allotted any Equity Shares pursuant to any scheme approved under sections 391 to 394 of the Companies Act, 1956, or sections 230 to 234 of the Companies Act, 2013.

5. Issue of Equity Shares at a price that may be lower than the Offer Price in the preceding year

Our Company has not allotted any Equity Shares during the period of one year preceding the date of this Draft Red Herring Prospectus.

6. History of the build-up of the Equity Share Capital held by our Promoter, Promoter's contribution and lock-in of Promoter Shareholding

As on the date of this Draft Red Herring Prospectus, our Promoter, the President of India and its nominees together hold 320,938,407 Equity Shares, constituting 100 % of the issued, subscribed and paid-up Equity Share capital of our Company. The details regarding our Promoter's shareholding is set out below.

a. Build-up of our Promoters' shareholding in our Company

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Form of consideration	Nature of allotment	Percentage of pre-Offer and post-Offer paid-up Equity Share capital
September 26, 2000	7	10	10	Cash	Initial subscription to the MoA	Negligible
July 2, 2001	15,000,000	10	10	Cash	Further allotment	4.67
December 22, 2003	143,054,600	10	10	Other than cash	Allotment pursuant to transfer of OFC assets to our Company from Indian Railways	44.57
July 8, 2004	76,354,200	10	10	Other than cash	Allotment pursuant to transfer of OFC assets to our Company from Indian Railways	23.79
July 12, 2006	29,852,800	10	10	Other than cash	Allotment pursuant to transfer of OFC assets to our Company from Indian Railways	9.30
March 14, 2007	56,676,800	10	10	Other than cash	Allotment pursuant to transfer of OFC assets to our Company from Indian Railways	17.66
Total	**320,938,407***		-	-		**100.00**

**9 Equity Shares are held by the nominees of our Promoter.*

All the above Equity Shares were fully paid-up at the time of allotment. As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoter are pledged.

b. Details of Promoter's contribution locked-in for three years

Pursuant to Regulation 14(1) and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the post–Offer Equity Share capital of our Company held by our Promoter shall be considered as minimum promoters' contribution and locked-in for a period of three years from the date of Allotment ("**Promoters' Contribution**").

The President of India, through the MoR, pursuant to its letter dated [●], has granted consent to include up to [●] Equity Shares held by them as Promoter's Contribution and has agreed not to sell, dispose, transfer, charge or pledge or otherwise encumber in any manner, the Promoter's Contribution from the date of filing of this Draft Red Herring Prospectus until the commencement of the lock-in period specified above or for such other time as may be required under the provisions of SEBI ICDR Regulations.

Details of the Equity Shares to be locked-in for three years from the date of Allotment as minimum Promoter's contribution are set forth in the table below:

Name of the Promoter	**Date of allotment of the Equity Shares**	**Nature of transaction**	**Number of Equity Shares**	**Face value (₹)**	**Issue/ acquisition price per Equity Share (₹)**	**Percentage of the pre- Offer paid-up capital (%)**	**Percentage of the post- Offer paid-up capital (%)**	**Date up to which the Equity Shares are subject to lock-in**
The President of India acting through MoR	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
	Total						**[●]**	

All the Equity Shares were fully paid-up on the respective dates of allotment or acquisition of such Equity Shares, as the case may be.

All Equity Shares, which are considered for the purposes of the Promoter's Contribution, are eligible in terms of Regulation 15 of the SEBI ICDR Regulations.

The Promoter's Contribution has been brought in to the extent of not less than the specified minimum lot and from the 'Promoter' as required under the SEBI ICDR Regulations. All Equity Shares offered as Promoters' Contribution were fully paid up at the time of their issue.

The Equity Shares that are being locked-in are not ineligible for computation of Promoter's Contribution under Regulation 15 of the SEBI ICDR Regulations. In this connection, our Company confirms that the Equity Shares which are being locked-in do not and shall not consist of:

(a) Equity Shares acquired in the last three years from the date of this Draft Red Herring Prospectus: (a) for consideration other than cash and revaluation of assets or capitalization of intangible assets or (b) resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of our Company or from a bonus issue against Equity Shares which are otherwise ineligible for computation of Promoter's contribution;

(b) Equity Shares acquired during the preceding one year at a price lower than the price at which Equity Shares are being offered to the public in the Offer;

(c) The Equity Shares offered for Promoter's Contribution have not been issued on account of the conversion of a partnership firm into a company;

(d) The Equity Shares offered for Promoter's Contribution are not subject to any pledge or any form of encumbrance; and

(e) As on the date of this Draft Red Herring Prospectus, the Equity Shares held by our Promoter and its nominees are in dematerialized form.

7. Other requirements in respect of lock-in:

Except for the Promoter's Contribution which shall be locked-in as above, the entire pre-Offer capital of our Company shall be locked in for a period of one year from the date of Allotment, except for the Equity Shares sold pursuant to the Offer for Sale and any other categories of shareholders exempt under Regulation 17 of the SEBI ICDR Regulations, as applicable.

The President of India, through the MoR, has pursuant to letter dated [●], granted approval for the lock-in of the entire post-Offer shareholding held by the President of India (less the Promoter's Contribution of [●] Equity Shares and the Offered Shares), for a period of one year from the date of Allotment or for such other time as may be required under the SEBI ICDR Regulations. Any Offered Shares remaining unsold in the Offer shall be locked-in for a period of one year.

The Equity Shares held by our Promoter, which are locked-in for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks, public financial institutions, systemically important non-banking finance companies or housing finance companies as collateral security for loans granted by such banks, public financial institutions, systemically important non-banking finance companies or housing finance companies provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan.

Lock-in of Equity Shares Allotted to Anchor Investors

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

8. Our shareholding pattern

The table below represents the equity shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. of shares held (VII)= (IV) + (V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX) — No of Voting Rights — Class-Equity Shares	Number of Voting Rights held in each class of securities (IX) — Total as % of (A+B+C)	No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII) + (X) As a % of (A +B+C2)	Number of Locked in shares (XII) — No. (a)	Number of Locked in shares (XII) — As a % of total Shares held (b)	Number of Shares pledged or otherwise encumbered (XIII) — No. (a)	Number of Shares pledged or otherwise encumbered (XIII) — As a % of total Shares held (b)	Number of Equity Shares held in dematerialized form(XIV)
(A)	Promoter and Promoter Group	10	320,938,407	-	-	320,938,407	100.00	320,938,407	100.00	-	100.00	-	-	-	-	320,938,407
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C3)	Shares underlying ESOP's	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**10**	**320,938,407**	-	-	**320,938,407**	**100.00**	**320,938,407**	**100.00%**	-	**100.00**	-	-	-	-	**320,938,407**

**The President of India holds 100% of the Equity Shares out of which 320,938,398 Equity Shares are held by the President of India and an aggregate of 9 Equity Shares are held by V. K. Yadav, Rajesh Tiwari, Ajeet Kumar Srivastava, Rajeev Sharma, Pradeep Kumar, Umesh Balonda, Vinay Srivastava, R.K. Jain, and Ashutosh Gangal as the nominees of the President of India.*

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of the Equity Shares. The shareholding pattern will be provided to the Stock Exchanges for uploading on their respective websites before the commencement of trading of the Equity Shares.

9. Details of equity shareholding of the major equity shareholders of our Company

(a) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company as on the date of this Draft Red Herring Prospectus:

Sr. No.	Shareholder	Number of Equity Shares	Percentage of pre-Offer Equity Share capital
1.	The President of India, acting through the MoR *	320,938,407	100.00

**Inclusive of 9 Equity Shares held by nominees of the President of India.*

(b) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company as of 10 days prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Shareholder	Number of Equity Shares	Percentage of pre-Offer Equity Share capital
1.	The President of India, acting through the MoR *	320,938,407	100.00

**Inclusive of 9 Equity Shares held by nominees of the President of India.*

(c) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company as of one year prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Shareholder	Number of Equity Shares	Percentage of pre-Offer Equity Share capital
1.	The President of India, acting through the MoR *	320,938,407	100.00

**Inclusive of 9 Equity Shares held by nominees of the President of India.*

(d) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company as of two years prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Shareholder	Number of Equity Shares	Percentage of pre-Offer Equity Share capital
1.	The President of India, acting through the MoR *	320,938,407	100.00

**Inclusive of 9 Equity Shares held by nominees of the President of India.*

10. None of our Directors hold Equity Shares of our Company in their individual capacities. Further, none of our KMPs hold any Equity Shares in their individual capacities.

11. As on the date of this Draft Red Herring Prospectus, our Company has ten Shareholders of which nine are the nominees of the Promoter.

12. Our Company does not have any employee stock option plan or employee stock purchase scheme for our employees.

13. Neither our Company, nor any of our Directors or the BRLMs have entered into any buy-back arrangements for the purchase of the Equity Shares from any person.

14. No person connected with the Offer, including, but not limited to the Members of the Syndicate, our Company, the Selling Shareholder and our Directors, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

15. As on the date of this Draft Red Herring Prospectus, the BRLMs and their respective associates, as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, do not hold any Equity Shares.

16. Neither our Promoter nor any of our Directors or any of their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

17. There has been no financing arrangement whereby our Promoter, our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of business of the financing entity during the six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

18. The Offered Shares are fully paid-up and there are no partly paid-up Equity Shares as of the date of this Draft Red Herring Prospectus.

19. Our Company presently does not intend or propose to, nor is under negotiation to alter its capital structure for a period of six months from the Bid/ Offer Opening Date, by way of split / consolidation of the denomination of the Equity Shares or further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the Bid/ Offer Opening Date until the Equity Shares have been listed on the Stock Exchanges. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use of Equity Shares as consideration for acquisitions or participations in such joint ventures.

20. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

21. Our Company shall ensure that any transactions in the Equity Shares by our Promoter, if any (other than transfers between nominees of our Promoter) during the period between the date of filing this Draft Red Herring Prospectus and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of such transactions.

22. Except to the extent of Equity Shares offered in this Offer by the Selling Shareholder for sale in the Offer for Sale, our Promoter will not participate in this Offer.

OBJECTS OF THE OFFER

The objects of the Offer are: (i) to carry out the disinvestment of [●] Equity Shares by the Selling Shareholder constituting [●]% of our Company's paid up Equity Share capital our Company; and (ii) to achieve the benefits of listing the Equity Shares on the Stock Exchanges. Our Company will not receive any proceeds from the Offer and all proceeds shall go to the Selling Shareholder.

Further, our Company expects that listing of the Equity Shares will enhance our visibility and brand image and will also provide a public market for the Equity Shares in India.

Our Company will not directly receive any proceeds from the Offer (the "**Offer Proceeds**") and all the Offer Proceeds will be received by the Selling Shareholder. For details of Offered Shares by Selling Shareholder, see "*Other Regulatory and Statutory Disclosures*" beginning on page 315.

Offer related expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The expenses of the Offer include, among others, fees payable to the BRLMs and legal counsel, fees payable to the Statutory Auditors, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, SCSBs' fees, Registrar's fees, printing and distribution expenses, legal expenses, statutory advertisement expenses and marketing expenses, registrar and depository fees, listing fees and all other expenses for listing the Equity Shares on the Stock Exchanges.

All Offer related expenses shall be borne by the Selling Shareholder through the DIPAM. However, expenses in relation to printing and stationery expenses, processing fees for ASBA banks shall be borne by the BRLMs. Payments, if any, made by our Company in relation to the Offer shall be on behalf of the Selling Shareholder and such payments will be reimbursed to our Company.

The estimated Offer expenses are as under:

Sr. No.	Activity	Estimated amount (₹ in million)[1)]	As a % of total estimated Offer expenses[1)]	As a % of Offer size[1)]
1.	Payment to BRLMs	**[●]**	**[●]**	**[●]**
2.	Commission for SCSBs selling commission for Members of the Syndicate, Registered Brokers, RTAs and CDPs, fees payable to the Sponsor Banks for Bids made by Retail Individual Bidders using the UPI Mechanism.[2)]	**[●]**	**[●]**	**[●]**
3.	Fees payable to the Registrar to the Offer	**[●]**	**[●]**	**[●]**
4.	Advertising and marketing expenses	**[●]**	**[●]**	**[●]**
5.	Others: i. Listing fee ii. SEBI and Stock Exchanges processing fee and book building software fees iii. Fees payable to Legal Counsels **iv.** Miscellaneous	**[●]**	**[●]**	**[●]**
	Total estimated Offer expenses	**[●]**	**[●]**	**[●]**

1) *Amounts will be finalized at the time of filing the Prospectus upon determination of the Offer Price.*

2) *To be provided in the Red Herring Prospectus.*

Monitoring Utilization of Funds

Since the Offer is an offer for sale and our Company will not receive any proceeds from the Offer, our Company is not required to appoint a monitoring agency for the Offer.

Other Confirmations

Except to the extent of any proceeds received pursuant to the sale of Equity Shares proposed to be sold by the Selling Shareholder, none of our Promoter, Directors and KMPs will receive any portion of the Offer Proceeds.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholder in consultation with the BRLMs on the basis of an assessment of market demand for the Offered Shares through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the equity shares of our Company is ₹10 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also see "*Risk Factors*", "*Our Business*", "*Restated Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 25, 122, 174 and 273, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for the Offer Price are:

- Among the largest neutral telecom infrastructure providers in India with pan-India optic fiber network
- Diversified portfolio of services and solutions
- Key partner to the Indian Railways in digital transformation
- Experience in executing projects of national importance with a robust pipeline of projects
- Strong track record of financial performance
- Professionally managed with strong corporate governance and senior management team with significant industry experience

For further details, see "*Risk Factors*" and "*Our Business – Competitive Strengths*" on pages 25 and 124, respectively.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Financial Statements. For details, see "*Restated Financial Statements*" on page 174**.**

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

A. Basic and Diluted Earnings/Loss per Share ("EPS")

As per our Restated Financial Statements:

Year/Period ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2020	4.40	4.40	3
March 31, 2019	4.22	4.22	2
March 31, 2018	4.18	4.18	1
Weighted Average	**4.30**	**4.30**	

Note: Earnings per share (EPS) calculation is in accordance with the notified Ind AS 33 'Earnings per share' prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act.

B. Price/Earning Ratio (P/E) in relation to the Offer Price of ₹ [●] to ₹ [●] per Equity Share

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on the basic EPS as per the Restated Financial Statements for Fiscal 2020	[●]*	[●]*
Based on diluted EPS as per the Restated Financial Statements for Fiscal 2020	[●]*	[●]*

Industry Peer Group P/E ratio

Not applicable as there are no listed companies in India that engage in a business similar to that of our Company.

C. Return on Net worth ("RoNW")

Derived from the Restated Financial Statements:

Year/Period ended	RoNW %	Weight
March 31, 2020	10.30	3
March 31, 2019	10.50	2
March 31, 2018	10.90	1
Weighted Average	10.47	

Notes:

i. *Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.*

ii. *Return on Restated Net Worth (%) = Restated Net Profit after tax attributable to owners of the Company / Restated net worth at the end of the year/period.*

iii. *'Restated Net worth' under Ind-As: Net worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits (excluding foreign currency translation reserve) and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2018; 2019 and 2020, in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations.*

D. Net Asset Value per Equity Share (Face value of ₹ 10 each)

Fiscal/ Period ended	NAV per Equity Share (₹)
As on March 31, 2020	42.67
After the completion of the Offer	At the Floor Price: [●] At the Cap Price: [●]
Offer Price	[●]

Notes:

(1) *Offer Price per Equity Share will be determined on conclusion of the Book Building Process.*

(2) *NAV per Equity Share has been computed as restated net worth at the end of the year divided by total number of Equity Shares outstanding at the end of the year/period.*

(3) *Net Worth means the aggregate value of the Equity Share capital of our Company and securities premium, retained earnings and share based payment reserve.*

E. Comparison with Listed Industry Peers

There are no listed companies in India that engage in a business similar to that of our Company. Hence, it is not possible to provide an industry comparison in relation to our Company.

F. The Offer Price is [●] times of the face value of the Equity Shares.

The Offer Price of ₹ [●] has been determined by our Company and the Selling Shareholder in consultation with the BRLMs, on the basis of demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters.

Bidders should read the above-mentioned information along with "*Risk Factors*", "*Our Business*", "*Restated Financial Information*", and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 25, 122, 174 and 273, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "*Risk Factors*" on page 25 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

To,

The Board of Directors
RailTel Corporation of India Limited
Plate – A, 6th Floor, Office Block, Tower -2
East Kidwai Nagar, South Delhi,
New Delhi - 110023

Dear Sirs,

Re: Proposed initial public offering of equity shares of face value of ₹ 10 each (the "Equity Shares" and such offering, the "Offer") of RailTel Corporation of India Limited (the "Company")

We report that the enclosed statement in the **Annexure-A**, states the possible special tax benefits under direct and indirect tax laws and Income tax Act 1961 (the "**Act**") including amendments made by the Finance Act, 2020 i.e. applicable for the Financial Year 2020-21 relevant to the assessment year 2021-22 and the Central Goods and Services Tax Act, 2017 ("**GST Act**") as amended by the Finance Act 2020, i.e., applicable for the Financial Year 2020-21 relevant to the assessment year 2021-22, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

We do not express any opinion or provide any assurance as to whether:

(i) the Company or its shareholders will continue to obtain these benefits in future;

(ii) the conditions prescribed for availing the benefits have been/would be met with; and

(iii) the revenue authorities/courts will concur with the views expressed herein.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We also consent to the references to us as "Experts" as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 to the extent of the certification provided hereunder and included in the draft red herring prospectus, red herring prospectus and prospectus "(**Offer Documents**") of the Company or in any other documents in connection with the Offer.

We hereby give consent to include this statement of special tax benefits in the Offer Documents and in any other material used in connection with the Offer.

This certificate is issued for the sole purpose of the Offer, and can be used, in full or part, for inclusion in the Offer Documents and any other material used in connection with the Offer, and for the submission of this certificate as may be necessary, to any regulatory / statutory authority, recognized stock exchanges, any other authority as may be required and/or for the records to be maintained by the BRLMs in connection with the Offer and in accordance with applicable law, and for the purpose of any defense the BRLMs may wish to advance in any claim or proceeding in connection with the contents of the offer documents.

This certificate may be relied on by the Company, BRLMs, their affiliates and the legal counsels in relation to the Offer.

Yours faithfully,

For and on behalf of
Suresh Chandra and Associates
Chartered Accountants
Firm Registration Number: 001359N
UDIN: 20500369AAAAF7780

Name: Ved Prakash Bansal
Partner
ICAI Membership Number: 500369

Date: 26.09.2020
Place: New Delhi

Encl: As above

ANNEXURE

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA UNDER THE INDIAN TAX LAWS

Outlined below are the possible special tax benefits available to the Company and its shareholders under the applicable direct and indirect tax laws ("tax laws"). These possible special tax benefits are dependent on the company and its shareholders fulfilling the conditions prescribed under the tax laws. Hence, the ability of the company and its shareholders to derive the possible special tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

UNDER THE INCOME TAX ACT, 1961

1. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

The Company is not entitled to any special tax benefits under direct tax laws

2. SPECIAL TAX BENEFITS AVAILABLE TO ITS SHAREHOLDERS

The shareholders of the company are not entitled to any special tax benefits under direct tax laws

UNDER THE INDIRECT TAX LAWS – GOODS AND SERVICE TAX ACT, 2017 (GST Act)

1. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

The Company is not entitled to any special tax benefits under the indirect tax laws.

2. SPECIAL TAX BENEFITS AVAILABLE TO ITS SHAREHOLDERS

The shareholders of the company are not entitled to any special tax benefits under the indirect tax laws.

Notes:

(a) The above statement covers only certain relevant direct tax law benefits presently in force in India and indirect tax law benefits presently in force in India and does not cover benefit under any other law.

(b) The above statement of possible tax benefits is as per the current direct tax laws relevant for the Assessment Year 2021-22 pursuant to the Financial Year 2020-21.

(c) This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax consequences of his/her investment in the shares of the Company.

(d) We have not commented on the taxation aspect under any law for the time being in force, as applicable, of any country other than India. Each investor is advised to consult its own tax consultant for taxation in any country other than India.

(e) Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*Unless noted otherwise, the information in this section is obtained or extracted from "Assessment of the telecom and telecom data services industry in India" dated September 2020 (the "**CRISIL Report**") prepared and issued by CRISIL Research, a division of CRISIL Limited, on our request. Neither we nor any other person connected with the Offer have independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.*

MACRO-ECONOMIC OVERVIEW OF INDIA

Review of India's Gross Domestic Growth ("GDP") growth

GDP has grown at a CAGR of 7% between Fiscal 2012 and Fiscal 2019. India's GDP has increased at a CAGR of 7% from ₹ 87 trillion in Fiscal 2012 to ₹ 140 trillion in Fiscal 2019. As per the Central Statistics Office ("**CSO**"), India's GDP growth increased in the second half of Fiscal 2018 and was 7.1% in Fiscal 2018.

GDP growth is estimated at 4.2% for Fiscal 2020. GDP in the fourth quarter of Fiscal 2020 grew at a rate of 3.1% compared with 4.1% in the third quarter of Fiscal 2020, resulting in the full-year growth estimate to 4.2% compared with 6.1% in Fiscal 2019.

Growth in sub-components of GDP in Fiscal 2020

COVID-19 pandemic resulted in a significant setback to services. The latest GDP release by the National Statistical Office ("**NSO**") highlights three key trends:

- *Services suffering more than industry*: In the fourth quarter of Fiscal 2020, services sector growth decreased to 4.4% from 5.7% in the third quarter of Fiscal 2020. The most significant impact was on trade, hotels, transport, communication and storage sectors that would have come to a near halt due to the lockdown and are expected to decline further in the first quarter of Fiscal 2021. The industrial sector contracted for the second consecutive quarter led by a sharp fall in manufacturing activity. The impact was, however, mitigated by strong performance by electricity and mining. The more significant impact to manufacturing in the fourth quarter was due to the dip in merchandise exports.

- *Farm to the rescue*: Robust agriculture growth played a significant role in protecting growth in the fourth quarter of Fiscal 2020. The sector, which is also expected to increase in Fiscal 2021, grew at 5.9%, the highest growth in the previous eight quarters. If not for the outperformance of this sector, overall gross value added ("**GVA**") growth would have decreased further. GVA grew at 3% in the fourth quarter of Fiscal 2021 compared with 3.5% in the third quarter of Fiscal 2021. Excluding agriculture, the GVA growth declined to 2.5% from 3.4% in the third quarter in Fiscal 2020.

- *Bigger role for the Government*: Government consumption spending saw double-digit growth for the third consecutive quarter. It is expected to continue in Fiscal 2021, as fiscal spending on stimulus measures would increase. The role of the private sector in supporting such growth is expected to remain low. In the fourth quarter of Fiscal 2020, private consumption growth at 2.7% was the slowest in the past 21 quarters, while fixed investments contracted for the third quarter in a row.

Higher Government consumption supported growth for three consecutive quarters. On the demand side, fixed investment growth fell significantly by 6.5% in the fourth quarter of Fiscal 2020 from a negative 5.2% in the third quarter of Fiscal 2020 and a negative 3.9% in the second quarter of Fiscal 2020. A significant slowdown in Government capital expenditure spending in addition to a weaker private capital expenditure is believed to have caused such a decline. In Fiscal 2020, fixed investment growth declined to 2.8% from 9.8% in Fiscal 2019. Higher Government consumption (up by 13.6% in the fourth quarter of Fiscal 2020) supported growth for three quarters in a row. Exports, at a negative 8.5%, fell more significantly compared to imports at a negative 7%. Meanwhile, for Fiscal 2020, a sharper decline in imports (negative 6.8%) relative to exports (negative 3.6%) led to a 30% on-year reduction in trade deficit. On the supply side, GVA growth declined to 3% in the fourth quarter of Fiscal 2020 from 3.5% in the third quarter of Fiscal 2020 on account of decline in the services sector.

GDP outlook for Fiscal 2021

India's GDP growth is expected to reduce to 9% in Fiscal 2021. On account of uncertainty with respect to the COVID-19 pandemic and the Government not providing adequate direct fiscal support, the Indian economy is expected to reduce to 9% in Fiscal 2021. Further, it is expected that agricultural GDP to will increase by 2.5% on-year this fiscal, subject to a normal and a largely well distributed monsoon, and healthy sowing and ground water situation. The non-agriculture economy represents two thirds of the rural economy, and though affected by the COVID-19 pandemic, appears to have done better than its urban counterpart. This is reflected in demand for products with rural footprint such as tractors, motorcycles and fast moving consumer goods. However, rural wages remain low and remittances are likely to have been hit due to reverse-migration. Moreover, COVID-19's rapid spread to rural areas could mean an increase in restrictions on activity there, which could challenge the rural sector.

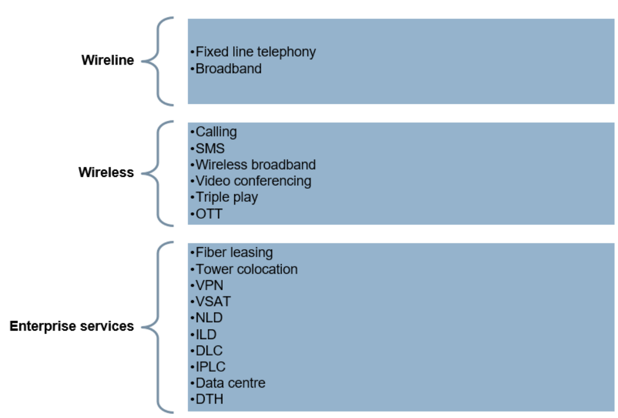
GDP in the first quarter of Fiscal 2021 declined by 24%. Industrial and service sectors, accounting for approximately 85% of GDP, were the most adversely impacted by the national wide lockdown. Both conventional and non-conventional high-frequency indicators pointed towards a significant downturn in these sectors.

Second quarter of Fiscal 2021 is expected to contract at 12% on year. High-frequency economic indicators until August 2020 showed recovery *vis-à-vis* the first quarter of Fiscal 2021, however, they remain in de-growth phase, indicating economic contraction will continue in the second quarter of Fiscal 2021, however, not as significant as the first quarter of Fiscal 2021. I tis expected that GDP will contract in the second quarter of Fiscal 2021 at 12% on-year.

OVERVIEW OF THE TELECOM SERVICES INDUSTRY IN INDIA

Structure of the telecom and telecom data services industry in India

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



Enterprise services

Fiber leasing

Typically, dedicated fiber leased lines fulfil two common purposes: (i) they provide corporate offices with high-capacity connection to the internet, and (ii) they connect the local network of several corporate offices to form a wide-area-network. In this case, individual subscribers could be organizations using fiber for business purposes. Leased fiber line provides various benefits, including faster connection speeds, connection reliability, stronger signal, low latency (time taken for data transmission) and symmetrical speed (in terms of equal download and upload speeds). Bharti Airtel Limited, Bharat Sanchar Nigam Limited ("BSNL"), RailTel Corporation of India Limited ("RailTel"), Tata Communications Limited, and Vodafone Idea Limited are the major players providing such services in India.

Tower co-location

This is a service provided by an infrastructure provider ("IP") companies who lease out their existing base transceiver stations ("BTS") and RF/IP antennas to wireless communication providers for data and voice transmission. IP companies receive rent from wireless telecom companies that do not have funds or do not want to undertake significant capital expenditure to set up their own BTS network. Co-location involves mounting of nodes on existing tower infrastructure to receive and transmit data and voice packets wirelessly.

Bharti Infratel Limited, Bharti Airtel Limited, GTL Infrastructure Limited, Indus Towers Limited, Reliance Jio Infocomm Limited, RailTel and Vodafone Idea Limited are the main players providing tower co-location services in India. Tower co-location has become an important source of revenue for these companies with the rise in spectrum allocation, enhancing the need for more BTS units to be installed.

Virtual Private Network ("VPN")

A VPN uses public telecommunication infrastructure, such as the internet, to securely connect remote sites/ users to the organisation's network. These services cost less than alternatives, such as, traditional leased lines or remote access servers. VPN technology is based on the tunnelling concept, which involves establishing and maintaining a logical network connection. In such a type of connection, packets constructed in a specific VPN protocol format are encapsulated within another base or carrier protocol, and then are transmitted between the VPN client and server, and finally de-encapsulated on the receiving end.

Multi-Protocol Label Switching ("MPLS")

To provide traffic isolation and differentiation without substantial overheads, MPLS is among the commonly used methods to create VPNs. MPLS involves setting up a specific path for a given sequence of data packets, each identified by a label, which reduces the time for a router to look up the address of the node where the data packet is forwarded. Besides increasing the speed of the internet traffic, MPLS makes it easy for a service provider to monitor the quality of service ("QoS"). MPLS-VPN technology allows service providers complete control over parameters that are critical to offering customers service guarantees with regard to bandwidth throughputs, latencies and availability. It reduces network complexity and cost for the customer, and eliminates the need for an in-house technical workforce. Rather than setting up and managing individual point-to-point circuits between each office using a pair of leased lines, MPLS-VPN customers need to provide only one connection from their office router to a service provider.

Very Small Aperture Terminal ("VSAT")

VSAT refers to a small fixed earth station, which provides the vital communication link required to set up a satellite-based communication network. It refers to receiving/ transmit terminals installed at dispersed sites connecting to a central hub through satellite using small diameter antenna dishes, ranging approximately between 0.6 metres and 3.8 metres. Generally, these systems operate in the Ku-band, which is used primarily in Europe and North America, and C-band, used extensively in Asia, Africa and Latin America, frequencies.

There are typically five types of VSAT networks: (i) multipoint (provides for two-way data, voice and multimedia operations); (ii) full-meshed (provides interconnection of dissimilar communication devices); (iii) hybrid (between multipoint and full-meshed); (iv) single channel per carrier (point-to-point circuits for-two-way communication between VSAT terminals located at two sites); and (v) broadcast (for the transmission of data, video and audio files to any number of users). VSAT comprises two modules: (i) an outdoor unit; and (ii) an indoor unit. The outdoor unit is generally ground or even wall-mounted, and the indoor unit, which is the size of a desktop computer, is normally located near the computer equipment. Indian VSAT players are classified as commercial and government/ defence users. The companies that are active in the VSAT segment in India include Bharti Airtel Limited, Bharat Sanchar Nigam Limited, HCL Comnet Limited, Hughes Communications India Limited, Infotel Satcom Private Limited, Planetcast Media Services Limited and Tatanet Services Limited.

National long distance ("NLD")

NLD service refers to carriage of switched-bearer telecommunication services over a long-distance network, *i.e.* a network connecting different short distance charging areas or SDCAs. Such a service provider is usually a telecom operator providing the required digital capacity to carry long distance telecommunication services within the scope of their license, which may include various tele-services, such as, voice, data, fax, text, video and multimedia. The major players in the NLD space in India are BSNL, Bharti Airtel Limited, Mahanagar Telephone Nigam Limited, Power Grid Corporation of India Limited, RailTel, Tata Communications Limited, Reliance Jio Infocomm Limited and Vodafone Idea Limited.

International long distance ("ILD")

ILD service is defined as a network carriage service, providing NLD operators with international connectivity by connecting to network facilities operated by foreign carriers in other countries. It involves setting up of undersea fiber cables to transmit voice and data globally as radio wave transmission through towers is not possible over such a long distance. ILD service provides most of the services provided by a NLD licensee, however, ILD service provides such services internationally. The major players operating with ILD license in India are AT&T Global Network Services India, Bharti Airtel Limited, BSNL, Reliance Jio Infocomm Limited, Sprint Telecom India Limited, Tata Communications Limited, Verizon Communications India Limited, and Vodafone Idea Limited.

Domestic leased circuits ("DLC")

DLC refers to a leased circuit that is connected to a subscriber's premises within India. The telecom service providers provide DLCs to connect two or more customer sites or customers to their own or other service provider's network. A DLC can carry data, voice, fax, video or any other form of digital transmission at bandwidths from 64 kilobits per second ("kbps") to 1,000 megabits per second ("mbps"). The major players currently operating in the DLC business in India include Bharti Airtel Limited, BSNL, RailTel, Tata Communications Limited and Vodafone Idea Limited.

International private leased circuit ("IPLC")

An IPLC is a point-to-point private line used by an organization to communicate between geographically dispersed offices that need dedicated international connectivity with a committed bandwidth. An IPLC can be used for internet access, business data exchange, video conferencing and any other form of digital transmission, at bandwidths ranging from 64 kbps to 155 mbps. The major players currently providing international leased line services in India include Bharti Airtel Limited, BSNL, Reliance Jio Infocomm Limited, Tata Communications Limited and Vodafone Idea Limited.

Data centre

A data center houses and maintains back-end information technology ("IT") systems and data stores (mainframes, servers and databases). Data centres also provide support to companies by offering extensive IT infrastructure, including servers, firewalls, storage systems and various other IT components, in a different place. Data centre services can be further classified into two types: (i) the captive model (where data centres are built to manage a company's own operations); and (ii) the co-location model (where data centres are built to provide services to third parties, based on their requirements). Bharti Airtel, Reliance Datacenter, Sify Technologies, STT Global Data Center, Vodafone Idea and RailTel are some of the players providing data centre services in India.

Recent trends in telecom and telecom data services industry in India

Covid-19 to have minimal impact on telecom companies

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

AGR dues - A huge roadblock for telecom companies

Telecom services companies pay licence fees and spectrum usage charges at 8% and 3% to 5% of the adjusted gross revenue ("AGR"), respectively. As defined by the Department of Telecommunications ("DoT"), AGR includes telecom service revenue, i.e., core revenue, as well as non-core revenue. However, the Cellular Operators' Association of India ("COAI") challenged this definition in 2005 in the Telecom Disputes Settlement and Appellate Tribunal ("TDSAT"), arguing that the AGR should include only revenue from core licenced telecom services. Over the years, telecom companies continued to pay licence fees and spectrum usage charges as per their formula, i.e., as a percentage of only core revenue, without making adequate provisions in the form of contingent liabilities as an outside balance sheet item, in case of an adverse judgement.

The Supreme Court has now withheld the TDSAT's 2015 ruling, in effect, upholding DoT's definition. With this, telecom companies, particularly incumbents like Bharti Airtel, Vodafone-Idea, as well as BSNL, will have to pay out more than ₹ 750 billion. This would further undermine their already weak financials. Although the original outstanding due for the entire industry is ₹ 200 billion to ₹ 250 billion, accumulation of this amount over the past 14 years, along with penalty and compounding monthly interest, has led to the build-up of an outstanding of approximately ₹ 1.3 trillion.

The DoT had filed a petition in Supreme Court to allow self-assessment of AGR dues by players, and to grant them 20 years to pay the amount. However, the Supreme Court on March 18, 2020 criticised the self-assessment request and directed the industry to stick to the DoT calculated dues. At the first hearing on June 11, 2020, the Supreme Court directed telecom companies to file affidavits regarding securities and bank guarantees that can be furnished for the deferred payment. The telecom companies, however, conveyed their inability to furnish further guarantees owing to their poor financial health. Thus, during the second hearing on June 18, 2020, the Supreme Court directed the DoT to study telecom companies' proposals regarding payments and timelines. Further, the Supreme Court on September 1, 2020, allowed telecom companies 10 years' time to pay their AGR dues to the Government stating that the period of 20 years fixed for payment was excessive. In a series of directions to the telcom companies, the Supreme Court stated that they shall raise no dispute nor will they be any reassessment of the AGR dues. The telecom operators would make the payment of 10% of the total dues as demanded by DoT by March 31, 2021. The yearly instalments would commence from April 1, 2021 up to March 31, 2031. The instalments would be paid by March 31 every year.

Relief for non-UASL license holder telecom Public Sector Undertakings ("PSU")

In June 2020, the DoT informed the Supreme Court that it had withdrawn 96% of its ₹ 4,000 billion demand in AGR from non- UASL license holder PSUs as their core operation was not to provide basic telephony services including cellular mobile covered under the UASL.

Market sizing of telecom services in India

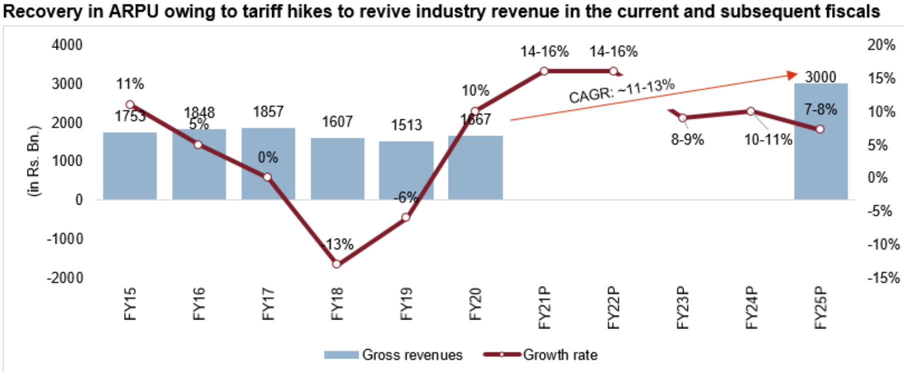
Rising Average Revenue Per User ("ARPU") to aid industry revenue recovery in Fiscal 2021

The Indian telecom industry has undergone significant disruption over the past two years, owing to aggressive pricing strategies of new entrants. The smaller players, who could not compete, merged with larger players, who managed to stay afloat. As the number of players has reduced from eight to four over the past two years, the industry is seeing early signs of recovery, especially in the last two quarters of Fiscal 2019. CRISIL Research expects revenue to improve in the next two fiscals, driven by increase in ARPU, owing to tariff hikes.

To be sure, the Indian telecom industry has seen some pricing discipline over the past one year, with schemes such as minimum recharge plans and charging for off-net calls, and also tariff hikes. After experiencing pricing stability in the last two quarters of Fiscal 2019, players marginally increased prices beginning first quarter of Fiscal 2020. Following the Supreme Court order on AGR in December 2019, players further increased tariffs on various popular packs by 30% to 40%.

Hence, post a 6% on-year decline in gross revenue in Fiscal 2019, CRISIL Research estimates the industry's gross revenue to have recovered 9% to 10% on-year in Fiscal 2020, to approximately ₹ 1,670 billion, led by growth in ARPU, owing to price hikes in the last quarter of the Fiscal 2020. As the full impact of the rise in ARPU will be seen this fiscal, it is expected that gross revenue will rise 14% to 16% on-year in Fiscal 2021. Extension of validity vouchers amid the COVID-19 pandemic and removal of interconnect usage charge ("IUC") in the last quarter of Fiscal 2021, though, will partially offset the ARPU increase. Players are likely to again raise tariff in the latter half of Fiscal 2021, if not before. This will make Fiscal 2022 another year of strong revenue growth. It is expected the industry will cross the ₹ 3,000 billion mark by Fiscal 2025 in the back drop of rising ARPU because of the tariff hikes, strong 4G additions, and increase in data usage.

Recovery in ARPU owing to tariff hikes to revive industry revenue in the current and subsequent fiscals



E: Estimated; P: Projected

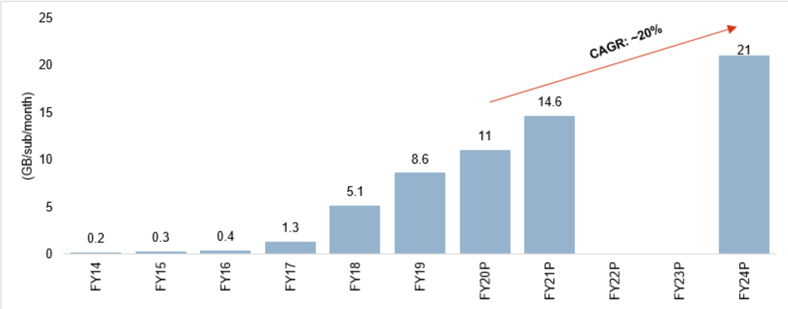
Note: The bars represent gross revenue as reported by the Telecom Regulatory Authority of India (TRAI)

Source: TRAI, CRISIL Research

Lockdown and work from home due to Covid-19 to increase data usage

Monthly average data usage is estimated to reach 11 GB per subscriber per month in Fiscal 2020, owing to increased affordability of smartphone devices, increase in 4G penetration, and popularity of OTT apps. With work from home there has been an increase in demand for unified communications apps such as zoom, WebEx, Microsoft teams apart from, the already in demand, OTT apps such as WhatsApp, for messaging, and Skype, Viber, and Hike for voice and video calls. Over and above, increase in demand for online shopping has pushed usage for e-commerce apps is expected to further push data usage in Fiscal 2021. In Fiscal 2021, CRISIL Research expects a further jump in data usage to 15 GB per month as persistent lockdowns will result in people staying at home, and, thereby, increasing their data usage. However, over Fiscal 2020 to Fiscal 2024, it is expected that growth in average data usage to moderate over a high base. CRISIL Research expects average monthly data usage per subscriber per month to register a CAGR of approximate 20% between Fiscal 2019 to Fiscal 2024, to reach approximately 21 GB. This expected increase in data usage thus offers a huge opportunity for the telecom service providers, such as Bharti Airtel ltd., Vodafone Idea ltd., Reliance Jio Infocomm ltd., MTNL, BSNL, Tata Communications, RailTel, Sify Technologies and others, to offer and strengthen existing network capabilities of customers.

Blended average data usage per subscriber to grow at slower pace on high base

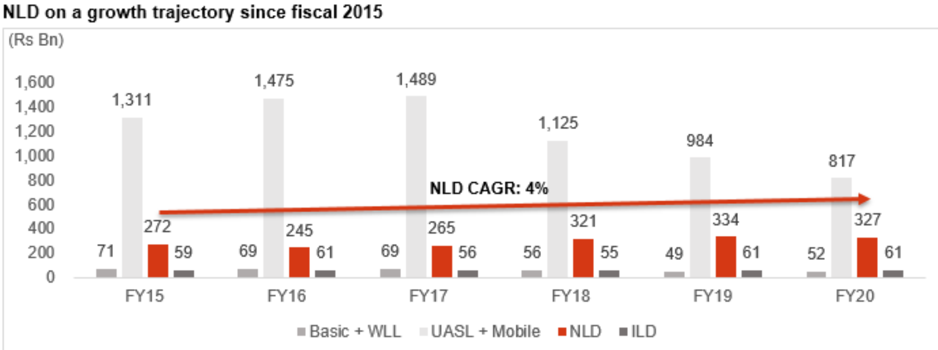


P: Projected
Source: TRAI, CRISIL Research

Segment-wise revenue

In Fiscal 2018 and Fiscal 2019, SIM consolidation has resulted in a decline in mobile revenue due to the removal of inactive users. However, the increase in subscriber numbers after the launch of Reliance Jio in September 2016, led to a need for additional bandwidth by players, which resulted into a growth for NLD and ILD services. In addition, corporates entered into collaborations with NLD license holders for improving and ensuring exclusive connectivity to their respective branch offices. This resulted in higher revenue from NLD services. In contrast, basic and wireless local loop ("WLL") revenue has been low because of overall reduction in dependency on landline and broadband usage. However, due to the change in working modes owing to the COVID-19 pandemic, it is expected that some additions among wireline subscribers in the near to medium term.

NLD on a growth trajectory since fiscal 2015



WLL - Wireless local loop; UASL - Unified access service licence
Note: Revenues are ADRs reported by TRAI
Source: TRAI, CRISIL Research

ISP market size

Internet subscriber base to reach approximately 909 million by March 2025

India's internet subscriber base (wireless and wired) is estimated to have reached approximately 690 million at the end of Fiscal 2020, according to the Telecom Regulatory Authority of India ("TRAI"). It is further expected the base will expand at a CAGR of approximately 5% to 7% between Fiscal 2020 and Fiscal 2025. This will result into approximately 909 million Indian subscribers online by Fiscal 2025. Within wireless, the aggressive growth of 4G subscribers is expected to offset the decline in 3G and 2G numbers. Rising adoption of high-speed wireless broadband will be due to:

- Lower mobile data tariffs;
- Proliferation of low-cost data handsets (smartphones as well as feature phones);
- Rise in network coverage of high-speed data services owing to increased investments by telecom companies and surplus capacity;
- Growing preference among users for on-the-move internet access;

- Availability of customised content on various OTT apps; and
- Government initiatives under Digital India.

The number of wired broadband subscribers are expected to grow at an equal pace vis-à-vis wireless broadband, because of increasing competitive intensity, work from home requirements due to the COVID-19 pandemic, and tariff hikes in wireless services. In addition, the National Digital Communications Policy 2018 entails fixed line broadband services to 50% of the households and providing universal broadband connectivity at 50 mbps to every citizen in India by 2022, thereby driving growth.The passive growth in wired internet demand in the past was on account of services being concentrated in large cities and major urban areas. Additionally, 4G mobile broadband prices have been much lower than those of wired broadband. Hence, most of the internet consumption has taken place via mobile phones and mobile hotspots. The aggressive competitive intensity in the wireless space also resulted in lower focus of telecom companies on the wired broadband market.

Most narrowband subscribers to migrate to broadband

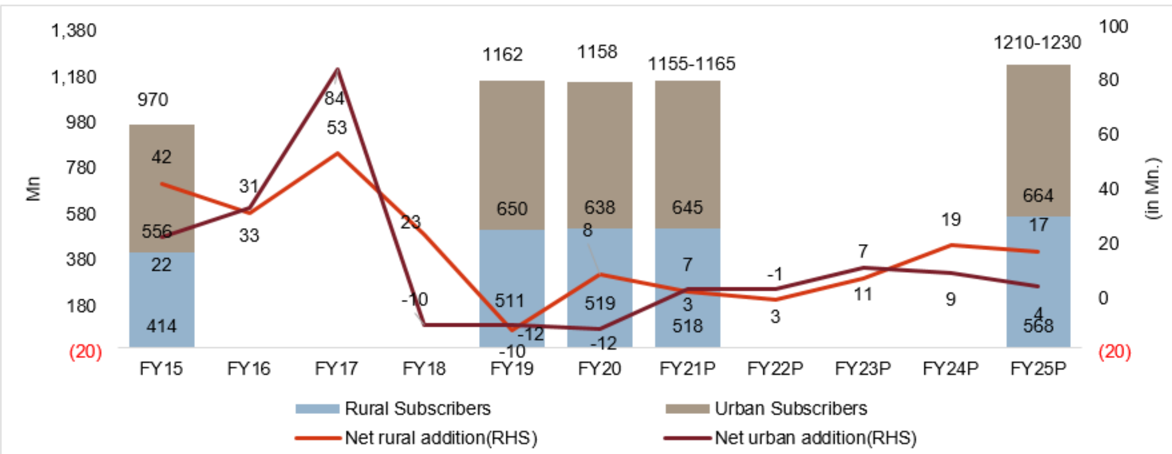
It is forecasted that narrowband internet access will continue declining over the next five years. As data demand and file sizes increase, better internet speeds will be required, hence narrowband subscribers are increasingly expected to migrate to broadband connections, which offer higher speeds and lower price points. Therefore, it is expected that the wireless narrowband subscriber base will fall to approximately two million by Fiscal 2025 from approximately 52 million in Fiscal 2020. On the other hand, the wireless broadband subscriber base is expected to increase to approximately 876 million by Fiscal 2025 from approximately 670 million in Fiscal 2020, dominated by 4G wireless data subscribers.

Overview of wireless and internet wireline subscribers in India

Pandemic to limit wireless subscriber additions

The wireless subscriber base in India was approximately 1,158 million as of March 31, 2020. Analysis of monthly churn rate in different circles indicates that while Bharti Airtel has largely managed to stabilise its subscriber churn, Vodafone Idea continued to lose subscribers in all circles, and Reliance Jio added subscribers, although at a reduced rate.

Subscriber base to remain range bound in current and next fiscals



P: Projected

Notes: Numbers at the top of the bars represent total number of wireless subscribers (in million)

Source: TRAI, CRISIL Research

In Fiscal 2021, it is expect that the subscriber base will be around 1,155 million to 1,165 million. It is expected that further additions will be limited owing to tariff hikes and lower access to retail outlets amid the lockdowns.

Telecom tower revenue trends and forecast

Consolidation, co-location exits to weigh down revenue growth

Post the merger, Vodafone and Idea had announced that approximately 88,000 overlapping co-locations would be exited over a period of time. Till the first half of Fiscal 2020, the merged entity had exited from 54,000 sites. More sites expected to be removed in Fiscal 2021. This will lead to a decline in the rent revenue per tower, as upward revision of rentals for existing tenants would not completely offset the loss of rental from existing tenants. The rent revenue per tower declined approximately by 8% in Fiscal 2019. It is estimated that the rent revenue per tower declined by approximately 2% to 3% in Fiscal 2020 as some portion of this loss is expected to have dropped over to Fiscal 2020, while exit penalties are expected to partially offset the revenue loss. The rent revenue per tower is projected it to fall by approximately 3% to 5% in Fiscal 2021. Overall rent revenue of the telecom towers industry is expected to register a CAGR of approximately negative 1% to 3% between Fiscal 2019 and Fiscal 2024, in comparison a 3% CAGR between Fiscal 2014 and Fiscal 2019. The slowdown is expeted to be led by lower volume expansion as a result of the change in the BTS mix along with new captive tower additions to the market. Growth drivers, such as, 4G network expansion to improve QoS are expected to be offset by the falling rent realisation per tenant.

Rental revenue to remain low in Fiscal 2020 among structural changes in tower mix and entry of new tower players

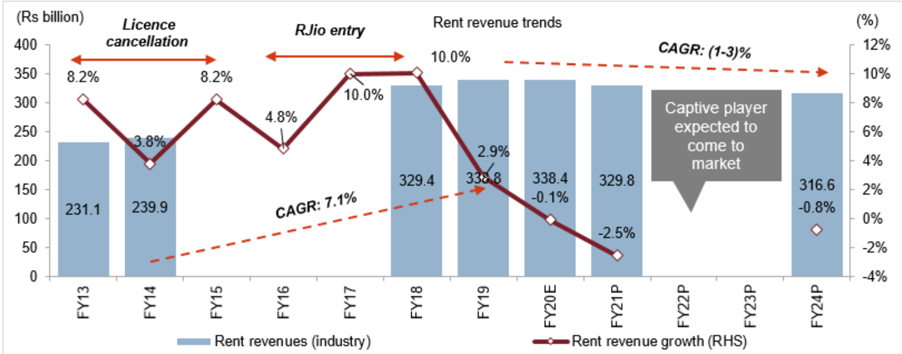
CRISIL Research expects overall revenue growth in Fiscal 2020 to have remain muted and rent revenue to have declined by approximately 1% to 3%. Revenue growth is expected to further decline by 2% to 5% in Fiscal 2021 as new captive players enter the market exerting pressure on rent revenue due to the increase in supply of towers. Between Fiscal 2019 and Fiscal 2024, the industry is expected to de-grow at a CAGR of 2% to 3% driven by the following factors:

- Slowdown in net BTS additions: Over Fiscal 2019 to Fiscal 2024, CRISIL Research expects to see approximately 770,000 BTS additions compared to approximately 1,200,000 during Fiscal 2014 to Fiscal 2019 because of a reduction in 2G/3G BTSs as telecom companies are focusing on migrating 2G/3G subscribers to 4G.

- Low tenancy ratios: Tenancy ratio based on co-locations is expected to go down to 1.7-1.9x by Fiscal 2024 from 1.9-2x in Fiscal 2019 on account of captive towers coming in the market in the immediate future. The number of BTS per tower is, however, expected to increase marginally to 3.9-4 by Fiscal 2024 compared with 3.5 in Fiscal 2019 owing to higher in loading by telecom companies, to increase their capacity per site for supporting existing coverage during high traffic and congestion. This loading results in discounts to telecom companies (that are required to pay 10% to 15% of rent), which exerts pressure on the topline of tower companies.

- Decline in rental per tower: Rent revenue per tower is estimated to have declined by 1% to 3% on-year in Fiscal 2020 owing to the loss of tenancies of Vodafone-Idea and other operators. It is further expected to decline at a CAGR of 3% to 5% by Fiscal 2024 as captive towers of player come into market in immediate future with consolidated market expected to provide lower downside risks.

Rent revenue of the industry to slow down in the medium term



E: Estimated; P: Projected

Source: Industry, CRISIL Research

Consolidation and co-location in telecom towers industry

Top three companies own more than half the telecom towers

Currently, Reliance Jio Infratel, Indus Towers, American Tower Corp, Bharti Infratel and GTL Infrastructure are the key players in the Indian telecom towers sector, accounting for approximately 65% share of India's approximately 5.9 lakh towers, as of January 2020. The merger of Indus Towers and Bharti Infratel is set to create the world's second-largest mobile tower operator, with over 173,000 towers and approximately 30% tower market share in India. China's largest tower company, China Tower, had a tower count of approximately 1.95 million and is the largest tower player in the world. India's other players, Tower Vision and Ascend Telecom Infrastructure, have a comparatively small portfolio of approximately 15,000 towers collectively.

Telecom towers industry to consolidate further

With telecom service providers set to exit the tower business, the market is expected to consolidate further as major tower players look to add more towers to their respective portfolios to compete. Additionally, smaller players may find it difficult to survive, considering their lower bargaining power due to the lack of nationwide footprint and scale. Post consolidation, the market is expected to have only 3 to 4 large players, apart from telecom operators with a few captive towers.

Co-locations in the telecom towers industry

A co-location is defined as a site on a tower owned by the operator, which may or may not have multiple BTSs. Co-location is the total number of sharing operators at a tower. A loaded site implies that a single telecom operator has installed more than one BTS on a single tower. Telecom tower players offer discounts to telecom service providers to install multiple BTSs on the same tower. A loaded BTS commands a much lower rent (approximately 15% of the actual rent that a single tenant pays), and hence, impacts revenue of the tower company. Going forward, loaded sites are expected to account for a higher proportion of incremental tenancies. Industry information indicates that telecom companies are currently focusing on densification of 4G networks across circles. The 2G and 3G BTSs in these sites are expected to be replaced by 4G BTSs, which will not result in higher rentals.

Per tower metrics on a downward route

Going forward, capacity enhancement is expected entail operators loading existing sites with BTSs to improve the QoS and cater to the densification demand of 4G technology, which is expected to not result in incremental revenue for tower companies. Therefore, the rent per tenant is expected to follow the historical downward trend and decline by a CAGR of approximately 7% between Fiscal 2019 and Fiscal 2024. The rent revenue per tower declined significantly by 8% in Fiscal 2019 due to front-loaded exits of Vodafone-Idea tenancies and is expected have de-grown by 2% to 3% on-year in Fiscal 2020. It is expected to continue to de-grow by a negative CAGR of 3% to 5% until Fiscal 2024 as new additional captive towers get added to the market.

Key opportunities and challenges in the telecom services industry

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

Opportunities

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

The number of subscribers will increase at a CAGR of 1% to 2% over Fiscal 2020 to Fiscal 2025 once inactive subscribers get deactivated owing to multiple subscriber identification module (SIM) users opting out on account of minimum recharge and switching to primary SIM cards. Majority of the subscriber additions will be in under-penetrated rural areas with a rural tele-density of approximately 56.67% as of December 2019, giving operators scope to expand services in these areas.

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

An important 5G ecosystem pre-requisite, essential to building use-cases, is optic fiber networks. India lags considerably with less than 30% fiberisation compared to over 70% in the US and China. India needs to lay another 1.0 million to 1.2 million fiber kilometers in order to be prepared for 5G.

Leasing of fiber can make India 5G-ready earlier

Fiberisation would require an investment of over ₹ 1 trillion. Approximately three-fourths of this cost will be to get right-of-way approvals, which can be as high as ₹ 10 million per km in metros. It is expected that it will take 3 to 4 years for telecom companies to reach the required fiberisation levels, given the delays in in getting right-of-way and other permissions. As for devices, 5G-enabled ones are expected to make an entry in Fiscal 2021 in India, however affordable versions may take another 3 to 4 years. However, leasing of fiber can significantly reduce the investments required, depending upon sharing modalities, and will also make India 5G-ready earlier.

Internet of Things to disclose newer revenue streams for telecom companies going ahead

With the number of connected devices increasing, the Internet of Things will disclose newer revenue streams for telecom companies across domains such as healthcare, education and transportation. Hence, there are growth opportunities for telecom companies, however, it is expected that it will take a couple of years to materialize.

Right of way to rationalise administrative expenses

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

Proliferation of low-cost mobile handsets

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

Reduction in international termination charges ("ITC") is expected to benefit national players

In September 2017, TRAI reduced the ITC payable by an international long distance operator ("ILDO") to the access provider, on whose network the call terminates, from ₹ 0.30 per minute to ₹ 0.53 per minute. The regulator's decision to cut ITC is expected to reduce calls made through OTT apps. In addition, it is expected to limit the grey route (calls made through illegal voice over internet protocol). In the short term, telecom companies will be affected because of a decline in cash flow from the reduction in ITC. However, in the long run, the decline in growth due to reduced cash flow will be offset by an increase in the volume of incoming calls to India. The reduction in ITC is therefore likely to benefit national players.

FDI cap relaxation to drive investments in the sector

In 2016, the Government of India increased the FDI ceiling in the telecom sector from 74% to 100% through the Foreign Investment Promotion Board ("FIPB") and the government's consolidated FDI policy. The FDI policy circular retained the FDI cap of 100% in telecom services (including IP Category – I), of which, up to 49% investment can be done through the automatic route. Investments are expected to pick up in the sector as the government aims to see the commercial rollout of 5G services in the coming years.

Challenges

Several levies on the sector

Multiple levies have been imposed on the Indian telecom sector, which operators must pay the government. These levies are in the form of spectrum usage charges (ranging from 1% (BWA spectrum) and 3% to 8% (other spectrum) of adjusted gross revenue), and license fees (approximately 8% of adjusted gross revenue, which includes 5% towards Universal Service Obligation Fund). In addition, telecom operators also pay corporate tax. According to the Cellular Operators Association of India (COAI), levies in India amounted to 29% to 32% of total revenue, compared to countries such as China (22%), the EU (20%), and the US (17%) with lower levies. According to the COAI, even developing countries such as Pakistan (20.5%), Bangladesh (26%), Thailand (29%), and Sri Lanka (20%) have lower levies. High spectrum pricing, stringent guidelines on call drops and lower ITC charges (at 6 paise) also strain the operators. While the draft National Digital Communications Policy (NDCP, 2018) aims at rationalizing the levies on Indian telecom companies, the final policy remains to be seen.

Deteriorating financial position of telecom operators

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

The reduction in data tariffs since Reliance Jio's launch has led to a significant decline in data realization per MB ("ARMB") from approximately 7.6 paisa/ MB in Fiscal 2017 to approximately 1.5 paisa/MB in Fiscal 2018. The industry's data ARMB declined further by approximately 25% on-year in Fiscal 2019. CRISIL Research estimates net debt of the industry at ₹ 3.6 trillion to ₹ 4.0 trillion in Fiscal 2019. The top three operators' debt comprises approximately 53% to 55% of the total debt and smaller players constitute the rest.

The COVID-19 pandemic may delay 5G auctions beyond Fiscal 2021

Considering the current fiscal position of the Government among the COVID-19 pandemic and telecom companies, the Government is expected to conduct only 4G auctions this fiscal, delaying the 5G spectrum sale to Fiscal 2021. The 4G spectrum auctions will see sale of all unsold spectrums in various bands, except the 5G band.

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

QoS remains of supreme importance for consumers to continue to use a telecom operator. This QoS can be achieved/ improved by ongoing improvement in network through adoption of various new technologies by telecom operators. In the past, apart from Reliance Jio, all telecom operators used circuit switching, on which the cost of offering services was higher than IP-based networks. However, these operators have now rolled out VoLTE services in key circles, and propose to roll out the service in other circles as well. Wi-Fi hotspots can be used to offload traffic during peak hours in locations where high network congestion leads to connectivity issues. This is expected to lead to improved customer experience, which will also help in the retention of ARPU customers. Cost of offering data on Wi-Fi is also comparatively less-expensive than wireless networks. Carrier aggregation also plays an important role in expanding the amount of traffic that can be carried at a particular point in time, which helps in reducing network congestion, thereby improving customer experience levels. Thus, ongoing network upgrades and investment in next generation technologies are the key factors that will help meet high mobile data traffic volume, cater to a large number of connected devices, and improve QoS.

Declining trend of SMS service owing to OTT players

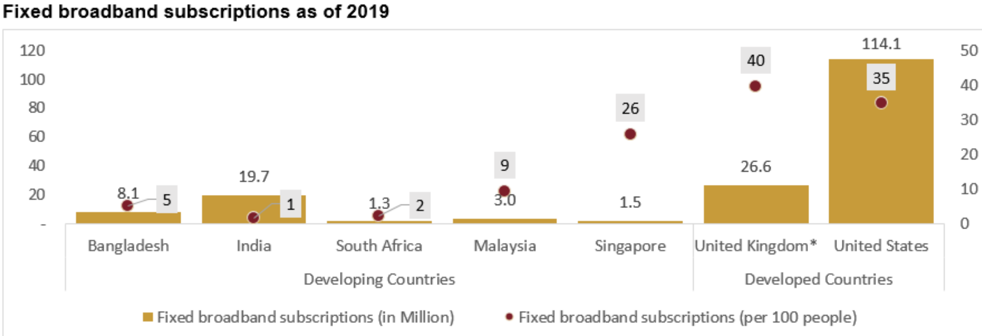
Over the past few years, with increased data usage and a maturing value chain, OTT players are being seen as more attractive options to the traditional offerings of telecom operators. With WhatsApp (that has an active monthly subscriber base of over 400 million in India), use of SMS has virtually stopped for data subscribers. Usage of SMS will continue to decline, as more subscribers adopt OTT applications.

OVERVIEW OF TELECOM DATA SERVICES INDUSTRY IN INDIA

Comparison of fixed broadband subscribers with developed and developing economies

India has the lowest fixed broadband subscriptions per 100 people

Fixed broadband subscriptions as of 2019



** As of December 2018*

Note: Fixed broadband subscriptions refers to fixed subscriptions to high-speed access to the public Internet (a TCP/IP connection), at downstream speeds equal to, or greater than, 256 kbit/s. This includes cable modem, DSL, fiber-to-the-home/building, other fixed (wired)-broadband subscriptions, satellite broadband and terrestrial fixed wireless broadband. This total is measured irrespective of the method of payment. It excludes subscriptions that have access to data communications (including the Internet) via mobile-cellular networks. It should include fixed WiMAX and any other fixed wireless technologies. It includes both residential subscriptions and subscriptions for organizations.

Source: The World Bank, CRISIL Research

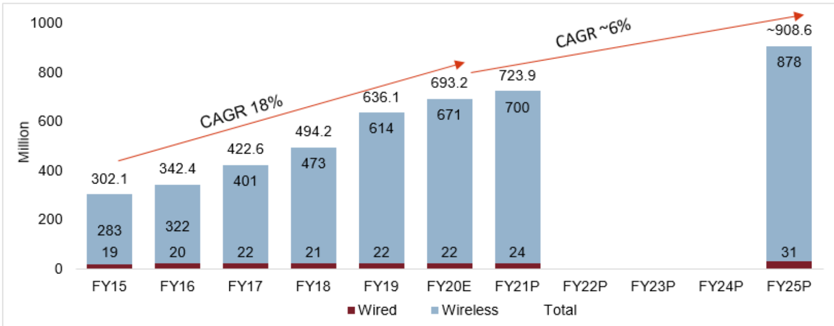
Out of the countries compared above, India has the lowest fixed broadband subscriptions (per 100 people) as of December 2019, with 19.7 million fixed broadband subscribers even within developing countries. However, this provides for a significant opportunity for telecom players in India. In the medium term, majority of the subscriber additions are expected to be from the under-penetrated rural areas in India, supported by the Government's plans, such as, 'Digital India' and 'BharatNet'.

Overview of the total internet subscriber base of wireless and wireline services in India

Wireline broadband market to gain pace owing to the COVID-19 pandemic

The wired broadband market has remained stagnant for last three fiscals. The entry of Reliance Jio with the launch of JioFiber was expected to intensify competition in the space. However, the response was tepid, resulting in no improvement in broadband penetration. Owing to the COVID-19 pandemic, it is expected that more urban subscribers will sign up for wired broadband subscriptions with the likelihood of prolonged work from home requirements.

Wireless and wireline subscriber trend and forecast

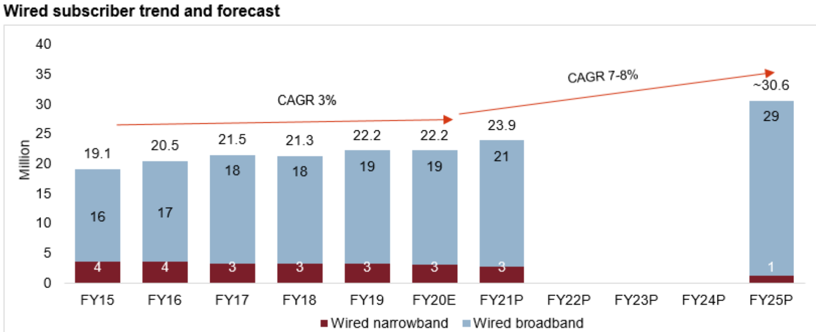


Note:
Narrowband comprises subscribers surfing the internet at speeds lower than the minimum broadband limit stipulated by the TRAI (512 kbps)
In case of wireless networks, 2G internet subscribers have been considered under narrowband, while 3G and 4G internet subscribers would fall under broadband
E: Estimated; P: Projected
Source: TRAI, CRISIL Research

Stay and work from home among the lockdowns to cause wired broadband uptake

Globally, work from home has become a new norm due to the COVID-19 pandemic. Additionally, the lockdown in India has resulted in people spending more time at home, leading to a rise in average data consumption by at least 20% in spite of major streaming apps reducing their resolution. Requests for wired broadband subscriptions have increased majorly in urban areas, as work from home requires a reliable and fast internet connection. Thus, the scenario is likely to provide the much-needed trigger for increase in wired broadband subscriptions, which have remained stagnant for the past three fiscals.CRISIL Research expects the wired internet subscriber base (narrowband and broadband) to increase to approximately 33 million by Fiscal 2025 from approximately 22 million in Fiscal 2020. Within the segment, it is expected that broadband internet will be the growth driver, with its share expanding to over 98% of the overall wired internet subscriber base in Fiscal 2025, from approximately 85% in Fiscal 2020. Wired broadband will comprise the bulk of the wired internet subscriber base because of the continued shift of retail subscribers to higher bandwidths, among the growing popularity of social networking and availability of video content. Also, the price difference between broadband and narrowband has reduced over the past few years. Renewed competition in the wired broadband segment with the entry of Reliance Jio is expected to spur growth over the next few years.

Wired subscriber trend and forecast



Note:
Narrowband comprises subscribers surfing the internet at speeds lower than the minimum broadband limit stipulated by the TRAI (512 kbps)
E: Estimated; P: Projected
Source: TRAI, CRISIL Research

Tariff hikes in wireless space may result in subscribers preferring wired broadband services

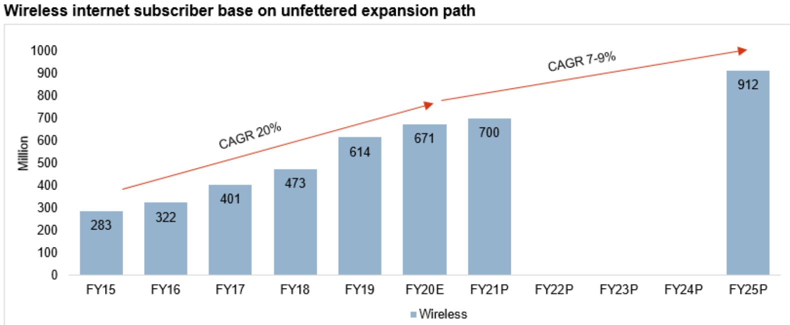
The December 2019 tariff hikes marked the end of price wars in wireless space that led to significant consolidation in the telecom market. The price wars resulted in drop dead wireless services and significantly improved the wireless internet penetration in India. However, the wired broadband market remained stagnant over the last three fiscals as the price per GB differential between wired and wireless services was significant, and the increasing affordability of smartphones ensured that wireless mode became the most preferred medium for data consumption.

However, with the industry consolidated, the wireless players hiked their tariffs in December 2019 and signalled further tariff hikes over the next two fiscals. Simultaneously, they reduced wired broadband prices to increase penetration and are also expanding to rural areas. Thus, CRISIL Research estimates that further tariff hikes in mobile services are likely to make users opt for wired broadband, which also offers higher speeds and better reliability.

Wireless data subscribers growth to moderate over next five fiscals

With telcom companies expanding 4G services in rural areas in a focussed and aggressive manner, their subscriber base has grown rapidly in the recent times. While urban growth is expected to diminish, rural areas, where penetration remains low, are likely to drive overall growth. Wireless internet demand is expected to grow at a CAGR of 7% to 10% between Fiscal 2019 and Fiscal 2024 to reach approximately 850 million, driven by a growth in the number of 4G subscribers, better speeds, cheaper 4G handsets, and low penetration of wireline infrastructure in rural areas. However, the growth rate will be offset by further tariff hikes by wireless players over the next two fiscals.

Wireless internet subscriber base on unfettered expansion path



Note: E: Estimated; P: Projected
Source: TRAI, CRISIL Research

Trends and revenue forecast in Enterprise Data Services ("EDS")

Adoption of EDS is projected to rise at a nominal pace over the next five years. Industry growth will be volume led, primarily owing to a continuous decline in bandwidth prices. Realisation, though, is expected to fall, thereby limiting growth. Among the broad segments within EDS, the VPN is expected to show robust growth, owing to cost advantage, flexibility and scalability.

VPN share to rise at a fast clip

CRISIL Research projects revenue of the EDS industry to register a CAGR of 4% to 5% over the next five years, to reach approximately ₹ 175 billion in Fiscal 2025. Among the segments, VPN is likely to grow faster especially after the pandemic as VPN forms a very critical element of corporates business continuity plans. VSATs are also expected to see faster growth owing to newer revenue opportunities like in-flight connectivity services. Most of the growth will be prominently volume driven, as prices of the services have been on a downward trend owing to the availability of substitutes and intensifying competition.

Key Industry Trends

The key industry trends are follows:

- Increase in out-of-office communication requirement is increasing demand for EDS. With technology being used to connect extended enterprise segments, such as, vendors, clients, and clearing and forwarding agents, bandwidth requirements is expected to continue to increase;

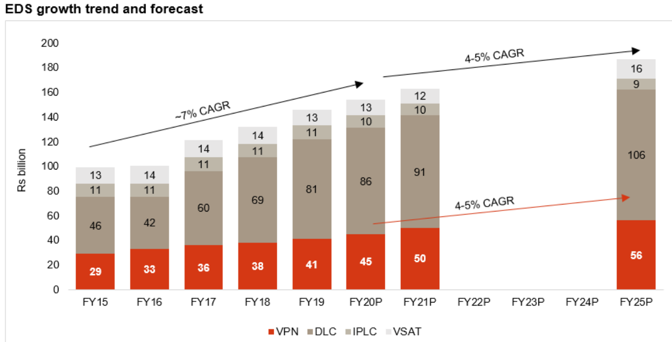
- End-use sectors, such as, IT/ IT-enabled services, banking and financial services, manufacturing, retail and logistics account for majority of the available bandwidth. Increasing e-governance primarily driven by the Government through various initiatives, such as, Digital India, are also expected to increase the demand for EDS;

- Among service lines, demand for VPN and VSAT is expected to increase at a faster rate compared to other connectivity solutions, given that enterprises are seeking 'on-the-go' wireless services;

- Opening up of new segments, such as, in-flight communications (cellular mobility services), are expected to provide newer opportunities for service providers. The VSAT segment is expected to benefit primarily for such segments; and

- The industry is experiencing a shift towards higher speed bandwidth across all segments. In addition, higher discounts are being offered by players in high-data speed offerings in order to retain existing clients and larger orders typically result in higher discounts.

EDS growth trend and forecast



E: Estimated; P: Projected
Source: CRISIL Research

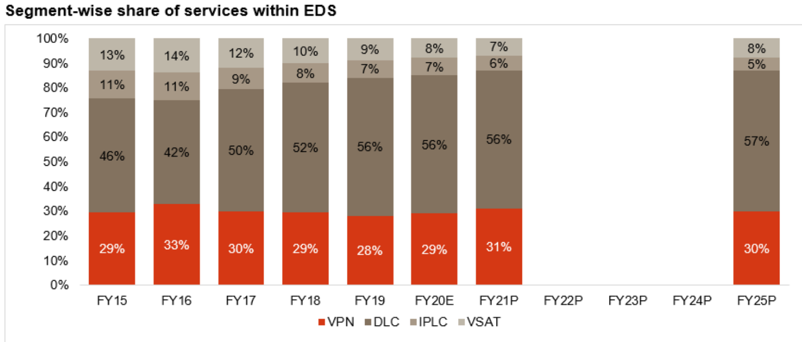
Segment-wise Enterprise Data Service (EDS) Offerings

VPN

VPN share to rise marginally in Fiscal 2021 post the COVID-19 pandemic

The small enterprise sector has been hit significantly by the COVID-19 pandemic, as offices and commercial establishments have shut down with the lockdowns. In this scenario, smaller IT and e-commerce companies have been resorting to VPN services so as to enable their employees to work-from home resulting in sudden rise in demand for VPN.

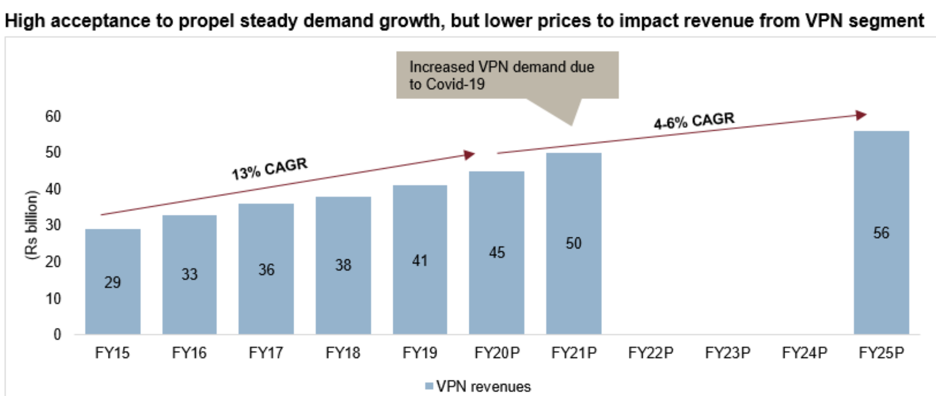
VSAT is expected to marginally up its share over the next five years, on the strength of the need to connect rural areas where availability of other network services is low. Growth of automated teller machines in rural areas, uptake of e-governance projects will help the segment to survive. Further, newer opportunities such as in-flight connectivity solutions will drive demand for VSAT services. Additionally, the government has launched a proposal to connect retail outlets of oil marketing companies for real time monitoring which would predominantly use VSAT. This move is also likely to boost demand for VSAT once it gains pace.



E: Estimated; P: Projected
Source: CRISIL Research

VPN a go-to solution for small enterprises for business continuity going forward

Incumbent and new companies alike have rapidly adopted the VPN over the past few years. Given its easy deploy ability, fast scalability and ease of customisation, VPN has found ready acceptance. It holds a significant market share in the EDS segment, accounting for 30% to 35% of the segment's revenue in Fiscal 2020. Stay-at- and work-from-home following the COVID-19 pandemic is likely to trigger demand for VPN in small and medium enterprise ("SME") businesses, majorly IT and e -commerce sectors. VPN has a significant cost advantage compared with other enterprise solutions which is likely to reaffirm its popularity. CRISIL Research expects the VPN industry to register a CAGR of 4% to 6% between Fiscal 2020 and Fiscal 2025, as a result of increased consumption by sectors such as IT/ITeS, retail, banking, manufacturing, and SMEs. It is expected that the demand for VPN services to be steady, but lower prices will result in lower revenue going forward.



Note: E: Estimated; P: Projected
Source: CRISIL Research

Clients switching to higher bandwidth, new SME accounts to drive sectoral growth

As data consumption by various sectors is likely to grow, the shift to a higher bandwidth by clients is expected to be a key revenue driver for the VPN segment. Dealers suggest that companies have been encouraging clients to shift to higher bandwidth connections, to enable higher revenue generation. However, a marginal decline in prices has offset growth due to migration of clients from lower to higher bandwidth. Going forward, it is expected that the demand growth to enable greater revenue recognition. The IT, ITeS, manufacturing, and banking sectors are crucial to VPN segment's revenue. While existing accounts will most likely see consolidation, new accounts are expected to come from SMEs requiring low-bandwidth VPN services. It is expected that further volume growth, as legacy point-to-point systems are upgraded to VPN and multinational corporations and large companies gear up to ensure compatibility with global standards and improve the ease of access and flexibility. However, volume generated from this switch is expected to be lower than that from SMEs.

Use of e-office by Indian Railways doubled during lockdown

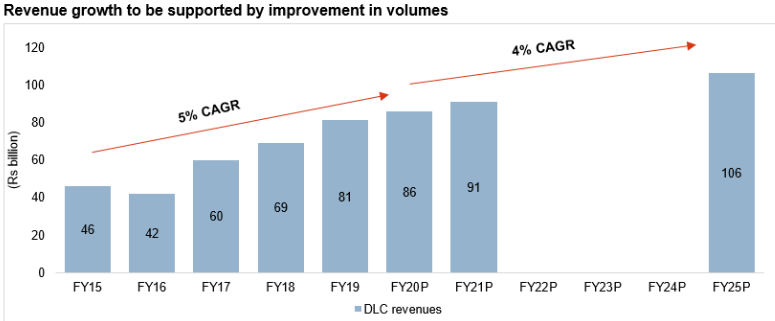
As per a recent PIB press release, Indian Railway officials are now enabled to work on digital platform of NIC e-office, replacing manual files. The use of e-office has also doubled with the number of e-files increasing from 1.30 lakh to 2.70 lakh and e-receipts, from 4.5 lakh to 7 lakh, before and after the lockdown, respectively.

DLC

Revenue to grow moderately over next five fiscals

The DLC segment, which is estimated to have recorded a CAGR of 5% in value terms between Fiscal 2015 and Fiscal 2020, is expected to record a CAGR of 4% to 5% up to Fiscal 2025 to ₹ 105 billion to ₹ 106 billion. The increase in revenue will be due to an improvement in wired broadband penetration that will more than offset a decline in leased line prices. The Government has set a target of connecting 2.5 lakh homes via the BharatNet project, of which only half of the target had been achieved as of September 2019. This provides a substantial opportunity for DLC demand.

Revenue growth to be supported by improvement in volumes



P: Projected

Source: CRISIL Research

Future growth of DLC segment to be driven by backhauling operations and Government initiatives

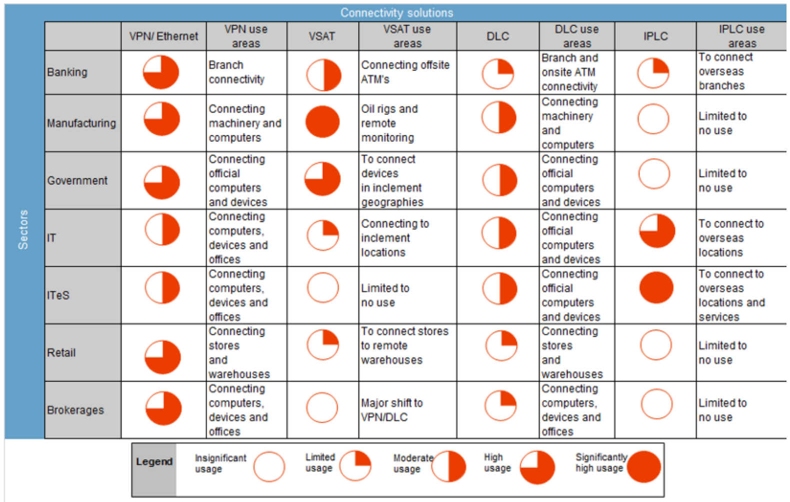
DLCs are utilised for backhauling or connecting sub-networks to the core backbone network. This is expected to continue as 4G adoption rises. The intensifying competition in the wired broadband sector is also likely to improve the demand for leased lines to reduce the congestion on existing lines. As more data offloading takes place over public Wi-FI and wired broadband, demand for bandwidth from internet service providers is expected to rise. However, infrastructure investments are forecast to be relatively low as key players in the 4G space such as Reliance Jio have already invested significantly in their networks over the past few years. Further, ongoing consolidation in the telecom sector will keep investments in check – they are more likely to be incremental in nature owing to improvement in capabilities of existing infrastructure on account of synergy gain. Thus, telecom companies will invest in DLCs only to strengthen their existing networks to improve the quality of service and deepen penetration. Demand from other sectors is expected to be more for last-mile or on case-to-case basis. For instance, banks such as State Bank of India are looking to improve connectivity in the northeast region and, hence, chalking out a strategy to deploy DLCs.

Sector and product-wise usage of EDS

BFSI, manufacturing, IT sectors among largest EDS end-users

Banking, financial services and insurance (BFSI), manufacturing, government, IT and ITeS are the largest users of EDS. While ITeS accounts for the largest share of IPLCs, the BFSI and manufacturing segments are major users of VPN/ ethernet services. The BFSI (primarily ATMs) and government sectors account for a majority of the demand for VSATs. While the larger segments will continue to drive demand for EDS, sectors such as education, retail, healthcare, travel and hospitality will provide a further impetus to market growth. Demand for EDS is also expected to grow as connectivity spreads across semi-urban and rural areas where there is a greater need to connect business arms / branch offices of large organizations. The VSAT industry is expected to receive a boost with TRAI permitting in-flight entertainment services. This will open a new revenue segment for the VSAT market and remains a key monitor over the next five years.

Sector and product-wise usage of EDS



VPN: Virtual private network; VSAT: Very small aperture terminal; DLC: Domestic leased circuit; IPCL: International private leased circuit

Source: Industry, CRISIL Research

Other potential industry segments

Data center services

Data center services store data and provide support to companies by offering extensive IT infrastructure, including servers, firewalls, storage systems and various other IT components, in a different place. Data center services can be further classified into two types, the captive model (where data centers are built to manage a company's own operations) and the co-location model (where data centers are built to provide services to third parties, based on their requirements). In the co-location model, further classification can be based on the responsibilities of operational and technological risk taken by the developer/tenant.

Potential growth in the data center services business is aided by:

- Artificial intelligence, Internet of Things, big data and digitalization;
- Cloud computing becoming the pre-requisite for business organizations;
- Security operations center as a service (SOCaaS); and
- Businesses trying to replace their capital expenditure by operating expenditure i.e., making use of third-party services.

Significant opportunity for data centers among the COVID-19 pandemic

With the rising demand for EDS owing to work from home, OTT apps and the expected rise in digitalisation across sectors, demand for data centres is expected to grow manifold. The increasing penetration of internet will also prove as a catalyst to the data centre industry.

Optic fiber network

Optical fiber network uses light pulses for data transmission by using the application of total internal reflection of light. Optical fiber can be classified on the basis of material used, mode of propagation and refractive index. For data transmission, optical fiber network remains the most preferred medium with as it is cost effective when compared with other mediums.

Going forward, optical fiber network will play a key role in the Indian telecom industry. To build 5G infrastructure in India, fiberisation of telecom towers is a pre-requisite. India needs to invest over ₹1 trillion in laying another 1.0-1.2 million fiber km in order to be 5G ready.

Bharat Net project to increase optic fibre network demand

The extent of fibre optics used in India is currently under development in urban cities, and is low as compared to the usage of other technologies. However, demand for this technology is expected to increase in future with the launch of the BharatNet Project (earlier National Optical Fiber Network ("NOFN") project, launched in 2012). 'BharatNet' is being implemented to provide broadband connectivity to all gram anchayats (approximately 2.5 lakh) in India. Under the project, network infrastructure is being established for 'broadband highways' accessible on a non-discriminatory basis, to provide affordable broadband services to citizens and institutions in rural areas, in partnership with states and the private sector. The project is being implemented in phased manner.

Video conferencing

Video conferencing apps provide virtual meeting experiences. The meetings/conferences can be held on laptops, desktops, smart phones or tablets. The apps generally allow sharing of programmes such as presentations or other materials for collaborative viewing experience. The functions include recording and even live streaming across geographies.

Video conferencing apps have gained good ground, especially during the COVID-19 pandemic. The increase in work-from-home models, e-learning arrangements and webinars have pushed up demand for video conferencing apps.

Triple play services

Triple play services offer data, calling and internet protocol television (IPTV) services bundled together under a single plan using fiber to the home (FTTH) services. Triple play services are mainly offered by telecom operators or cable television operators. A major advantage of the triple play services is wireline connectivity which delivers better quality service than wireless. A few regional players such as DigitalFiber and TriplePlay, offer triple play services by entering into tie-ups with other telecom operators. Bharti Airtel started its triple play services in 2009 while BSNL recently announced triple play services by partnering with local cable television operators in Andhra Pradesh. However, the recent commercial launch of JioFiber by Reliance Jio will change the industry triple pay service landscape.

JioFiber entry into triple play services business to be observed

JioFiber may check the growth of wired broadband subscribers of other private players. Airtel has reduced its broadband pricing over the past few quarters to stay competitive and retain subscribers. The recent reductions in pricing of JioFiber have triggered a price war in the triple play services space. Given the high EBITDA margin of the wireline broadband business (45% to 50%), telecom companies would have greater flexibility to opt for price reductions. The recent aggressive pricing in this segment by JioFiber might result in significant subscriber additions in the future.

Key advantages of triple play services include: (i) good connection in any weather; (ii) secured internet platform; (iii) increased download speed; and (iv) seamless live streaming

Going forward, quad play services including mobile tariffs with the services offered by the triple play will become increasingly prominent. Airtel has already launched 'Airtel Home' in 2018, a quad play platform that simplifies the customer experience for homes that use multiple services.

Key opportunities and challenges in the telecom data services industry

Opportunities

Out of office communication to increase demand for EDS

Increase in out-of-office communication requirement is increasing demand for EDS. With technology being used to connect extended enterprise segments such as vendors, clients, and clearing and forwarding agents, bandwidth requirements will keep rising. The need for data on-the-go is emerging as a key requirement for companies.

E-commerce and OTT sectors to drive data traffic growth

The Indian e-commerce sector has managed to attract not only consumers but also investors across the world, and has grown nearly two times since Fiscal 2016 with the support of rising internet penetration, increasing awareness of online shopping, and lucrative deals and discounts offered by well-established players and start-ups.

OTT services offer the flexibility to watch content irrespective of place and time. This has led to a shift in consumer viewing habits as they can watch content at their discretion instead of that being telecast on television. Cheaper data tariffs have led to increased viewership of content in non-urban areas as well, resulting in the increased reach of the OTT apps. The partnership between telecom companies and OTT players in the recent past has also fostered an expansive subscriber base from the telecom companies.

The availability of multi-utility mobile apps and their rising adoption is another driver. OTT applications, such as WhatsApp for messaging, and Skype, Viber, and Hike for voice and video calls are increasingly preferred. This is also as messages exchanged using such applications are considerably cheaper than traditional SMS. Statistics also indicate that Indians are increasingly adopting such platforms.

Wireline broadband to provide better data service by offloading congestion in wireless

Wireline broadband can provide high-speed services to customers by offloading congestion from wireless. Moreover, under wireline broadband, data transmission is not sensitive to distances and placement of devices. It does not have any adverse effect on the performance of the connection. It therefore allows for complete control of the communications system. High-speed wireline broadband services will also help open up new spaces such as Internet of Things (IoT) and data centers since they require high-speed data services.

Indian Railways also to offer significant opportunities

In the coming years, Indian Railways is focusing enhancing passenger experience by enabling suitable technology to introduce SMART coaches on its network. The high speed mobile communications network is aiming to include modern features like CCTVs with facial recognition, emergency talk-back system, Wi-Fi infotainment system, automatic plug-door and step control.

The Ministry of Railways have formed RailTel as a government company under the companies act 1956 to undertake Indian railways' tasks of expeditiously modernizing their entire telecommunications system for train control, operation and safety. Railways have agreed to authorize RailTel to use their right of way for the purpose of establishing and OFC network by laying, amongst others, cables and pipes, and transfer their existing OFC assets to RailTel. The agreement between Ministry of Railways and RailTel also dictates that RailTel will commercially exploit the surplus capacity of the network while the Ministry of Railways will continue to make captive use of the same, thus making RailTel a key network for the Indian Railways. Accordingly, there are significant opportunities for companies, such as, RailTel pursuant to the Indian Railways ambitious plans.

Some of the key projects by the Indian Railways are:

Content on demand

Content on demand ("CoD") will be available in all premium/express/mail and suburban trains of the Indian Railways. The project will be implemented in two years and the provision of multilingual content such as movies, shows and educational programmes, made available both in paid and unpaid formats for a contract period of 10 years, which includes first two years of implementation by RailTel. RailTel has selected Margo Network, a subsidiary of Zee Entertainment, as the digital entertainment service provider for providing CoD on trains and at railway stations. In addition, the CoD platform will also offer e-commerce services such as bookings for cab, bus and trains. The project is expected to cover all 17 zones of Indian Railways and approximately 8,731 trains - 3003 trains (premium/mail/express - to and fro) pan India and 2,864 pairs of suburban trains. CoD will also be made available at all Wi-Fi enabled railway stations (over 5,563 stations as on date).

Railway display network ("RDN") project

Indian Railways propose to install display screens at foot-over bridges, platforms, waiting rooms, amongst other, at railway stations under the RDN project. RailTel has been appointed as nodal agency to implement and manage Indian Railway's RDN system. It is envisaged to become a unique medium of communication with passengers, which will not only provide them necessary information and social messages but also become a medium of enriched infotainment. The proof of concept (or pilot) of the project has since been completed at 16 stations of Indian Railways and around 500 display screens have been installed for the pilot project. It is eventually expected to cover all A1, A, B, C, and D category stations of the railways. Along with train information, it is proposed to display advertisement and social messages on the display screens. RDN will generate revenue by displaying contextualized advertisements for pre-agreed duration and frequency. It is planned to be built and operated on a self-sustainable model with no capital investment by Indian Railways. Overall, with over 23 million passengers every day transported by the Indian Railways, there is a significant opportunity for revenue generation of RDN through advertisements.

Internet Protocol (IP)-based video surveillance system (VSS)

Indian Railways is in the process of installing IP -based VSS at stations, that is, at waiting halls, reservation counters, parking areas, main entrance/ exit, platforms, foot over bridges, booking offices, amongst others. This system is expected to ensure better security of passengers at railway stations and railway property. The Railway Board has approved works for provision of VSS covering 983 stations with Nirbhaya funds. In Fiscal 2020, a budget of ₹ 2,500 million was allotted to Indian Railways from Nirbhaya fund for installation of video surveillance system. RailTel has been entrusted with the work of providing IP based VSS with video analytics and facial recognition system. In the first phase of installation, VSS is being installed at 200 stations Pan-India and as on date work has been completed at 81 stations across India.

E-office (phase-II)

Indian Railways in an active effort to adapting paperless office culture (to save operational cost and reduce the carbon foot print) and for providing better services to public introduced National Informatics Center ("NIC") e-office. NIC e-office is a cloud enabled software developed by NIC that is being deployed/hosted from RailTel Tier III UPTIME USA certified data centres at Secunderabad and Gurgaon.

After the successful completion of the Phase 1 execution of NIC e office for 50,000 users in 58 units, Indian Railways has signed memorandum of understanding with RailTel for the phase 2 of the project. In phase 2, RailTel plans to register 39,000 users over 34 railway divisions on NIC e-office platform by June 30, 2020.

Allotment of spectrum to Indian Railways for public safety and security services

The Ministry of Railways has proposed to install an ultra-high-speed long-term evolution (LTE)-based communication corridor along its rail network for train-ground and train-train communication. The Ministry of Railways has requested the DoT to reserve 15 MHz of spectrum in the 700 MHz band for this purpose and, to begin with, 10 MHz be allocated free of cost on account of the proposal being devoid of commercial gain and with the aim of enhancing security and passenger amenities.

Key highlights of the recommendations by TRAI on 'allotment of spectrum to Indian Railways for Public safety and security services' (as released on 25th October 2019) are as follows:

TRAI has finalized its recommendations on the allotment that out of 35 MHz (paired) spectrum available in the 700 MHz band, 5MHz (paired) spectrum should be allocated to the railways for implementing ETCS level-2, MC PTT + Voice, IoT-based asset monitoring services, passenger information display system, and live feed of video surveillance of a few coaches at a time. The remaining 30 MHz (paired) in 700 MHz band may be put to auction in the forthcoming auctions. TRAI further recommended that the Ministry of Railways explore other communications for dumping the VSS. For the VSS, the Indian Railways can either use a high capacity Wi-Fi or public telecommunications network TSPs network) for sending continuous video surveillance data streams to its control centre. This would open up opportunities for the TSPs. Further, the spectrum may be assigned to Indian Railways on administrative basis for captive use only and not to offer any commercial services such as Wi-Fi onboard.
Automation and adoption of global MPLS to drive revenue from IT/ITeS segment

Currently, IT/ITeS companies use VPN primarily to connect offices across locations. Increase in automation and utilisation of artificial intelligence, and demand for higher VPN bandwidths, are expected to drive revenue from the IT/ITeS segment, going forward. Moreover, legacy IPLCs are being replaced by global multiprotocol label switching ("MPLS") or international MPLS ("iMPLS"), which is also expected to provide growth opportunities to the VPN segment.

Government emerging as an important end user

The Government is also emerging as an important end user, mainly on account of the surge in e-governance initiatives. Most government projects are expected to be executed using VPN. The Government's intent to improve rural connectivity will further aid growth in the laying of optic fiber cable. Some of the important projects are:

- State-wide area network;
- Accelerated power development and reform programme;
- Crime and criminal tracking network system;
- National intelligence grid;
- Public distribution system;
- India Post;
- Property registration;
- Sulekha plan monitoring system;
- National knowledge network (NKN); and
- Kerala fiber optic network (KOFN).

Digital India programme to further aid growth in VPN segment

Under the Digital India initiative, proposed e-governance measures, such as business process re-engineering, electronic storage of information, and workflow automation, are expected to fuel demand. This is because the Government proposes to create data centres for states to consolidate services, applications and infrastructure and ensure efficient electronic delivery of government services to citizens ("G2C"), businesses ("G2B"), and other government agencies ("G2G").

Bharat Net to boost growth in fiber network

Bharat Net is a Government initiative to provide broadband services to rural areas. As part of BharatNet project, last-mile connectivity through Wi-Fi or any other suitable broadband technology to access broadband /internet services, is to be provided at all 2.5 lakh gram panchayats. Towards this end, provisioning of two Wi-Fi access points ('APs') is under implementation in each of the gram panchayats of BharatNet Phase-I. As of July 5, 2020, Wi-Fi hotspots have been installed in 56,611 gram panchayats, out of which Wi-Fi is operational in 24,804 gram panchayats. The total number of Wi-Fi users is 1,295,727. Further as part of phase-III, various states in India have taken up the task of forming state fiber grids in order to roll-out optic fiber and network infrastructure across their states. Thus, there is a significant potential for companies, such as, RailTel, who have a wide fiber coverage across India, especially along the railway network and also provides opportunities for players to deliver connectivity at door step.

Retail, healthcare also seeing adoption of VPNs; SMEs to provide opportunities in low bandwidth space

With rapid expansion in the number of retail outlets across categories such as hypermarkets, department stores, and specialty stores, high enterprise bandwidth is expected in this sector. Supermarkets and department stores are connected to their banks via VPN and synchronize every transaction directly with their head office. Healthcare, airlines, and travel are other sectors rapidly deploying VPN connectivity.

Incumbent users are likely to see consolidation and shift to higher bandwidth services. Therefore, it is expected that SMEs will provide opportunities in terms of volume in the low bandwidth space of speed less than or equal to 2 Mbps.

Manufacturing to also provide opportunities for VPN players

VPN is also required by the manufacturing segment, particularly consumer durables, heavy engineering and fast-moving consumer goods. Technology facilitates collaboration between the factory floor and enterprise supply chain, comprising work sites, warehouses and regional sales offices as well as dealers and clearing and forwarding agents. Increased usage of enterprise applications such as enterprise resource planning, customer relationship management, systems applications products, and supply chain management have driven the bandwidth requirement, boosting demand for VPN.

Television bundling with broadband can result in significant uptake in wired broadband subscribers

With only seven connections per hundred households, India's wired broadband market is highly underpenetrated. In comparison, developed nations such as the United States, the United Kingdom, France, and Japan have penetration levels in the range of 30% to 50%. In contrast, India has high television penetration of approximately 65%, with approximately 190 million households owning cable or direct-to-home (DTH) connections. Of this, approximately 167 million households are without wired broadband connections (assuming a household with wired broadband also owns a television). These households could have been a ready target market had broadband services been bundled with TV subscription at competitive rates. With the entry of Reliance Jio and the pricing giving no indication of bundling TV cable services, this market would largely remain untapped at present

Youth in India to drive demand for on-the-move internet access

As per Census 2011, India's youth (15 to 24 year age group) constitute one-fifth (19.1%) of Indita's total population at 231.95 million. The share of the youth in the total population has been increasing continuously, from 30.6% in 1971 to 34.8% in 2011. India's youth is expected to be 34.1% of its total population by 2021 from 422.0 million in 2011 to 479.4 million in 2021. The youth in India will continue to drive demand for on-the-move internet access which will be the key target market for data services.

Challenges

Data security

Personal data is any information relating to a customer, whether it relates to their private, professional, or public life. In the online environment, where vast amounts of personal data are shared and transferred globally and instantaneously, it is increasingly difficult for people to retain control of their personal information.

For instance, there was a recent security flaw in the Airtel mobile app which could have provided access to personal information of over 300 million users, leaving them vulnerable to spam and other targeted attacks. While this has been addressed, with significant increase in the cybercrimes, internet penetration and data subscribers in India, telecom operators have a huge responsibility to protect data by ensuring the confidentiality of the customers in the future.

Key government initiatives driving the telecom data services industry

The Government of India has launched many programmes to provide network/data connectivity in all regions. These programmes, by providing the pre-requisite platforms such as infrastructure and financial aids, would directly/indirectly drive the sector's growth. Apart from that, the Government itself is the end user of the telecom services under some of these programmes.

Digital India

The Ministry of Electronics and Information Technology ("MeitY"), Government of India initiated the 'Digital India' program to transform India into a digitally empowered society and knowledge-based economy by ensuring digital access, inclusion, empowerment, and bridging the digital divide. Digital India is an umbrella program that covers multiple government ministries and departments. Digital India is to be implemented by the entire government with overall coordination being done by the Department of Electronics and Information Technology (DeitY). It aims to provide the thrust for the growth areas, broadband highways, universal access to mobile connectivity, public internet access programme, e-governance, e-Kranti (electronic delivery of services), 'Information for All', electronics manufacturing, IT for Jobs, and early harvest programmes. Each of these areas are complex and cut across multiple ministries and departments.

The program is centered on three key vision areas namely digital infrastructure as a core utility to every citizen, governance and services on demand and digital empowerment of citizens.

Digital infrastructure as a utility to every citizen involves:

- Availability of high-speed internet as a core utility for delivery of services to citizens;
- Digital identity for life that is unique, lifelong, online and authenticable to every citizen;
- Mobile phone and bank account enabling citizen participation in the digital and financial space;
- Easy access to a common service center;
- Shareable private space on a public cloud; and
- Safe and secure cyber-space

Governance and services on demand involves:

- Seamlessly integrating services across departments or jurisdictions;
- Making available services in real time from online and mobile platforms;
- Making all citizen entitlements portable and available on the cloud;
- Digitally transforming services for improving ease of doing business;
- Making financial transactions electronic and cashless; and
- Leveraging geospatial information systems (GIS) for decision support systems and development.

Digital empowerment of citizens involves:

- Universal digital literacy;
- Universally accessible digital resources;
- Availability of digital resources / services in Indian languages;
- Collaborative digital platforms for participative governance; and
- Physical submission of government documents / certificates not required.

Bharat Net

Bharat Net is a government initiative to provide broadband services to rural areas. It aims to connect 250,000 gram panchayats (GPs) in India and provide high-speed broadband connectivity to all GPs. To achieve this, existing fibers of PSUs (BSNL, RailTel and Power Grid) are utilized in phase I and incremental fiber is to be laid to connect GPs as required. The dark fiber network created will help create sufficient bandwidth by using the appropriate technology. Non-discriminatory access to these networks will be provided to the TSPs, ISPs, cable TV operators, and content providers to launch their services in the rural areas. On April 30, 2016, the Telecom Commission approved implementation of the project in three phases as below:

- **Phase-I -** 100,000 GPs under implementation. Being executed by BSNL, RailTel and PGCIL.

- **Phase-II** – Implementation in remaining GPs using optical mix of underground/ aerial optical fiber cable (OFC), radio and satellite. To be executed by three central public sector units and state governments through their distribution companies or any other agency.

- **Phase-III -** Futuristic network with ring topology to be used between districts and blocks and blocks and GPs. Targeted to be completed by 2023.

The target of completing 100,000 GPs under phase I was achieved in December 2017. Additional work of connecting to 26,257 GPs under phase I is under progress. The remaining (approximately 131,000 GPs) are planned to be connected under phase II and this is also under progress. Overall, as of July 3, 2002, a total of 153,574 GPs have been connected by laying 438,308 kms OFC. Approximately 141,425 GPs have been made service ready with OFC connected and equipment installed. Also, 91,620 fiber-to-the-home ("FTTH") connections have also been undertaken by various states of India.

NDCP 2018

The DoT released the draft National Telecom Policy, renamed the NDCP 2018, for consultation on May 1, 2018. It had requested the public and stakeholders for their comments to make the document robust and its goals realizable.

The NDCP 2018 aims to accomplish the following strategic objectives by 2022:

- Providing 'Broadband for All';
- Creating four million additional jobs in the digital communications sector;
- Enhancing the sector's contribution to India's GDP;
- Propelling India to the list of top 50 nations in the ICT Development Index of the International Telecommunications Union from a rank of 134 in 2017;
- Enhancing India's contribution to global value chains; and
- Ensuring digital sovereignty.

DLC and IPLC Policy

EDS form the basis of connectivity for various business and ensure the smooth functioning of the communication and networking infrastructure. To this end, the government introduced two policies for leased line technologies - DLCs and IPLCs.

DLC

The DLC policy covers DLC and the local lead provided on any media such as copper, fiber, wireless, or any other transmission technology used. All service providers who have capacities of copper lines, optical fiber or wireless and who are permitted to provide DLC have been obligated to share them with other services. The regulations mandate service providers to confirm availability or otherwise ensure subscribers send a request to service providers within 30 days. If such a provision is not feasible, then the services would also give an option of providing the DLC local lead on a rent and guarantee/special construction basis.

COMPETITIVE ASSESSMENT

Information in this section is obtained from publicly available sources, including annual reports and investor presentations of listed players, regulatory filings, rating rationales, and/or company websites, as applicable.

Comparative analysis of Key Telecom Companies (as defined hereinafter)

Indian telecom players offer various services other than just voice and data services. Some of the key services of Indian telecom players include wireline and wireless voice services, wireline and wireless broadband services, leased line, video conferencing, enterprise services, data centre and other ancillary services. An indicative list of services offered by key players in the industry is depicted in the table below.

The CRISIL Report has provided an assessment of the key telecom service companies in India, which include Bharti Airtel Limited, BSNL, Mahanagar Telephone Nigam Limited ("**MTNL**"), RailTel, Reliance Jio Infocomm Limited, Tata Communications Limited and Vodafone Idea Limited (collectively, the "**Key Telecom Companies**"). The criteria for consideration of the Key Telecom Companies by the CRISIL Report is based on such companies presence in wireless and wireline broadband, NLD/ILD, video conferencing services, passive infrastructure, domestic leased line, data center and enterprise services.

Competitor profiling of telecom industry

Companies	Year of incorporation	Presence
Bharti Airtel Limited	1995	Pan-India

Companies	Year of incorporation	Presence
BSNL	2000	Pan-India
MTNL	1986	Mumbai and Delhi
RailTel	2000	Pan-India
Reliance Jio Infocomm Limited	2007	Pan-India
Tata Communications Limited	1986	Pan-India
Vodafone Idea Limited	2018	Pan-India

Key services provided by Indian telecom players

Services provided by telecom players	Bharti Airtel Ltd.	BSNL	MTNL	RailTel corporation of India Ltd.	Reliance Jio Infocomm Ltd.	Tata Commun-ications Ltd.	Vodafone Idea Ltd.
Voice				-			
Wireless broadband				-			
Wireline broadband							
Video conferencing			-				-
Domestic leased line	-				-	-	-
Passive infrastructure						-	
Data center					-		
Enterprise services							
Other services							

Notes: Cells highlighted in green indicate 'services offered' by respective players either on standalone basis or through subsidiaries or associates.

Source: Company annual reports

Key financial parameters of the Key Telecom Companies

As of and for the period ended March 31, 2020	Bharti Airtel Limited	BSNL[1]	MTNL	RailTel	Reliance Jio Infocomm Limited	Tata Communications Limited	Vodafone Idea Limited
	Standalone	**Standalone**	**Standalone**	**Consolidated**	**Consolidated**	**Standalone**	**Standalone**
Operating revenue (₹ million)	546,303	182,064	20,347	11,281	543,160	57,503	447,150
CAGR Fiscal 2015 to Fiscal 2020 (%)	0%	(11%)#	(12%)#	19%	64%##	5%	7%
Operating profit margin (%)	38%	(50)%	(62)%	30%	40%	27%	33%
PAT (₹ million)	(360,882)	(150,733)	(33,902)	1,411	55,620	2,088	(731,310)
Net profit margin (%)	(66)%	(83)%	(167)%	13%	10%	4%	(164)%
RoCE (%)	(44)%	(15)%	(24)%	14%	13%	9.5%	(8%
Gearing (times)	2.8	0.4	(1.5)	0.0	0.4	0.1	(0.9)
Interest coverage (times)	(1.8)	(10.8)	(0.4)	48	3.3	25.5	1.0

Notes: Ratios calculated as per CRISIL Research standards as described below:

- *Operating profit margin has been calculated based on operating profit before depreciation, interest, and tax divided by operating income.*

- *Net profit margin has been calculated based on profit after tax divided by operating income.*

- *Return on Capital Employed ("RoCE") has been calculated based on profit before interest and tax divided by (total debt plus adjusted net worth plus deferred tax liability).*

- *Gearing has been calculated based on adjusted total debt divided by adjusted net worth.*

- *Interest coverage ratio has been calculated based on profit before depreciation, interest, and tax divided by interest and finance charges.*

*** FY19 financials are considered (latest available)*
 # CAGR from Fiscal 2015 to Fiscal 2019
CAGR from Fiscal 2018 to Fiscal 2020
Source: Company annual reports, CRISIL Research

Key observations

- In Fiscal 2020, RailTel reported the highest net profit margin of 13%, owing to a zero debt in Fiscal 2020. Reliance Jio Infocomm Limited and Tata Communications Limited followed RailTel with 10% and 4%, respectively, in Fiscal 2020.

- RailTel ranked considerably well in operational profitability in Fiscal 2020. RailTel's operating profit margin was 30% in Fiscal 2020, whereas Vodafone Idea Limited and Reliance Jio Infocomm Limited was 33% and 40%, respectively, in Fiscal 2020.

- In Fiscal 2020, Railtel registered the highest return on capital employed ("RoCE") of 14%, followed by Reliance Jio Infocomm Limited at 13% in the same period.

Comparative analysis of Key IT/ Information and Communications Technology ("ICT") Companies (as defined hereinafter)

The CRISIL Report has provided an assessment of the key IT and ICT companies in India, which include HCL Infosystems Limited, RailTel, Sify Technologies Limited, Tata Communications Limited and Telecommunications Consultants India Limited ("**TCIL**") (collectively, the "**Key IT/ ICT Companies**"). The criteria for consideration of the Key IT/ ICT Companies by the CRISIL Report is based on such companies presence in wireless and wireline broadband, video conferencing services, data center and enterprise services.

Competitor profiling of Key IT/ICT Companies

Companies	Year of incorporation	Presence
HCL Infosystems Limited	1986	Pan-India
RailTel	2000	Pan-India
Sify Technologies Limited	1995	Pan-India
Tata Communications Limited	1986	Pan-India
TCIL	1978	Pan-India

Key financial parameters of the Key IT/ICT Companies

As of and for the period ended March 31, 2020	Sify Technologies Limited	HCL Infosystems Limited	RailTel	Tata Communications Limited
	Consolidated	**Consolidated**	**Consolidated**	**Standalone**
Operating revenue (₹ million)	23,049	18,290	11,281	57,503
CAGR Fiscal 2017 to Fiscal 2020 (%)	8%	(21)%	10%	2%
Operating profit margin (%)	18%	(11)%	30%	27%
Profit after tax (₹ million)	705	(1,360)	1,411	2,088

As of and for the period ended March 31, 2020	Sify Technologies Limited	HCL Infosystems Limited	RailTel	Tata Communications Limited
	Consolidated	**Consolidated**	**Consolidated**	**Standalone**
Net profit margin (%)	3%	(7.5)%	13%	4%
RoCE (%)	11%	(27)%	14%	9.5%
Gearing (times)	0.9	(11.5)	0.0	0.1
Interest coverage (times)	4.1	0.3	48	25.5

Notes: Ratios calculated as per CRISIL Research standards as described below:

- *Operating profit margin has been calculated based on operating profit before depreciation, interest, and tax divided by operating income.*
- *Net profit margin has been calculated based on profit after tax divided by operating income.*
- *RoCE has been calculated based on profit before interest and tax divided by (total debt plus adjusted net worth plus deferred tax liability).*
- *Gearing has been calculated based on adjusted total debt divided by adjusted net worth.*
- *Interest coverage ratio has been calculated based on profit before depreciation, interest, and tax divided by interest and finance charges.*

Source: Company annual reports, CRISIL Research

Key observations

- Among the Key IT/ICT Companies, Tata Communications Limited had the highest operating revenues.
- In Fiscal 2020, RailTel had the highest operating profit margins of 30% among the Key IT/ICT Companies. Tata Communications Limited and Sify Technologies Limited had an operating profit margin of 27% and 18%, respectively, in Fiscal 2020.
- In Fiscal 2020, net profit margin of 13% of RailTel was the highest among the Key IT/ICT Companies. Tata Communications Limited and Sify Technologies Limited had positive net profit margins of 4% and 3%, respectively, in Fiscal 2020. RailTel had zero debt in Fiscal 2020
- As of March 31, 2020, RoCE of RailTel Corporation of India, which was 14%, was the highest among the Key IT/ICT Companies. RoCE of Sify Technologies and Tata Communications was 11% and 9.5%, respectively, as of March 31, 2020.

OUR BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 19 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations — Significant Factors affecting our Results of Operations" on pages 25 and 276, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Unless otherwise indicated or the context otherwise requires, the financial information for Fiscal 2018, 2019 and 2020 included herein is derived from our Restated Financial Statements, included in this Draft Red Herring Prospectus. For further information, see "Restated Financial Statements" on page 174.

Our Company's Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that year. Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to RailTel Corporation of India Limited on a standalone basis, and references to "the Group", "we", "us", "our", are to RailTel Corporation of India Limited on a consolidated basis.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report "Assessment of the telecom and telecom data services industry in India" dated September 2020 (the "**CRISIL Report**") prepared by CRISIL Research, a division of CRISIL Limited and commissioned by us in connection with the Offer. Neither we, nor the BRLMs, nor any other person connected with the Offer has independently verified this information. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant fiscal year. For further information, see "Presentation of Financial, Industry and Market Data" on page 16.*

Overview

We are an information and communications technology ("**ICT**") infrastructure provider and are one of the largest neutral telecom infrastructure providers in India (*Source: CRISIL Report*). We are a Mini Ratna (Category-I) Central Public Sector Enterprise, wholly-owned by the Government of India and under the administrative control of the Ministry of Railways. We were incorporated on September 26, 2000 with the aim of modernizing the existing telecom system for train control, operation and safety and to generate additional revenues by creating nationwide broadband and multimedia network by laying optical fiber cable by using the right of way along railway tracks.

As of June 30, 2020, our optic fiber network covers over 55,000 route kilometers and covers 5,677 railway stations across towns and cities in India. The transport network is built on high capacity dense wavelength division multiplexing ("**DWDM**") technology and an Internet protocol/ multi-protocol label switching ("**MPLS**") network over it to support mission critical communication requirements of Indian Railways and other customers.

We operate data centers in Gurugram, Haryana and Secunderabad, Telangana to host and collocate critical applications for customers including the Indian Railways. In addition to strategic and critical network infrastructure services, we also undertake various ICT projects for the Indian Railways, central government and state governments, including various train control system projects for Indian Railways.

We offer a diverse range of services across industries. Our portfolio of services can be broadly classified as below:

Telecom Network Services

*National Long Distance ("**NLD**") Services*: We provide digital capacity to carry long distance telecommunication services and includes various tele-services including voice, data, fax, text, video and multimedia. As part of our NLD services, we offer our enterprise customers with: (i) leased line services; and (ii) MPLS based virtual private network ("**VPN**") facilities.

*Internet Service Provider ("**ISP**") Services*: As part of our ISP services, we offer enterprise customers Internet leased line services with multiple bandwidth options ranging from 2 MBPS and above across India. We also offer retail broadband services through our 'RailWire' platform.

Telecom Infrastructure Services

*Passive Infrastructure ("**IP-1**") Services*: We provide storage, power, cooling, and physical security for servers and networking equipment of our customers and connect them with a variety of telecommunications and network service providers. In addition, we provide space on microwave towers for collocating base transceiver stations ("**BTS**") for telecom operators, small cell sites for extending their mobile coverage and space for collocating mobile switching centers. We also provide single core dark fiber for transmission of digital video signals to multiple system operators ("**MSOs**") for cable distribution.

Managed Data Center and Hosting Services

Data Centre and Managed Hosting Services: We offer a variety of data centre services including Infrastructure as a Service or IaaS, dedicated hosting, managed services, cloud computing, managed e-Office services, disaster recovery services, Aadhar authentication services and other IT related services such as load balancing services, application hosting, bandwidth services and advanced firewall services.

*Telepresence Services ("**TPaaS**")*: We offer end-to-end, high-definition, secure, hosted multitenant video conferencing facility bundled with required bandwidth as a service.

*Security Operations Centre as a Services ("**SOCaaS**")*: Our security operations centre ("**SOC**") provides centralized and consolidated cyber security incident prevention and security event monitoring services, it has detection response capabilities and supports requirements of other business units. We are able to provide both offsite and onsite security solutions.

Projects (System Integration Services)

ICT Hardware, Software and Service System Integration Projects: We collaborate with partners and OEMs to undertake ICT hardware implementation, software delivery and digital transformation projects including creation of state wide area network ("**WAN**") and its maintenance, data center and facility management services, Wi-Fi projects, city surveillance projects, laying of state wide fiber optic network and its maintenance, implementation and maintenance of end-to-end IT applications of enterprises.

Digital Services: We also collaborate with partners who offer solutions/ applications that are hosted on our data centers, we offer digital services including unified communications, Wi-Fi as a service, e-tendering/ e-auction/ smart payments and disaster management services.

Other Services: Other services offered by us include consultancy services for ICT services and solutions and signaling services including signal design and design automation software tools for the Indian Railways.

Our operations are certified with various certifications including ISO 9001:2015, ISO/IEC 20000-1:2011, ISO/IEC 27001:2013, CMMI Maturity Level-3 and CMMI Maturity Level-4 for our quality management systems, information security management systems, and service management systems, respectively.

We have a strategic relationship with the Indian Railways and we undertake a wide variety of projects including provision of mission critical connectivity services such as Video Surveillance System ("**VSS**") at stations and within trains, 'e-Office' services and implementing short haul connectivity between stations and long haul connectivity to support various organizations within the Indian Railways. We also undertake various passenger services including Content on Demand ("**CoD**") services and Wi-Fi across major railway stations in India.

We believe that our experience and expertise in handling and undertaking telecom and ICT projects, has led us to be selected for implementation of various mission-mode projects for the GoI including rolling out the National Knowledge Network ("**NKN**"), Bharat Net (formerly, the National Optical Fiber Network) and USOF funded optical fiber based connectivity project in North East India. We also undertake ICT projects including the KFON, projects for ESIC and MHRD.

The following table sets forth certain information relating to our revenues from operations for our services for the periods indicated:

Particulars	Revenues from Operations		
	Fiscal 2018	Fiscal 2019	Fiscal 2020
	(₹ million)		
Telecom Network Services			
- *NLD Services*	3,896.90	3,719.71	4150.70
- *ISP Services*	1,478.33	1,622.70	1,662.20
Telecom Infrastructure Services			
- *IP – 1 Services*	1,205.52	1152.73	1351.56
Managed Data Center and Hosting Services			
- *Data Centre and Managed Hosting Services*	72.24	77.08	131.91
- *TPaaS*	196.84	142.40	151.12
Projects (System Integration Services) (including other operating revenue)	2,917.96	3318.07	3833.05
Total	**9,767.79**	**10,032.69**	**11280.54**

Our revenue from operations have grown at a CAGR of 7.47% from ₹ 9,767.79 million in Fiscal 2018 to ₹ 11280.54 million in Fiscal 2020 and in Fiscal 2019, we had the lowest gearing ratio among Key Telecom Companies in India. We have been profitable since Fiscal 2007 and have consistently declared and paid dividends since Fiscal 2008. Our net profit margin of 12.50% in Fiscal 2020 was the highest among the Key Telecom Companies and Key IT/ICT Companies in India while our operating profit margin was the highest among the Key IT/ICT Companies in India (*Source: CRISIL Report*).

Competitive Strengths

We believe that our Company has the following competitive strengths:

Among the largest neutral telecom infrastructure providers in India with pan-India optic fiber network

We are one of the largest neutral telecom infrastructure providers in India (*Source: CRISIL Report*). As of June 30, 2020, we had exclusive right of way along 67,415 route kilometers connecting 7,321 railway stations for laying optical fiber cable. We have over 55,000 route kilometers of optical fiber cable network and have connected 5,677 railway stations across towns and cities in India as of June 30, 2020. We offer high capacity bandwidth of up to 800G at 60 locations in India, as of June 30, 2020. We offer leased line and VPN facilities and also provide of IP-1 services. We believe this allows us to offer a unique proposition to telecom service providers in India.

Our pan-India network comprises various technologies including next generation network ("**NGN**"), packet transport network, DWDM and IP-MPLS that are maintained by our network operations centers ("**NOCs**") at Mumbai, Delhi, Kolkata and Secunderabad to provide VPN, point-to-point leased line to enterprises, public sector banks, defense organisations and educational institutions. In addition, we have a central NOC located at New Delhi that monitors entire the pan-India network. We have installed point-of-presence ("**PoPs**") and as of June 30, 2020, we had 5,600 PoPs across cities and towns in India.

We also provide strategic and critical network infrastructure to the GoI and certain state governments including under the NKN project, a national project aimed at connecting higher education and research institutions on a single high speed broadband network, where we have been selected as one of the implementing partners to provide high capacity bandwidth services. We are also an implementing partner for the Bharat Net project to create optical fiber cable based broadband infrastructure in laying optical fiber cable across 36,000 gram panchayats in India. As of June 30, 2020, we had completed laying 24,037 kilometers of optical fiber cables and as of June 30, 2020 have connected over 6,500 gram panchayats. We also have experience in providing managed ICT services to central and state government agencies. We have developed a retail broadband network and applications to retail customers across India through our 'RailWire' platform. As of June 30, 2020, we had 172,083 users of our 'RailWire' service. As part of our operations, we have entered into arrangements with access network providers ("**ANPs**") to deliver the last mile connectivity services to customers. As of June 30, 2020, we entered into such arrangements with 3,563 ANPs across India. We believe this model enables us to better manage our cash flows and helps increase our profitability.

Diversified portfolio of services and solutions

We offer a diversified portfolio of ICT services and solutions including MPLS-VPN, leased lines services, TPaaS, e-Office services and data center services, large network hardware system integration, software and digital services. In addition to laying optical fiber cable network, our transport network is built on high capacity DWDM and an IP/ MPLS network over it to support communication requirements of the Indian Railways and other key customers. We have also built our optical fiber cable network across cities and towns in India to provide end-to-end bandwidth services through leased circuits, MPLS-VPN ports or Internet bandwidth ports. As of June 30, 2020, we had connected 5,485 MPLS-VPN ports and 823 Internet bandwidth ports for our customers. In addition, we had 38.12 Gbps and 25.11 Gbps of provisioned bandwidth for our enterprise VPN and Internet bandwidth customers, as of June 30, 2020.

We have also entered into agreements with telecom companies and MSOs to lease bandwidth and offer last mile optical fiber cable network connectivity across cities and towns in India. In addition, we provide NLD connectivity for Indian Railways exchanges on NGN technology handling over 0.84 million minutes per month, as of March 31, 2020. We also offer digital subscriber line access multiplexer for broadband at railway colonies and provide Wi-Fi in various offices of the Indian Railways.

Key partner to the Indian Railways in digital transformation

We serve as a key network for the Indian Railways (*Source: CRISIL Report*). We provide a variety of services to the Indian Railways and have implemented MPLS data network for integrated payroll and accounting system, unreserved ticketing system, freight operations information system and coaching operations information systems. As of June 30, 2020, our MPLS-VPN for railways intranet aggregated to over 41 Gbps capacity and Internet to over 19 Gbps capacity. We are responsible for upgradation of RailNet over a WAN by providing centralized mailing system and security systems through the supply, installation and commissioning of IP-MPLS network at divisions, zones, production units and central training units of the Indian Railways. We are also working with the Indian Railways to transform railway stations into digital hubs by providing public Wi-Fi at railway stations across India. As on June 30, 2020, 5,677 railway stations were live with 'RailWire' Wi-Fi and we recorded over 14 million unique users per day in Fiscal 2020. We recorded an average of 29 million user logins per month in Fiscal 2020, and an average of 8200 TB of aggregated data consumption per month in Fiscal 2020. We also recorded average data usage per user amounting to 283 MB per month and 425 MB per month in Fiscal 2020 and in the three months ended June 30, 2020, respectively. In Fiscal 2018, 2019 and 2020, we generated revenues of ₹ 1,187.3 million, ₹ 1,152.89 million and ₹ 2,831.40 million, respectively, from services rendered to the Indian Railways.

We have implemented the 'e-Office' project for the Indian Railways. Other projects with Indian Railways include implementing 'Content on Demand' services to passengers and the Railway Display Network to provide contextual railway related information, public awareness messages and entertainment content to rail users using digital technologies. These projects are expected to have a fixed minimum guarantee and we will work on a recurring revenue share model for providing these services over a 10-year period. VSS is another project being implemented for the Indian Railways. In August 2020, we have signed a MoU with the MoR for the implementation of hospital management information system ("**HMIS**") over Northern Railway hospitals in the Delhi area. The work will cover important HMIS modules including outpatient department model, in-patient department model, Q-management system, medical material management, lab module and other areas of related hospitals work.

We are awarded mandates by the Indian Railways on a nomination basis, owing to our unique infrastructure along railway tracks, technical capabilities and our longstanding relationship with the organization. This also enables us to source mandates from other public sector entities that rely on our track record of serving the Indian Railways. We believe the technical capabilities we have developed over the years and the relationship we have forged with the Indian Railways serve as entry barriers for other entities that seek to provide similar services to the Indian Railways and its associate enterprises. We believe our strategic relationship with the Indian Railways and our capability to provide a diverse range of ICT services and solutions has enabled us to grow our business.

Experience in executing projects of national importance with a robust pipeline of projects

We have been successfully completed a number of long-term projects for provision of ICT services across India. These include the NKN and Bharat Net (formerly, the National Optical Fiber Network) projects for providing high capacity bandwidth pipes and laying optical fiber cable for connectivity of gram panchayats in India. We are also executing projects for public sector enterprises including the ESIC and MHRD. For ESIC we have undertaken operations and maintenance of the network and infrastructure operations in connection with implementation of social security programme that enables stakeholders to avail anytime, anywhere healthcare services across the country and creation of a medical database. As part of our work for the MHRD, our role involves commissioning and maintaining secured campus Wi-Fi infrastructure in central universities in India. As of June 30, 2020, we had executed and were maintaining Wi-Fi at 26 universities. We undertake, supply, installation and maintenance of RF Links and outdoor Wi-Fi access points across Rajasthan on a rate contract basis for RajComp Info Services Limited, a Government of Rajasthan undertaking involved in IT consultancy, e-governance project conceptualization and implementation and provision of customized IT solutions. Our work includes setting up of outdoor Wi-Fi access points, controllers and wireless local area network server. In addition, we are in the process of carrying out a project in Haryana for a state agency, where we are required to supply, install and commission IP-MPLS and MPLS routers at various sites under the state WAN and also supply, install and commission switches, servers and firewalls and undertake facility management services for management of the common IT infrastructure. We have previously also executed hardware hosting services and established network services for Coal India Limited and certain of its subsidiaries. These projects have also resulted in operations and maintenance services that we provide subsequent to project completion. For instance, we continue to manage network services for the subsidiaries of Coal India, and host hardware services for their ERP systems. As part of the South Asia Subregional Economic Cooperation program, we have also completed a project for supply of equipment, installation and commissioning of network in Bhutan. We have also completed the ‘e-Office’ project for the Indian Railways under various phases. Phase I of the project involved connectivity for over 50,000 users from one division of each of 17 railways zones, eight production units, National Academy of Indian Railways, Research Design and Standards Organisation, seven Centralized Training Institutes and was predominantly completed in Fiscal 2020. We have also implemented connectivity for 46 divisions of 15 zonal railways and over 39,000 users as part of Phase II of the project. We also provide network services to connect data centers, disaster recovery centers, regional offices, branch offices for the Reserve Bank of India, various public sector banks and stock exchanges in India. We also provide bandwidth connectivity services, managed IT services and data-center infrastructure services for an agency of the Indian armed forces at various locations across India. We provide IP-MPLS and internet bandwidth connectivity at multiple locations of the Employee Provident Fund Organisation in India and also provide operations and maintenance services for bandwidth connectivity services. The links are been monitored from our centralized network operations center in New Delhi. For this project, we have supplied, installed and commissioned necessary network hardware for network connectivity at sites.

We have also been awarded a number of projects that we are currently implementing and executing. These include the Kerala Fiber Optic Network project where we are a part of the consortium that involves provision of scalable and resilient optic fiber across Kerala. We believe we were awarded this project on the basis of our technical capabilities and track record of successfully executing a similar project for the Indian Railways. We are also in the process of setting up such e-offices for a number of large government entities including Central Warehousing Corporation and IRCON.

Strong track record of financial performance

We have established a consistent track record of financial performance and growth. We have been profitable since Fiscal 2007 and have consistently declared and paid dividends since Fiscal 2008 and in Fiscal 2018, 2019 and 2020, we paid dividend of ₹ 515.30 million, ₹ 624.70 million and ₹ 462.00 million, respectively. Our net worth has been positive since incorporation and has been consistently growing and was ₹ 12,291.77 million, ₹ 12,890.85 million and ₹ 13,693.56 million in Fiscal 2018, 2019 and 2020, respectively. Our operations have been funded entirely by internal accruals since Fiscal 2013 and we are a debt-free company. In Fiscal 2020, our gearing ratio was the lowest among Key Telecom Companies and Key IT/ICT Companies in India (*Source: CRISIL Report*). Our revenue from operations have grown at a CAGR of 7.47% from ₹ 9,767.69 million in Fiscal 2018 to ₹ 11,280.54 million in Fiscal 2020. Further, our total income in Fiscal 2018, 2019 and 2020 was ₹ 10,212.18 million, ₹ 10,382.66 million and ₹ 11,660.05 million, respectively, while our EBITDA for the same periods was ₹ 2,820.49 million, ₹ 3,371.53 million and ₹ 3,224.60 million, respectively. In Fiscal 2020, RailTel had the highest return on capital employed ("**RoCE**") among Key Telecom Companies and Key IT/ICT Companies in India, with a RoCE of 14.49% (*Source: CRISIL Report*).

In Fiscal 2020, we reported the highest net profit margin among Key Telecom Companies and Key IT/ICT Companies in India, with a net profit margin of 12.50%. We ranked first in terms of operating profit margin among the Key IT/ICT Companies in India in Fiscal 2020 (*Source: CRISIL Report*). Our profit before tax was ₹ 1,596.11 million, ₹ 2,176.89 million and ₹ 1,847.60 million in Fiscal 2018, 2019 and 2020, respectively.

Professionally managed with strong corporate governance and senior management team with significant industry experience

We have a diversified Board and senior management team with significant experience. In compliance with the directives of the Department of Public Enterprises ("**DPE**"), our Company regularly provides reports to Ministry of Railways and the DPE on a quarterly and annual basis. For each quarter, central public sector enterprises ("**CPSEs**") are graded under various heads on the basis of scores prescribed for each head. As per the Corporate Governance Grading Report of CPSEs for 2018 – 2019 published by the DPE, we have been graded "Excellent". We are subject to several audits by the GoI including by the Comptroller and Auditor General of India and have not received any observations and remarks in the last three Fiscals. We have also executed a MoU with Transparency International India and developed the 'Integrity Pact Program' that focuses on promoting greater transparency with our vendors and suppliers.

Our Chairman and Managing Director, Puneet Chawla has been associated with Indian Railways for over 30 years and has significant experience in project management and administration. Sanjai Kumar, Whole-time Director (Network, Planning and Marketing) has technical backgrounds and have extensive operational and marketing experience. Anand Kumar Singh, Director and Chief Financial Officer has extensive experience in finance and accounting matters. The Board also comprises members who have been associated with the Indian Railways in various capacities and also receives support from the nominees of the Indian Railways. We believe that the industry experience of our management team and their ability to deliver consistent growth is our key strength. We believe that we have achieved a measure of success in attracting an experienced senior management team with operational and technical capabilities, management skills, business development experience and financial management skills.

Strategies

Continue to expand our telecom services and deploy latest technologies

We believe that our extensive network is a key differentiator in the market and a key value proposition in delivering services to our customers. To build 5G infrastructure in India, fiberisation of telecom towers is a pre-requisite (*Source: CRISIL Report*). We, therefore, plan to continue to invest in expanding our network and deploying latest technologies to enable a high capacity next generation network in order to deliver sustained value to our customers and improve their experience with our services. We intend to create neutral telecom infrastructure to allow us to host telecom players at railway stations in India. In particular, we intend to create open radio access networks small cell and enhance tower infrastructure at railways stations to for hosting telecom players to assist with their preparation for the 5G network. We also intend to work with banks and financial institutions to create an integrated network and build capabilities of managing NOC operations of such institutions. As of June 30, 2020, we had over 5,600 PoPs. We believe this presents an opportunity for us to grow RailWire and accordingly expand our customer base for both enterprise and retail customers in rural and semi-urban areas in India. We believe that as part of the digital India initiatives by the Government of India, we are well positioned to connect gram panchayats and provide high speed Wi-Fi particularly in gram panchayats near railway stations where our optical fiber cable network exists.

While we utilize a number of advanced technologies to deliver services and operate our network, we intend to continue to invest in our network and technology infrastructure, to improve our existing technology systems or implement new, more advanced technology systems that may be developed. We are working towards creating and upgrading backhaul network with DWDM system to meet bulk bandwidth requirements of over-the-top players. Our endeavour is to focus on MPLS and software defined WAN by evaluating and empaneling multiple OEMs to create a collaborative service delivery model. We believe that this will enable us to continue to deliver high quality, market leading and competitive service offerings, which will drive growth.

As part of the North East Optical Fiber Cable project under USOF, we will continue to create the fiber network in the six states of North East (Mizoram, Tripura, Meghalaya, Arunachal Pradesh, Manipur and Nagaland) under two phases connecting each of district headquarters to their respective sub-divisional headquarters. We believe that this presents an opportunity to manage and monetize networks for state governments.

As of June 30, 2020, we had empaneled over 100 business associates with a range of skill sets covering various ICT opportunities. In addition, as part of our 'Digital Service Partner' program, we have created a platform for small agile ICT companies that provide unique solutions that are required for implementing various Digital India initiatives. We intend to collaborate with such companies to provide unique solutions including watershed management using artificial intelligence and machine learning, create applications for self-help groups and track-and-trace applications for the excise department.

Further diversify services and solutions with a focus on Indian Railways

Strong economic growth, aided by shift to digital and on-demand business models with a growing need for any time anywhere connectivity for enterprises and the GoI's push for digitization, are fueling demand for telecom services from enterprises. We intend to continue adopting the ready business solution approach enabling our customers to scale faster and enhance their operational efficiencies. We plan to enhance our focus on provision of services that have high market attractiveness and in particular work with the Indian Railways. The Indian Railways currently uses GSM-R based network and intends to migrate to the LTE network. We intend to work with the Indian Railways to develop and manage their proposed LTE network that will create a private network along a railway tracks. We believe that this network will provide connectivity for IoT initiatives of the Indian Railways. We also intend to work with the Indian Railways to meet their current and emerging communication infrastructure requirements by implementing the High Speed Mobile Communications Corridor ("**HSMCC**"). The proposed HSMCC will cater to current and future voice and data needs of train-ground and train-train communication of rail assets, automatic train operations and on-board passenger services. We have been managing IP-MPLS infrastructure for several years and we believe that we are well positioned to execute this project, as LTE will require an underlying IP-MPLS infrastructure (over DWDM and OFC) which we already have and can be augmented at short notice.

The TRAI has finalized its recommendations on the allotment of spectrum that out of 35 MHz (paired) spectrum available in the 700 MHz band, 5MHz (paired) spectrum should be allocated to the Indian Railways for implementing ETCS level-2, MC PTT + Voice, IoT-based asset monitoring services, passenger information display system, and live feed of video surveillance of a few coaches at a time. TRAI has further recommended that the MoR explore other communications for uploading the video feed. For VSS, Indian Railways can either use a high capacity Wi-Fi or public telecommunications network telecom service providers network for sending continuous video surveillance data streams to its control centre. In addition, LTE based mobile train radio communication system is the foundation for Indian Railway's modern train control systems including the ETCS level-2 and the train collision avoidance system. This would open up opportunities for telecom service providers (*Source: CRISIL Report*). We believe that given our network capability and experience of working with the Indian Railways, we are well placed to monetize on this opportunity.

Our focus will also be enterprise IT services, execution of ICT projects and initiatives launched by the central government and various state governments. We intend to partner with PSUs to undertake provide ICT services, maintenance of telecom infrastructure, and marketing of dark fiber, tower space, telecom network and associated equipment and collaborate in areas such a development of smart cities, network requirements for defence projects, cloud, IoT and mission critical communication systems. We will focus on developing such services by effectively using partnership models that will ensure risk mitigation while delivering such services. As part of diversification strategy, our focus will be to enhance our existing data center services by implementing digital services partner programmes, focusing on ensuring data sovereignty, expanding our security operations centre and provide hosted smart city and e-governance services.

We are currently working on a LTE-based communication system for the Indian Railways which is similar to the public protection and disaster recovery ("**PPDR**") networks that employ LTE standards. We intend to offer our services to various governmental agencies that are proposing to modernize PPDR networks.

Expand our services outside India

Given our expertise in handling a range of ICT infrastructure projects and our ability to provide diversified service and solutions, we intend to offer our services selectively in jurisdictions outside India. We are currently in the process of bidding for project in Africa that include supply, delivery, installation, testing and commissioning of goods and service for digital literacy in public primary schools in Kenya. We will look to leverage our expertise of working and developing projects for the Indian Railways, particularly modernizing and digitizing the existing networks, to other projects in Bangladesh and Jordan where we are currently evaluating projects. In addition, we are exploring business opportunities in Mauritius and in particular in the healthcare segment. We intend to become a platform for regulators and fintech providers and implement these applications in other developing countries. We also intend to leverage our existing technology and work with the GoI to implement our capabilities other countries.

Our Business Operations

Portfolio of Services

Our operations can be broadly classified based on the various services offered by us: (i) Telecom Network Services; (ii) Telecom Infrastructure Services; (iii) Managed Data Center and Hosting Services; and (iv) Collaboration Services. Our technology solutions / services are aimed at serving a range of industries.

<u>Telecom Network Services</u>

Our Telecom Network Services comprised 66.56% of our revenue from operations in Fiscal 2020. Our portfolio of Telecom Network Services comprises:

NLD Services: NLD service refers to the carriage of switched-bearer telecommunications services over a long distance network i.e., a network connecting different short distance charging areas. As an NLD service provider we provide the required digital capacity to carry long distance telecommunication service and includes various types of tele-services such as voice, data, fax, text, video and multimedia.

As part of our NLD services, we offer our enterprise customers with: (i) leased line services; and (ii) MPLS based VPN facilities.

Leased Line Services: Enterprises use leased lines to interconnect their important nodal centers such as primary data centers, back-up sites, call centers and regional hubs. Our leased line service provides single infrastructure for all communications requirements to cater to business needs of enterprises. We have connected multiple circuits as part of the National Knowledge Network. We generated revenues of ₹ 3,107.04 million, ₹ 2,587.00 million and ₹ 2,663.25 million in Fiscal 2018, 2019 and 2020, respectively, from our leased line services.

MPLS based VPN Services: We offer our MPLS based VPN services to enterprise customers including small and medium enterprises, educational institutions and banks and financial institutions primarily aimed at enhancing their business performance. Our customers also include the Indian Railways and other public sector undertakings. We generated revenues of ₹ 789.86 million, ₹ 1,132.71 million and ₹ 1,487.45 million in Fiscal 2018, 2019 and 2020, respectively, from our MPLS based VPN services.

Internet Service Provider ("ISP") Services: We provide: (i) retail broadband business, 'Railwire' and (ii) internet leased line services to small and medium enterprises and other enterprises in accordance with the terms of our ISP license provided by Department of Telecommunication, GoI. Our revenues from these services were ₹ 1,478.33 million, ₹ 1,622.70 million and ₹ 1,662.20 million in Fiscal 2018, 2019 and 2020, respectively.

RailWire: RailWire is the retail broadband initiative of our Company aimed at extending broadband and application services to the public including in remote areas (in association with local cable operators and other access network providers, by utilizing their last mile connectivity). We leverage our considerable infrastructure and pan-India presence. RailWire focuses on pure-play broadband and VPN services. We aim to provide value-added services in retail, education and healthcare sectors. Our RailWire service offers a content and applications driven network and aims to become a hub of local information, platform for rendering communication, infotainment, education, health and community services to the masses. We have our own infrastructure or in certain cases rely on shared infrastructure/ last mile access like fiber to the building, fiber to the home or similar technology to manage broadband for end customers. As of June 30, 2020, we had 172,083 users of our 'RailWire' service. RailWire services generated revenues of ₹ 991.60 million, ₹ 1,032.63 million and ₹ 1,078.88 million in Fiscal 2018, 2019 and 2020, respectively.

Internet Leased Line: We offer Internet leased line services delivered over fiber, which provides uncontended, symmetrical bandwidth with full-duplex traffic. Our customers in this segment include major technology companies, public sector defence undertakings, state transport authority of Odisha and the Indian Railways. Revenues from Internet leased line services were ₹ 486.73 million, ₹ 590.07 million and ₹ 583.32 million in Fiscal 2018, 2019 and 2020, respectively. We have a 24/7 customer MPLS based Network Operation Centres at New Delhi, Kolkata, Mumbai and Secunderabad, with a central NOC at New Delhi.

We offer multiple bandwidth options from 2Mbps and above. Our leased line is secure and private. We have international gateways at Mumbai and Chennai for assuring traffic routing at trans-Atlantic and trans-Pacific routes. Our network is peered with National Internet Exchange of India (NIXI) for access to domestic content. It is also peered with major OTT players at different locations. Major cities in India are covered by our networks through major and mini POPs. Internet bandwidth is scalable on demand. We offer high uptime assurance with industry standard SLAs and redundancy in network connectivity.

Telecom Infrastructure Services

Our Telecom Infrastructure Services comprised 14.49% of our revenue from operations in Fiscal 2020.

IP – 1 Services: We provide tower collocation, rack and space utilization, dark fiber, tele presence, data center services and operation and maintenance of railways fiber pursuant to our IP-1 registration granted by the Department of Telecommunication, GoI. Our revenues from these services were ₹ 1,474.60 million, ₹ 1,372.21 million and ₹ 1,634.59 million in Fiscal 2018, 2019 and 2020, respectively.

Tower Collocation, Rack and Space Utilization: We offer our existing nationwide network of microwave towers and other structures to wireless communications providers that enables them to provide cellular, high-speed data and other wireless communications services.

Colocation Space on Indian Railway Microwave Towers: We also offer colocation facilities to telecom operators for mobile BTS and small cell sites. We manage towers of the Indian Railways that are used to provide tower colocation facilities to telecom operators for mobile BTS. The towers available are ideally placed at central locations in cities, towns and rural areas providing coverage to wide population in such areas. These towers have capability to support multiple BTS colocations. Micro BTS concept requires only a pole mount in the case of 3G/4G BTS. We also provide pole mount facilities at our PoPs on rooftops of buildings and stations. Our sites are equipped to provide fiber based redundant backhaul capacities and offer 24x7 power supply, shelter and security.

Dark Fiber: Dark fiber is pre-existing underground infrastructure that does not yet have the hardware or software that enables it to run services. While fiber optic cables that are actively sending data via light wavelengths are considered lit, the rest of the unused fibers lying in wait are deemed unlit or dark. Dark fiber service is service provided by local exchange carriers ("**LECs**") for the maintenance of optical fiber transmission capacity between customer locations in which the light for the fiber is provided by the customer rather than the LEC. We provide single core dark fiber for transmission of digital video signals to MSO for cable distribution.

Operation and Maintenance of Railway Fiber: We maintain certain optical fiber cable of Indian Railways for which we charge Indian Railway on a per fiber per kilometer basis.

Managed Data Center and Hosting Services

Data Center Services: We offer our customers' data center solutions including transformation and systems management, hosting and co-location services and building secure and energy efficient infrastructure environment. We have our own data centers at Secunderabad and Gurugram. Our data centre at Secunderabad and Gurugram are tier-3 certified for design and facilities. As part of our data center services, we offer co-location, dedicated hosting, cloud computing, disaster recovery sites services and other IT related services. Our data center services help customers enhance infrastructure efficiency, improve business agility, optimize operational expenses and improve scalability and data centre privacy. Our data centre facility is suitable to meet customers cloud computing requirements. We also engage in management of various IT-related services. Our data center have infrastructure management system and building management systems in place, redundancy features including power source from one independent grid.

TPaaS: Our TpaaS is an end-to-end, full high-definition videoconferencing service that allows users a virtual, face-to-face meeting experience. Multi-purpose room arrangements adapt to a wide variety of room configurations and environments.

SOCaaS: Our SOC has the following capabilities:

- Security event monitoring, detection, investigation and alert triaging;
- Security incident response management, including malware analysis and forensic analysis;
- Threat intelligence management;
- Security device management maintenance;
- Threat and vulnerability management;
- Security training; and
- Compliance reporting/management.

Security information and event management solution is the core of our SOC technology stack. Other solutions that are form a part of the stack include endpoint detection and response which provides host level telemetry for both near real time as well as forensic investigation, network traffic analysis used to investigate alerts and obtain additional context about suspicious activity in the network, packet capture for forensics, sandbox for malware analytics, vulnerability assessment tools, web application and network firewalls, auto ticketing tool. We also have qualified manpower that runs our SOC.

We are able to provide both offsite and onsite security solutions for government organizations that cannot send data offsite due to compliance purposes.

Our revenues from these services were ₹ 269.08 million, ₹ 219.48 million and ₹ 283.03 million in Fiscal 2018, 2019 and 2020, respectively.

Projects (System Integration Services)

ICT Hardware, Software and Service System Integration Projects: We collaborate with empaneled partners and OEMs to undertake ICT hardware implementation, software delivery and digital transformation projects including creation of state wide area network ("**WAN**") and its maintenance, data center and facility management services, Wi-Fi projects, city surveillance projects, laying of state wide fiber optic network and its maintenance, Implementation and maintenance of end-to-end IT applications of enterprises including digitization of education in schools and colleges, implementing 'smart class rooms', health care and tele-consultation.

Digital Services: As part of our collaboration with empaneled partners who offer solutions/ applications that are hosted on our data center, we offer digital services including unified communications, WiFi as a service, e-tendering/ e-Auction/ smart payments and disaster management services.

Other Services: Other services offered by us include consultancy services for ICT services and solutions and signaling services including signal design and design automation software tools for the Indian Railways.

Our revenues from these services were ₹ 2,912.21 million, ₹ 2,968.54 million and ₹ 3,771.64 million in Fiscal 2018, 2019 and 2020, respectively.

Services to Indian Railways

We have, over the years, implemented various telecom and IT infrastructure projects as well as various value-added services for the Indian Railways.

We have created synchronous transport module-4/ synchronous transport module-1 based network at every station to support data connectivity requirements including supporting the transfer of passenger reservation system, unreserved ticketing system, freight operations information systems and mission critical information along with carriage of voice traffic such as emergency communication during disaster management.

We provide MPLS based wide area network to support administrative data communication needs of various field organizations of the Indian Railways. The network interconnects the MoR with zonal headquarters, division offices and production units, for sharing information from all departments. We are currently in the process of connecting all tier-1 passenger reservation system centers on MPLS VPN connectivity with the disaster recovery site of Centre for Railway Information Systems which we believe shall increase the reliability of these links.

All major telephone exchanges of the Indian Railways are connected with NGN technology. This infrastructure is critical for the day-to-day administrative functioning of the Indian Railways and handled over 0.84 million minutes per month as of June 30, 2020.

We have facilitated mobile closed user group services for the Indian Railways. As of December 31, 2019, the closed user group had over 274,000 connections. We offer broadband services at railway colonies and as of June 30, 2020 had over 30,000 connections.

Certain key projects undertaken and services provided by us to the Indian Railways include:

E-Office: The E-Office project is a cloud enabled software application developed by National Informatics Centre, hosted at our data center at Secunderabad with disaster recover at Gurugram. All Zonal Railways are expected to be connected using the application along with one division of each zone (including entire South Central Railway), eight production units, Research Design and Standards Organisation, National Academy of Indian Railways and seven centralized training institutes.

*Video Surveillance System ("**VSS**")*: We have entered into a MoU with the Ministry of Railways to provide IP based VSS with video analytics and facial recognition system at 6,049 stations of Indian Railways. We will provide VSS to A1, A, B, C, D and E category stations, coaches of premium trains and suburban EMU coaches. As part of the project, CCTV cameras are networked and the recording of the video feeds form CCTV cameras will be stored for 30 days for playback, post event analysis and for investigation purposes. This VSS is expected to ensure better security of passengers at railway stations and railway property.

*Content on Demand ("**COD**")*: As part of the COD project will provide Content on Demand services to passengers in trains by preloading multilingual content on media servers installed in trains. With COD, passengers will be able to enjoy free or subscription based high quality streaming service on their personal devices during their train journey. The content will be periodically refreshed. The COD platform will also provide e-commerce and mobile commerce services across domains including travel bookings and provide various solutions in the digital marketing domain. The COD service aims to improve overall passenger experience and increase the non-fare revenue through multiple monetization models. The service will be available in premium/mail/express/ suburban trains pan-India and COD will also be available at all Wi-Fi enabled railway stations. A digital entertainment service provider for providing COD service in trains and stations has already been selected and roll out is being planned in a phased manner.

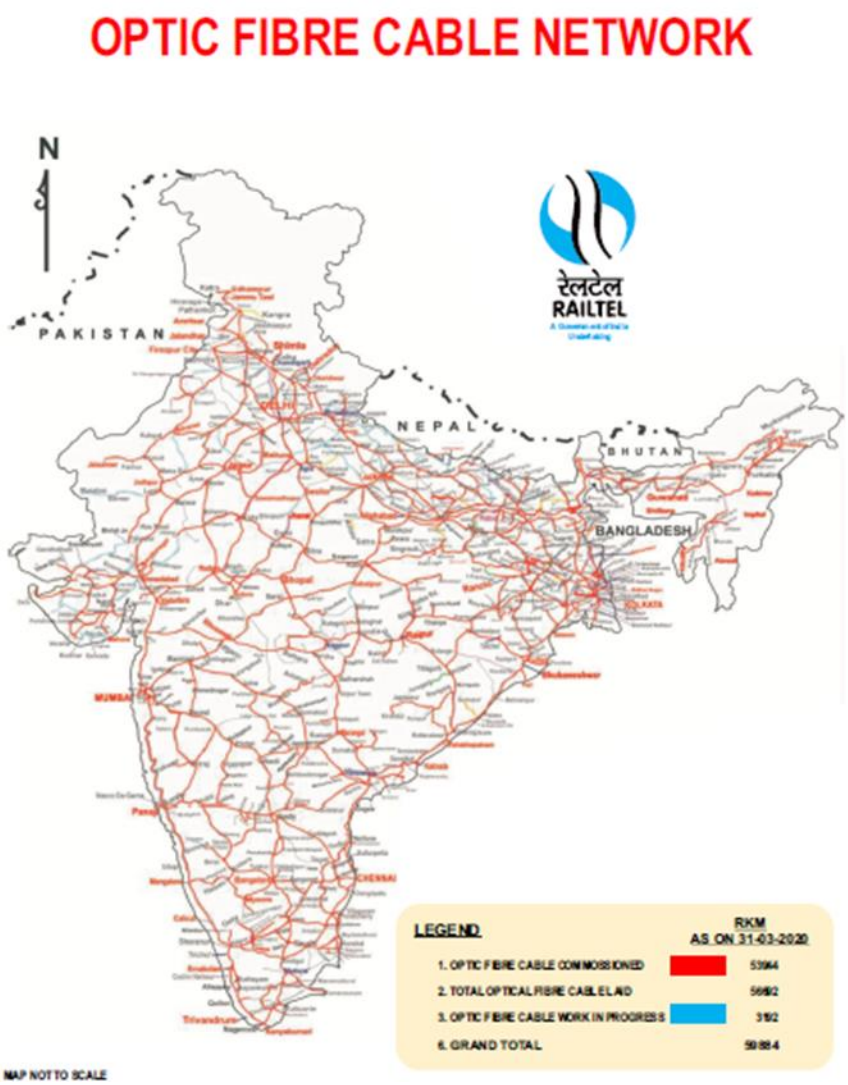
*Railway Display Network ("**RDN**")*: The RDN is an initiative to provide relevant railway information to rail users along with public awareness messages and entertainment content and use digital technologies. RDN is planned to be built and operated on a self-sustainable model. RDN will generate revenue by displaying contextualized advertisements for pre-agreed duration and frequency. It is planned to be built and operated on a self-sustainable model with no capital investment by Indian Railways. It is eventually expected to cover all A1, A, B, C, and D category stations of the railways. The revenue share arrangement between our Company and Indian Railways is expected to be in the ratio 35:65.

Optical Fiber Network

Our optical fiber network is present pan-India and we have exclusive right of way for optical fiber cable network along 67,415 route kilometers and have optical fiber cable network along 55,000 route kilometers connecting 5,677 railway stations as of June 30, 2020.

Our optical fiber network is designed in defined hierarchical form with core, distribution and edge layers. Our optical fiber based communication system comprises various technologies and is capable of delivering telecom services to customers with high service level agreements.

The map below sets out details of our optical fiber network as of March 31, 2020:



Key Projects

*National Optical Fiber Network ("**NOFN**") and North East Optical Fiber Cable project under USOF*: With an aim to improve governance and service delivery at the grass roots level through increased efficiency, accountability, transparency and collaboration and greater decentralized decision-making, the GoI has agreed to create optical fiber cable based broadband infrastructure for all panchayats. The GoI through the Department of Telecom had created a High Level Committee to study and create a strategy plan for providing broadband connectivity to all 250,000 panchayats in India on fiber optic cable with minimum 100 Mbps speed. Based on the recommendation of the HLC, the Cabinet Committee on Infrastructure the project. The network shall be used to provide various e-governance services as well as internet facility to all panchayats. Bharat Broadband Network Limited was created to implement the NOFN project as well as own the entire network. We have been selected as one of the implementing partners to lay the incremental optical fiber cable network to connect the panchayats with respective block headquarters on 100 Mbps broadband speed. We have been allotted certain states comprising 36,000 panchayats which includes the states of Gujarat, Daman & Diu, Dadar & Nagar Haveli, Tamil Nadu, Puducherry, Meghalaya, Mizoram, Tripura, Arunachal Pradesh, Manipur and Nagaland. As of June 30, 2020, 24,037 kilometers of optical fiber cable had been laid and as of June 30, 2020 over 6,500 panchayats had been connected.

*National Knowledge Network ("**NKN**")*: The NKN envisages connecting all higher education and research institutes across a common platform. We have been selected as one of the implementing partner of the network by providing high capacity bandwidth pipes. We have been appointed to facilitate the implementation of campus connection and Wi-Fi facility across 26 universities in India. The project involves site survey, design, installation and maintenance of state-of-the-art carrier grade Wi-Fi network across campuses.

Proposed Projects

HMIS: HMIS incorporates an integrated computerized clinical information system for improved hospital administration and patient health care. It will also provide an accurate, electronically stored medical record of the patient. Real time HMIS will streamline the treatment flow of patients and simultaneously empower workforce to perform in an optimized and efficient manner.

We have signed a MoU with Indian Railways to provide HMIS in all Indian Railway hospitals across India in a phased manner. We intend to develop software that includes latest modules like mobile applications for outpatient department users, video consultation feature and tele medicine feature and in-house complete patient life cycle.

E-Office Phase-3: Under Phase 3 of the e-Office project, we intend to cover workshops of Indian Railways (excluding South Central Railways) across India.

Kenya Opportunity for Digital Literacy Programme: The Kenyan government has undertaken integration of ICT across all levels of education through the Digital Literacy Program ("DLP"). The DLP targets public primary schools spread across Kenya. The DLP is proposed to be executed in three phases. Under Phase-I, it has provided digital devices with pre-installed digital interactive content for lower primary education. Phase-II targets grades four to six while Phase-III targets grades seven and above. We have bid under DLP Phase-II under which the Kenyan government intends to provide advanced learners digital devices, advanced teacher digital devices, digital output devices and wireless access points for upper primary grades.

Modern Train Control System: One of the key thrust areas in Indian Railway's transformation agenda is to modernize train control system which can enhance capacity and safety. We believe we are in a good position to execute these projects based on 'European Train Control System' or 'Train Collision Avoidance System'.

Digitizing and E-education in Schools for MHRD: We are in discussions with the MHRD for providing end-to-end e-learning systems for schools.

Village Connectivity under USOF: The GoI's programm to connect 600,000 villages in 1,000 days is an opportunity for us to connect to villages in the vicinity of railway stations.

HSMCC: The proposed HSMCC is expected to cater to the current and future voice and data needs of train-ground and train-train communication of rail assets, automatic train operations and on-board passenger services. We are expected to create a critical communication infrastructure that will include mobile train radio, emergency communication and disaster management, train protection and ETCS. We will also be leveraging IoT for asset management, enabling early and real time detection of situations like rail fracture, wheel defects, bridge worthiness and predictive maintenance, creating staff closed user groups and automation in the field for maintenance blocks, routine maintenance, operations and services for the Indian Railways. The implementation is expected to a neutral infrastructure for customers/ passengers to have access to high quality telecom services.

Data Privacy and Protection

The Information Technology Act, 2000, and the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 ("**Privacy Rules**") gives directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. These Privacy Rules contain minimum standards for electronic transactions and code sets and for the privacy and security of sensitive personal data or information. The Privacy Rules, inter alia, require body corporates such as ours to adopt, and provide for a policy for privacy and disclosure of information that has been classified as personal. The Privacy Rules impose requirements on uses and disclosures of information; including contracting requirements for our business associate agreements. For further information on rules and regulations governing data privacy and protection in relation to our business operations, see "*Key Regulations and Policies*" on page 138.

Research and Development

In order to develop our products, which we believe, allows us to maintain technical control over the design and development of our products, we are required to incur R&D expenses on an on-going basis to enhance and upgrade our products and services based on changing clients' needs and industry requirements. We believe that the industry, in which we compete, witnesses rapid technological advances in hardware and software development and our emphasis on R&D is critical to remain abreast with technological developments, as well as cater to the evolving needs of our clients.

Quality Management

We are an ISO certified company. Our operations are certified with various certifications including ISO 9001:2015, ISO/IEC 20000-1:2018, ISO/IEC 27001:2013 and CMMI Maturity Level-4 for our quality management systems, information security management systems, and service management systems, respectively~~.~~

Sales and Marketing / Business Development

We sell our products and service offerings directly through our own team. Our teams target certain industries and service offerings through focused sales initiatives.

Our senior management is actively involved in managing client relationships and business development through targeted interaction with multiple contacts at different levels in the client organization. In addition, for strategic clients, an identified senior executive has responsibility for overall client development and leads periodic reviews with the client.

Our marketing initiatives include participating in events, sponsoring user group events and seminars, and participation in industry trade groups. We have regular contact with industry research organizations, and have established relationships with academic institutions/ research institutes. In addition to enabling us to offer comprehensive solutions, these arrangements also benefit us as they provide opportunities to share technical know-how with these partners.

As a part of our system integration project business, we have a business associate / partnership program, where enterprises, solution providers, integrators with suitable credentials are encouraged partner with us. These partners are empaneled under specialized categories including education, healthcare, video surveillance, facility management services, software development, mobile application solutions, financial technologies, IT management, e-governance, Wi-Fi, ERP solutions and office automation depending upon their credentials. We facilitate our ICT infrastructure like data center hosting and network services to empaneled partners to approach system integration project business involving their solutions. We have special provisions for start-ups to become our empaneled partners and facilitate our platform to bring business opportunities particularly in emerging technologies.

Pricing and Contractual Terms

We have a process where standard tariffs are approved for various services with different levels of discounts in order to retain flexibility while pricing our services with customers. The base tariffs are determined by a tariff committee that takes factors in market conditions, industry standards, tender winning prices and reverse auction trends. Higher discounts to be provided, are handled by our Corporate Office to ensure that the discounts are given based on volume of business, competition and strategic nature of the account. Our contract terms are based on standard templates that are modified depending on each individual customers' requirements.

Insurance

We have insurance coverage which we consider reasonably sufficient to cover all normal risks associated with our business operations and which we believe is in accordance with the industry standards. We have, inter-alia, obtained fire and burglary policy and group life term insurance for employees. These insurance policies are generally valid for one year and are renewed annually by us. As of the date of this Draft Red Herring Prospectus, there have been no material claims made under the insurance policies.

For further information on risks relating to our insurance coverage, see "*Risk Factors – Our insurance policies do not cover all losses or risks and our insurance coverage may not adequately protect us against possible risk of loss*." on page 47.

Competition

We face competition from various telecom and telecom data services companies in India. We face significant competition from a number of companies, including from those with pan-India footprints such as Bharti Airtel Limited, Reliance Jio Infocomm Limited as well as Bharat Sanchar Nigam Limited and Mahanagar Telephone Nigam Limited (*Source: CRISIL Report*).

We believe key competitive factors in our industry include changing technologies, client preferences and needs and the ability to deliver solutions to meet such evolving needs. Other competitive factors in our industry include breadth and depth of service offerings, reputation and track record, ability to tailor enterprise solution service offerings to client needs and industry expertise. We expect the competition to intensify in the segments in which we operate as new entrants emerge in the industry due to available growth opportunities. In addition, as we expand into new market segments, we will face increased competition as we will compete with existing competitors. Moreover, our competitors or we may take certain strategic actions, including acquisitions, partnerships and joint ventures, or repositioning of product lines, which may lead to greater competition in one or more product categories. Under system integration project we face severe competition from system integrators.

Human Resources

As of March 31, 2020, we had 472 permanent employees.

None of our employees are represented by a labor union or covered by a collective bargaining agreement. We have not experienced any work stoppages, and we consider our relations with our employees to be good.

We have several structured processes, including employee mentoring, grievance management and corporate ethics programs, which are intended to facilitate a friendly and cohesive organizational culture. Such processes are supplemented by our internal policies, which are also aimed at fostering a positive atmosphere and establishing common ethical values within the workplace. Our policies include a code of conduct, a prevention of sexual harassment policy and a whistle blower policy. We place special emphasis on the training of our employees to enable them to develop their skills and to meet the challenges of a dynamic competitive environment.

Corporate Social Responsibility ("CSR")

We are actively involved in meeting our social obligations through our Corporate Social Responsibility programme and actively support programmes for digital literacy, education, health and physically challenged children.

We are currently running three Digital Literacy Centres and one Skill Development Centre for women. Recognizing the need of making digital infrastructure available to children, we provide broadband and ICT infrastructure at government schools across India.

In association with Centre for Social Responsibility and Leadership, New Delhi, we have established a RailTel-Akansha Super 30 center where 30 underprivileged but talented students from different corners of Uttarakhand are provided free residential coaching and mentoring for 11 months for admission in national and state engineering colleges.

Intellectual Property

We have made applications under various class for registration of various trademarks, including, 'RailTel', 'RailCloud', and 'RailWire' of which we have received registration for certain trademarks. For further information, see "*Government and other Approvals – Approvals in relation to intellectual property of our Company and Subsidiary*" on page 313. For further information in relation to the risk relating to our intellectual property, "*Risk Factors – Our business relies on intellectual property, including intellectual property owned by third-parties, and we may inadvertently infringe the patents and proprietary rights of others.*" and "*Risk Factors – We depend on our intellectual property including our logo and trademark, and failure to protect our intellectual property would adversely affect our business, financial condition and results of operations.*" on pages 43 and 43, respectively.

Property

Our registered and corporate office is located Plate – A, 6th Floor, Office Block Tower – 2, East Kidwai Nagar, New Delhi – 110 023. Our network operations center office is located at 143 Institutional Area, Sector – 44, Gurugram – 122 003, Haryana. For further information, see "*Risk Factors –Our Registered and Corporate Office is not owned by us and we are in the process of executing a lease deed for the same. Further ll of our regional offices, facilities and premises are leased from third-parties pursuant to lease agreements, which we may be unable to renew on satisfactory terms or at all.*." on page 46.

In addition, as of June 30, 2020, our Company had four regional offices across India located in New Delhi, Mumbai, Kolkata and Secunderabad. These offices are primarily located on leased premises.

KEY REGULATIONS AND POLICIES

The following is an overview of certain sector-specific relevant laws and regulations which are applicable to the operations of our Company and our Subsidiary and their respective business. The information detailed below has been obtained from publications available in the public domain. The description of laws and regulations set out below is not exhaustive and is only intended to provide general information to Bidders. The information in this section is neither designed nor intended to be a substitute for professional legal advice and investors are advised to seek independent professional legal advice.

The statements below are based on the current provisions of Indian law, and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by legislative, regulatory, administrative, quasi-judicial or judicial decisions/actions and the Selling Shareholder, our Company or the BRLMs are under no obligation to update the same.

Laws and Regulations applicable to the Central Public Sector Enterprises

As a Central Public Sector Enterprise ("**CPSE**") set up by the Ministry of Railways, we are required to comply with various laws and regulations including The Railways Act, 1989, as amended along with the rules; Compendium on Guidelines for administrative ministries/departments and central public sector enterprises, 2015; Guidelines on corporate social responsibility and sustainability for central public sector enterprises, 2014, Guidelines on corporate governance for central public sector enterprises, 2010; Guidelines on Capital Restructuring of Central Public Sector Enterprises, Guidelines on Pay Revision Guidelines as amended from time to time; Prevention of Corruption Act, 1988; the Central Vigilance Commission Act, 2003; The Lokpal and Lokayuktas Act, 2013 and New Pension Scheme and Right to Information Act, 2005 among others.

Business Related Laws

Software Technology Parks of India Scheme ("STPI Scheme")

The STPI Scheme was introduced by the Government with the objective of encouraging, promoting and boosting export of software and software services including IT and Bio-IT enabled services from India. The STPI Scheme, which is a 100% export oriented scheme, provides benefits such as data communication facilities, single window clearances and approvals including project approvals, import certification and other facilities to boost software exports from India. Further, companies registered under the STPI Scheme are provided certain concession in duties, levies and taxes.

In order to avail the benefits as envisaged by the Government, a company is required to register itself with the appropriate authorities. The principle compliance required of a company accorded approval under the STPI Scheme is the fulfilment of the export obligation. The letters of permission may contain other conditions. Additionally, the unit is required to file details to STPI in the nature of a performance report indicating the export performance.

The Indian Telegraph Act, 1885 ("Telegraph Act")

The Telegraph Act governs all forms of the usage of telegraph, which expression has been defined to mean any appliance, instrument, material or apparatus used or capable of use for transmission or reception of signs, signals, writing, images, and sounds or intelligence of any nature, by wire, visual or other electro-magnetic emissions, radio waves or hertzian waves, galvanic, electric or magnetic means. Under Section 7, the Central Government has the power to make rules for conduct of all telegraphs established, maintained or worked by the Government or by persons licensed under the Act, including but not limited to governing the conditions and restrictions, subject to which any telegraph line, appliance or apparatus for telegraphic communication shall be established, maintained, worked, repaired, transferred, shifted, withdrawn or disconnected. Further, the rules prescribed by the Central Government may prescribe the fines for any breach of such rules.

The Indian Telegraph Rules, 1951 (the "Telegraph Rules")

The DoT notified the Indian Telegraph Rules, 1951 under the Indian Telegraph Act. The Telegraph Rules provide, among other things, the procedure in relation to the mode of writing, language, text, payment of charges, cancellation, delivery, refund and transmission of telegraphic and telephonic communication.

The Indian Wireless Telegraphy Act, 1933 ("Wireless Telegraphy Act")

The Wireless Telegraphy Act regulates the possession of wireless telegraphy apparatus in India. Under the Wireless Telegraphy Act, wireless telegraphy apparatus has been defined to mean any apparatus, appliance, instrument or material used or capable of use in wireless communication, and includes any article determined by rule made under this act to be wireless telegraphy apparatus, but does not include any such apparatus, appliance, instrument or material commonly used for other electrical purposes, unless it has been specially designed or adapted for wireless communication or forms part of some apparatus, appliance, instrument or material specially so designed or adapted, nor any article determined by rule made under this act not to be wireless telegraphy apparatus. Under Section 10 of the Wireless Telegraphy Act, the Central Government has the power to make rules with respect to the maintenance of records containing details of the acquisition and disposal by sale or otherwise of wireless telegraphy apparatus possessed by dealers and the power to make provisions for penalty of breach of such rules.

The Telecom Commercial Communications Customer Preference Regulations, 2010 ("TCCCPR")

The TCCCPR has been enacted with an objective to curb unsolicited commercial communications to subscribers and to regulate Telemarketers. It came into effect from January 1, 2011. TCCCPR covers both calls as well as SMSs. Under these regulations a customer can register themselves in order to completely block unsolicited commercial communications or in the alternative can opt to receive promotions for specific categories. Those customers already registered on the Do Not Call Registry will be transferred to the fully Blocked list of the National Customer Preference Register. An aggrieved customer can lodge a complaint with his service provider, who is required to take appropriate action and inform the customer of the action taken within seven days of such complaint. These regulations also provide for a framework for registering telemarketers as well as setting out limits for registered and unregistered telemarketers along with levy of requisite fines and penalties on defaulting telemarketers.

Registration as Infrastructure Provider Category – I

Telecommunications infrastructure service providers are required to be registered with the DoT as an Infrastructure Provider Category I (the "IP-I Provider") and obtain a certificate in this regard from the DoT (the "IP-I Registration Certificate"). An IP-I Provider can provide infrastructure such as dark fibres, right of way, duct space and towers on lease, rent out or sale basis to the licensees of telecommunication services on mutually agreed terms, but in accordance with the terms and conditions set out in the IP – I Registration Certificate and the Revised Guidelines for Registration of Infrastructure Providers Category- I dated July 4, 2017 by the DoT (the "*IP-I Guidelines*").

On March 9, 2009, the DoT issued an order regarding scope of IP-I providers. Under this order, DoT clarified that the scope of IP-I providers has been enhanced to cover the active infrastructure, if such infrastructure is provided on behalf of the licensees, i.e. they can create active infrastructure limited to antenna, feeder cable, Node B, Radio Access Network and transmission system only for and / or on behalf of unified access service licensees and / or cellular mobile service providers licensees. On November 28, 2016, the DoT clarified in reference to above order that the IP-I providers are not permitted to own and share active infrastructure. The IP-I provider can only install the active elements (limited to antenna, feeder cable, Node B, Radio Access Network (RAN) and transmission system only) on behalf of Telecom Licensees i.e. these elements should be owned by the companies who have been issued a license under Section 4 of Telegraph Act, 1885.

National Telecom Policy 2012 ("NTP 2012")

The Department of Telecommunications, Ministry of Communications and Information Technology, GoI, has formulated the NTP 2012, for creating an enabling framework for development of the telecom industry. In this regard, NTP 2012 was created with a view to provide secure, reliable, affordable and high quality converged telecommunication services anytime, anywhere for an accelerated inclusive socio-economic development. The primary objective of NTP 2012 is maximizing public good by making available affordable, reliable and secure telecommunication and broadband services across the entire country. The main thrust of the Policy is on the multiplier effect and transformational impact of such services on the overall economy. It recognizes the role of such services in furthering the national development agenda while enhancing equity and inclusiveness. Availability of affordable and effective communications for the citizens is at the core of the vision and goal of the NTP 2012. NTP 2012 also recognizes the predominant role of the private sector in this field and the consequent policy imperative of ensuring continued viability of service providers in a competitive environment. Pursuant to NTP 2012, these principles would guide decisions needed to strike a balance between the interests of users/ consumers, service providers and government revenue.

Telecom Regulatory Authority of India Act, 1997 (the "TRAI Act")

The TRAI Act provides for the establishment of the TRAI for the purpose of regulating the telecommunication services industry. The TRAI Act also provides for the constitution of the TDSAT, the adjudicatory body in this sector. The functions and responsibilities of TRAI include, among others, (i) making recommendations to the respective licensor in connection with matters such as the need and timing for introduction of new service providers; (ii) specifying the terms and conditions of licenses issued to service providers and revocation of licenses for non-compliance with stipulated terms and conditions; (iii) ensuring compliance with terms and conditions of licenses; (iv) regulating revenue sharing arrangements among service providers and ensuring that such quality of service is provided so as to protect the interest of the consumers; (v) specifying standards of quality of service to be provided by service providers; (vi) ensuring effective compliance of universal service obligations; and (vii) rendering advice to the Government in matters relating to development of telecommunication technology and the telecommunication industry in general. Additionally, TRAI is empowered to specify the rates at which the telecommunication services within and outside India will be provided. For effective discharge of its functions, the TRAI is empowered to call upon any service provider at any time to furnish in writing such information or explanation as is required or to conduct an investigation into the affairs of any service provider or issue directions in respect thereof.

The Information Technology Act, 2000 ("Information Technology Act")

The Information Technology Act has been enacted to provide legal recognition for transactions carried out by means of electronic data interchange and other means of electronic communication, commonly referred to as "Electronic Commerce", which involve the use of alternatives to paper-based methods of communication and storage of information etc. Additionally, the said Act also provides for civil and criminal liabilities including fines and imprisonment for various computer related offences. These include offences relating to unauthorized access to computer systems, it also recognizes contracts concluded through electronic means, creates liability for failure to protect sensitive personal data and gives protection to intermediaries in respect of third party information liability. It also provides civil and criminal liabilities. The Information Technology Act also provides punishment for offences committed outside India.

The Department of Information and technology, under the Ministry of Communications and information Technology, Government of India, has notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive personal Data or Information) Rules 2011, which gives directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The said rules also require the body corporate to provide a privacy policy for handling and dealing on personal information, including sensitive personal data.

Laws relating to Employment and Labour

The various labour and employment related legislation that may apply to our operations, from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include the following:

i. The Child Labour (Prohibition and Regulation) Act, 1986
ii. The Contract Labour (Regulation and Abolition) Act, 1970
iii. The Employees' Compensation Act, 1923
iv. The Employees' State Insurance Act, 1948
v. The Employee's Provident Fund and Miscellaneous Provisions Act, 1952
vi. The Maternity Benefit Act, 1961

vii. The Payment of Gratuity Act, 1972
viii. The Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013
ix. Code on Wages Act, 2019.

Other laws

The Foreign Exchange Management Act, 1999 ("FEMA") and Regulations framed thereunder

Foreign investment in India is governed primarily by the provisions of the FEMA, and the rules, regulations and notifications thereunder, as issued by the RBI from time to time and the FEMA Rules and the FDI Policy. The FEMA Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except for things done or omitted to be done before such supersession. In terms of the FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which the foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA has now been entrusted to the concerned administrative ministries/departments. With effect from April 1, 2020, the aggregate limit shall be the sectoral caps applicable to Indian company as laid out in paragraph 3(b) of Schedule I of FEMA Rules, with respect to paid-up equity capital on fully diluted basis or such same sectoral cap percentage of paid-up value of each series of debentures or preference shares or share warrants.

The FEMA Regulation permits 100% FDI in Telecom Services including Telecom Infrastructure Providers Category-I, viz. Basic, Cellular, United Access Services, Unified License (Access Services), Unified License, National/International Long Distance, Commercial V-Sat, Public Mobile Radio Trunked Services (PMRTS), Global Mobile Personal Communications Services (GMPCS), All types of ISP licenses, Voice Mail/ Audiotex/ UMS, Resale of IPLC, Mobile Number Portability Services, Infrastructure Provider Category-I (providing dark fibre, right of way, duct space, tower) except Other Service Providers. However foreign investment up to 49% is permitted under the automatic route and above 49% is allowed under Government route on case to case basis. FDI in Telecom sector is subject to observance of licensing and security conditions by licensee as well as investors as notified by the Department of Telecommunications ("**DoT**") from time to time, except "Other Service Providers", which are allowed 100% FDI on the automatic route.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as RailTel Corporation of India Limited on September 26, 2000, as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Assistant Registrar of Companies, N.C.T. of Delhi and Haryana. Our Company received its certificate for commencement of business from the Deputy Registrar of Companies, N.C.T. of Delhi and Haryana on October 9, 2000. The CIN of our Company is U64202DL2000GOI107905.

Changes in registered office of our Company

As on the date of this Draft Red Herring Prospectus, the registered office of our Company is situated at Plate – A, 6th Floor, Office Block, Tower-2, East Kidwai Nagar, South Delhi, New Delhi 110023, India. The table below sets forth the details of changes in the registered office of our Company since its incorporation:

Effective date	Details of Change	Reasons for Change
February 5, 2004	Our registered office was changed from Room No. 150-A, Rail Bhawan, Raisina Road, New Delhi-110001 to 10th Floor, Bank of Baroda Building 16, Sansad Marg, New Delhi-110001	Administrative convenience
July 1, 2015	Our registered office was changed from 10th Floor, Bank of Baroda Building, 16 Sansad Marg, New Delhi – 110001, India, to 6th Floor, IIIrd Block, Delhi Technology Park, Shastri Park, East Delhi, New Delhi 110053, India.	Administrative convenience
September 26, 2019	Our registered office was changed from 6th Floor, IIIrd Block, Delhi Technology Park, Shastri Park, East Delhi, New Delhi 110053, India to Plate – A, 6th Floor, Office Block, Tower-2, East Kidwai Nagar, South Delhi, New Delhi 110023, India.	Administrative convenience

Main objects of our Company

The main objects contained in the Memorandum of Association are set forth below:

1. *"To plan, build, develop, operate and maintain in India broadband telecom network by laying optical fibre cable (OFC) and providing associated equipment alongside Railway Track and on the railway property utilizing Right of Way (ROW) on lease from the Ministry of Railways.*

2. *To take over and maintain Railways owned OFC and microwave assets and liabilities thereon, including contractual rights and obligations, on such terms and conditions as may be prescribed by the Ministry of Railways from time to time.*

3. *To plan, design, establish, develop, provide, operate and maintain any or all types of telecommunication network systems and services including information technology enabled and value added services such as:*
    - *National long distance and international telecommunication and multimedia services;*
    - *Internet services, electronic mail services, e-commerce services, cyber services, multimedia and content transmission;*
    - *Telephony, facsimile, telex, wireless, wire and data communications, telematic and other like forms of communications;*
    - *Cellular mobile telephone services, mobile internet on Wireless Applications Protocol, satellite telephone, VSTATs services;*
    - *Video phones and video conferencing, integrated service data network, satellite networks;*
    - *International gateways;*
    - *Broadcasting of audio, video and data signals;*
    - *Local Area Network, Wide Area Network, Globally managed data networks; on end to end basis in all parts of the country and elsewhere;*

4. *To plan, design, develop, establish, provide, operate, maintain and modernize communications for Railway train control, operational, safety and accident/disaster management systems and networks.*

5. *To lease and maintain the additional/spare capacity of the Infrastructure to Government, other multiple agencies, Government and non-government organizations, residents or foreigners or non-resident Indians duly giving priority to Railway requirements.*

6. *To create a nationwide broadband telecom and multimedia network to supplement national telecom infrastructure to spur growth of telecom, internet and IT enabled value added services in all parts of country specially rural, remote and backward areas.*

7. *To enter into any collaboration with strategic partner(s) to implement and achieve its goals and objectives.*

8. *To generate necessary revenues through commercial exploitation for its developmental needs of telecom services/facilities.*

9. *To collect and settle revenue, rental, lease charges and other charges payable to the Company by persons, companies, agencies and administrations for the services provided and to utilize the same for furtherance of activities of the Company.*

10. *To develop, manufacture, design, operate, alter, convert, process, import, export, buy, sell, lease, transfer, install, service, maintain, exchange of all telecommunication related computer hardware and software or software of all kinds including machine oriented and problem oriented software, programmes application systems, data collection and other facilities relating to computer operations and data processing equipments of all kinds, data entry devices, data collecting systems, accounting and invoicing machines and intelligent terminals etc.*

11. *To plan, build, develop, operate and maintain broadband telecom network by laying optical fibre cable and providing associated equipment alongside any or all of the other utilities, like roadways, pipelines, waterways, plain land etc.*

12. *To undertake design and development of railway signaling projects/systems, telecom works in new factories/workshops and also other works relating to railway electrification, power distribution systems, transmission lines, incidental civil engineering works etc. concerned with running of railway in India and abroad. However, for undertaking any electrification work which are within purview of CORE, Allahabad, RailTel would seek prior approval of the Board (CRB).*

13. *To undertake design and development of information technology, infrastructure projects covering hardware and software applications and other associated sub-systems in the industry.*

14. *To carry on the business/activity/scheme like Build-Operate-Transfer (BOT), Build-Own-Operate-Transfer (BOOT), Build-Lease, Transfer (BLT) or any other scheme or project found suitable in relation to the fields of business of the Company under the Public Private Partnership (PPP) programme."*

The main object clause and objects incidental or ancillary to the main objects contained in our MoA enable our Company to undertake its existing and proposed activities.

Amendments to our Memorandum of Association in the last ten years

Date of Shareholders' Resolution	**Nature of Amendment**
August 27, 2014	Main Object clause (A) of our MoA was amended to reflect insertion of clauses 12 to 14 immediately after sub-clause 11:

Date of Shareholders' Resolution	Nature of Amendment
	"12. To undertake design and development of railway signaling projects/systems, telecom works in new factories/workshops and also other works relating to railway electrification, power distribution systems, transmission lines, incidental civil engineering works etc. concerned with running of railway in India and abroad. However, for undertaking any electrification work which are within purview of CORE, Allahabad, RailTel would seek prior approval of the Board (CRB). *13. To undertake design and development of information technology, infrastructure projects covering hardware and software applications and other associated subsystems in the industry.* *14. To carry on the business / activity / scheme like Build -Operate -Transfer (BOT), Build-Own -Operate --Transfer (BOOT), Build -Lease, Transfer (BLT) or any other scheme or project found suitable in relation to the fields of business of the Company under the Public Private Partnership (PPP) programme."*

Major events and milestones

The table below sets forth the key events in the history of our Company.

Calendar Year	Particulars
2000	Incorporated as 'Schedule A' Central Public Sector Enterprise under the Ministry of Railways
2002	Obtained the license for infrastructure providers category – II (IP-2) license to start commercial operations of leasing bandwidth to private telecom companies
2012	Conferred "Mini Ratna Category-I" status by Ministry of Railways, Government of India
2014	Completed the SASEC Regional Network Project and launched TpaaS services.
2014	Incorporated wholly owned subsidiary – RailTel Enterprises Limited
2017	Crossed ₹ 1,000 crore total income for the first time since our incorporation.
2018	Implemented e-Office – paperless working system in South Central Railway HQ and Guntur division.

Achievements, awards and accreditations

The table below sets forth the key awards, accreditations and accolades received by our Company.

Calendar Year	Awards and Accreditations
2010	Received the 'MOU Excellence Award (2018-09)' in the electronics and communications sector.
2014	Awarded the 'Innovative Managed Services Award' at the Aegis Graham Bell Awards 2014 for RailWire services.
2015	Received an award under the 'Digital India' category at the Aegis Graham Bell Awards 2015
2015	Awarded the 'Best Carrier of the Carrier' Award at the VAR INDIA Star Nite Awards 2015.
2015	Received an award at the 12th National Awards for Excellence in Cost Management in the public-service sector (medium) category from the Institute of Cost Accounts of India
2016	Received 'Leadership Recognition' in the internet and broadband category at the 'Voice & Data Leadership Awards 2016'.
2016	Received 'Leadership Recognition' in the enterprise business services category at the 'Voice & Data Leadership Awards 2016''.
2016	Received 2nd Prize in the category of 'Effective and Innovative use of Digital Communication' at the SCOPE Corporate Communication Awards in 2016
2016	Received an award that recognized us as one of the 'Top 50 PSU Organisations with innovative HR practices' at the Asia Pacific HRM Congress organized by Times Ascent.
2016	Received an award for 'Technology Adoption' at the 4th PSU Awards 2016

Calendar Year	Awards and Accreditations
2016	Received an award in the ‘Outstanding Project on Connecting the Unconnected’ category.
2017	Received the ‘Leadership Recognition Award’ in the “Internet & Broadband Services” category at the Voice & Data Telecom Leadership Awards, 2017.
2017	Received an award in the ‘Best Public Wi-Fi Project’ category at the My India Wi-Fi India Summit and Awards 2017.
2017	Received the ‘Certificate of Appreciation’ for the railway station wi-fi project initiative at the mBillionth award South Asia 2017.
2018	Received an award in the ‘Best Social Wi-Fi Project’ category at the My India Wi-Fi India Summit and Awards 2018.
2019	Received an award at the Digital Innovation and Cyber Security Summit 2019 organized by Department of Information Technology and Electronics, Government of Haryana.

Time or cost overrun

Our Company has not experienced any instances of time / cost overrun in our business operations.

Defaults or rescheduling / restructuring of borrowings with financial institutions / banks, conversion of loans into equity by the Company

There have been no defaults or rescheduling of borrowings with financial institutions, banks, conversion of loans into equity in relation to or by our Company.

Lock-out and strikes

As on the date of this Draft Red Herring Prospectus, there have been no lock-outs or strikes at any time in our Company.

Capacity / facility creation, location of plants

Our Company has not created any capacity / facility.

Launch of key products or services, entry in new geographies or exit from existing markets

Our Company has not launched any new key products or services or entered in new geographies or exited from existing markets.

Injunctions or restraining order against our Company

There are no injunctions or restraining orders against our Company.

Revaluation of assets

Our Company has not undertaken any revaluation of its assets since incorporation.

Strategic and financial partnerships

Our Company currently does not have any strategic or financial partners.

Details of shareholders’ agreements

As on the date of this Draft Red Herring Prospectus, there are no subsisting shareholders’ agreements among our Shareholders *vis-à-vis* our Company, which our Company is aware of.

Details regarding material acquisition or divestment of business / undertakings, mergers, amalgamation, revaluation of assets / shareholders agreement in the last 10 (ten) years

Our Company has not acquired or divested any business or undertaking and has not undertaken any merger, amalgamation or revaluation of its assets in the last 10 years immediately preceding the date of this Draft Red Herring Prospectus.

Details of guarantees given to third parties by our Promoter, offering its shares in the Offer for Sale

Our Promoter has not given any guarantees on behalf of our Company to third parties.

Summary of material agreements

Memorandum of Understanding dated May 20, 2019 entered into between the Ministry of Railways and our Company for the Fiscal 2020

Our Company enters into a memorandum of understanding with Department of Public Enterprises, Ministry of Railways, GoI every financial year which sets out certain financial and performance criteria for the financial year and our Company is evaluated at the end of every financial year on the basis of the abovementioned criteria. For the Fiscal 2020, our Company entered into a memorandum of understanding dated May 20, 2019 with the Ministry of Railways wherein the Ministry of Railways, GoI, has set certain milestones and parameters in relation to financial performance such as turnover, operating profit/loss and return on investment, and non-financial performance such as capacity utilization, new orders received during the year, product efficiency parameters, completion of milestone of client orders/agreement without time overrun, trade receivables as number of days of revenue from operations, reduction of claims against the company not acknowledged as debt, human resources management and other sector specific result-oriented measurable parameters of our Company.

Holding company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Subsidiary

As on the date of this Draft Red Herring Prospectus, our Company has one wholly owned subsidiary namely, RailTel Enterprises Limited.

RailTel Enterprises Limited ("REL")

REL was incorporated on August 12, 2014, as a public limited company under the Companies Act, 2013, pursuant to a certificate of incorporation issued by the Registrar of Companies, Delhi. The corporate identity number of REL is U74900DL2014GOI270322. The registered office of REL is situated at 6th Floor, IIIrd Block, Delhi Technology Park, Shastri Park, East Delhi, New Delhi – 110053, India.

Nature of Business:

REL is authorised under its memorandum of association to carry out the business of *inter alia* undertaking Information and Communication Technologies (ICT) infrastructure projects covering hardware and software applications and other associated sub-systems including planning, designing, commissioning, operationalizing, maintaining and financing projects in India and abroad.

Capital Structure

The authorized share capital of REL is ₹ 500,000,000 divided into 50,000,000 equity shares of face value of ₹ 10 each and its issued and paid up equity share capital is ₹ 100,000,000 divided into 10,000,000 equity shares of face value of ₹ 10 each.

Shareholding

The following table sets forth details of the shareholding of REL as on date of this Draft Red Herring Prospectus:

Sr. No.	Name of the shareholder	Number of equity shares of face value ₹ 10 each	Percentage of total equity holding (%)
1.	RailTel Corporation of India Limited	9,999,994	100.00
2.	Ashutosh Vasant*	1	Negligible
3.	Anand Kumar Singh*	1	Negligible
4.	Sanjai Kumar*	1	Negligible
5.	H. C. Batra*	1	Negligible
6.	Jasmeet Singh Marwah*	1	Negligible
7.	Neeraj Kumar*	1	Negligible
	Total	**1,00,00,000**	**100.00**

**As a nominee of RailTel Corporation of India Limited*

Accumulated Profits or Losses of our Subsidiary

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of our Subsidiary, not accounted for, by our Company.

Common pursuits

Our Subsidiary is engaged in activities primarily to target non-telecom business as enabled under its memorandum of association. Our Company does not perceive any conflict of interest due to similar activities being undertaken by our wholly-owned Subsidiary.

Business interest

Except in the ordinary course of business and as disclosed in "*Our Business*" and "*Financial Information*" beginning on pages 122 and 174, our Subsidiary do not have any business interests in our Company.

Joint Venture(s) of our Company

As on the date of this Draft Red Herring Prospectus, our Company does not have a joint venture company.

Other confirmations

Neither our Promoter nor any of the Key Managerial Personnel, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

REL is not listed on any stock exchange in India or abroad. Further, REL has not been refused listing of any securities at any time, by any of the recognised stock exchanges in India or abroad.

REL has not made any public or rights issue (including any rights issue to the public) in the three years preceding the date of this Draft Red Herring Prospectus.

OUR MANAGEMENT

In terms of the Articles of Association, our Company is required to have not less than three Directors and not more than fifteen Directors. As of the date of this Draft Red Herring Prospectus, our Company has eight Directors on its Board, which includes four Whole–time Directors, two Part–time Government Directors / Nominee Directors and two Part–time (Non–official) Directors / Independent Directors.

The Board of Directors is required to have at least four more independent directors in order to be compliant with regulation 17(1) of Chapter IV of the SEBI Listing Regulations. Our Company, *vide* a letter dated July 8, 2020, had sought for an exemption from SEBI in respect of this corporate governance requirement, and such exemption was subsequently granted to us by SEBI *vide* its letter bearing number SEBI/HO/CFD/DIL-II/OW/P/2020/15146 dated September 15, 2020.

The following table sets forth details regarding the Board as on the date of this Draft Red Herring Prospectus:

Name, Designation, Address, Occupation, DIN, Date of Birth, Current Term and Period of directorship	Age (in years)	Other Directorship
Puneet Chawla ***Designation:*** Chairman and Managing Director ***Address:*** Flat No. D-4,Tower-8, New Moti Bagh Flats, South Moti Bagh, New Delhi-110021, India ***Occupation:*** Government Service ***DIN:*** 08303340 ***Date of Birth:*** August 14, 1963 ***Current Term:*** For a period of three years with effect from May 10, 2019 or until further orders, whichever is earlier ***Period of directorship:*** Since December 14, 2018, as a Chairman and Managing Director (Additional Charge) of our Company and as Chairman and Managing Director of our Company on deputation basis with effect from May 10, 2019.	57	RailTel Enterprises Limited
Sanjai Kumar ***Designation:*** Director (Network, Planning and Marketing) / Whole-time Director ***Address:*** C-4, Tower-3, Type-VI Flats, Kidwai Nagar East, Sarojini Nagar, South West Delhi, Delhi – 110023, India ***Occupation:*** Service ***DIN:*** 06923630 ***Date of Birth:*** February 18, 1968	52	NIL

Name, Designation, Address, Occupation, DIN, Date of Birth, Current Term and Period of directorship	Age (in years)	Other Directorship
Current Term: Five years with effect from May 23, 2018 or till the date of his superannuation, or until further orders, whichever is the earliest ***Period of directorship:*** Since May 23, 2018.		
Anand Kumar Singh ***Designation:*** Director (Finance)/ Whole-time Director and Chief Financial Officer ***Address:*** Flat A 5, Tower 3, Type 6, Kidwai Nagar East, Sarojini Nagar, South West Delhi, Delhi – 110023, India ***Occupation:*** Service ***DIN:*** 07018776 ***Date of Birth:*** September 14, 1962 ***Current Term:*** From September 4, 2019 till September 30, 2022, i.e. the date of his superannuation or until further orders, whichever is earlier ***Period of directorship****:* Since September 4, 2019	58	NIL
Umesh Balonda ***Designation:*** Part–time Government Director / Nominee Director ***Address:*** 9-A, Railway Board Officers Flats, Sarojini Nagar, New Delhi – 110 023, India ***Occupation:*** Government Service ***DIN:*** 08444478 ***Date of Birth:*** April 11, 1973 ***Current Term:*** From May 6, 2019 till he holds the post of Executive Director (Telecom Development), Railway Board, or till any further orders, whichever is earlier ***Period of directorship:*** Since May 6, 2019	47	NIL
Rashmi Jain ***Designation:*** Part–time (Non–official) Director / Independent Director	63	NIL

Name, Designation, Address, Occupation, DIN, Date of Birth, Current Term and Period of directorship	Age (in years)	Other Directorship
Address: Sector 15A, House No. 40, Gautam Buddha Nagar, Noida – 201 301, Uttar Pradesh, India ***Occupation:*** Retired Indian Audit and Accounts Service (IA and AS) Officer ***DIN:*** 08187234 ***Date of Birth:*** May 13, 1957 ***Current Term:*** Three years with effect from July 20, 2018, or until further orders, whichever is earlier. ***Period of directorship:*** Since July 25, 2018		
Chinnasamy Ganesan ***Designation:*** Part–time (Non–official) Director / Independent Director ***Address:*** Flat No.1, SPA Mount 99, LDG Road, Little Mount, Saidapet, Chennai – 600 015, Tamil Nadu, India ***Occupation:*** Practicing Chartered Accountant ***DIN:*** 07615862 ***Date of Birth:*** May 25, 1963 ***Current Term:*** Three years with effect from July 11, 2019 or until further orders, whichever is earlier ***Period of directorship:*** Since July 16, 2019	57	Belstar Microfinance Limited
Vinay Srivastava ***Designation:*** Part–time Government Director / Nominee Director ***Address:*** D1-15, Bharti Nagar Maharshi Raman Marg New Delhi 110003 ***Occupation:*** Government Service ***DIN:*** 08638850 ***Date of Birth:*** May 19, 1971 ***Current Term:*** From December 30, 2019 till he holds the post of Executive Director (PSU), Railway Board, or till any further orders, whichever is earlier	49	1. Rites Limited; 2. Konkan Railway Corporation Limited; 3. Rail Vikas Nigam Limited; and 4. Indian Railway Catering and Tourism Corporation Limited

Name, Designation, Address, Occupation, DIN, Date of Birth, Current Term and Period of directorship	Age (in years)	Other Directorship
Period of directorship: Since December 30, 2019		

**Pursuant to order bearing number 2012/E(O)II/40/31 dated September 24, 2020, issued by the Ministry of Railways, Government of India, one of our Whole-time Directors has been divested of the charge/ duties of the post of Director till further orders and he may not attend the meeting of our Board of Directors during this period. The Railway Board, Government of India vide its order dated September 28, 2020 has assigned the additional charge/ duties of the post of Director (Planning, Operation and Management) to Sanjai Kumar, Director (Network, Planning and Marketing) / Whole time Director till further order.* Please also refer to the risk factor "*Risk Factors- This DRHP does not contain disclosures in relation to one of our Directors"* beginning on page 25.

Relationship between our Directors

None of the Directors of our Company are related to each other or to any Key Managerial Personnel.

Brief Profiles of our Directors

Puneet Chawla, aged 57 years, is the Chairman and Managing Director of our Company since December 14, 2018. He is an IRSSE officer (batch of 1985). Prior to joining our Company, he has held positions such as Executive Director (Safety) in the Railway Board of Ministry of Railways, Government of India, Divisional Railway Manager, Ajmer, Chief Project Manager, Indian Railway Project Management Unit, General Manager, Rail Vikas Nigam Limited. He holds a bachelor's degree in B.E/Electronic and Electrical Communication from Punjab Engineering College, Chandigarh and a master's degree in Business Administration from Indira Gandhi National Open University. He has also completed the Indian Railways Advanced Leadership & Strategic Management Program from Carnegie Mellon University. He has been elected as Life Member of the Chartered Institute of Logistics and Transport-India. He has been conferred upon "Eminent Engineer Award for the year 2020" by the Institution of Engineers (India). He has also completed Executive Leadership Programme by SDA Bocconi, Milan, Italy. He has over 33 years of experience in Indian Railways.

Sanjai Kumar, aged 52 years, is the Director (Network, Planning and Marketing) / Whole time Director of our Company. He holds a bachelors degree of technology in electronic and telecommunication engineering from University of Allahabad and a post graduate diploma in management from Management Development Institute, Gurgaon. He is an officer of the Indian Railway Service of Signal Engineers ("**IRSSE"**) and joined service on November 30, 1992. While working as an officer of IRSSE, he joined our Company on deputation basis on March 19, 2002 and subsequently was made a regular employee of our Company from August 12, 2008. He has over 27 years of experience of working as an officer of IRSSE including over 18 years of experience of managing projects and marketing departments in our Company.

Anand Kumar Singh, aged 58 years, is the Director (Finance)/ Whole time Director of our Company. He is also appointed as the Chief Financial Officer of our Company from September 26, 2019. He holds a bachelors of commerce and master's degree in commerce from University of Calcutta and is a qualified chartered accountant from the Institute of Chartered Accountants of India. He has over 33 years of experience of finance and accountancy. He joined our Company as Whole time Director from September 4, 2019. Prior to joining the Company, he was the executive director (finance) at IRCON International Limited. He has also worked in Bokaro Power Supply Company Private Limited and Damodar Valley Corporation.

Umesh Balonda, aged 47 years, is a Part–time Government Director / Nominee Director of our Company since May 6, 2019. He holds a bachelor's degree in Electronic Engineering from University of Rajasthan, Jaipur. He has over 15 years of experience in Indian Railways undertaking various duties and responsibilities like policy formation and deployment of telecom system on Indian Railways.

Rashmi Jain, aged 63 years, is a Part-time (Non-official) Director / Independent Director of our Company since July 25, 2018. She holds a bachelor's degree of science in home science from University of Delhi. She has worked as a Joint Secretary and Financial Advisor to the Lok Sabha, Parliament of India from 2012 to 2017 and has held several posts in the Office of the Comptroller and Auditor General of India. She has over 14 years of experience of working in the field of finance.

Chinnasamy Ganesan, aged 57 years, is a Part–time (Non–official) Director / Independent Director of our Company since July 16, 2019. He holds a bachelor's degree in commerce from Annamalai University and had secured 1st Rank in the bachelor's degree program. He is a practicing chartered accountant from the Institute of Chartered Accountants of India. He was an associate director at Lovelock and Lewes (network firm of PwC). He has also worked as audit partner at BSR & Co. LLP (network firm of KPMG). He is currently a Senior Partner at M/s CNGSN & Associates LLP, Chartered Accountants, Chennai is heading the Audit and Assurance practice of the firm. He has over 15 years of experience in the field of Audit

Vinay Srivastava, aged 49 years, is a Part- time Government Director/ Nominee Director of our Company since December 30, 2019. He holds a bachelor's degree in Mechanical Engineering from Indian Railways Institute of Mechanical & Electrical Engineering, Jamalpur University and master's degree in Public Administration from Syracuse University. He had been elected as an associate member of The Institution of Engineers (India) on August 18, 1994. He is presently working as Executive Director in Railway Board looking after working in Passenger Rolling Stock and Public Sector Units of the Railways.

Confirmation from Directors

None of our Directors have been identified as a wilful defaulter (as defined in the SEBI ICDR Regulations).

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

None of our Directors have been declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations, nor have been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of our Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Draft Red Herring Prospectus with the SEBI, during the term of his/ her directorship in such company.

None of our Directors are or were, associated with any other company which is debarred from accessing the capital market by the Securities and Exchange Board of India.

Further, none of our Directors currently is or was a director on any listed companies which have been or were delisted from any stock exchange during the term of their directorship in such companies.

Arrangement or understanding with major shareholders, customers, suppliers or others

Except as stated below, there are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director or member of the senior management.

Pursuant to our Articles of Association, the President of India shall have powers to appoint;

a. Full time Chairman or Part time Chairman, full time Managing Director(s) or a full time Chairman-cum-Managing Director and other full time Directors.
b. The Directors representing the Government of India (Government Nominee Directors) and
c. Part-time Non-Official Directors/ Independent Directors;
d. The Directors appointed by the President shall hold office until removed by him or until their resignation, retirement, death or otherwise.

The Directors so appointed shall be paid such fee, salary and/or allowance as the President of India may from time to time, determine. Subject to the provisions of the Companies Act, such reasonable additional remuneration as may be determined by the President of India may be paid to any one or more of the Directors for extra or special services rendered by him or them or otherwise.

For further details, see *"Description of Equity Shares and Terms of Articles of Association",* beginning on page 358.

Service contracts with Directors

Except Anand Kumar Singh and Sanjai Kumar, none of our Directors have entered into any service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Remuneration of our Directors

1. *Remuneration paid to our Whole–time Directors*

The following table sets forth the remuneration paid by our Company to the Chairman and Managing Director and existing Whole–time Directors of our Company for Fiscal 2020:

(in ₹ million)

Name of the Director	Remuneration paid
Puneet Chawla	3.30
Sanjai Kumar	6.20
Anand Kumar Singh*	3.60

* *Appointed as a Director (Finance)/ Whole time Director with effect from September 4, 2019.*

2. *Remuneration paid to our Part–time (Non–official) Directors / Independent Directors*

Pursuant to the resolution of our Board dated July 26, 2012, the sitting fees payable to our Part–time (Non–official) Directors / Independent Director for attending meetings of our Board and Committee is ₹20,000 each. The details of sitting fees paid to the existing Part–time (Non–official) Directors during Fiscal 2020 are as follows:

(in ₹ million)

Name of the Director	Remuneration paid
Rashmi Jain	0.22
Chinnasamy Ganesan	0.16

3. *Remuneration paid to our Part–time Government Directors/ Nominee Director*

Our Part–time Government Directors/ Nominee Director of our Company draw their remuneration/ salary, benefits and facilities from the Government of India and are not entitled to any remuneration from our Company.

Remuneration from Subsidiary

None of our Directors have been paid any remuneration from our Subsidiary, including contingent or deferred compensation accrued for the year during Fiscal 2020.

Terms of appointment of our Directors

A. Puneet Chawla, Chairman and Managing Director

Pursuant to an order bearing no. 2009/E(O)II/40/27 dated December 12, 2018 issued by the Railway Board, Government of India, Puneet Chawla was appointed as our Chairman and Managing Director (additional charge) with effect from the date he assumes additional charge till the appointment of a regular incumbent to the post or until further orders, whichever is earliest. Accordingly, he assumed the additional charge of post of the Chairman and Managing Director of our Company on December 14, 2018.

Further, on May 10, 2019 he has been appointed as Chairman and Managing Director of our Company on deputation basis, for a period of three years from the date of assumption of charge of the post or until further orders, whichever is earlier. Accordingly, he assumed the charge of the post of Chairman and Managing Director of our Company on May 10, 2019. As per the terms of his appointment, he is entitled to a basic salary of ₹ 211,300 per month. He is also entitled to certain perquisites including dearness allowance, deputation allowance, other allowances / perks, house rent allowance, superannuation benefits, accommodation and conveyance.

B. Sanjai Kumar, Director (Network, Planning and Marketing) / Whole-time Director

Pursuant to an order bearing no. 2017/E(O)II/40/28 dated May 23, 2018 issued by the Railway Board, Government of India, Sanjai Kumar was appointed as our Director (Network, Planning and Marketing) / Whole-time Director for a period of five years with effect from his assumption of charge of the post of Director (Network, Planning and Marketing) till the date of his superannuation, or until further orders, whichever is the earliest. Accordingly, he assumed the charge as the Director (Network, Planning and Marketing) / Whole-time Director of our Company on May 23, 2018. The Railway Board, Government of India vide its Order dated September 28, 2020 has assigned the additional charge/ duties of the post of Director (Planning, Operation and Management) to Sanjai Kumar till further order.

As per the terms of his appointment, he is entitled to a basic salary of ₹207,420 per month in the scale of ₹180,000 - ₹340,000. Additionally, he is entitled to an annual increment of 3% on his basic pay further increments in subsequent years until the maximum of the pay scale is reached. He is also entitled to certain perquisites including dearness allowance, performance–related payments, other allowances / perks, house rent allowance, superannuation benefits, accommodation and conveyance.

C. Anand Kumar Singh, Director (Finance) / Whole-time Director and Chief Financial Officer

Pursuant to an order bearing no. 2015/E(O)II/40/27 dated September 3, 2019 issued by the Railway Board, Government of India, Anand Kumar Singh was appointed as our Director (Finance) / Whole-time Director with effect from his assumption of charge of the post of Director (Finance) till September 30, 2022, i.e. the date of his superannuation or until further orders, whichever is earlier. Accordingly, he assumed the charge as the Director (Finance) of our Company on September 4, 2019.

As per the terms of his appointment, he is entitled to a basic salary of ₹188,050 per month in the scale of ₹180,000 - ₹340,000. Additionally, he is entitled to an annual increment of 3% on his basic pay further increments in subsequent years until the maximum of the pay scale is reached. He is also entitled to certain perquisites including dearness allowance, performance–related payments, other allowances / perks, house rent allowance, superannuation benefits, accommodation and conveyance.

Bonus or profit sharing plan for the Directors

Other than the performance-related pay scheme for our employees, through which bonus incentive payments are made to our employees (including our executive directors), our Company does not have a bonus or profit sharing plan for our Directors.

Shareholding of our Directors

As per our Articles of Association, our Directors are not required to hold any qualification shares. The following directors are holding one Equity Share each, as a nominee on behalf of the President of India, in our Company:

1. Umesh Balonda; and

2. Vinay Srivastava

Interest of our Directors

Our Whole-time Directors and Part–time (Non–official) Directors/Independent Directors may be deemed to be interested to the extent of remuneration (including performance related pay) payable to them for services rendered as Directors of our Company or sitting fees paid to them for attending the meetings of the Board and Committees of the Board and reimbursement of expenses, if any, payable to them. For details of remuneration paid to our Whole-time Directors and Part–time (Non–official) Director/Independent Directors see *"Remuneration paid to our Whole–time Directors"* and *"Remuneration paid to our Part–time (Non–official) Directors/Independent Directors"* above. Further, our Part–time Government Directors/Nominee Directors are not entitled to remuneration or sitting fees from our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, that may be subscribed by and allotted to the companies, firms, and trusts, if any, in which they are interested as directors, members, promoters, and/ or trustees pursuant to this Offer. Such Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Some of the Directors may also be interested to the extent of Equity Shares held by them in our Company as nominee shareholders of the President of India. Hence, they may be deemed to be interested to the extent of their shareholding in our Company as nominees of the President of India.

No consideration in cash, shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested as a member by any person either to induce them to become, or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or companies in which they are interested, in connection with the promotion or formation of our Company.

Except as stated in "*Restated Financial Statements – Annexure VI*" on page 250, our Directors do not have any other interest in the business of our Company.

None of our Directors are interested in any transaction of our Company for the acquisition of land, construction of building and supply of machinery. Further, none of our Directors are related to any entity from whom our Company has acquired land or proposes to acquire land.

Further, the Directors of our Company have no interest in any property acquired by our Company in the preceding three years prior to the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

Changes in our Board during the Last Three Years

Details of changes in our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are as follows:

Name of Director	Date of appointment	Date of cessation	Reason
Dr. Anupam Alok		April 1, 2020	Ceased to be Part Time Non-Official / Independent Director
Ashok Goel		April 1, 2020	Ceased to be Part Time Non-Official / Independent Director
Vinay Srivastava	December 30, 2019		Appointed as Part time Government Nominee Director
Dr. Madhukar Sinha		November 11, 2019	Ceased to be Part time Government Nominee Director
Anand Kumar Singh	September 4, 2019	-	Appointed as Director (Finance)/ Whole time Director
Sanjeev Jain	-	September 4, 2019	Ceased to be Director (Finance)/ Addl. Charge/ Whole time Director
Chinnasamy Ganesan	July 16, 2019	-	Appointed as Part Time Non-Official / Independent Director
Ashok Goel	July 12, 2019	-	Re-appointed as Part Time Non-Official / Independent Director

Name of Director	Date of appointment	Date of cessation	Reason
Dr. Anupam Alok	July 12, 2019	-	Re-appointed as Part Time Non-Official / Independent Director
Umesh Balonda	May 6, 2019	-	Appointed as Part time Government Nominee Director
Sunil Gupta	-	May 6, 2019	Ceased to be Part time Government Nominee Director
Sanjeev Jain	April 11, 2019	-	Appointment as Director (Finance)/Addl. Charge/ Whole time Director
Sanjeeb Kumar	-	April 3, 2019	Ceased to be Director (Finance)/Add. Charge/ Whole time Director
Ashok Goel	-	April 1, 2019	Ceased to be Part Time Non-Official / Independent Director
Dr. Anupam Alok	-	April 1, 2019	Ceased to be Part Time Non-Official / Independent Director
Puneet Chawla	December 14, 2018	-	Appointment as Chairman and Managing Director/ Addl. Charge
Harish Kumar Agarwal	-	December 12, 2018	Ceased to be Chairman and Managing Director/ Addl. Charge
Harish Kumar Agarwal	August 23, 2018	-	Appointment as Chairman and Managing Director/ Addl. Charge
Narayan Kashinath	-	August 23, 2018	Ceased to be Chairman and Managing Director/ Addl. Charge
Sunil Gupta	August 4, 2018	-	Appointed as Part time Government Nominee Director
Anshul Gupta	-	July 10, 2018	Ceased to be Part time Government Nominee Director
Rashmi Jain	July 25, 2018	-	Appointed as Part Time Non-Official / Independent Director
Sanjai Kumar	May 23, 2018	-	Appointed as Director (Network, Planning and Marketing)/ Whole time Director
Anshul Gupta	-	May 23, 2018	Ceased to be Director (Network, Planning and Marketing)/ Addl. Charge/ Whole time Director
Narayan Kashinath	April 23, 2018	-	Appointed as Chairman and Managing Director/Addl. Charge
Ashutosh Vasant	-	April 23, 2018	Ceased to be Chairman and Managing Director/ Addl. Charge
Sanjeeb Kumar	April 3, 2018	-	Appointment as Director (Finance)/Addl. Charge/ Whole time Director
Anju Ranjan	-	April 2, 2018	Ceased to be Director (Finance)/ Addl. Charge/ Whole time Director
Dr. Madhukar Sinha	February 22, 2018	-	Appointed as Part time Government Nominee Director
Sanjay Upreti	-	January 31, 2018	Ceased to be Part time Government Nominee Director
Anshul Gupta	November 16, 2017	-	Appointed as Director (Network, Planning and Marketing)/ Addl. Charge/ Whole time Director
Ashutosh Vasant	October 3, 2017	-	Appointed as Chairman and Managing Director/Addl. Charge
R.K Bahuguna	-	September 30, 2017	Ceased to be Chairman and Managing Director

Borrowing Powers of our Board

Our Board is empowered to borrow money in accordance with Sections 73 – 76, 179 and 180 of the Companies Act, 2013. Further, in accordance with the Articles of Association, our Board has been empowered to borrow funds subject to certain conditions as required to be met in accordance with the applicable laws and which does not exceed the aggregate for the time being of the paid up capital of our Company and its free reserves.

Corporate governance

In addition to the provisions of the Companies Act and DPE Guidelines on Corporate Governance for Central Public Sector Enterprises ("**DPE Guidelines**"), the provisions of SEBI Listing Regulations will also be applicable to our Company immediately upon the listing of our Equity Shares on the Stock Exchanges.

Our Chairman and Managing Director is an executive Director. As on the date of this Draft Red Herring Prospectus, our Company has eight Directors on its Board, which includes four Whole–time Directors, two Part–time Government Directors/ Nominee Director and two Part–time (Non–official) Directors/ Independent Directors.

Pursuant to MCA notifications dated June 5, 2015, June 13, 2017 and February 5, 2018 and any other notification issued by the MCA, the Central Government has exempted/ modified the applicability of certain provisions of the Companies Act, 2013 in respect of Government Companies. In accordance with this notification, the DPE Guidelines and pursuant to our Articles of Association, matters pertaining to, *inter alia* appointment, remuneration and performance evaluation of our Directors are determined by the President of India. Further, our statutory auditor is appointed by the Comptroller and Auditor General of India. Accordingly, in so far as the aforementioned matters are concerned, the terms of reference of our Nomination and Remuneration Committee and Audit Committee only allow these committees to take on record the actions of the President of India or the Comptroller and Auditor General of India, as the case may be.

Pursuant to Regulation 19(4) read with Paragraph A of Part D of Schedule II of SEBI Listing Regulations, provisions relating to (i) identification of persons who are qualified to become directors, (ii) recommending appointment and removal of directors, (iii) recommending extension of the term of independent directors, (iv) formulation of criteria for evaluation of performance of the directors, (v) devising policy on diversity of the board of directors, (vi) formulation of the criteria for determining qualifications, positive attributes and independence of a director, are required to be included in the terms of reference of Nomination and Remuneration Committee. However, since our Company is a government company, the power to appoint directors on our Board is vested with the President of India acting through the MoR and, resultantly, our Nomination and Remuneration Committee and our Board members do not have the power to appoint Directors to our Board. In this regard, our Company has filed an exemption letter dated July 8, 2020 with SEBI under Regulation 300 and of SEBI ICDR Regulations and such exemption was subsequently granted to us by SEBI *vide* its letter bearing number SEBI/HO/CFD/DIL-II/OW/P/2020/15146 dated September 15, 2020.

Other than as described above, our Company is in compliance with corporate governance norms prescribed under the SEBI Listing Regulations, including in relation to the composition of its committees, such as the Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and CSR Committee, right to information, corporate social responsibility and sustainable development policy.

Committees of our Board

In compliance with corporate governance requirements, our Company has constituted the following committees in addition to other non-mandatory committee:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Corporate Social Responsibility Committee; and
4. Stakeholder's Relationship Committee.

The details of the committees required to be constituted by our Company under the Companies Act, 2013, the SEBI Listing Regulations and the guidelines on corporate governance on CPSE issued by the Department of Public Enterprises are as follows:

1. Audit Committee

The Audit Committee was originally constituted on May 1, 2002. The present Audit Committee was reconstituted on January 9, 2020 and the members of the Audit Committee are as follows:

Name of Member	**Nature of Directorship**	**Designation**
Rashmi Jain	Part Time Non Official / Independent Director	Chairperson
Chinnsamy Ganesan	Part Time Non Official / Independent Director	Member
Vinay Srivastava	Part-Time Government Nominee Director	Member

Jasmeet Singh Marwah is the secretary of the Audit Committee.

Our Board has revised the terms of reference of the Audit Committee *vide* its meeting held on August 7, 2020. The terms of reference of the Audit Committee include the following:

A. Powers of Audit Committee

The Audit Committee shall have powers, including the following:

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

B. Role of Audit Committee

The role of the Audit Committee shall include the following:

1. oversight of the Company financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. taking on record the appointment of auditors of the Company by the Comptroller and Auditor General of India;

3. Recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company based on the order of Comptroller and Auditor General of India;

4. approval of payment to statutory auditors for any other services rendered by the statutory auditors;

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

    a) matters required to be included in the director’s responsibility statement to be included in the board’s report in terms of clause (c)of sub-section (3) of Section 134 of the Companies Act, 2013;

    b) changes, if any, in accounting policies and practices and reasons for the same

    c) major accounting entries involving estimates based on the exercise of judgment by management;

    d) significant adjustments made in the financial statements arising out of audit findings;

    e) compliance with listing and other legal requirements relating to financial statements;

f) disclosure of any related party transactions;

g) modified opinion(s) in the draft audit report;

6. reviewing, with the management, the quarterly financial statements before submission to the board for approval;

7. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

8. reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;

9. approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;

10. scrutiny of inter-corporate loans and investments;

11. valuation of undertakings or assets of the listed entity, wherever it is necessary;

12. evaluation of internal financial controls and risk management systems;

13. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

14. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

15. discussion with internal auditors of any significant findings and follow up there on;

16. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

17. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

18. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

19. to review the functioning of the whistle blower mechanism;

20. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision

22. Review the following information:

    (a) Management discussion and analysis of financial condition and results of operations;

(b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
(c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
(d) Internal audit reports relating to internal control weaknesses;
(e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and
(f) Statement of deviations;

i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

ii. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

23. To review the follow up action on the audit observations of the C&AG audit;

24. Recommend the appointment, removal and fixing of remuneration of cost auditors; and

25. Carrying out any other function as specified by the Board as may be prescribed under the Companies Act and SEBI Listing Regulations, from time to time.

2. Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was constituted as the 'Remuneration Committee' on March 30, 2009. The present Nomination and Remuneration Committee was reconstituted on August 7, 2020 and the members of the Nomination and Remuneration Committee are as follows:

Name of Member	Nature of Directorship	Designation
Chinnsamy Ganesan	Part Time Non Official / Independent Director	Chairperson
Rashmi Jain	Part Time Non Official / Independent Director	Member
Umesh Balonda	Part-Time Government Nominee Director	Member

Jasmeet Singh Marwah is the Secretary of the Nomination and Remuneration Committee.

Our Board has revised the terms of reference of the Nomination and Remuneration Committee *vide* its meeting held on August 7, 2020. The terms of reference of the Nomination and Remuneration Committee include the following:

1. To decide and approve the annual bonus/variable pay pool/performance related pay and policy for its distribution across executives and non-unionized supervisors of the Company within the limits prescribed in the DPE Guidelines;

2. To review the policies for selection and removal of persons in Senior Management and other employees as per DPE Guidelines and other Government Guidelines and recommend the same for approval to the Board;

3. To identify persons who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;

4. To recommend to the Board of Directors a policy relating to the remuneration, in whatever form, for the key managerial personnel, senior management and other employees;

5. Taking on record the appointment and removal of directors, including independent directors, by the President of India, acting through respective ministries;

6. Taking on record the extension, if any, of the term of the independent directors of the Company, as may be directed by the President of India, acting through the respective ministries; and

7. Carrying out any other function as specified by the Board as may be prescribed under the Companies Act or DPE Guidelines, SEBI Listing Regulations and any other laws and their amendments from time to time and taking on record the various policies, if any, promulgated by the Central Government.

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

3. Corporate Social Responsibility Committee

Our Corporate Social Responsibility Committee was originally constituted on March 19, 2014. The Corporate Social Responsibility Committee was reconstituted on August 7, 2020 and the members of the Corporate Social Responsibility Committee are as follows:

Name of Member	Nature of Directorship	Designation
Chinnsamy Ganesan	Part Time Non Official / Independent Director	Chairperson
Sanjai Kumar	Director (Network, Planning and Marketing)/Whole time Director	Member
Anand Kumar Singh	Director (Finance)/Whole Time Director	Member

Jasmeet Singh Marwah is the Secretary of the Corporate Social Responsibility Committee.

The terms of reference of the Corporate Social Responsibility Committee with regard to Corporate Social Responsibility include the following:

1. To formulate and recommend to the Board, a CSR policy which will indicate the activities to be undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013;

2. To review and recommend the amount of expenditure to be incurred on the activities referred to in clause 1;

3. To monitor the CSR policy of the Company from time to time;

4. To recommend / review CSR projects / programmes / proposals, falling within the purview of Schedule VII of the Companies Act, 2013;

5. To assist the Board of Directors to formulate strategies on CSR initiatives of the Company;

6. To institute a transparent monitoring mechanism for implementation of the Corporate Social Responsibility projects or programs or activities undertaken by the Company;

7. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

4. *Stakeholders' Relationship Committee*

Our Stakeholders' Relationship Committee was constituted on August 7, 2020. The members of the said Committee are as follows:

Name of Member	Nature of Directorship	Designation
Rashmi Jain	Part Time Non Official / Independent Director	Chairperson
Sanjai Kumar	Director (Network, Planning and Marketing)/Whole time Director	Member
Anand Kumar Singh	Director (Finance)/Whole Time Director	Member

Jasmeet Singh Marwah is the Secretary of the Stakeholders' Relationship Committee.

The terms of reference of the Stakeholders' Relationship Committee include the following:

i. The Stakeholders' Relationship Committee shall consider and resolve the grievances of the security holders of the Company including complaints related to transfer of securities, non-receipt of annual report, non-receipt of declared dividends, etc.;

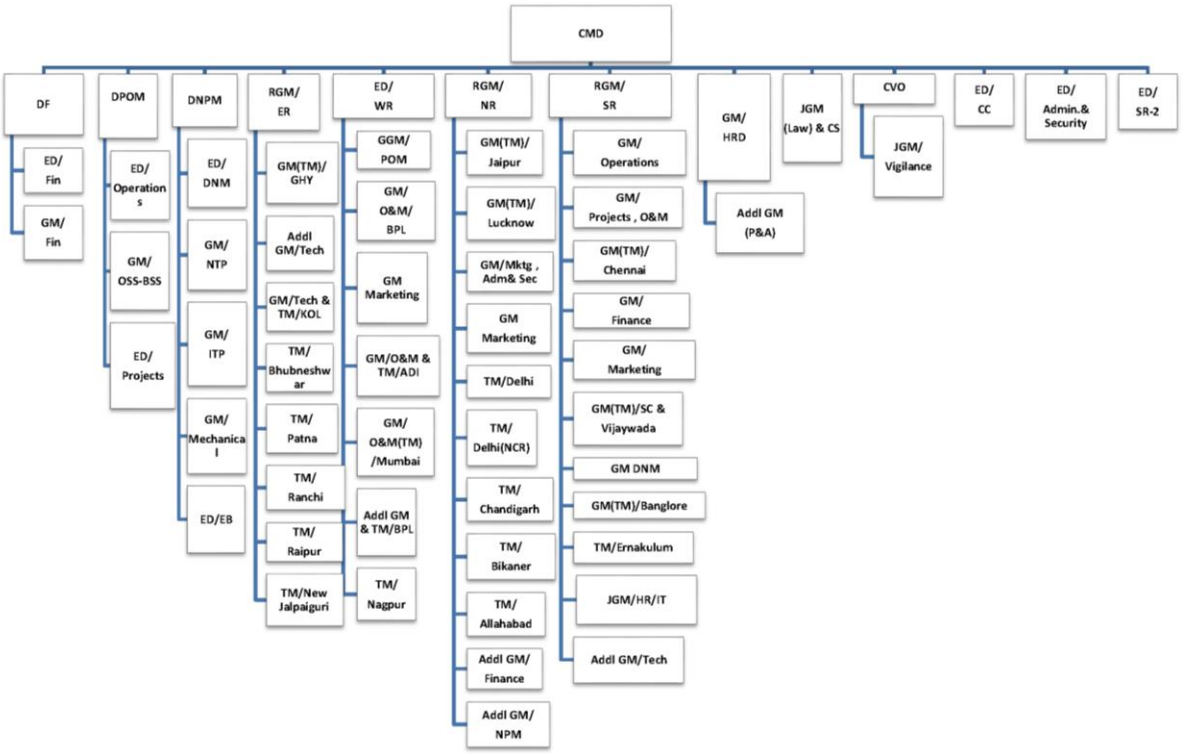
ii. Reviewing adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent;

iii. Review of measures taken for effective exercise of voting rights by shareholders.

iv. Reviewing the various measures and initiatives undertaken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and

v. Carrying out any other function contained in the SEBI Listing Regulations, as and when amended from time to time.

Management Organization Structure



Key Managerial Personnel

In addition to our Chairman and Managing Director, Director (Network, Planning and Marketing) and Director (Finance), whose details have been provided under the paragraph *"Brief Profiles of our Directors"* on page 151, the details of other Key Managerial Personnel of our Company are as follows:

Jasmeet Singh Marwah, aged 43 years, is the Company Secretary and Compliance Officer of our Company. He holds a bachelor's degree in commerce from University of Delhi and a bachelor's degree in law from Chaudhary Charan Singh University, Meerut. He is a qualified Company Secretary from the Institute of Company Secretaries of India and has over 18 years of experience in handling secretarial matters. Prior to joining our Company, he was working with Nanz Food Products Limited, Bikaner Foods Private Limited, SMC Pneumatics (India) Private Limited and India Tourism Development Corporation Limited. He has been associated with our Company since February 5, 2015. The total remuneration paid to him in Fiscal 2020 was ₹ 2.50 million.

Ashok Kumar Sablania, aged 59 years, is the Executive Director (Data Network and Marketing) of our Company. He has over 12 years of experience in handling data and networks area. He is also Director and Chief Executive Officer of RailTel Enterprises Limited. He joined our Company on deputation basis from September 12, 2008 and subsequently was made a permanent employee of our Company from July 18, 2013. The total remuneration paid to him in Fiscal 2020 was ₹ 6.17 million.

K. Manohar Raja, aged 52 years, is the Executive Director (Enterprise Business) of our Company. He holds a bachelor's degree in Engineering from Karnataka University, Dharwad. He has over 18 years of experience in handling networking and planning area. He has been associated with our Company since April 26, 2002. The total remuneration paid to him in Fiscal 2020 was ₹ 5.59 million.

Harish Chandra Batra, aged 57 years, is the Executive Director (Finance) of our Company. He holds a master's degree in Business Administration from the Indira Gandhi National Open University. He is a qualified Company Secretary from the Institute of Company Secretaries of India and is also a qualified chartered accountant from the Institute of Chartered Accountants of India. He has over 25 years of experience in various public sector undertakings. Prior to joining our Company, he has worked with Indian Telephone Industries Limited, Krishak Bharati Co-operative Limited, and PEC Limited. He has been associated with our Company since October 31, 2014. The total remuneration paid to him in Fiscal 2020 was ₹ 5.65 million.

Suresh Kumar, aged 54 years, is the Executive Director (Project) of our Company. He holds a bachelor's degree in Electronics and Communication Engineering from Kurukshetra University and a diploma in management from the Indira Gandhi National Open University He has over 18 years of experience in various public sector undertakings. He joined our Company on deputation basis from August 12, 2002 and subsequently was made a permanent employee of our Company from August 1, 2007. Prior to joining our Company, he worked with IRSSE and the Indian Railways. The total remuneration paid to him in Fiscal 2020 was ₹ 6.58 million.

Jadgeep Singh, aged 54 years, is the Executive Director (Operations) of our Company. He holds a bachelor's degree in Electronics and Communication Engineering from the University of Delhi. He has over 15 years of experience in railway signaling. He joined our Company on deputation basis from June 6, 2005 and subsequently was made a permanent employee of our Company from August 28, 2008. The total remuneration paid to him in Fiscal 2020 was ₹ 5.66 million.

Vineet Singh, aged 51 years, is the Executive Director (Corporate Coordination) of our Company. He holds a degree in Mechanical Engineering from Institute of Mechanical and Electrical Engineering, Jamalpur and a post graduate diploma in Management from the Management Development Institute. He also holds a diploma in French language from Central Institute of English and Foreign Languages, Hyderabad. He has over two years of experience in project management, human resource management and general administration. He has joined our Company on deputation basis from April 25, 2018. The total remuneration paid to him in Fiscal 2020 was ₹ 3.99 million.

Sunil Kumar Singh, aged 58 years, is the Executive Director, Admin. & Security of our Company. He holds a bachelor's degree in law from the University of Allahabad and a master's degree of Arts in Philosophy from the University of Allahabad. He also holds a master's degree in personal management and industrial relations from

Banaras Hindu University and a diploma in yoga from the Banaras Hindu University. He has received junior research fellowship from the University Grants Commission for qualifying at the National Educational Test. He has received a national award for outstanding service from the Railway Board, Ministry of Railways. He has experience in public sector undertakings. He has been associated with our Company since September 26, 2018. The total remuneration paid to him in Fiscal 2020 was ₹ 4.04 million.

Neeraj Kumar, aged 46 years, is the General Manager (Human Resource) of our Company He holds a bachelor's degree in Arts from Shivaji College New Delhi, University of Delhi. He has over 13 years of experience in various public sector undertakings. Prior to joining our Company, he was working with IRCON International Limited. He has been associated with our Company since October 16, 2019. The total remuneration paid to him in Fiscal 2020 was ₹ 0.94 million.

Harish Pawaria, aged 46 years, is the General Manager (Network, Technology and Planning) of our Company. He holds a bachelor's degree in Electronics and Communication Engineering from the University of Delhi. He has over one year of experience in public sector undertakings. He has been associated with our Company since March 6, 2019 on deputation basis. The total remuneration paid to him in Fiscal 2020 was ₹ 2.99 million.

Manoj Tandon, aged 52 years, is the General Manager (OSS-BSS) of our Company. He holds a bachelor's degree in Electronics Engineering from Maulana Azad College of Technology. He has over 25 years of experience in the telecom industry**.** Prior to joining our Company, he has worked with Bharti Airtel Limited, Bharti Telesonic Limited, Hughes Tele.Com (India) Limited, Reliance Telecom Limited, Bharati Telenet Limited, and the National Radio and Electronics Company Limited. He has been associated with our Company since September 22, 2016. The total remuneration paid to him in Fiscal 2020 was ₹ 3.98 million.

Haritima Jaipuriar, aged 46 years, is the General Manager (IT Projects) of our Company. She holds a bachelor's degree in Electronics and Communication Engineering from the Bihar Institute of Technology, Sindri. She has over one year of experience in public sector undertakings. She has been associated with our Company since May 8, 2019 on deputation basis. The total remuneration paid to her in Fiscal 2020 was ₹ 1.98 million.

Madhulika Pathak, aged 54 years, is the General Manager (Finance, Treasury and Marketing) of our Company. She holds a bachelor's degree in commerce from University of Delhi and is a member of the Institute of Cost and Works Accountants of India and an associate member of the Institute of Cost Accountants of India. She has over 12 years of experience in railway public sector undertakings. Prior to joining our Company, she was working with KEC International Limited and IRCON International Limited. She has been associated with our Company since May 7, 2013. The total remuneration paid to her in Fiscal 2020 was ₹ 3.90 million.

Krishna Lal Kataria, aged 55 years, is the Regional General Manager (Northern Region) of our Company. He holds a bachelor's degree in Electronics and Communication Engineering from the University of Delhi. He has over 4 years of experience in public sector undertakings. He has been associated with our Company since November 2, 2016 on a deputation basis. The total remuneration paid to him in Fiscal 2020 was ₹ 3.33 million.

Chandra Kishore Prasad, aged 51 years, is the Regional General Manager (Southern Region) of our Company. He holds a bachelor's in Electronics and Telecommunication Engineering from Rani Durgavati Vishwavidyalaya, Jabalpur and a master's degree in Business Administration from Sikkim Manipal University. He has over 4 years of experience in operation and maintenance. He has been associated with our Company since October 6, 2016 on deputation basis. The total remuneration paid to him in Fiscal 2020 was ₹ 3.90 million.

Shanker Kumar Albela, aged 56 years, is the Executive Director (Western Region) of our Company. He holds a bachelor's degree in Arts from Bhagalpur University. He holds a master's degree in Arts from the University of Delhi and a master's degree in Human Resources Development Management from the University of Mumbai. He has over two years of experience in administration, human resource and marketing. He joined our Company on deputation basis from July 11, 2018. The total remuneration paid to him in Fiscal 2020 was ₹ 3.97 million.

Arun Michael, aged 53 years, is the Regional General Manager, Eastern Region of our Company. He holds a bachelor's degree in Electronics and Telecommunication Engineering from the University of Calcutta and a master's degree in Business Administration from Sikkim Manipal University. He has over 4 years of experience in public sector undertakings. He has been associated with our Company since November 3, 2016 on a deputation basis. The total remuneration paid to him in Fiscal 2020 was ₹ 3.84 million.

Naviad Talib, aged 47 years, is the General Manager (Mech) of our Company. He holds a bachelor's degree in Science (Engineering) in Mechanical Engineering from The Aligarh Muslim University. Prior to joining our Company, he was working with RITES Limited. He has over 20 years of experience in Indian Railways. He has joined our Company on deputation basis from June 12, 2020.

Except as disclosed above, all the Key Managerial Personnel are permanent employees of our Company.

Relationship of Key Managerial Personnel with our Directors and / or other Key Managerial Personnel

None of our other Key Managerial Personnel are related to each other or to any of the Directors of our Company.

Changes in Key Managerial Personnel in the last three years

Except as disclosed in *"Our Management* - *Changes in our Board during last three years"* on page 155, and herein below, there have been no other changes in our Key Managerial Personnel in the last three years prior to the date of this Draft Red Herring Prospectus:

Name of KMPs	Date of Appointment	Date of Cessation	Reason
Sreekanth Venkata Pydimarri	-	September 30, 2017	Ceased to be Executive Director/Southern Region
C.K. Prasad	October 1, 2017	-	Appointed as Regional General Manager/Southern Region
K. Manohar Raja	-	October 5, 2017	Ceased to be General Manager/Marketing
Sanjai Kumar	-	October 5, 2017	Ceased to be General Manager (GM)/Project
Jagdeep Singh	-	October 5, 2017	Ceased to be General Manager (GM)/Operation
K. Manohar Raja	October 6, 2017	-	Promoted as Group General Manager/Marketing/EB
Jagdeep Singh	October 6, 2017	-	Promoted as Group General Manager (GGM)/Operation
Sanjai Kumar	October 6, 2017	-	Promoted as Group General Manager (GGM)/Project
Yog Raj	-	October 18, 2017	Ceased to be General Manager (GM)/HRD
Pradeep Kumar	-	October 31, 2017	Ceased to be Executive Director/ Eastern Region
Arun Michael	November 2, 2017	-	Appointed as Regional General Manager/Eastern Region
Sanjai Kumar	-	March 15, 2018	Ceased to be Group General Manager(GGM) Project
Jagdeep Singh	-	March 15, 2018	Ceased to be Group General Manager (GGM)/Operation
Ashok Kumar Sablania	-	March 15, 2018	Ceased to be Group General Manager/DNM
K. Manohar Raja	-	March 15, 2018	Ceased to be Group General Manager/Marketing/EB
K. Manohar Raja	March 16, 2018	-	Promoted as Executive Director/SB
Ashok Kumar Sablania	March 16, 2018	-	Promoted as Executive Director/DNM

Name of KMPs	Date of Appointment	Date of Cessation	Reason
Jagdeep Singh	March 16, 2018	-	Promoted as Executive Director /Operation
Sanjai Kumar	March 16, 2018	-	Promoted as Executive Director/Project
Suresh Kumar	March 16, 2018		Appointed as Executive Director/northern region
Anju Ranjan	-	April 2, 2018	Ceased to be Chief Financial Officer
Amarjeet	-	July 2, 2018	Ceased to be Group General Manager (GGM)/CC
Vineet Singh	April 25, 2018	-	Appointed as General Manager (GM)/CC
Ashok Kumar Sablania	May 1, 2018	-	Appointed as Group General Manager (GGM)/HRD-Additional Charge
Sanjeeb Kumar	May 14, 2018	-	Appointment as Chief Financial Officer
Sanjai Kumar	-	May 23, 2018	Ceased to be Executive Director/Project
Jagdeep Singh	May 24, 2018	-	Additional Charge of Executive Director/Project
Jagdeep Singh	-	July 9, 2018	Ceased to be Additional Charge of Executive Director/Project
Shaminder Singh	July 9, 2018		Appointed Group General Manager(GGM)/Project
Shaminder Singh	August 20, 2018	-	Appointed as Executive Director/Project
Yog Raj	-	July 4, 2018	Ceased to be General Manager (GM)/NTP
K. Manohar Raja	July 13, 2018	-	Additional Charge of General Manager (GM)/NTP
Sunil Kumar Singh	September 26, 2018	-	Appointed as General Manager(GM)/RPF
Sunil Kumar Singh	-	January 13, 2019	Ceased to be General Manager/RPF
Sunil Kumar Singh	January 14, 2019	-	Appointed as General Manager (GM)/Admin. & Security
Ramesh Chandra	-	November 5, 2018	Ceased to be Group General Manager/NOFN
Shaminder Singh	November 2, 2018	-	Additional Charge of Group General Manager/NOFN
Harish Chandra Batra	-	December 20, 2018	Ceased to be General Manager/Finance
Harish Chandra Batra	December 21, 2018	-	Promoted as Group General Manager/Finance
K. Manohar Raja	-	March 5, 2019	Ceased to be Additional Charge of General Manager (GM)/NTP
Harish Pawaria	March 6, 2019	-	Appointed as General Manager/ NTP
Sanjeeb Kumar	-	April 3, 2019	Ceased to be Chief Financial Officer
Haritima Jaipuriar	May 8 , 2019	-	Appointed as General Manager/ ITP
Sanjeev Jain	May 24, 2019	-	Appointment as Chief Financial Officer
Ashok Kumar Sablania	-	July 30, 2019	Ceased to be General Manager (GM)/HRD-Additional Charge
Sunil Kumar Singh	July 31, 2019	-	Appointed as General Manager (GM)/HRD-Additional Charge

Name of KMPs	Date of Appointment	Date of Cessation	Reason
Harish Chandra Batra	-	May 9, 2019	Ceased to be Group General Manager/Finance
Harish Chandra Batra	May 10, 2019	-	Promoted as Executive Director/Finance
Madhulika Pathak	May 10, 2019	-	Promoted as General Manager/Finance
Sanjeev Jain	-	September 4, 2019	Ceased to be Chief Financial Officer
Anand Kumar Singh	September 26, 2019	-	Appointment as Chief Financial Officer
Sunil Kumar Singh	-	October 14, 2019	Ceased to be General Manager (GM)/HRD-Additional Charge
Neeraj Kumar	October 15, 2019	-	Appointed as General Manager (GM)/HRD
Shailesh Gupta	-	November 19, 2019	Ceased to be Executive Director/ Western Region
S.K. Albela	December 5, 2019	-	Appointed as Executive Director/ Western Region
Shaminder Singh	-	December 12, 2019	Ceased to be Executive Director/Project
Shaminder Singh	-	December 12, 2019	Ceased to be Additional Charge of Group General Manager/NOFN
Jagdeep Singh	December 12, 2019	-	Additional Charge of Executive Director/Project
Jagdeep Singh	December 12, 2019	-	Additional Charge of Group General Manager/NOFN
Vineet Singh	-	May, 21, 2020	Ceased to be General Manager (GM)/CC
Sunil Kumar Singh	-	May, 21, 2020	Ceased to be General Manager (GM)/Admin. & Security
Vineet Singh	May 22, 2020	-	Promoted as Executive Director/CC
Sunil Kumar Singh	May 22, 2020	-	Promoted as Executive Director/Admin. & Security
Navaid Talib	June 12, 2020	-	Appointed as General Manager (Mech,)/CO
K. Manohar Raja	-	June 26, 2020	Additional Charge of Executive Director/EB/CO
K. Manohar Raja	June 26, 2020	-	Appointed as Executive Director-II/SR
Jagdeep Singh	-	July 17, 2020	Ceased to be Additional Charge of Executive Director/Project
Suresh Kumar	-	July 17, 2020	Ceased to be Executive Director/Northern Region
Suresh Kumar	July 17, 2020		Appointed as Executive Director/Project
K.L. Kataria	July 17, 2020	-	Appointed as Regional General Manager/Northern Region
Arun Michael	July 15, 2020		Additional charge of Regional General Manager/Eastern Region
Jagdeep Singh	-	August 4, 2020	Ceased to be Additional Charge of Group General Manager/NOFN
Suresh Kumar	August 4, 2020	-	Additional Charge of Group General Manager/NOFN

Arrangements with major shareholders, customers, suppliers etc.

As per article 67 of our Articles of Association, the full time chairman or part time chairman, full time managing director(s) or a full time chairman-cum-managing director and other full time directors of the Board of Directors, and the Government representatives on the Board of Directors shall be appointed by the President of India (acting through the MoR). Other members of the Board of Directors such as part-time non-official directors/ independent directors are also to be appointed by the President of India (acting through the MoR). The Directors appointed are entitled to hold office for such period as the President of India may determine.

Except as stated above, none of our Directors or Key Managerial Personnel have been appointed as directors, members of senior management, or as key managerial personnel, pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

Service Contracts

Except for the appointment letters issued by our Company, our Key Managerial Personnel have not entered into any service contract in relation to their appointment and remuneration.

Shareholding of the Key Managerial Personnel

As on the date of this Draft Red Herring Prospectus, none of our Key Managerial Personnel hold any Equity Shares.

Contingent and deferred compensation payable to our Directors or Key Managerial Personnel

There is no contingent or deferred compensation payable to our Directors or Key Managerial Personnel, which form part of their remuneration.

Interest of Key Managerial Personnel

Except as disclosed under the heading "*Our Management – Key Managerial Personnel*" on page 164, none of the Key Managerial Personnel have any interest in our Company other than to the extent of their the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business.

Except statutory benefits upon termination of their employment in our Company, resignation or superannuation, as the case may be, and certain post-retirement benefits, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation.

Loans to Key Managerial Personnel

Our Company has not granted any loans to the Key Managerial Personnel as on the date of this Draft Red Herring Prospectus.

Employee stock option scheme/ employee stock purchase scheme

As on the date of this Draft Red Herring Prospectus, our Company has not formulated any employees' stock option or employee stock purchase scheme.

Payment or benefit to officers of our Company

No non – salary amount or benefit has been paid or given or is intended to be paid or given to any of our Company's employees including the Key Managerial Personnel, in two years preceding the date of this Draft Red Herring Prospectus.

OUR PROMOTER AND PROMOTER GROUP

Our Promoter is the President of India acting through the Ministry of Railways, Government of India. Our Promoter, along with its nine nominees, currently holds 100% of the pre-Offer paid-up Equity Share capital of our Company. After this Offer, our Promoter shall hold [●]% of the post Offer paid-up Equity Share capital of our Company. As our Promoter is the President of India, acting through the Ministry of Railways, Government of India, disclosures and confirmations in relation to the Promoter Group (as defined in regulation 2(1)(pp) of the SEBI ICDR Regulations), as specified in Schedule VI of the SEBI ICDR Regulations have not been provided.

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term "group companies" includes (i) such companies (other than promoter(s) and subsidiary (ies)) with which there were related party transactions during the period for which financial information is disclosed, as covered under the applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company.

Further, pursuant to a resolution of our Board dated September 26, 2020, our Board has noted that in accordance with the SEBI ICDR Regulations and for purposes of disclosure in this Draft Red Herring Prospectus, a company shall be considered as a 'Group Company' of our Company for the purposes of the Offer, if:

- all such companies (other than subsidiary/subsidiaries) with which there were related party transactions, during the period for which Restated Financial Statements is disclosed in this Draft Red Herring Prospectus; and

- such other companies as considered material by our Board of Directors.

Accordingly, based on the parameters outlined above, as on the date of this Draft Red Herring Prospectus, our Company does not have any Group Company.

DIVIDEND POLICY

In accordance with CPSE Capital Restructuring Guidelines, with effect from Fiscal Year 2016, all central public sector enterprises including our Company are required to pay a minimal annual dividend of 30% of its profit after tax or 5% of their net worth, whichever is higher, unless an exemption is provided in accordance with the CPSE Capital Restructuring Guidelines. Therefore, subject to the provisions of CPSE Capital Restructuring Guidelines, the Articles of Association and the Companies Act, the declaration and payment of dividend is recommended by the Board and approved by the Shareholders.

Our Company has a formal dividend policy as adopted by the Board *vide* its board resolution dated September 26, 2020. The amount of dividend paid our Company, will depend on a number of factors, including but not limited to the future expansion plans and capital requirements, profit earned during the fiscal year, utilization towards reserves and surpluses, liquidity and applicable taxes including dividend distribution tax payable by our Company.

For further details on dividend paid by our Company, see "*Restated Financial Statements-Note – Annexure VIII*" on page 269.

The dividends and dividend tax paid by our Company in each of the Fiscal Years 2020, 2019 and 2018 as per our Restated Financial Statements, and for the period starting from April 1, 2020, till the date of the Draft Red Herring Prospectus, are given below:

Particulars	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**	**From April 1,2020 till September 26, 2020**
Face value per share (in ₹)	10	10	10	10
Amount of Dividend (in ₹ Million) *				
Final dividend	480.60	462.00	444.70	NIL
Interim dividend	200.00	180.00	180.00	NIL
Dividend per share (in ₹)				
Final dividend	1.4975	1.4395	1.3856	NIL
Interim dividend	0.6232	0.5609	0.5609	NIL
Rate of dividend (%)				
Final dividend	14.975	14.395	13.856	-
Interim dividend	6.232	5.609	5.609	-
Dividend Tax (%)				
Final dividend	NIL	20.556	20.556	-
Interim dividend	NIL	20.556	20.357	-

* *Excluding dividend distribution tax*

Further, the dividends paid by our Company were as follows:

Particulars	**During the year ended March 31, 2018**	**During the year ended March 31, 2019**	**During the year ended March 31, 2020**	**From April 1,2020 till September 26, 2020**
Face value per share (in ₹)	10	10	10	10
Amount of Dividend (in ₹ million)				
Final dividend	335.30	444.70	462.00	480.60*
Interim dividend	180.00	180.00	-	200.00
Dividend per share (in ₹)				
Final dividend	1.04	1.39	1.44	1.50
Interim dividend	0.56	0.56	-	0.62
Rate of dividend (%)				
Final dividend	10.45	13.86	14.40	14.97

Particulars	During the year ended March 31, 2018	During the year ended March 31, 2019	During the year ended March 31, 2020	From April 1,2020 till September 26, 2020
Interim dividend	5.61	5.61	-	6.23

** Dividend recommended by board but yet to be paid subject to approval of Shareholders.*

Note - Out of dividend of ₹ 680.60 million (interim and final) shown during the fiscal year 2020-2021, Interim Dividend of ₹ 200 million was approved in the 112th Board meeting dated August 7, 2020 which has been paid and final dividend of ₹480.60 Million has been recommended by the Board in its 113th meeting held on August 28, 2020 which is subject to shareholders approval in Annual General Meeting.

The amounts distributed as dividends in the past are not necessarily indicative of our dividend amounts, if any, or our dividend policy, in the future. For further details, see "*Risk Factors – Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.*" on page 50. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not decrease in the future. Future dividends will depend on guidelines issued by the Government of India, our profits, revenues, capital requirements, contractual restrictions and overall financial position of our Company.

SECTION V: FINANCIAL INFORMATION

RESTATED FINANCIAL STATEMENTS

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SURESH CHANDRA &ASSOCIATES
CHARTERED ACCOUNTANTS

504, Prakash Deep Building, 7, Tolstoy Marg, Connaught Place, New Delhi – 110001
Phone: 011-66142200-06 Fax: 011-43537679 E-Mail: sca_ca_co@yahoo.com

Independent Auditors' Examination Report on Restated Consolidated Statements of Assets and Liabilities as at March 31, 2020, March 31, 2019 and March 31, 2018 and the related Restated Consolidated statement of profits and losses (including other comprehensive income), Restated Consolidated Statement of Cash Flows and Restated Consolidated Statement of Changes in Equity for each of the years ended March 31, 2020, March 31, 2019 and March 31, 2018 of Railtel Corporation of India Ltd. (collectively, the "Restated Consolidated Statements or Restated Consolidated Financial Statements")

To
The Board of Directors
Railtel Corporation of India Ltd.
Plate-A, 6th Floor, Office Tower- II
NBCC Building, East Kidwai Nagar,
New Delhi – 110023

Dear Sirs:

1. We, Suresh Chandra & Associates ('SCA') have examined the attached Restated Consolidated Statements of Railtel Corporation of India Ltd. (the "Company") and its subsidiary (the Company and its subsidiary together referred as "the Group"), comprising the Restated Consolidated Statements of Assets and Liabilities as at March 31, 2020, March 31, 2019 and March 31, 2018 and the related Restated Consolidated statement of profits and losses (including other comprehensive income), restated consolidated statement of cash flows, Restated Consolidated Statement of changes in equity for each of the years ended March 31, 2020, March 31, 2019 and March 31, 2018, the summary statement of Significant Accounting Policies and other explanatory information (collectively, "Restated Consolidated Statements or Restated Consolidated Financial Statements") annexed to this report and prepared by the Company for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") in connection with its proposed Initial Public Offer ("IPO"). The Restated Consolidated Statements, which have been approved by the Board of Directors of the Company at their meeting held on September 26, 2020, have been prepared in accordance with the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act");
   b) Relevant provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
   c) The Guidance Note on Reports in Company Prospectuses (as amended) issued by the Institute of Chartered Accountants of India ("ICAI"), (the "Guidance Note").

Management's Responsibility for the Restated Consolidated Statements

2. The preparation of the Restated Consolidated Statements, which are to be included in the DRHP is the responsibility of the Management of the Company. The Restated Consolidated Statements have been prepared by the management of the Company on the basis of preparation stated in paragraph 5 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Statements. The Management is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

Auditors' Responsibilities

3. We have examined such Restated Consolidated Statements taking into consideration:

    a) The terms of reference and terms of our engagement agreed with you vide our engagement letter dated 11 Nov 2019, requesting us to carry out the assignment, in connection with the proposed IPO of the Company;
    b) The Guidance Note; that also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
    c) Concepts of test checks and materiality to obtain reasonable assurance based on the verification of evidence supporting the Restated Consolidated Statements; and
    d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the ICDR Regulations in connection with the IPO.

4. The management has informed that the Company proposes to make an initial public offer which comprises of offer for sale by certain shareholders' existing equity shares of Rs 10 each at such premium arrived at by the book building process (referred to as the 'Issue'), as may be decided by the Company's Board of Directors.

5. **Restated Consolidated Statements as per audited Financial Statements**

    These Restated Consolidated Statements have been compiled by the management of the Company from the audited consolidated financial statements of the Group as at and for the years ended March 31, 2020, March 31,2019 and March 31,2018, which were prepared in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (referred to as "Ind AS"), which have been approved by the Board of Directors at their meetings held on August 28, 2020, August 16, 2019 and August 18, 2018 respectively;

6. For the purpose of our examination, we have relied on Auditors' report issued by us dated August 28, 2020, August 16, 2019 and August 18, 2018 on the consolidated financial statements of the Group as at and for each year ended March 31, 2020, March 31, 2019 and March 31, 2018 as referred to in paragraph 5 above; and

7. As indicated in our audit report referred to in para 6 above, we did not audit the financial statements of the subsidiary, prepared by the management under Ind-AS, whose share of total assets, total revenues and net cash flows included in the consolidated financial statements, for each years ended March 31, 2020, March 31, 2019 and March 31, 2018 is tabulated below, which have been audited by other auditors and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, is based solely on the reports of the other auditors:

Rs. In Million

Name of Subsidiary	Year	Name of Auditor	Total Asset of Subsidiary	Total Revenue of Subsidiary	Total Net cash inflows/Outflows of Subsidiary
Railtel Enterprises Ltd.	31.03.2020	Ahuja Arun & Co.	1594.00	597.71	200.44
	31.03.2019	Ahuja Arun & Co.	842.87	179.80	(2.60)
	31.03.2018	Nagpal Nagpal & Associates	718.72	32.91	4.56

8. Based on our examination, and according to the information and explanations given to us and also as per the reliance placed on the report submitted by the other auditors for the respective years, we report that we have examined the following financial information of the Group contained in Restated Consolidated Statements -

    a. The Restated Consolidated Statement of Assets and Liabilities of the company as at and for each year ended March 31, 2020, March 31, 2019 and March 31, 2018 as set out in Annexure I to this report;
    b. The Restated Consolidated Statement of Profit and Losses of the company for the year ended March 31, 2020, March 31, 2019 and March 31, 2018 as set out in Annexure II to this report;
    c. The Restated Consolidated Statement of Cash Flows of the company for the year ended March 31, 2020, March 31, 2019 and March 31, 2018 as set out in Annexure III to this report; and
    d. The Restated Consolidated Statement of Changes in Equity of the company for the year ended March 31, 2020, March 31, 2019 and 2018 as set out in Annexure IV to this report;

    We have also examined the following Restated Consolidated Statement set out in the Annexure prepared by the management and approved by the Board of Directors of the company as under –

    a. Annexure – VII -Restated Statement of Accounting Ratios
    b. Annexure – VIII – Restated Statement of Dividend
    c. Annexure – IX – Restated Turnover Statement
    d. Annexure – X – Restated Statement of Capitalization

9. Based on the above and according to the information and explanations given to us, we further report that the Restated Consolidated Statements of the company, as attached to this report and as mentioned in paragraphs 8(a) to 8(d) above, read with basis of preparation,

    a. have been prepared after restating the Audited Consolidated Financial Statements on account of Adjusting Events as stated in Annexure V-Reconciliation of Audited Consolidated Financial Statement to Restated Consolidated Statements
    b. have been prepared after incorporating adjustments for regrouping / reclassifications wherever required in the financial years ended March 31, 2019 and March 31, 2018 to reflect the same grouping / classifications followed as at and for the year ended March 31, 2020
    c. have been made on the basis of respective significant accounting policies given in item no. 1 of Note-42 to Annexure – VI to the Restated Consolidated Statements. As the accounting policies as at and for the year ended March 31, 2020 were materially consistent with the policies adopted as at and for the year ended March 31,2019 and March 31, 2018, no adjustments have been made to the audited consolidated financial statements of the respective years presented on account of changes in accounting policies
    d. there are no adjustments and regroupings for the material amounts in the Restated Consolidated Statements;
    e. there are no qualifications in the auditors' reports on the consolidated audited financial statements of the Company as at March 31, 2020, March 31, 2019 and 2018 and for each of the years ended March 31, 2020, March 31,2019 and March 31,2018 which require any adjustments to the Restated Consolidated Statements.
    f. have been prepared in accordance with the Act, ICDR Regulations and Guidance Note

10. We have not audited any financial statements of the Group as of any date or for any period subsequent to March 31,2020. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Group as of any date or for any period subsequent to March 31,2020.

11. The Restated Consolidated Statements do not reflect the effects of events that occurred subsequent to the audited financial statements mentioned in paragraph 5 above.

12. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

14. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with SEBI and the Stock Exchanges in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

15. The Key Audit Matters /Emphasis of Matters reported with reference to audited Consolidated Financial Statements of the company and Other matters reported under CARO in the Independent Auditors' Report with reference to Standalone Financial Statement of the company, are given in **Annexure-A** to this report. These do not entail any adjustments in the Restated Consolidated Statement.

For Suresh Chandra & Associates
Chartered Accountants
FRN-001359N

CA Ved Prakash Bansal
(Partner)
M. No. 500369

UDIN: 20500369AAAACE7150
Place: New Delhi
Date: September 26, 2020

Annexure -A

Details of Key Audit Matters and Emphasis of Matters reported with reference to audited Consolidated Financial Statements of the company and Other matters reported under CARO in the Independent Auditors' Report with reference to Standalone Financial Statement of the company for the financial year ended March 31, 2020, March 31, 2019 and March 31, 2018

A. Emphasis of matters reported with reference to Audited Consolidated Financial Statement are as follows –

i. For the year ended March 31, 2020

Attention is drawn to Item no. 21 and 25 of Note no. 42 of Annexure VI to the Restated Consolidated Statements regarding NE projects with a total estimated expenditure of Rs.4512.50 Million and anticipated subsidy of Rs.3880.00 Million. The company has however, incurred total capital expenditure of Rs. 3110.70 Million and has received a subsidy of Rs.314.60 Million only. Further, the company has transferred material amounting to Rs.117.20 Million to other projects/regions. As the project is on hold, the company has recognized an impairment loss of Rs.492.98 Million based on an impairment study carried out by an independent consultant which has been disclosed under the head Exceptional Items in Restated Consolidated Statement of Profit & Loss.

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

ii. For the year ended March 31, 2019

Attention is drawn to Item no. 21 of Note No. 42 of Annexure VI to the Restated Consolidated Statement regarding NE-1 and NE-2 projects with a total expenditure of Rs.4512.50 Million and anticipated subsidy of Rs.3880.00 Million. The company has however, incurred total capital expenditure of Rs.3081 Million and has received a subsidy of Rs.314.60 Million with a net cash outflow of Rs. 2766.40 Million up to 31.03.2019.

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

iii. For the year ended March 31, 2018

Attention is drawn to the following notes to the Restated Consolidated Statements –

a) **Item No. 9 of Note No. 42 of Annexure VI and Part-A and B of Annexure – V to the Restated Consolidated Statement** regarding reversal of income of Rs. 265.12 Million in respect of National Optical Fibre Network (NOFN) project on account of downward revision of Administration Expenses & Establishment charges with retrospective effect.

b) **Item No. 10 of Note No. 42 of Annexure VI to the Restated Consolidated Statement** in respect of subsidiary company where the auditor has stated as under –

"Company had received LOA from Government of Rajasthan in FY 2015-16 for Rs.260.03 Million for implementation of Network Connectivity for 1500 Schools of Rajasthan, in respect of which income of Rs.52.70 Million was booked in FY 2015-16 and the same was allotted to M/s Synoptics Technologies Pvt. Ltd in FY 2015-16 for Rs.85.30 Million, accordingly expense of Rs.48.20 Million was booked in the same year. An amount of Rs.4.40 Million was received from customer as an advance in the FY 2016-17 and payment was made to vendor of Rs.3.70 Million accordingly".

In the year 2017-18, agreement was terminated by Rajasthan Government, as a result of which sales return of Rs.52.70 Million and reversal of expense of Rs.48.20 Million was booked. Also advance paid and received has been receipt and refunded respectively."

c) Corporate Social Responsibility (CSR):

(i) **Item No.14 of Note No. 42 of Annexure VI to the Restated Consolidated Statement** with regard to un-spent amount of Rs. 29.40 Million (FY 2017-18) relating to CSR activities out of the amount required to be spent of Rs. 37.00 Million.

(ii) The Company had created a reserve towards un-spent amount of CSR in earlier years (FY 2013-14) under the head "Corporate Social Development Reserve". An amount of Rs.12.20 Million is still un-spent and is appearing in Corporate Social Development Reserve.

d) **Item No. 21 of Note No. 42 of Annexure VI to the Restated Consolidated Statement** regarding NE-1 and NE-2 projects with a total expenditure of Rs.4512.50 Million and anticipated subsidy of Rs.3880.00 Million. The company has however, incurred total capital expenditure of Rs.3012.10 Million and has received a subsidy of Rs.314.60 Million with a net cash outflow of Rs. 2697.50 Million up to 31.03.2018.

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

B. Key Audit Matters reported in the Independent Auditors Report with reference to Audited Consolidated Financial Statement

For the year ended March 31, 2020

S. No.	Key Audit Matter	Auditors' Response
1.	**Expected Credit Loss for Trade Receivables** The company has applied simplified approach to measure ECL for trade receivables, which allows for lifetime expected credit losses to be recognized from initial recognition of the receivables. The company determines the expected credit losses on trade receivables by using a provision matrix that is based on historical credit loss experience, adjusted for forward looking factors to the debtors and the economic environment. Due to significance of trade receivables and the complexity involved in the ECL calculation, this was considered as a key audit matter.	We have obtained an understanding of the company's credit policy along with the applications controls associated with the accuracy of the information included in the debtors ageing report. We evaluated the company's process of ECL calculation including the techniques suggested by the experts involved therein. We assessed the reasonableness of the assumptions used in ECL calculation by comparing them with the historic data adjusted for current market condition and forward-looking information. We have also considered the disclosures made by the company under the head credit risk.

	(Refer Item no. **29 of note No. 42 of Annexure VI** to the Restated Consolidated Statement)	Based on the above procedure performed, the management estimations and judgement in ECL were found to be reasonable.
2	**Contingent Liabilities** There are a number of litigations pending before various forums against the Company and the management's judgement is required for estimating the amount to be disclosed as contingent liability. We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgement in interpreting the cases and it may be subject to management estimate. (Refer I**tem No. 26.1(a) of Note no. 42 of annexure VI** to the Restated Consolidated Statement)	We have adopted the following audit procedures- Understood and tested the design and operating effectiveness of controls as established by the management for obtaining all relevant information for pending litigation cases Discussed with the management any material developments and latest status of legal matters Read various correspondences and related documents pertaining to litigation cases and performed substantive procedures on calculations supporting the disclosure of contingent liabilities Assessed the adequacy and completeness of disclosures Based on the above procedure performed, the estimations and disclosure of contingent liabilities are considered to be adequate and reasonable.
3	**Accuracy of recognition, measurement, presentation and disclosures of leases and other related adjustments in view of adoption of Ind AS 116 – Leases (New Ind AS)** The Company has adopted Ind AS 116 Leases (Ind AS 116) in the current year. The application and transition to this accounting standard is complex and is an area of focus in our audit. Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgements and	**Our audit procedures on adoption of Ind AS 116 include**: Assessed and tested new processes and controls in respect of the lease accounting standard (Ind AS 116) We have assessed the company's evaluation on identification of leases based on the contractual agreements and method adopted and related adjustments made on transition dated i.e. 1st April 2019. We have considered the report of independent agency involved for assessment of key terms and conditions of each lease with the underlying lease contract, computation of lease liability and reconciling the company's operating lease commitments to data used in computing ROU assets as on transition date. We have evaluated the reasonableness of the discount rate applied in determining the lease

	estimates including, determination of the discount rates and the lease term. Refer item no**. 31 to Note 42 of Annexure – VI read with the Accounting Policy no. 9 given in Note No. 1 of Annexure – VI to the Restated Consolidated Statements**)	liability. On a sample basis, we assessed the terms and conditions of lease with the underlying lease contracts and evaluated computation of lease liabilities. We assessed the presentation and disclosure relating to Ind AS 116. Based on the above procedure performed, the presentations and disclosure relating to Ind AS 116 was found to be adequate

C. Other matters included in the Annexure to the Auditors Report issued on CARO in Independent Auditors Report with reference to Audited Standalone Financial Statement –

a. <u>For the year ended March 31, 2018</u>

Clause – i (c)- According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except in one case where the Company has acquired government land measuring 2 Bigha for 25 years in a village Namalijalah of Sila Sinduri Ghopa Mouza under North Guwahati from Government of Assam for setting up Network Hub & Corporation Head Quarter. Eastern region is holding handing over taking over certificate.

Clause – vii (b)- According to the information and explanations given to us, the following dues of Income Tax, Sales Tax, Service Tax and Value added tax have not been deposited by the Company on account of dispute –

Name of the Statute	**Nature of Dues**	**Amount (In Million)**	**Period to which the amount relates**	**Forums where dispute is pending**
Finance Act 1994	Short payment of service tax, without considering credit note vide Notice no. SCN C no. V (15) 126/ ST-Adjn/ADC/12 / 22532 DT 21-09-2012 issued by Additional Commissioner Service Tax, Kolkata.	4.70	2012-13	Commissioner Appeal, Kolkata
Finance Act 1994	Service tax on Railway deposit works and utilization of cenvat credit vide Notice no. SCN C no. V (15) 133/ ST-Adjn. Commr. /10 /17889 DT 08-10-2010 issued by Commissioner Service Tax, Kolkata.	11.40	2006-07 to 2009-10	Tribunal, Kolkata
Finance Act 1994	Classification of Railway deposit works under works contract tax. Department contention is service tax payable on 13% service charge for the period 2011 to 2014 Order no. 42/2015, Appeal No. 62/2016.	5.09	2011 to 2014	High Court, Hyderabad
Finance Act, 1994	Levy of service tax on consideration received for maintaining electricity and power at major railway stations, Non-payment of service tax on service rendered to Associated enterprises, non-	50.51	2011-14	Tribunal Hyderabad

	reversal of cenvat credit on common input services received for providing taxable as well as exempted services, Difference in reconciliation for the period 2011-14. Order no. 70 & 71/2015-16.			
Finance Act, 1994	Classification of Railway deposit works under works contract tax. Department contention is service tax payable on 13% service charge for the period 2014-15 Order no. 29/2016-17	0.80	2014-15	Commissioner Appeal, Hyderabad
Telangana VAT	Form-VAT 203 dated 17-10-2016. Demand for penalty for not disclosing transaction (Rly. Deposit works) in time for which Railtel has already paid VAT with interest in 2013 and 2014 for works in 2008-2013.	3.46	2008-2013	Appellate Deputy Commissioner, Hyderabad
Finance Act, 1994	Classification of Railway deposit works under works contract tax. Department contention is service tax payable on 13% service charge for the period 2008-2011. Stay order provided by CESTAT.	32.07	2008-2011	Tribunal, Hyderabad
Finance Act, 1994	Case for the period 2014-15. Service tax liability on electricity & input reversal on exempt services. Notice no. 37/2015.	2.07	2014-15	Assistant Commissioner (Hyderabad)
Income Tax Act 1961	Appeal filed against AO' order for AY 2014-15 for making additions on account of disallowance for earlier year' depreciation and disallowance on account of revaluation of fixed assets.	14.24	AY 2014-15	ITAT, New Delhi
Income Tax Act 1961	Order Issued u/s 201(1)/201(1A) Dated 25.03.2015. (25% of total demand of Rs. 6.96 lacs have already been paid and stay has been granted for rest of demand).	2.79	2012-13	Commissioner of Income Tax (Appeal), Kolkata
Income Tax Act 1961	TDS demand due to short deduction of TDS.	0.03	2010-11 to 2012-13	TDS (Commissioner)
Income Tax Act 1961	TDS demand due to short deduction of TDS.	0.03	2017-18	TDS (Commissioner)
RVAT Act	Levy of entry Tax.	4.46	2013-14 to 2014-15	RVAT Department
Finance Act 1994	TAX on passive infrastructure Like IP-1, before commencement of concept of Telecommunication Service. The case is pending before Commissioner Service Tax.	7.89	1.05.06 to 10.05.07	Commissioner Service Tax, New Delhi
Finance Act 1994	TAX on passive infrastructure Like IP-1, before commencement of concept of Telecommunication Service. The case is	0.13	15.09.2004 to 31.03.07	Commissioner Service Tax, New Delhi

	pending before Commissioner Service Tax.			
Finance Act 1994	TAX on passive infrastructure Like IP-1, before commencement of concept of Telecommunication Service. The case is pending before Supreme Court (Demand Rs. 10.18Million + Penalty Rs. 10.18 Million + Interest as per law as applicable).	20.36	1.04.03 to 31.12.05	Supreme Court
Finance Act 1994	Service tax audit report for the year 2012-2013 & SCN for that no. 22/2016.	12.51	2012-2013	Commissioner (Appeals), Hyderabad
West Bengal Value Added Tax, 2003	Total demand in case No. 2014-15/CIR/43/VA/6 dated 29.06.2017 was Rs. 0.44 Million /-. Against the same Rs. 0.05/- has already been paid.	0.44	2014-15	Commissioner of Commercial Taxes (Appeal)
Income Tax Act 1961	Appeal filed by IT Dept. against order of CIT(A) for deletion of additions of Rs.527.40 Million due to change in the depreciation rate (As per AO' Order Dt. 22-03-2015)	119.50	AY 2012-13	ITAT, New Delhi
	Total	292.48		

b. For the year ended March 31, 2019

Clause – i (c)- According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except in case of leasehold building situated at Kidwai Nagar, Delhi where the lease deed is yet to be executed between the company and NBCC though the building space has already been handed over to the company.

Clause – vii (b)- According to the information and explanations given to us, there are no material dues of provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, Goods and Service tax, cess which have not been deposited with the appropriate authorities on account of any dispute except as under-

Name of the Statute	Nature of Dues	Amount (In Million)	Period to which the amount relates	Forums where dispute is pending
Finance Act 1994	Notice no. SCN C no. V (15) 126/ ST-Adjn/ADC/12 / 22532 DT 21-09-2012 issued by Additional Commissioner Service Tax, Kolkata for payment of service tax based on certain credit notes.	4.70	2012-13	Commissioner Appeal, Kolkata
Finance Act 1994	Service tax on Railway deposit works and utilization of cenvat credit vide Notice no. SCN C no. V (15) 133/ ST-Adjn.Commr. /10 /17889 DT 08-10-2010 issued by Commissioner Service Tax, Kolkata.	22.50	2006-07 to 2009-10	Tribunal, Kolkata
Finance Act 1994	Classification of Railway deposit works under works contract tax. Department	5.10	2011 to 2014	High Court, Hyderabad

	contention is service tax payable on 13% service charge for the period 2011 to 2014 Order no. 42/2015, Appeal No. 62/2016.			
Finance Act, 1994	Levy of service tax on consideration received for maintain electricity and power at major railway stations, Non-payment of service tax on service rendered to Associated enterprises, non-reversal of cenvat credit on common input services received for providing taxable as well as exempted services, Difference in reconciliation for the period 2011-14. Order no. 70 & 71/2015-16.	50.51	2011-14	Tribunal Hyderabad
Finance Act, 1994	Classification of Railway deposit works under works contract tax. Department contention is service tax payable on 13% service charge for the period 2014-15 Order no. 29/2016-17	0.80	2014-15	Commissioner Appeal, Hyderabad, Appeal filed with CESTAT
Telangana VAT	Form-VAT 203 dated 17-10-2016. Demand for penalty for not disclosing transaction (Rly. Deposit works) in time for which Railtel has already paid VAT with interest in 2013 and 2014 for works in 2008-2013.	3.46	2008-2013	Appellate Deputy Commissioner, Hyderabad
Finance Act, 1994	Classification of Railway deposit works under works contract tax. Department contention is service tax payable on 13% service charge for the period 2008-2011. Stay order provided by CESTAT.	32.01	2008-2011	Tribunal, Hyderabad
Income Tax Act 1961	TDS demand due to short deduction of TDS.	0.03	2010-11 to 2012-13	TDS (Commissioner)
Income Tax Act 1961	TDS demand due to short deduction of TDS.	.03	2017-18	TDS (Commissioner)
RVAT Act	Levy of entry Tax and demand raised under the act.	1.86	2014-15 to 2016-17	RVAT Department
Finance Act 1994	TAX on passive infrastructure Like IP-1, before commencement of concept of Telecommunication Service. The case is pending before Commissioner Service Tax.	7.89	1.05.06 to 10.05.07	Commissioner Service Tax, New Delhi
Finance Act 1994	TAX on passive infrastructure Like IP-1, before commencement of concept of Telecommunication Service. The case is pending before Commissioner Service Tax.	0.13	15.09.2004 to 31.03.07	Commissioner Service Tax, New Delhi
Finance Act 1994	TAX on passive infrastructure Like IP-1, before commencement of concept of Telecommunication Service. The case is pending before Supreme Court (Demand Rs. 10.18Million + Penalty Rs. 10.18 Million + Interest as per law as applicable).	20.36	1.04.03 to 31.12.05	Supreme Court
Finance Act 1994	Service tax audit report for the year 2012-2013 & SCN for that no. 22/2016. (Rs. 2.54	5.08	2012-2013	Commissioner (Appeals),

	Million and penalty Rs. 2.54 Million/- + Applicable interest)			Hyderabad, Appeal filed with CESTAT
Income Tax Act 1961	Appeal filed against re-assessment order of AO for addition of Rs. 81.3 Million in book profits (As per AO' order Dt.29-11-2018)	162.98	AY 2011-12	CIT-(A), New Delhi
UP VAT Act	Demand raised on assessment.	7.15	FY 2012-13 to 14-15	UPVAT Department
HVAT Act	Demand raised on assessment.	0.77	FY 2015-16	HVAT Department
	Total	**325.36**		

c. For the year ended March 31, 2020

Clause – 1(c)According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except the following –

Particulars	**Building**
Total Number of cases	1
Whether Leasehold / Freehold	Leasehold
Gross Block as at 31.03.2020	Rs.980.90 Million
Net Block as at 31.03.2020	Rs.927.10 Million
Remarks	Regd. Office Building at Kidwai Nagar, Delhi where possession was handed over in 2018-19 but lease deed is yet to be executed between the company and NBCC

Clause – vii (b)- According to the information and explanations given to us, there are no material dues of provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, Goods and Service tax, cess which have not been deposited with the appropriate authorities on account of any dispute except as under-

S. No	**Name of the Statute**	**Nature of Dues**	**Forums where dispute is pending**	**Amount due (In Million)**	**Period to which the amount relates**
1	Service Tax	Levy of service tax on consideration received for maintaining electricity and power at major railway stations, Non-payment of service tax on service rendered to Associated enterprises, Non-reversal of cenvat credit on common input services received for providing taxable as well as exempted services, Difference in reconciliation for the period 2011-14. Order no. 70 & 71/2015-16.	Tribunal Hyderabad	50.51	2011-14

2	Telangana VAT	Form-VAT 203 dated 17-10-2016. Demand for penalty for not disclosing transaction (Rly. Deposit works) in time for which Railtel has already paid VAT with interest in 2013 and 2014 for works in 2008-2013.	Appellate Deputy Commissioner, Hyderabad	3.46	2008-2013
3	Service Tax	Classification of Railway deposit works under works contract tax. Department contention is service tax payable on 13% service charge for the period 2008-2011. Stay order provided by CESTAT.	Tribunal, Hyderabad	32.01	2008-2011
4	Income Tax Act 1961	TDS demand due to short deduction of TDS.	TDS (Commissioner)	0.03	2010-11 to 2012-13
5	RVAT Act	Levy of entry Tax and demand raised under the act.	RVAT Department	0.54	2015-16
6	RVAT Act	Levy of entry Tax and demand raised under the act.	RVAT Department	1.25	2016-17
7	Income Tax Act 1961	Appeal filed against re-assessment order of AO for addition of Rs. 8.13 Crore in book profits on a/c of Railway Revenue Share from 5% to 7% (As per AO' order Dt.29-11-2018) (Tax Rate Applicable - 18.5% + 7.5% + 3%)	ITAT, New Delhi	0.95	AY 2011-12
8	Income Tax Act 1961	Appeal filed against AO' order for AY 2014-15 for making additions on account of disallowance for earlier year' depreciation and disallowance on account of revaluation of fixed assets.	ITAT, New Delhi	1.12	AY 2014-15
9	Income Tax Act 1961	TDS demand due to short deduction of TDS.		0.01	2010-11,11-2,19-20
10	UP VAT Act	Demand raised on assessment.	UPVAT Department	5.62	FY 2014-15
11	HVAT Act	Demand raised on assessment.	HVAT Department	0.77	FY 2015-16
		Total		**96.27**	

RailTel Corporation of India Limited
Annexure-I
Restated Consolidated Statement of Assets and Liabilities
Amount in INR Million unless otherwise stated

Particulars	Note No.	As at 31st Mar 2020	As at 31st Mar 2019	As at 31st Mar 2018
ASSETS				
NON CURRENT ASSETS				
Property, Plant and Equipments	2	6,085.27	7,859.77	6,843.46
Capital Work-in-Progress	3	2,525.46	2,998.95	3,641.63
Right of Use Assets	4	1,729.60	-	-
Intangible Assets	2	78.43	39.59	36.44
Financial Assets				
Investment	5	-	-	
Loans and Security Deposits	6	33.20	34.68	37.73
Other Non Current Financial Assets	7	2,193.00	6.53	-
Deferred tax assets (net)	22	-	-	40.13
Other Non Current Assets	8	180.60	310.00	988.62
TOTAL NON CURRENT ASSETS		**12,825.56**	**11,249.52**	**11,588.01**
CURRENT ASSETS				
Inventories	9	4.89	8.71	-
Financial Assets				
Investment	10	-	70.45	-
Trade Receivables	11	5,070.70	4,595.72	4,666.78
Cash and Cash Equivalents	12	1,345.20	716.33	728.34
Other Bank Balances	13	1,339.10	3,352.96	4,363.87
Loans and Security Deposits	14	48.74	43.20	25.24
Other Current Financial Assets	15	2,135.36	1,178.78	1,121.84
Current Tax Assets (Net)	16	274.79	327.29	220.90
Other Current Assets	17	936.66	733.79	513.81
TOTAL CURRENT ASSETS		**11,155.44**	**11,027.23**	**11,640.78**
TOTAL ASSETS		**23,981.00**	**22,276.75**	**23,228.79**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	18(A)	3,209.38	3,209.38	3,209.38
Other Equity	18(B)	10,484.18	9,681.47	9,082.39
TOTAL EQUITY		**13,693.56**	**12,890.85**	**12,291.77**
LIABILITIES				
NON CURRENT LIABILITIES				
Financial Liabilities				
Leasing Liabilities	19	348.00	41.18	-
Other Non Current Financial Liabilities	20	73.98	91.84	904.79
Provisions	21	98.96	46.94	18.53
Deferred Tax Liabilities (Net)	22	35.40	169.44	-
Other Non Current Liabilities	23	1,078.30	1,121.03	2,602.49
TOTAL NON CURRENT LIABILITIES		**1,634.64**	**1,470.43**	**3,525.81**
CURRENT LIABILITIES				
Financial Liabilities				
Borrowings		-	-	
Trade Payables				
Total outstanding dues of micro enterprises and small enterprises	24	648.14	386.66	177.27
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,140.62	2,280.98	2,532.37
Leasing Liabilities	25	77.40	13.62	-
Other Current Financial Liabilities	26	1,827.06	1,534.92	734.94
Provisions	27	200.92	367.09	383.54
Other Current Liabilities	28	2,758.66	3,332.20	3,583.09
TOTAL CURRENT LIABILITIES		**8,652.80**	**7,915.47**	**7,411.21**
TOTAL EQUITY AND LIABILITIES		**23,981.00**	**22,276.75**	**23,228.79**

Note:
Following are the integral part of the Restated Consolidated Statement:
Annexure-V Reconciliation of Audited Consolidated Financial statements to Restated Consolidated Statement
Annexure-VI Significant Accounting Policies & Notes to Restated Consolidated statement

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

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

Ved Prakash Bansal
M.No. 500369
Place New Delhi
Date: 26.09.2020

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

A K Singh
Director Finance
(DIN : 07018776)

Puneet Chawla
Chairman and Managing Director
(DIN: 08303340)

RailTel Corporation of India Limited
Annexure-II
Restated Consolidated Statement of Profit & Loss
Amount in INR Million unless otherwise stated

Particulars		Notes No.	For the year ended 31st Mar 2020	For the year ended 31st Mar 2019	For the year ended 31st Mar 2018
Income					
Revenue from operations		29	11,280.54	10,032.69	9,767.79
Other Income		30	379.91	352.01	429.04
Finance Income		31	(0.40)	(2.04)	15.35
Total Income			**11,660.05**	**10,382.66**	**10,212.18**
Expenses					
Access and other Charges		32	2,490.34	2,635.20	2,500.86
License fee and spectrum charges		33	479.27	459.90	473.41
Expenses on Project		34	3,400.78	2,494.13	2,533.19
Employee Benefits Expenses		35	1,205.34	1,120.20	1,179.94
Administrative & Other Expenses		36	314.83	271.40	431.62
Corporate Social Responsibility (Refer Item No.14 of Note No. 42 of annexure VI)			51.91	30.30	7.55
Depreciation and amortisation		37	1,309.00	1,115.75	1,186.29
Finance Expenses		38	68.00	78.89	38.09
Total Expenses			**9,319.47**	**8,205.77**	**8,350.95**
Profit/(Loss) before exceptional items and tax			**2,340.58**	**2,176.89**	**1,861.23**
Exceptional Items		39	(492.98)	-	(265.12)
Profit/(Loss) Before Tax			**1,847.60**	**2,176.89**	**1,596.11**
Tax expenses					
Current tax		40	559.81	580.74	794.32
Deferred tax			(134.04)	209.57	(236.00)
Tax impact of earlier years			11.17	33.02	(302.27)
Profit/(Loss) for the period			**1,410.66**	**1,353.56**	**1,340.06**
Net profit attributable to					
a)	Owners of the company A		1,410.66	1,353.56	1,340.06
b)	Non Controlling interest				
Other comprehensive income(OCI):					
i	Items that will not be reclassified to Profit & Loss	41			
	Remeasurement losses on defined benefit plans		(66.85)	(2.10)	(32.14)
	Income tax relating to item that will not be reclassified to Profit & Loss		16.82	0.73	11.12
ii	Items that will be reclassified to Profit & Loss				
	Other comprehensive income/(Loss) B		**(50.03)**	**(1.37)**	**(21.02)**
	Total comprehensive income for the Year (A+B)		**1,360.63**	**1,352.19**	**1,319.04**
Earning per Equity Share of Rs 10/- each (Refer Item No. 24 of Note No. 42 of Annexure VI)					
(a)	Basic(In Rupees)		4.40	4.22	4.18
(b)	Diluted(In Rupees)		4.40	4.22	4.18

Note:
Following are the integral part of the Restated Consolidated Statement:
Annexure-V Reconciliation of Audited Consolidated Financial statements to Restated Consolidated Statement
Annexure-VI Significant Accounting Policies & Notes to Restated Consolidated statement

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

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

Ved Prakash Bansal
M.No. 500369
Place New Delhi
Date: 26.09.2020

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

A K Singh
Director Finance
(DIN : 07018776)

Puneet Chawla
Chairman and
Managing Director
(DIN: 08303340)

RailTel Corporation of India Limited
Annexure-III
Restated Consolidated Statement of Cash Flows
Amount in INR Million unless otherwise stated

Particulars	For the year ended 31st Mar 2020	For the year ended 31st Mar 2019	For the year ended 31st Mar 2018
Profit after Tax	**1,410.66**	**1,353.56**	**1,340.06**
Adjustments for:			
Other comprehensive income(Net of taxes)	(50.03)	(1.37)	(21.02)
Depreciation and Amortisation Expense	1,309.00	1,115.75	1,186.29
Amortisation of Deferred Govt Grant	(21.39)	(13.20)	(5.80)
Impairment of CWIP	492.98	-	-
Non Cash Income (Discounting)	0.40	2.04	(15.35)
Non Cash Expense(Discounting)	2.46	(1.10)	15.98
Non Cash Expense(Interest credited in Project A/c)	31.42	26.90	22.11
Interest Expenses for Lease Liabilities	34.12	53.09	-
Non Cash Expense(Loss on sale of fixed asset)	0.20	0.09	0.70
Non Cash Expense(Forex Loss)	1.20	-	10.04
Non Cash Income (Provision written back and forex)	(2.61)	(26.39)	(27.80)
Provision for doubtful debts (net)	125.11	13.21	51.20
Interest income	(276.61)	(291.52)	(356.03)
Operating profit/(loss) before working capital change	**3,056.91**	**2,231.06**	**2,200.38**
(Increase)/decrease in Financial Current Assets	460.42	32.16	(787.90)
(Increase)/decrease in Non Financial Current Assets	223.05	278.61	393.84
Increase/(decrease) in Financial Current Liabilities	1,395.33	772.97	225.68
Increase/(decrease) in Non Financial Current Liabilities	(712.99)	(294.28)	(703.37)
(Increase)/decrease in Financial Non Current Assets	(2,185.42)	(0.52)	18.72
(Increase)/decrease in Non Financial Non Current Assets	(6.09)	2.57	(139.38)
Increase/(decrease) in Financial Non Current Liabilities	(3.09)	(804.46)	499.00
Increase/(decrease) in Non Financial Non Current Liabilities	(112.39)	(1,250.48)	(793.66)
Net cash generated from Operation before Tax	**2,115.73**	**967.63**	**913.31**
Income Tax Paid	(382.70)	(613.70)	(504.50)
Net cash generated from Operating Activities	**1,733.03**	**353.93**	**408.81**
Cash Flow from Investing Activities			
Purchase of Tangible & Intangible Assets	(617.36)	(837.50)	(1,172.16)
Capital Advances	(154.03)	21.06	(157.75)
(Increase)/decrease in Short term investment	70.10	(70.10)	-
Interest income received	278.06	278.11	403.41
Deposit with Bank for Ex gratia	0.00	(5.00)	-
Subsidy/Advances received	9.22	20.10	73.91
(Increase)/Decrease in Term Deposit	(65.53)	999.79	868.00
Net cash used in Investing Activities	**(479.54)**	**406.46**	**15.41**
Cash Flow from Financing Activities			
Payment for Lease Liability of Right to Use Assets	(66.70)	(19.30)	-
Dividend paid	(462.00)	(624.70)	(515.30)
Dividend Distribution Tax Paid	(95.92)	(128.40)	(104.90)
Net cash generated from / (used in) financing activities	**(624.62)**	**(772.40)**	**(620.20)**
Effect of exchange difference on translation of cash and cash equivalents			
Net increase /(decrease) in cash and cash equivalents during the Year	628.87	(12.01)	(195.98)
Cash and cash equivalents at the beginning of the year	716.33	728.34	924.32
Cash and cash equivalents at the end of the Year	**1,345.20**	**716.33**	**728.34**

1. Cash and Cash Equivalents include the following Balance Sheet amounts			
(i) Cash and Cash Equivalent (Maturity<= 3 Months)			
Flexi Deposits	481.25	37.70	39.50
(ii) Balances with Scheduled Bank			
a. In Current A/c	208.05	92.59	164.48
b. In Collection A/c	654.00	584.56	523.35
c. In Imprest A/c	1.90	1.48	1.01
Total	**1,345.20**	**716.33**	**728.34**

Details of amount spent in relation to CSR activities against the budget approved is mentioned below:

Particulars	For the Year ended on	Approved Budget	Amount incurred	Amount yet to be incurred
Construction/Acquisition of any asset	31-Mar-20	-	-	-
	31-Mar-19	-	-	-
	31-Mar-18	-	-	-
On any other purpose	31-Mar-20	37.70	29.80	7.90
	31-Mar-19	38.70	25.70	13.00
	31-Mar-18	37.00	7.55	29.45
Total (A)	31-Mar-20	37.70	29.80	7.90
	31-Mar-19	38.70	25.70	13.00
	31-Mar-18	37.00	7.55	29.45

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

Particulars	For the Year ended on	Unspent amount as of the beginning of the Year	Amount Paid	Amount yet to be spent
Construction/Acquisition of any asset	31-Mar-20	-	-	-
	31-Mar-19	-	-	-
	31-Mar-18	-	-	-
On any other purpose	31-Mar-20	42.80	22.10	20.70
	31-Mar-19	34.40	4.60	29.80
	31-Mar-18	27.2*	22.2*	5.00
Total (B)	31-Mar-20	42.80	22.10	20.70
	31-Mar-19	34.40	4.60	29.80
	31-Mar-18	27.2*	22.2*	5.00
Grand Total (A+B)	31-Mar-20	80.50	51.90	28.60
	31-Mar-19	73.10	30.30	42.80
	31-Mar-18	64.20	29.75	34.45

*An amount of Rs. 22.20 Million was booked as liability for FY 2016-17 but was paid during the FY 2017-18.

Disclosure as per Ind AS-116

Particulars		**for the Year ended 31st Mar 2020**
Total cash outflow for leases		66.70

Note:
Following are the integral part of the Restated Consolidated Statement:
Annexure-V Reconciliation of Audited Consolidated Financial statements to Restated Consolidated Statement
Annexure-VI Significant Accounting Policies & Notes to Restated Consolidated statement

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

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

Ved Prakash Bansal
M.No. 500369
Place New Delhi
Date: 26.09.2020

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

A K Singh
Director Finance
(DIN : 07018776)

Puneet Chawla
Chairman and Managing Director
(DIN: 08303340)

RailTel Corporation of India Limited
Annexure-IV
Restated Consolidated Statement of Changes in Equity
Amount in INR Million unless otherwise stated

A. EQUITY SHARE CAPITAL

As on 01.04.2017	3,209.38
Change in Equity Share Capital during the year	-
As on 31.03.2018	**3,209.38**
As on 01.04.2018	3,209.38
Change in Equity Share Capital during the year	-
As on 31.03.2019	3,209.38
As on 01.04.2019	3,209.38
Change in Equity Share Capital during the year	-
As on 31.03.2020	3,209.38

B. OTHER EQUITY

Particulars	Retained Earnings	General Reserve	Corporate Social Development Reserve, Sustainable Development Reserve	Self Insurance Reserve*	Total Equity
Balance as at 1st April 2017	**4,371.35**	**4,000.00**	**12.20**	**-**	**8,383.55**
Add: Total Comprehensive Income for the year ended 31st Mar 2018	**1,319.04**				**1,319.04**
Less: Interim dividend for the F.Y. 2017-18	**(180.00)**				**(180.00)**
Less: Tax on Interim Dividend for the F.Y. 2017-18	**(36.64)**				**(36.64)**
Less: Final Dividend for the F.Y. 2016-17	**(335.30)**				**(335.30)**
Less: Tax on Final Dividend for the F.Y. 2016-17	**(68.26)**				**(68.26)**
Less: Transfer to General Reserve	**(400.00)**	**400.00**			**-**
Balance as at 31st Mar 2018	**4,670.19**	**4,400.00**	**12.20**	**-**	**9,082.39**
Balance as at 1st April 2018	**4,670.19**	**4,400.00**	**12.20**	**-**	**9,082.39**
Add: Total Comprehensive Income for the year ended 31st Mar 2019	**1,352.19**				**1,352.19**
Less: Interim dividend for the F.Y. 2018-19	(180.00)				**(180.00)**
Less: Tax on Interim Dividend for the F.Y. 2018-19	(37.00)				**(37.00)**
Less: Final Dividend for the F.Y. 2017-18	(444.70)				**(444.70)**
Less: Tax on Final Dividend for the F.Y. 2017-18	(91.41)				**(91.41)**
Add: Transfer from Corporate Social Development Reserve, Sustainable Development Reserve as approved by Board	12.20		(12.20)		-
Less: Transfer to Self Insurance Reserve (Refer item No.6 of Note No.42 of annexure VI.)	(10.89)			10.89	-
Less: Transfer to General Reserve	(400.00)	400.00			-
Balance as at 31st Mar 2019	**4,870.58**	**4,800.00**	**-**	**10.89**	**9,681.47**
Opening balance as on 1st April 2019	**4,870.58**	**4,800.00**	**-**	**10.89**	**9,681.47**
Add: Total Comprehensive Income for the year ended 31st Mar 2020	**1,360.63**				**1,360.63**
Less: Final Dividend Paid F.Y. 2018-19	(462.00)				**(462.00)**
Less: Dividend Distribution Tax on Final Dividend Paid F.Y. 2018-19	(95.92)				**(95.92)**
Less: Transfer to Self Insurance Reserve (Refer item No.6 of Note No.42 of annexure VI.)	(9.94)			**9.94**	**-**
Less: Transfer to General Reserve	(400.00)	400.00			-
Balance as at 31st Mar 2020	**5,263.35**	**5,200.00**	**-**	**20.83**	**10,484.18**

* Refer item No.6 of Note No.42 of annexure VI.

Note: -

Following are the integral part of the Restated Consolidated Statement:
Annexure-V Reconciliation of Audited Consolidated Financial statements to Restated Consolidated Statement
Annexure-VI Significant Accounting Policies & Notes to Restated Consolidated statement

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

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

Ved Prakash Bansal
M.No. 500369
Place New Delhi
Date: 26.09.2020

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

A K Singh
Director Finance
(DIN : 07018776)

Puneet Chawla
Chairman and Managing Director
(DIN: 08303340)

RailTel Corporation of India Limited
Annexure-V
Amount in Millions unless otherwise stated

Reconciliation of Audited Consolidated Financial statements to Restated Consolidated Statement

Part-A: Reconciliation between Audited and Restated Total Comprehensive Income

Particulars		**For Year Ended 31st March 2020**	**For Year Ended 31st March 2019**	**For Year Ended 31st March 2018**
A. Audited Total Comprehensive income		1,360.63	1,114.41	1,556.82
B. Material Restatement Adjustments -				
a) Audit Qualification		-	-	-
b) Change in Accounting Policies	Note - 1,2	-	-	-
c) Other Adjustments on account of Other Adjusting Event (Net of Tax)	Note – 3	-	365.48	(365.48)
d) Tax impact on Adjusting event			(127.70)	127.70
Total (B)		-	237.78	(237.78)
C. Restated Total Comprehensive Income		1,360.63	1352.19	1319.04

Part- B: Reconciliation between audited equity and restated equity

Particulars		**As at 31st March 2020**	**As at 31st March 2019**	**As at 31st March 2018**
A. Audited Equity		13,693.56	12,890.85	12,529.55
B. Material Restatement Adjustments -				
a) Audit Qualification		-	-	-
b) Change in Accounting Policies	Note -1,2	-	-	-
c) Other Adjustments on account of Other Adjusting Event (Net of Tax)	Note – 3	-	-	(237.78)
Total (B)		-	-	-
C. Restated Total Equity		13,693.56	12,890.85	12291.77

Notes-

1. **Ind AS 116** –

   As per para C8 of Appendix C to Ind AS 116, if a lessee elects to apply this Standard in accordance with paragraph C5(b), the lessee shall:

   (a) recognise a lease liability at the date of initial application for leases previously classified as an operating lease applying Ind AS 17. The lessee shall measure that lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application.

   (b) recognise a right-of-use asset at the date of initial application for leases previously classified as an operating lease applying Ind AS 17. The lessee shall choose, on a lease-by-lease basis, to measure that right-of-use asset at either:

   (i) its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application; or Ind AS 116, Leases

(ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

(c) apply Ind AS 36, Impairment of Assets, to right-of-use assets at the date of initial application, unless the lessee applies the practical expedient in paragraph C10(b).

Accordingly, as stated in paragraph C7 Appendix C to Ind AS 116, the Group has elected to apply this standard in accordance with paragraph C5(b) of Appendix C to Ind AS 116.The comparative information continued to be reported as per Ind AS 17. It has recognized the cumulative effect of initially applying this standard as an adjustment to the opening balance of retained earnings, *where the effect is NIL,* as at the date of initial application,

2. **Impact of Ind AS 115** –

The Group has adopted Ind AS 115: Revenue from contracts with customers effective April 01, 2018. For the purpose of preparation of Restated Consolidated Statements, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 115 for the year ended March 31, 2018. No material adjustments were identified for the purpose of restatement.

3. Restatement on Account of Adjusting Event-

As per the requirement of Ind AS 10 on "Events after the reporting date", an entity shall adjust the amounts recognized in its financial statements to reflect adjusting events after the reporting period. In case of National Optical Fiber Network (NOFN) Project executed by the company on behalf of Bharat Broadband Network Limited (BBNL) for connecting the gram panchayat, income was recognized on the basis of terms of agreement executed between the two companies till 31.03.2018.

During the FY 2018-19, on the strength of Cabinet decision communicated by BBNL vide letter No. BBNL/Finance/AE & EC/Corr./2017-18/14 dated 28.06.2018 for downward revision of Administrative Expenditure & Establishment Charges with retrospective effect, an amount of Rs.365.48 million was reversed being the income recognized till 31.03.2018 and was disclosed as exceptional item in FY 2018-19 considering the materiality and non-recurring nature of transaction. The said letter dated 28.06.2018 did not have clarity whether the same is applicable retrospectively or prospectively. Later, during the interaction with the customer post signing of financials of 2017-18, it was clarified that the same is applicable retrospectively. Therefore, the said event could not be adjusted before the approval of accounts for FY 2017-18 pending clarification from the customer.

However, while preparation of Restated Consolidated Statements, the nature of event being adjusting in nature as per Ind AS 10, adjustments has been made in the relevant period i.e. FY 2017-18. Accordingly, The impact of reduction in income for FY 2017-18 amounting to Rs. 100.36 Million has been taken in the income of relevant year i.e. FY 2017-18 itself and an amount of Rs. 265.12 Million being the income recognized till 31.03.2017, has been disclosed as exceptional items in FY 2017-18 in Restated Consolidated Statements considering the materiality and non-recurring nature of transaction.

Amount in Millions unless otherwise stated

Part- C: Non- Adjusting Events

a) **Auditors Qualification –**

There is no qualification in the Independent Auditors' Report which requires restatement in the Restated Consolidated Statements

b) **Prior Period Errors**

Any item of prior period error which exceeds 1% of revenue from operations is considered for materiality test which is in accordance with Schedule III of Companies Act 2013. Accordingly, in compliance with Ind AS-8, there is nothing which requires to restate the financial statement on account of Prior Period Errors.

c) **Change in Estimates**

Provisions Written Back

The Company reversed certain provisions which were considered as no longer required and recognized as "Other Income". This has been considered as a change in accounting estimate. The details year wise details are as under –

Particulars	**For Year Ended 31st March 2020**	**For Year Ended 31st March 2019**	**For Year Ended 31st March 2018**
Provisions no longer required and written back	2.61	24.57	27.80

The above being in the nature of change in estimate has not been considered for restatement.

Part D: Regrouping in Restated Consolidated Statements

Appropriate regroupings have been made in the Restated Consolidated Statements of assets and liabilities, Restated Consolidated Statement of profit and loss and cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the Ind AS Financial statements of the Company for the year ended March 31, 2020 prepared in accordance with Schedule III of the Act, requirements of Ind AS 1 – Presentation of Financial Statements and other applicable Ind AS principles and requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, as amended.

Note – 1

(Amount in Millions, unless otherwise stated)

I. Corporate Information

RailTel Corporation of India Limited incorporated in India on 26th September 2000 is a Public Sector Undertaking. The company is promoted by and is under administrative control of Ministry of Railways. The Registered office and Corporate Office of the Company is situated at Plate-A,6th Floor, Office Block Tower-2, East Kidwai Nagar, New Delhi-110023.

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

Main objective of the Group is-

i. To facilitate Railways in expeditiously modernizing their operation and safety systems and network by providing state of art communication infrastructure.

ii. To plan, build, develop, operate and maintain a nationwide broadband telecom and multimedia network to supplement national telecom infrastructure to spur growth of telecom, broadband and IT enabled value-added services in all parts of country especially rural, remote and backward areas.

iii. To generate revenue through commercial exploitation of its telecom network.

RailTel Corporation of India Limited is having following operations: -

a. Telepresence Services - RailTel offers enterprise class Full High Definition (HD) & secure multi-point managed video conferencing service that enables users a virtual, face to face meeting experience.
b. Data Centre Services - RailTel has its own Data Centres at Secundrabad and Gurugram.
c. Retail Broadband - Rail Wire is a retail Broadband initiative of the RailTel.
d. Leased Line Service
e. Virtual Private Network Service
f. Internet Leased Line Service
g. Rack and Space Collocation Service
h. Tower Co-location Service

II. Statement of Compliances and Basis of Preparation

The Restated Consolidated Statements of assets and liabilities as at March 31, 2020, March 31, 2019 and March 31, 2018 and the Restated Consolidated Statements of profit and loss (including Other Comprehensive Income), Restated Consolidated Statement of changes in equity and Restated

Consolidated statement of cash flows for year ended March 31, 2020, March 31, 2019 and March 31, 2018 (hereinafter collectively referred to as "Restated Consolidated Statements of RailTel Corporation of India Ltd.") have been prepared specifically for inclusion in the Draft Red Herring Prospectus ("DRHP") to be filed by the Group with the Securities and Exchange Board of India ("SEBI") in connection with the proposed initial public offer which comprises of offer for sale by certain shareholders' existing equity shares of Rs 10 each at such premium arrived at by the book building process (referred to as the 'Issue'). The Restated Consolidated Statements, which have been approved by the Board of Directors of the Group, have been prepared in accordance with the requirements of:

a. Sub-section (1) of Section 26 of Chapter III of the Companies Act 2013 (the "Act") and
b. Relevant provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the SEBI ICDR Regulations") issued by the Securities and Exchange Board of India ('SEBI') on September 11, 2018 as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.
c. The Guidance Note on Report in company prospectus (Revised 2019) issued by the ICAI (referred to as the Guidance Note).

These Restated Consolidated Statements have been compiled from the audited annual consolidated financial statements as at and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 which were prepared by the Group in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended and other accounting principles generally accepted in India.

The Restated Consolidated Statements are presented in Indian Rupees "INR" and all values are stated as INR million, except when otherwise indicated.

The Restated Consolidated statements have been prepared on the historical cost basis as explained in the accounting policies below, except certain financial assets and liabilities which are measured at fair value where the Ind AS requires a different accounting treatment (refer accounting policy regarding financial instruments);

The preparation of these Restated Consolidated Statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Group's accounting policies. The areas where estimates are significant to the Restated Consolidated Statements, or areas involving a higher degree of judgement or complexity, are disclosed in serial no 24 of this annexure

The Restated Consolidated Statements were approved for issue by the Board of Directors on September 26, 2020

Summary of Significant Accounting Policies

Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing Ind AS requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised Ind AS on an ongoing basis.

1. Basis of Consolidation

The Restated Consolidated Statements relate to RailTel Corporation of India Limited ("the Company") and its subsidiary Company (collectively referred to as "the Group").

The Standalone financial statements of the Company and its subsidiary Company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses, if any, as per Indian Accounting Standard notified under section 133 of the Companies Act, 2013 read together with the Rules made thereunder. The results of operations of a subsidiary are included in the Consolidated Financial Statements from the date on which the parent subsidiary relationship came into existence.

The Subsidiary Company which is included in the consolidation and the Company's holding therein is as under:

S. No.	Name of the Subsidiary Company	Nature of Relationship	% of holding
1	RailTel Enterprises Limited	Subsidiary	100%

2. Use of Estimates

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

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

2A. Critical Accounting Estimates and Management Judgements

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

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

Property, Plant and Equipment (PPE)

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

Current tax

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

Deferred Tax Assets

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

Fair value

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

Impairment of Trade Receivables

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

Impairment of Non-financial assets (PPE)

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

Defined Benefit Plans and Other long-term employee benefits

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

Fair value measurement of financial instruments

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

Provisions and contingencies

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

3. Inventory

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

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

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

4. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

5. Property Plant and Equipment's (PPE)

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

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

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

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

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

f) Advance paid towards acquisition of fixed assets and cost of assets not put to use before the year end, are disclosed as other non-current assets.

g) Fixed assets under construction and cost of assets not put to use before the year end, are disclosed as capital work in progress.

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

i) Assets are depreciated to the residual value on a straight-line basis over the estimated useful lives. The assets residual values and useful lives are reviewed at each financial year end or whenever there are indicators for review and adjusted prospectively.

Sr No	Name of Assets	Main asset/Component	Useful life of assets
1	OFC & Related Assets	Main Assets	18 Year. 5.28%
2	Leasehold Land/Flats	Main Assets	Period of Lease
3	Leasehold Building	Main Assets	Period of Lease
4	Freehold Building	Main Assets	60 Years, 1.67%
5	Leasehold Improvements	Main Assets	Period of lease
6	Prefabricated Building	Main Assets	15 Year 6.67%
7	Computer	Main Assets	3 Year 31.67%
8	Office Equipment's	Main Assets	5 Year 19%
9	Software-ERP	Main Assets	5 Year with 20%
10	Furniture	Main Assets	10 Year 9.5%
11	Licenses	Main Assets	Period of license
12	ERP Hardware	Main Assets	6 Year 15.83%
13	Vehicle	Main Assets	8 Year 11.875%
14	Temporary Fixtures	Main Assets	Fully Depreciated
15	Telecom Equipment's	Main Assets	8 Year. 12.5%
16	Last Mile/Access Equipment's	Main Assets	8 Year. 12.5%
	Radio/Access Switches	Component	3 Year 33.33%
17	Power Plant Equipment's	Main Assets	8 Year. 12.5%
	Battery	Component	5 Year. 20%
18	Data Centre	Main Assets	8 Year. 12.5%
	Data Centre infrastructure	Component	13 Year. 7.31%
19	Other Infrastructure	Main Assets	8 Year. 12.5%
	Data Network	Main Assets	8 Year. 12.5%

6. Intangible Assets

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

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

c) Amortization is recognized in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

i. Software-Software is capitalized at the amounts paid to acquire the respective license for use and is amortized over the period of license, generally not exceeding three years. Software costing up to rupees five lakh which has independent use is amortized over a period of twelve months from the date of place in service.

ii. Licenses-Acquired licenses are initially recognized at cost. Subsequently, licenses are measured at cost less accumulated amortization and accumulated impairment loss, if any. Amortization is recognized in the statement of profit and loss on a straight-line basis over the unexpired period of the license commencing from the date when the related network is available for intended use in the respective jurisdiction. Spectrum charges paid to DoT is charged to Statement of Profit & Loss on straight line basis over the period of use.

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

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

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

8. Impairment of Assets

The carrying amounts of assets are reviewed by management whenever events or changes in circumstances indicate that the carrying amount may not be recoverable (except intangible assets, for which testing to be done irrespective of whether there is an indication of impairment). An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash- generating unit to which the asset belongs. Fair value less costs to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Impairment losses, if any, are recognized in profit or loss as a component of depreciation and amortization expense.

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

9. Leases

a. As a Lessee

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

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

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

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

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

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

b. As a Lessor

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

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

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

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

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

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

The Group has applied Ind AS 116 using the modified retrospective approach w.e.f. 01.04.2019 and the comparative information continued to be reported as per Ind AS 17 as follows: -

a. Where the Group is the Lessee-

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

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

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

b. Where the Group is the lessor-

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

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

c. Indefeasible Right to Use ('IRU')-

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

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

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

10. Borrowing Costs

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

11. Cash and Cash Equivalents

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

For the purpose of Statement of Cash Flows, Cash and Cash Equivalents include outstanding Bank

Overdraft shown within the borrowings in current Liabilities in Statement of Financial Position and which are considered an integral part of Group's cash management.

12. Government Grant

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

13. Revenue Recognition and Receivables

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

Income from Telecom Services

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

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

Income from Projects

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

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

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

Subsidy

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

14. Uncollectible accounts receivable

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

15. Unbilled Revenue

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

16. License Fees – Revenue Share

The revenue-share is computed as per the licensing agreement at the prescribed rate and is expensed as incurred. As per the NLD and ISP license condition, the Group is required to share 8% of its adjusted gross revenue with Department of Telecommunication, the same is provided on the basis of adjusted gross revenue booked during the year. In addition, the company is also required to share 7% of its gross revenue with Indian Railways as per agreement between the Group and Railways dated 21/09/2006. The same is provided for in the Restated Consolidated Statement of profit & Loss.

17. Employee Benefits

Employee benefits include provident fund, pension, gratuity and compensated absences.

1. Defined contribution plans

a. **Provident Fund**: The Group's contribution to provident fund is considered as defined contribution plans and is charged as an expense as they fall due based on the amount of contribution required to be made. 12% of the Basic pay plus dearness allowance of employees and equal contribution of the corporation is contributed to provident fund maintained with the Regional Provident Fund Commissioner. Corporation's contribution to provident fund is charged to revenue.

b. **Pension**: Group has pension Scheme for its employees, under defined contribution plan Group will pay an amount equal to 10% of Basic pay+ DA of the eligible employees

2. Defined benefit plans

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

i) Gratuity is payable on separation @15 days' pay for each completed year of service to eligible employee, who rendered continuous service of 5 year or more. The gratuity celling of Rs 20 lakhs has been considered for actuarial valuation.

ii) Leave Encashment is payable on separation to eligible employee who have accumulated earned leave. Leave salary is provided for based on valuation, as balance sheet date, made by independent actuary.

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

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

3. Short-term employee benefits

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

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

4. Long-term employee benefits

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

18. Post Sales client support and warranties

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

19. Foreign exchange transactions

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

20. Taxes

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

b) Mat Credit
Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. In the year in

which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the statement of profit and loss account and shown as MAT Credit Entitlement. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal income tax during the specified period.

c) Deferred Tax

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

21. Research and development

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

22. Segment Reporting

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

23. Earnings Per Share

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

24. Prior Period Expenses

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

25. Exceptional Item

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

26. Provisions and Contingencies

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

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

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

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

Contingent assets are not recognized in the financial statements.

27. Operating cycle

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

28. Dividend

Dividend distribution to the Group's shareholders is recognized as a liability in the financial statements in the period in which the dividend is approved by the shareholders.

Interim dividend is provided for in the year of payment.

29. Financial Instruments

A. Financial Instruments –

Initial Recognition and Measurement

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

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

B. Financial Assets

1. Subsequent measurement

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

a. Financial assets are carried at amortized cost

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

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

c. Financial assets at Fair Value through Profit or Loss (FVTPL)
A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

2. Derecognition

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

C. **Financial Liabilities**

1. Subsequent measurement

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

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

2. **Derecognition**

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

RailTel Corporation of India Limited
Annexure-VI
Notes to Restated Consolidated Statement
Amount in INR Million unless otherwise stated

Note 2. Property Plant & Equipment

	TANGIBLE ASSETS													INTANGIBLE ASSETS		
Particulars	**Freehold Land**	**Leasehold Land**	**Free Hold Building**	**Lease Hold Building**	**Prefabricted Building**	**Plant & Machinery**	**Leasehold Improvements**	**ERP Hardware**	**Computers**	**Furniture & Fixtures**	**Vehicles**	**Office Equipments**	**Total**	**Licenses**	**Software**	**Total**
As at 31.03.2018																
Gross Carrying amount																
Cost as at 1st April 2017	25.26	151.21	238.91	172.95	143.28	14,146.19	119.49	22.24	83.99	32.04	3.89	73.57	**15,213.02**	54.59	42.32	**96.91**
Additions	-	9.64	-	15.04	0.17	1,080.05	3.23	-	7.28	2.37	-	6.00	**1,123.78**	-	4.05	**4.05**
Disposal	-	-	-	-	-	-	-	-	(4.80)	-	-	(0.53)	**(5.33)**	-	-	-
Transfer/Adjustments	(3.00)	2.96	-	-	-	(0.83)	1.00	-	0.12	(0.96)	-	0.02	**(0.69)**	(1.59)	1.22	**(0.37)**
Closing Gross Carrying amount (31.03.2018)	**22.26**	**163.81**	**238.91**	**187.99**	**143.45**	**15,225.41**	**123.72**	**22.24**	**86.59**	**33.45**	**3.89**	**79.06**	**16,330.78**	**53.00**	**47.59**	**100.59**
Accumulated Depreciation/ amortisation																
Accumulated Depreciation as at 1st April 2017	-	4.40	15.33	108.61	134.60	7,841.06	63.89	11.99	68.92	20.34	2.33	49.09	**8,320.56**	23.82	26.52	**50.34**
Charge during the year	-	1.84	4.56	30.81	0.65	1,100.97	11.29	3.00	9.03	1.61	0.41	8.31	**1,172.48**	1.53	12.28	**13.81**
Disposal	-	(0.00)	0.00	-	(0.00)	0.03	-	0.00	(4.75)	0.00	(0.00)	(0.52)	**(5.24)**	-	-	-
Transfer/Adjustments	-	-	-	19.52	-	(0.49)	(18.51)	-	-	(1.00)	-	-	**(0.48)**	-	-	-
Closing accumulated depreciation/ amortisation (31.03.2018)	**-**	**6.24**	**19.89**	**158.94**	**135.25**	**8,941.57**	**56.67**	**14.99**	**73.20**	**20.95**	**2.74**	**56.88**	**9,487.32**	**25.35**	**38.80**	**64.15**
NET CARRYING AMOUNT- 31.03.2018	**22.26**	**157.57**	**219.02**	**29.05**	**8.20**	**6,283.84**	**67.05**	**7.25**	**13.39**	**12.50**	**1.15**	**22.18**	**6,843.46**	**27.65**	**8.79**	**36.44**
As at 31.03.2019																
Gross Carrying amount																
Cost as at 1st April 2018	22.26	163.81	238.91	187.99	143.45	15,225.41	123.72	22.24	86.59	33.45	3.89	79.06	**16,330.78**	53.00	47.59	**100.59**
Additions	-	-	-	989.79	0.10	1,160.44	-	-	5.03	0.29	-	4.39	**2,160.04**	-	3.98	**3.98**
Disposal	-	-	-	-	-	(4.81)	-	-	(1.10)	-	-	(0.28)	**(6.19)**	-	-	-
Transfer/Adjustments	-	(23.81)	-	(0.07)	(0.00)	(2.72)	0.07	-	(0.00)	0	-	(0.00)	**(26.53)**	-	(0.00)	**(0.00)**
Closing Gross Carrying amount (31.03.2019)	**22.26**	**140.00**	**238.91**	**1,177.71**	**143.55**	**16,378.32**	**123.79**	**22.24**	**90.52**	**33.74**	**3.89**	**83.17**	**18,458.10**	**53.00**	**51.57**	**104.57**
Accumulated Depreciation/ amortisation																
Accumulated Depreciation as at 1st April 2018	-	6.24	19.89	158.94	135.25	8,941.57	56.67	14.99	73.20	20.95	2.74	56.88	**9,487.32**	25.35	38.80	**64.15**
Charge during the year	-	1.30	3.99	(33.17)	0.66	1,111.20	11.04	3.00	7.22	1.67	0.41	7.60	**1,114.92**	(6.30)	7.13	**0.83**
Disposal	-	-	-	-	-	(2.67)	-	-	(1.01)	-	-	(0.22)	**(3.90)**	-	-	-
Transfer/Adjustments	-	-	-	2.04	-	-	(2.04)	-	-	-	-	-	**0.00**	-	-	-
Closing accumulated depreciation/ amortisation (31.03.2019)	**-**	**7.54**	**23.88**	**127.81**	**135.91**	**10,050.10**	**65.67**	**17.99**	**79.41**	**22.62**	**3.15**	**64.25**	**10,598.34**	**19.05**	**45.93**	**64.98**
NET CARRYING AMOUNT- 31.03.2019	**22.26**	**132.46**	**215.03**	**1,049.90**	**7.64**	**6,328.22**	**58.12**	**4.25**	**11.11**	**11.12**	**0.74**	**18.92**	**7,859.77**	**33.95**	**5.64**	**39.59**

As at 31.03.2020																
Gross Carrying amount																
Cost as at 1 Apr 2019	22.26	140.00	238.91	1,177.71	143.55	16,378.32	123.79	22.24	90.52	33.74	3.89	83.17	**18,458.10**	53.00	51.57	**104.57**
Recognition of right-of-use asset on initial application of IND As 116 disclosed separetly*	-	(140.00)	-	(1,051.92)	-	-	-	-	-	-	-	-	**(1,191.92)**	-	-	-
Adjusted balance at April 1,2019	22.26	-	238.91	125.79	143.55	16,378.32	123.79	22.24	90.52	33.74	3.89	83.17	**17,266.18**	53.00	51.57	**104.57**
Additions	-		-	0.03	2.30	489.92	38.68	-	8.59	6.25	-	3.57	**549.34**	-	43.76	**43.76**
Disposal	-		-	-	(9.76)	(404.15)	-	-	(2.39)	(0.03)	-	(0.33)	**(416.66)**	-	-	**-**
Transfer/adjustments **				(125.82)		(18.43)	104.36						**(39.89)**			-
Closing Gross Carrying amount (31.03.2020)	**22.26**	**-**	**238.91**	**(0.00)**	**136.09**	**16,445.66**	**266.83**	**22.24**	**96.72**	**39.96**	**3.89**	**86.41**	**17,358.97**	**53.00**	**95.33**	**148.33**
Accumulated Depreciation/ amortisation																
Accumulated Depreciation as at 1st April 2019	-	7.54	23.88	127.81	135.91	10,050.10	65.67	17.99	79.41	22.62	3.15	64.25	**10,598.33**	19.05	45.93	**64.98**
Recognition of right-of-use asset on initial application of IND As 116 disclosed separetly*	-	(7.54)	-	(50.93)	-	-	-	-	-	-	-	-	**(58.47)**	-	-	-
Adjusted balance at April 1,2019	-	0.00	23.88	76.87	135.91	10,050.10	65.67	17.99	79.41	22.62	3.15	64.25	**10,539.86**	19.05	45.93	**64.98**
Charge during the year	-		3.99	-	1.72	1,133.43	22.06	2.27	6.85	1.93	0.41	7.62	**1,180.28**	2.65	2.27	**4.92**
Disposal	-	-	-	-	(9.76)	(404.16)	-	-	(2.20)	(0.00)	-	(0.24)	**(416.36)**	-	-	**-**
Transfer/adjustments				(76.87)		(27.90)	74.70						**(30.07)**		-	-
													-			
Closing accumulated depreciation/ amortisation (31.03.2020)	**-**	**0.00**	**27.87**	**0.00**	**127.87**	**10,751.47**	**162.43**	**20.26**	**84.06**	**24.55**	**3.56**	**71.63**	**11,273.70**	**21.70**	**48.20**	**69.90**
NET CARRYING AMOUNT- 31.03.2020	**22.26**	**(0.00)**	**211.04**	**(0.00)**	**8.22**	**5,694.19**	**104.40**	**1.98**	**12.66**	**15.41**	**0.33**	**14.78**	**6,085.27**	**31.30**	**47.13**	**78.43**

*The Company recognises "leasehold Land" and "Leasehold Building" as "right-of-use asset" on initial application of IND As 116, transition date being April 1 , 2019. Refer Item No. 31 of Note No. 42 of annexure VI

RailTel Corporation of India Limited

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Notes to Restated Consolidated Statement

Amount in INR Million unless otherwise stated

Note 3. Capital Work in Progress

Particulars	As at 31st Mar 2020	As at 31st Mar 2019	As at 31st Mar 2018
NE Project-Gross	2,310.49	2,398.07	2,789.41
Less : Impairment Refer to Item No.25 of Note No. 42 of annexure VI	492.98	-	-
Net NE Project	1,817.51	2,398.07	2,789.41
OFC Laying Works	144.92	213.67	182.22
MPLS, STM, Other Telecom Radio Equipment, Data Centre & OSS/BSS	421.27	257.82	448.59
Capital Stores lying at project site	124.21	101.18	196.56
Building	15.03	16.57	11.54
Rural Wi-Fi	-	8.05	13.05
Others	2.52	3.59	0.26
Total	**2,525.46**	**2,998.95**	**3,641.63**

RailTel Corporation of India Limited
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Notes to Restated Consolidated Statement
Amount in INR Million unless otherwise stated

Note-4 Right of Use Assets *

Particulars	**Building**	**Land**	**Telecom Assets**	**Total**
Recognized as at 1st April 2019	1,245.00	349.80	312.30	1,907.10
Less : Accumulated Depreciation as on 1st April 2019	50.90	7.50	-	58.40
Net Assets Recognized as on 1st April 2019	1,194.10	342.30	312.30	1,848.70
Additions: During the Year	4.70	-	-	4.70
Depreciation charge for the Year ended 31st March 2020	83.30	14.80	25.70	123.80
Balance at 31st March 2020	**1,115.50**	**327.50**	**286.60**	**1,729.60**

*The Company recongnized "leasehold Land" and "Leasehold Building" as "right-of-use asset" on initial application of IND As 116, transition date being April 1 , 2019. Refer Item No. 31 of Note No. 42 of annexure VI.

RailTel Corporation of India Limited
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Notes to Restated Consolidated Statement
Amount in INR Million unless otherwise stated

NON CURRENT ASSETS

Note 5. Investment (At amortised cost)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019	As at 31st Mar 2018
Long Term Investments-at Cost			
Trade (Unquoted)			
Total Carrying Value	**-**	**-**	

Note 6. Loans and Security Deposits

Particulars	As at 31st Mar 2020	As at 31st Mar 2019	As at 31st Mar 2018
Unsecured Considered Good unless stated otherwise			
Security Deposits			
Considered Good	33.20	34.68	37.73
Total	**33.20**	**34.68**	**37.73**

Note 7. Other Non Current Financial Assets

Particulars	As at 31st Mar 2020	As at 31st Mar 2019	As at 31st Mar 2018
Deposits with Banks for Ex-Gratia	5.00	5.03	-
Bank Term Deposit (Having residual matuirity of more than 12 months)	2,079.40	-	-
Accrued interest on term deposit	108.60	1.50	-
Total	**2,193.00**	**6.53**	**-**

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Notes to Restated Consolidated Statement
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Note 8. Other Non Current Assets

Particulars	As at 31st Mar 2020	As at 31st Mar 2019	As at 31st Mar 2018
Unsecured Considered Good unless stated otherwise			
Capital Advances			
Considered Good	175.15	21.05	676.05
Other			
Lease prepayment/Prepaid Expenses *	5.45	288.95	312.57
Total	**180.60**	**310.00**	**988.62**

* Prepaid Asset consisting of prepaid leases of "Telecom Assets" have been recognised as "right-of-use asset" on initial application of IND As 116, transition date being April 1 , 2019. Refer Item No. 31 of Note No.42 of annexure VI.

CURRENT ASSETS

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

Particulars	As at 31st Mar 2020	As at 31st Mar 2019	As at 31st Mar 2018
Inventory (Consumables for O&M Work)	4.89	8.71	-
Total	**4.89**	**8.71**	**-**

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

Particulars	As at 31st Mar 2020	As at 31st Mar 2019	As at 31st Mar 2018
Investment	-	70.45	-
Total	**-**	**70.45**	**-**

Agreegate Value of quoted investments		**-**
Market value of quoted investments		**-**
Agreegate Value of unquoted investments	**-**	**70.10**
Market value of unquoted investments	**-**	**70.45**
Agreegate value of impairement of investments	**-**	**-**

RailTel Corporation of India Limited
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Note 11. Trade Receivables

Particulars	As at 31st Mar 2020	As at 31st Mar 2019	As at 31st Mar 2018
Unsecured, Unless Stated Otherwise			
Telecommunication Business	3,659.70	2,305.45	3,654.87
Project works	1,832.90	2,589.76	1,314.26
Trade Receivables (Total)	5,492.60	4,895.21	4,969.13
Loss Allowance*	(421.90)	(299.49)	(302.35)
Total	**5,070.70**	**4,595.72**	**4,666.78**

Movement of Provision for expected credit loss/impairment

Balance at the beginning of the year	299.49	302.35	338.30
Add: Additional provision during the year	125.11	13.21	51.20
Less: Provision written back/adjusted during the year	2.70	16.07	87.15
Balance at the end of year	421.90	299.49	302.35

* Refer to item No. 29 of Note No. 42 of annexure VI.

Note 12. Cash and Cash Equivalents

Particulars	As at 31st Mar 2020	As at 31st Mar 2019	As at 31st Mar 2018
(i) Cash and Cash Equivalent (Maturity<= 3 Months)			
Flexi Deposits	481.25	37.70	39.50
(ii) Balances with Scheduled Bank			
a. In Current A/c	208.05	92.59	164.48
b. In Collection A/c	654.00	584.56	523.35
c. In Imprest A/c	1.90	1.48	1.01
Total	**1,345.20**	**716.33**	**728.34**

Note 13. Other Bank Balances

Particulars	As at 31st Mar 2020	As at 31st Mar 2019	As at 31st Mar 2018
BG Margin Money A/c *	42.10	41.30	33.62
In Term Deposit (Having residual matuirity of more than 3 months but less than12 months)	1,297.00	3,311.66	4,330.25
Total	**1,339.10**	**3,352.96**	**4,363.87**

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

RailTel Corporation of India Limited
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Notes to Restated Consolidated Statement
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Note 14. Loans and Security Deposits

Particulars	As at 31st Mar 2020	As at 31st Mar 2019	As at 31st Mar 2018
Unsecured, Considered Good Unless Stated Otherwise			
Advances to Employee	4.12	6.11	3.63
Security Deposit	44.05	37.09	21.61
Advance to Others	0.57	-	
Total	**48.74**	**43.20**	**25.24**

Note 15. Other Current Financial Assets

Particulars	As at 31st Mar 2020	As at 31st Mar 2019	As at 31st Mar 2018
Unsecured, Considered good unless stated otherwise			
Accrued interest on term deposit	67.05	175.58	163.70
Recoverable from Railways	88.05	174.83	241.02
Unbilled Revenue	1,927.73	819.47	696.80
EMD Deposited	52.53	8.90	20.32
Total	**2,135.36**	**1,178.78**	**1,121.84**

RailTel Corporation of India Limited
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Notes to Restated Consolidated Statement
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Note 16. Current Tax Assets (Net)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019	As at 31st Mar 2018
Income Tax/TDS	274.79	327.29	220.90
Total	**274.79**	**327.29**	**220.90**

Note 17. Other Current Assets

Particulars	As at 31st Mar 2020	As at 31st Mar 2019	As at 31st Mar 2018
Advances recoverable in cash or in kind for value to be received	88.47	78.88	64.66
Indirect Tax Credit Available	682.31	549.71	378.45
Others	10.27	11.78	11.16
Advance Indirect Tax	126.39	56.19	34.41
Prepaid expenses **	19.17	35.18	25.13
Project Work in Progress (DRDO)	10.05	2.05	-
Total	**936.66**	**733.79**	**513.81**

** Prepaid Expenses consisting of prepaid leases of "Telecom Assets" have been recognised as "right-of-use asset" on initial application of IND AS 116, transition date being April 1 , 2019. Refer Item No. 31 of Note No.42 of annexure VI.

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Note No. -18 (A)Equity Share capital

ASSETS	As at 31st Mar 2020	As at 31st Mar 2019	As at 31st Mar 2018
Authorized Share Capital			
Equity Shares			
1,00,00,00,000 equity shares of Rs 10 each	**10,000.00**	**10,000.00**	**10,000.00**
Issued, Subscribed and fully paid-up shares			
1,50,00,007 equity shares of Rs 10 each in Cash	150.00	150.00	150.00
30,59,38,400 equity shares of Rs 10 each in consideration other than cash	3,059.38	3,059.38	3,059.38
Total	**3,209.38**	**3,209.38**	**3,209.38**

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

Particulars	Opening Balance	Allotted During The Year	Closing Balance
Year ended 31st Mar 2020			
No of Equity Shares - In Cash	1,50,00,007	-	1,50,00,007
No of Shares - In consideration other than cash	30,59,38,400	-	30,59,38,400
Amount in Million	3,209.38	-	3,209.38
Year ended 31st Mar 2019			
No of Equity Shares - In Cash	1,50,00,007	-	1,50,00,007
No of Shares - In consideration other than cash	30,59,38,400	-	30,59,38,400
Amount in Million	3,209.38	-	3,209.38
Year ended 31st Mar 2018			
No of Equity Shares - In Cash	1,50,00,007	-	1,50,00,007
No of Shares - In consideration other than cash	30,59,38,400	-	30,59,38,400
Amount in Million	3,209.38	-	3,209.38

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

b. Right, Preference and restriction attached to shares

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

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

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

Particulars		As at 31st Mar 2020	As at 31st Mar 2019	As at 31st Mar 2018
	Number	32,09,38,407	32,09,38,407	32,09,38,407
Ministry of Railways (in the name of President of India)	%	100	100	100

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

Particulars		As at 31st Mar 2020	As at 31st Mar 2019	As at 31st Mar 2018
	Number	30,59,38,400	30,59,38,400	30,59,38,400
Ministry of Railways (in the name of President of India)	%	100	100	100

RailTel Corporation of India Limited
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Notes to Restated Consolidated Statement

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18(B). OTHER EQUITY

Particulars	Retained Earnings	General Reserve	Corporate Social Development Reserve, Sustainable Development Reserve	Self Insurance Reserve*	Total Equity
As on 01.04.2017	**4,371.35**	**4,000.00**	**12.20**	**-**	**8,383.55**
Add: Total Comprehensive Income for the year ended 31st Mar 2018	1,319.04				**1,319.04**
Less: Interim dividend for the F.Y. 2017-18	(180.00)				**(180.00)**
Less: Tax on Interim Dividend for the F.Y. 2017-18	(36.64)				**(36.64)**
Less: Final Dividend for the F.Y. 2016-17	(335.30)				**(335.30)**
Less: Tax on Final Dividend for the F.Y. 2016-17	(68.26)				**(68.26)**
Less: Transfer to General Reserve	**(400.00)**	**400.00**			**-**
Balance as at 31st Mar 2018	**4,670.19**	**4,400.00**	**12.20**	**-**	**9,082.39**
Balance as at 1st April 2018	**4,670.19**	**4,400.00**	**12.20**	**-**	**9,082.39**
Add: Total Comprehensive Income for the year ended 31st Mar 2019	1,352.19				**1,352.19**
Less: Interim dividend for the F.Y. 2018-19	(180.00)				**(180.00)**
Less: Tax on Interim Dividend for the F.Y. 2018-19	(37.00)				**(37.00)**
Less: Final Dividend for the F.Y. 2017-18	(444.70)				**(444.70)**
Less: Tax on Final Dividend for the F.Y. 2017-18	(91.41)				**(91.41)**
Add: Transfer from Corporate Social Development Reserve, Sustainable Development Reserve as approved by Board	12.20		(12.20)		-
Less: Transfer to Self Insurance Reserve (Refer item No.6 of Note No.42 of annexure VI)	(10.89)			10.89	-
Less: Transfer to General Reserve	(400.00)	400.00			-
Balance as at 31st Mar 2019	**4,870.58**	**4,800.00**	**-**	**10.89**	**9,681.47**
Opening balance as on 1st April 2019	**4,870.58**	**4,800.00**	**-**	**10.89**	**9,681.47**
Add: Total Comprehensive Income for the year ended 31st Mar 2020	**1,360.63**				**1,360.63**
Less: Final Dividend Paid F.Y. 2018-19	(462.00)				**(462.00)**
Less: Dividend Distribution Tax on Final Dividend Paid F.Y. 2018-19	(95.92)				**(95.92)**
Less: Transfer to Self Insurance Reserve (Refer item No.6 of Note No.42 of annexure VI)	(9.94)			**9.94**	-
Less: Transfer to General Reserve	(400.00)	400.00			-
Balance as at 31st Mar 2020	**5,263.35**	**5,200.00**	**-**	**20.83**	**10,484.18**

*Refer item No.6 of Note No.42 of annexure VI

RailTel Corporation of India Limited
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Notes to Restated Consolidated Statement
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NON CURRENT LIABILITIES

Note 19. Leasing Liabilties

Particulars	As at 31st Mar 2020	As at 31st Mar 2019	As at 31st Mar 2018
Leasing Liabilities*	348.00	41.18	-
Total	**348.00**	**41.18**	**-**

*The Company has applied IND AS 116 with a date of initial application of April 1, 2019, using the modified retrospective approach and identified leases covered under the Ind AS-116 and accordingly lease liability has been recognized. The comparative information continued to be reported as per Ind AS 17.

Note 20. Other Non Current Financial Liabilties

Particulars	As at 31st Mar 2020	As at 31st Mar 2019	As at 31st Mar 2018
Unsecured			
Security Deposit	31.48	47.97	315.68
Retention Money	42.50	43.87	589.11
Total	**73.98**	**91.84**	**904.79**

Note 21. Provisions

Particulars	As at 31st Mar 2020	As at 31st Mar 2019	As at 31st Mar 2018
Provision for Post Retirement Medical Benefit	94.36	42.33	13.91
Provision for Arbitration Claim	4.60	4.61	4.62
Total	**98.96**	**46.94**	**18.53**

Note 22. Deferred Tax Liabilities/(Assets) - Net

Particulars	As at 31st Mar 2020	As at 31st Mar 2019	As at 31st Mar 2018
Deferred Tax Liabilities			
Depreciation claimed as deduction under Income Tax Act but chargeable in the statement of profit and loss in future years	241.50	325.53	316.24
Less:		-	
Deferred Tax Assets		-	
Provision for doubtful debts charged in the statement of profit and loss but to be allowed as deduction under the Income Tax Act in future years	106.20	104.65	105.65
Expenditure to be allowed on payment basis under Income Tax Law/Provisions	99.90	51.44	123.02
Effect of Adjusting Event of Restatement (Refer Note No. 3 of Part A/B of Annexure V of of Restated Consolidated financial Statement	-	-	127.70
Deferred Tax Liabilities/(Assets) - Net	**35.40**	**169.44**	**(40.13)**

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Notes to Restated Consolidated Statement

Amount in INR Million unless otherwise stated

Note 23. Other Non Current Liabilities

Particulars	As at 31st Mar 2020	As at 31st Mar 2019	As at 31st Mar 2018
Deferred Revenue and Advance from Customers*	216.30	420.70	1,741.49
Deferred Revenue from Government Grant			
NE 1 & NE 2***	128.98	140.90	30.70
Rural WiFi***	65.33	27.71	-
Advances from Railways**	31.40	327.12	481.26
Advances for VSS Project#	476.35	-	-
Government Grant			
Subsidy of NE-1 & NE-2***	146.80	146.82	275.16
Rural WiFi Subsidy***	13.14	57.78	73.88
Total	**1,078.30**	**1,121.03**	**2,602.49**

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

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

*** Refer item no. 21 of Note no. 42 of annexure VI.

Refer to Item No. 32 of Note No. 42 of annexure VI.

CURRENT LIABILITIES

Note 24. Trade Payables

Particulars	As at 31st Mar 2020	As at 31st Mar 2019	As at 31st Mar 2018
Trade Payables			
Micro and Small Enterprises	648.14	386.66	177.27
Other than Micro and Small Enterprises			
Revenue Share Payable to Indian Railway	606.85	505.54	497.66
Towards purchase of Goods and Services	2,533.77	1,773.25	2,032.34
Amount Payables to DoT	-	2.19	2.37
Total	**3,788.76**	**2,667.64**	**2,709.64**

Note 25. Leasing Liabilties

Particulars	As at 31st Mar 2020	As at 31st Mar 2019	As at 31st Mar 2018
Leasing Liabilities*	77.40	13.62	-
Total	**77.40**	**13.62**	**-**

*The Company has applied IND AS 116 with a date of initial application of April 1, 2019, using the modified retrospective approach and identified leases covered under the Ind AS-116 and accordingly lease liability has been recognized. The comparative information continued to be reported as per Ind AS 17.

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Notes to Restated Consolidated Statement

Amount in INR Million unless otherwise stated

Note 26. Other Current Financial liabilities

Particulars	As at 31st Mar 2020	As at 31st Mar 2019	As at 31st Mar 2018
Security Deposits	346.60	331.29	46.64
Retention Money	970.83	1,079.74	539.34
Expense payable	38.12	1.92	-
EMD Payable	421.51	67.50	97.75
Bank Guarantee Deductions	48.90	52.97	51.21
Interest Accrued but not due on Noida Instalment	1.10	1.50	-
Total	**1,827.06**	**1,534.92**	**734.94**

Note 27. Provisions

Particulars	As at 31st Mar 2020	As at 31st Mar 2019	As at 31st Mar 2018
Provisions for Employee Benefits			
Provision for Post Retirement Medical Benefit	0.24	0.03	0.30
Provision for Pension	13.33	131.20	90.60
Provision for Gratuity & Leave Encashment	88.25	65.31	100.24
Provision for PRP	99.10	170.55	192.40
Total	**200.92**	**367.09**	**383.54**

Note 28. Other Current Liabilities

Particulars	As at 31st Mar 2020	As at 31st Mar 2019	As at 31st Mar 2018
Deferred Revenue and Advance from Customers*	691.47	1,257.23	1,486.21
Advance for Railway Deposits#	1,002.06	829.51	500.00
Advance-Others**	532.56	825.49	1,154.41
Project Control Account (ETCS)##	9.35	-	-
Project Control Account (VSS)##	47.95	25.87	22.11
Deferred Revenue from Government Grant			
NE 1 & NE 2***	11.90	11.90	3.00
Rural WiFi***	11.20	4.52	-
Payable to Others	452.17	377.68	417.36
Total	**2,758.66**	**3,332.20**	**3,583.09**

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

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

*** Refer item no. 21 of Note no. 42 of annexure VI.

Advances from Railways represent advance received towards execution of works from Railways . It includes INR 173.70 Million (PY - INR 500.00 Million) for VSS Project and INR 385.40 Million (PY - Nil) for ETCS Project

Interest income(Net of Corporate Tax) of INR 22.07 Million (PY - INR 25.87 Million) and Interest Income of INR 9.34 Million (PY - Nil) in respect of VSS project FDRs & ETCS Project FDRs are transferred to respective project fund

Amount in INR Million unless otherwise stated

Note 29. Revenue from operations

Particulars	**For the year ended 31st Mar 2020**	**For the year ended 31st Mar 2019**	**For the year ended 31st Mar 2018**
Income from Telecom Services			
NLD Services	4,150.70	3,719.71	3,896.90
ISP Services	1,662.20	1,622.70	1,478.33
IP-1 Services	1,634.59	1,372.21	1,474.60
Income from Projects			
Railways Project Works	1,888.59	318.61	353.68
Other Projects	1,883.05	2,649.93	2,558.53
	-	-	
Other Operating Revenue	61.41	349.53	5.75
Total	**11,280.54**	**10,032.69**	**9,767.79**

Note 30. Other income

Particulars	**For the year ended 31st Mar 2020**	**For the year ended 31st Mar 2019**	**For the year ended 31st Mar 2018**
Interest Income			
Interest Income on deposits with Bank #	268.50	283.30	349.22
Interest on Income Tax Refunds	7.50	2.20	-
	-	-	
Other Non Operating Income	-	-	
Miscellaneous Income	93.20	31.90	45.21
Income on Mutual Funds	8.10	8.23	6.81
Gain on Fair Valuation of Mutual Funds	-	0.28	-
Liabilities/Provision written back	2.61	24.57	27.80
Gain on foreign Exchange transaction	-	1.53	-
Total	**379.91**	**352.01**	**429.04**

Interest Income includes INR 29.498 MIllion (PY - 37.20 Million) & INR 9.34 Million (PY - Nil) for VSS project fund and ETCS project fund respectively.

Note 31. Finance Income

Particulars	**For the year ended 31st Mar 2020**	**For the year ended 31st Mar 2019**	**For the year ended 31st Mar 2018**
Reversal of Discounting impact of Assets of 2016-17	-	-	29.45
Reversal of Discounting impact of Assets of 2017-18	-	14.10	
Reversal of Discounting impact of Assets of 2018-19	16.14	-	
Discounting Impact on assets for 2017-18	-	-	(14.10)
Discounting Impact on assets for 2018-19	-	(16.14)	
Discounting Impact on assets for 2019-20	(16.54)	-	
Total	**(0.40)**	**(2.04)**	**15.35**

Amount in INR Million unless otherwise stated

Note 32. Access & Other Charges

Particulars	For the year ended 31st Mar 2020	For the year ended 31st Mar 2019	For the year ended 31st Mar 2018
Operation & Maintenance of Fiber & Equipment	624.55	613.80	615.83
Share of Revenue with Konkan Railway	1.50	1.70	2.81
Hire Charges Radio Modem/Optic Fibers and Internet Acess	464.40	555.80	464.93
Interconnect & Port charges	2.80	58.30	73.20
Railwire Expenses	721.60	684.40	646.87
Rent	1.12	26.50	29.74
Power & Fuel Expenses on network	353.80	410.40	391.07
Rural Wi Fi	2.41	-	-
Revenue Share to Railways	318.16	284.30	276.41
Total	**2,490.34**	**2,635.20**	**2,500.86**

Note 33. License fee and Spectrum charges

Particulars	For the year ended 31st Mar 2020	For the year ended 31st Mar 2019	For the year ended 31st Mar 2018
Licence Fee to DoT (Revenue Share)	479.27	452.10	450.13
Spectrum Charges to DoT	-	7.80	23.28
Total	**479.27**	**459.90**	**473.41**

Note 34. Expenses on Project

Particulars	For the year ended 31st Mar 2020	For the year ended 31st Mar 2019	For the year ended 31st Mar 2018
Expenses on Railway Projects	1,654.45	294.00	285.11
Expenses on Projects (Other Than Railway)	1,525.30	2,025.52	2,061.95
Allocation of Employee Benefit Expenses (Refer Note No. 35)	138.13	109.11	116.33
Allocation of Administrative & Other Expenses (Refer Note No. 36)	82.90	65.50	69.80
Total	**3,400.78**	**2,494.13**	**2,533.19**

Note 35. Employee Benefits Expenses

Particulars	For the year ended 31st Mar 2020	For the year ended 31st Mar 2019	For the year ended 31st Mar 2018
Salaries & Wages	1,278.65	1,170.00	1,236.10
Contribution to Provident fund	61.80	57.20	57.77
Staff welfare expenses	3.02	2.11	2.40
Less: Alloation of Expenses to Projects (Refer to Note no. 34)	138.13	109.11	116.33
Total	**1,205.34**	**1,120.20**	**1,179.94**

Amount in INR Million unless otherwise stated

Note 36. Administrative & Other Expenses

Particulars	For the year ended 31st Mar 2020	For the year ended 31st Mar 2019	For the year ended 31st Mar 2018
Auditor Remuneration			
As Auditor	2.40	1.71	1.76
As Tax Auditors	0.60	0.60	0.63
For Certification	0.06	-	-
Books & Periodicals	0.20	0.30	0.20
Communication Expenses	8.72	10.60	12.60
Conveyance Expenses	3.20	2.70	3.21
Bank Charges & Commission	1.40	1.03	1.01
Legal & Professional Expenses	39.00	38.21	56.79
Insurance	2.30	4.20	0.72
Rates & Taxes	35.11	8.50	7.76
Rent	20.10	125.40	144.31
Repair & Maintenance – Others	34.40	24.31	55.48
Tender Expenses.	3.50	6.30	14.94
Training & Recruitment Expenses	3.91	5.80	5.15
Travelling Expenses	41.72	31.10	41.91
Printing & Stationary Expenses	5.90	5.80	6.57
Vehicle Hire charges	30.20	27.20	27.23
Inspection Charges	-	-	1.51
Business promotion Expenses	11.60	5.71	12.03
Other Miscellaneous Expenses	26.90	24.13	26.30
Loss on sale of Fixed Assets	0.20	0.09	0.07
Provision for Expected Credit Loss	125.11	13.21	51.20
Research and Development expenses	-	-	20.00
Loss on foreign Exchange transactions	1.20	-	10.04
Less:- Allocation of Expenses to Project (Refer to Note no. 34)	82.90	65.50	69.80
Total	**314.83**	**271.40**	**431.62**

Note 37. Depreciation and Amortisation

Particulars	For the year ended 31st Mar 2020	For the year ended 31st Mar 2019	For the year ended 31st Mar 2018
Depreciation on tangible Assets	1,180.28	1,114.92	1,172.48
Charge over Right of Use (Refer Note No.4)	123.80	-	-
Amortization on Intangible Assets	4.92	0.83	13.81
Sub Total	**1,309.00**	**1,115.75**	**1,186.29**

Amount in INR Million unless otherwise stated

Note 38. Finance Expenses

Particulars	For the year ended 31st Mar 2020	For the year ended 31st Mar 2019	For the year ended 31st Mar 2018
Reversal of Discounting impact of Liability of 2016-17	-	-	24.38
Discounting impact of Liability 2017-18	-	-	(8.40)
Reversal of Discounting impact of Liability of 2017-18	-	8.40	
Discounting impact of Liability 2018-19	-	(9.50)	
Reversal of Discounting impact of Liability of 2018-19	9.50	-	
Discounting impact of Liability 2019-20	(7.04)	-	
Finance charge - Interest on VSS and ETCS Project *	31.42	26.90	22.11
Finance charge - Interest Cost Unwinding of Lease Liabilities	28.80	-	
Finance charge on Instalment of Noida land	5.32	53.09	
Total	**68.00**	**78.89**	**38.09**

* Interest income(Net of Corporate Tax) of INR 22.07 Million (PY - INR 26.9 Million) and Interest Income of INR 9.34 Million (PY - Nil) in respect of VSS project FDRs & ETCS Project FDRs are transferred to respective project fund.

Note 39. Exceptional Items

Particulars	For the year ended 31st Mar 2020	For the year ended 31st Mar 2019	For the year ended 31st Mar 2018
Exceptional Item (NOFN Refer item No. 9 of Note No. 42 of annexure VI & Note No 3 of Part A of Annexure V.)		-	(265.12)
Exceptional Item (Impairment of NE Project- Refer item No. 25 of Note No. 42 of annexure VI.)	(492.98)		-
Total	**(492.98)**	**-**	**(265.12)**

Note 40. Tax Expenses

Particulars	For the year ended 31st Mar 2020	For the year ended 31st Mar 2019	For the year ended 31st Mar 2018
Current Tax (Income Tax)	559.81	580.74	794.32
Tax impact of earlier Years	11.17	33.02	(302.27)
Deferred Tax Asset	(134.04)	209.57	(236.00)
Total	**436.94**	**823.33**	**256.05**

Note 41. Other comprehensive income(OCI)

Particulars	For the year ended 31st Mar 2020	For the year ended 31st Mar 2019	For the year ended 31st Mar 2018
Items that will not be reclassified to Profit & Loss			
Remeasurement Gain/losses on defined benefit plans	(66.85)	(2.10)	(32.14)
Income tax relating to item that will not be reclassified to Profit & Loss	16.82	0.73	11.12
Items that will be reclassified to Profit & Loss			
	-	-	
Other comprehensive income/(Loss)	**(50.03)**	**(1.37)**	**(21.02)**

Note-42

NOTES FORMING PART OF RESTATED CONSOLIDATED STATEMENTS

1. These Restated Consolidated Statements are presented in Indian Rupees (INR) which is the Group's functional currency.

2. Figures have been Stated in Million upto 2 decimals. Previous year's figures have been rearranged/regrouped to conform the presentation of the Current year, wherever necessary.

3. License fee to DoT and Railways Revenue Share payable by the Group, computed at prescribed rate of 8% and 7% respectively.

4. Employees benefit expenses and administrative expenses are apportioned to project works based on 5% and 3% respectively of expenses incurred on projects in case of the Group.

5. The Current Assets/ Liabilities has been determined if they are receivable / payable within 1 year from the date of Balance Sheet. Rest has been treated as Non-Current.

6. Self-Insurance Reserve has been provided @ 0.12% p.a. on the Gross Block of Property, Plant & Equipment's installed at Pops and customer premises to meet future losses which may arise from un-insured risks by the Group.

7. Purchase of leasehold Building at East Kidwai Nagar for 30 years term for creation of Corporate Office of the Group. Possession has been given by the lessor, but lease deed is yet to be executed. The total cost capitalized for purchase of the building is Rs. 980.90 Million as at 31.03.2020.

8. In terms of contractual Clause of agreement, if the customer terminates the services of the link during minimum subscription period, RailTel shall refund or adjust (against the future orders) the already paid IRU charges after deducting the termination penalty. Accordingly, the Group deducted the termination penalty of Rs. 34.70 Million during the FY 2019-20 and Rs.336.40 Million during the FY 2018-19 and has been recognized as other operating revenue.

9. In case of work of National Optical Fiber Network (NOFN) Project executed by the Group on behalf of Bharat Broadband Network Limited (BBNL) for connecting the gram panchayat, income was recognized on the basis of terms of agreement executed between the two companies till 31.03.2017. However, during the FY 2017-18, an amount of Rs.265.12 Million was reversed on the strength of cabinet decision communicated by BBNL vide letter No. BBNL/Finance/AE & EC/Corr./2017-18/14 dated 28.06.2018 for downward revision of Administrative Expenditure & Establishment Charges with retrospective effect. The amount of Rs. 265.12 Million, being reversed for income recognized till 31.03.2017, has been disclosed as exceptional item in FY 2017-18 considering the materiality and non-recurring nature of transaction.

10. Subsidiary company had received LOA from Government of Rajasthan in FY 2015-16 for Rs. 260.30 Million for implementation of Network Connectivity for 1500 Schools of Rajasthan. To execute this work, subsidiary company awarded a part of the contract to M/s Synoptics Technologies Pvt. Ltd. in FY 2015-16 for Rs. 85.30 Million. Against this customer order, an income for Rs. 52.70 Million were booked in FY 2015-16 and simultaneously expenditure was booked for Rs. 48.20 Million in the same year. In this connection, an amount of Rs. 4.40 Million were received from Customer in the FY 2016-17 and payment was made to vendor of Rs. 3.70 Million accordingly.

Afterwards, agreement was terminated by the Rajasthan Government in F.Y 17-18 and accordingly entry for sales return of Rs. 52.70 Million and entry for purchase return of Rs. 48.20 Million made in the FY 2017-18.

Amount in Millions unless otherwise stated

11. Disclosure relating to dues to Micro, Small and Medium Enterprise:

(Rs. in Million)

S. No.	Particulars	March'20	March'19	March'18
1	Amount remaining unpaid to any supplier: a) Principal Amount b) Interest due thereon	 648.14 NIL	 386.66 NIL	 177.27 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	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	NIL
4	Amount of interest accrued and remaining unpaid	NIL	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	NIL

12. Value of imports calculated on CIF basis

(Rs.in Million)

Particulars	March'20	March'19	March'18
Raw materials	Nil	Nil	Nil
Consumables and Spare parts	Nil	Nil	Nil
Capital goods	Nil	Nil	15.50
Total	**Nil**	**Nil**	**15.50**

13. Expenditure in foreign currency (accrual basis)

(Rs. in Million)

Particulars	March'20	March'19	March'18
Travelling & conveyance	1.51	0.30	2.10
Repair & Maintenance	Nil	Nil	Nil
Service charges	Nil	Nil	Nil

14. Corporate Social Responsibility Expenditure

Details of amount spent in relation to CSR activities against the Budget approved is mentioned below:

(Rs. in Million)

Particulars	For the Year ended on	Approved Budget	Amount paid	Amount yet to be paid
Construction/Acquisition of any asset	31.03.20	Nil	Nil	Nil
	31.03.19	Nil	Nil	Nil
	31.03.18	Nil	Nil	Nil
On any other purpose	31.03.20	37.70	29.81	7.89
	31.03.19	38.70	25.70	13.00
	31.03.18	36.95	7.55	29.40
Total (A)	**31.03.20**	**37.70**	**29.81**	**7.89**
	31.03.19	**38.70**	**25.70**	**13.00**
	31.03.18	**36.95**	**7.55**	**29.40**

Amount in Millions unless otherwise stated

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

(Rs. in Million)

Particulars	For the Year ended on	Unspent amount as on beginning of the year	Amount Paid	Amount yet to be spent
Construction/Acquisition of any asset	31.03.20	Nil	Nil	Nil
	31.03.19	Nil	Nil	Nil
	31.03.18	Nil	Nil	Nil
On any other purpose	31.03.20	42.80	22.10	20.70
	31.03.19	34.40	4.60	29.80
	31.03.18	27.20*	22.20*	5.00
Total (B)	**31.03.20**	**42.80**	**22.10**	**20.70**
	31.03.19	**34.40**	**4.60**	**29.80**
	31.03.18	**27.20***	**22.20***	**5.00**

Grand Total (A+B)	**31.03.20**	**80.50**	**51.91**	**28.59**
	31.03.19	**73.10**	**30.30**	**42.80**
	31.03.18	**64.15**	**29.75**	**34.40**

*An amount of Rs. 22.20 Million was booked as liability for FY 2016-17 but was paid during the FY 2017-18.

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

15. Financial Instruments

FINANCIAL ASSETS

Trade receivables

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

Security Deposits

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

Investments

The Group makes investment in liquid mutual funds which are fair valued based on the unit price prevailing as at year end and consequent gain/loss is taken to the profit and loss A/c.

FINANCIAL LIABILITIES

Security deposits, Retention Money & Earnest Money Deposit

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

Amount in Millions unless otherwise stated

16. IND AS 2: Inventories

1. The total carrying amounts of inventories as shown in Note no 9 of Restated Consolidated Statement of Assets and Liabilities is tabulated hereunder.

(Rs. in Million)

Particulars	As at		
	31.03.20	**31.03.19**	**31.03.18**
Total carrying amount of inventories	4.89	8.71	Nil

2. There is no reversal or any write-down that is recognized as a reduction in the amount of inventories recognized as expense in the period and presented in cost of sales.
3. Nothing out of carrying amounts of inventories has been pledged as security for liabilities.

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

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

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

(Rs. in Million)

Particulars	Provided during the FY 2019-20 in Profit & Loss	As at 31st March 2020	Provided during the FY 2018-19 in Profit & Loss	As at 31st March 2019	Provided during the FY 2017-18 in Profit & Loss	As at 31st March 2018
Deferred Tax Liability						
Related to Depreciation on Fixed Assets	-84.03	241.50	9.29	325.53	-83.00	316.24
Total Deferred Tax Liabilities	**-84.03**	**241.50**	**9.29**	**325.53**	**-83.00**	**316.24**
Deferred Tax Assets						
Provision on debtors	1.55	106.20	-1.00	104.65	-11.40	105.65
43B Disallowances etc.	33.42	60.76	-79.00	27.34	54.40	106.34
Others	15.04	39.14	7.42	24.10	-17.70	16.68
Restatement of Adjusting Event (refer Note no. 3 of Part A/B of Annexure V to Restated Consolidated Statements)	-	-	-127.70	-	127.70	127.70
Total Deferred Tax Assets	**50.01**	**206.10**	**-200.28**	**156.09**	**153.00**	**356.37**
Deferred Tax Liability/(Asset) (Net)	**-134.04**	**35.40**	**209.57**	**169.44**	**-236.00**	**-40.13**

Amount in Millions unless otherwise stated

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

Effective tax rate is generally influenced by various factors, including differential tax rates, non-deductible expenses, provisions, and other tax deductions. The decrease in effective tax rate from fiscal 2018 to fiscal 2020 is mainly due to following reasons as tabulated here under:

(Rs. in Million)

Particulars	**Holding Company (RCIL)**						**Subsidiary Company (REL)**					
	Mar’20 (%)	**Mar’20**	**Mar’19 (%)**	**Mar’19**	**Mar’18 (%)**	**Mar’18**	**Mar’20 (%)**	**Mar’20**	**Mar’19 (%)**	**Mar’19**	**Mar’18 (%)**	**Mar’18**
Applicable Tax Rate	25.17%	455.87	34.94%	751.92	34.61%	544.73	25.17%	9.07	27.82%	7.00	27.55%	6.10
Tax effect of expenses that are not deductible in determining taxable profit	8.72%	157.88	2.46%	52.82	10.22%	160.32	-0.04%	-0.01	-0.10%	-0.03	0	0
Effect of Restatement of Adjusting Event (refer Note no. 3 of Part A/B of Annexure V to Restated Consolidated Statements)	-	-	-5.93%	-127.70	8.03%	126.50	-	-	-	-	-	-
Tax effect on previous year disallowances	-2.71%	-49.12	-4.75%	-102.10	-3.15%	-49.45	0%	0.00	0.00%	0.00	0	0
Tax effect of additional deductions	-1.70%	-30.70	-0.09%	-1.90	-0.32%	-5.00	0%	0.00	0.00%	0.00	0	0
Average Effective Tax Rate	**29.48%**	**533.93**	**26.63%**	**573.04**	**49.39%**	**777.10**	**25.13%**	**9.06**	**27.72%**	**6.97**	**27.55%**	**6.10**

Particulars	**For the year ended March 31st 2020**	**For the year ended March 31st 2019**	**For the year ended March 31st 2018**
Weighted average consolidated effective tax rate	29.39%	26.64%	49.07%

19. <u>Disclosures as required by IND AS 16 – Property, Plant & Equipment & IND AS 38 – Intangible Assets</u>

1. The depreciation / amortization has been charged at the straight-line method.

2. The Group assessed the impairment of Assets and is of the opinion that since the Group is going concern and there is no indication exist for the impairment of the PPE except in case of NE project for which disclosure is given under Ind AS-36.

3. The useful life of all the PPE / Intangible Assets have been defined in the accounting policies.

4. A reconciliation of the carrying amount at the beginning and end of the period is as per note no 2 of Restated Consolidated Statement of Assets and Liabilities.

5. No assets have been classified as held for sale in accordance with IND AS 105.

6. There is no increase or decrease on account of revaluation and from impairment loss recognized or reversed in other comprehensive income in accordance with IND AS 36

7. No Capital expenses was incurred on Assets not owned by the Group during the period except as detailed below:

(Rs. in Millions)

Particulars	**For the period ended on**		
	31.03.20	**31.03.19**	**31.03.18**
Construction work at Patna for creation of Territory office on Railway land as per approved sanctioned plan by Railways whose agreement is yet to be executed. Expenditure incurred for the same has been shown under Capital Work in Progress	Nil	4.80	2.70

8. There is no obsolete asset which has been so far held under CWIP/Fixed Asset.

9. Depreciation / amortization on all the PPE / Intangible assets have been disclosed separately.

10. There is no restriction on title of PPE / Intangible Assets, and nothing has been pledged as security and liability.

11. The amount of contractual commitment for acquisition of PPE is as follows:

(Rs. in Million)

Particulars	**As at**		
	31.03.20	**31.03.19**	**31.03.18**
Contractual commitment for acquisition of PPE	626.90	2,232.00	2,540.60

12. There is no amount to be received on account of compensation from third party for items of PPE / Intangible assets that were impaired, lost or given to third party that is to be recognized in the Restated Consolidated Statement of Profit and Loss.

13. Entire depreciation / amortization has been recognized in the Restated Consolidated Statement of Profit and Loss and nothing has been charged to cost of other assets. Accumulated depreciation at the end of the period has been shown separately.

14. There are no temporarily idle PPE / intangible assets.

Amount in Millions unless otherwise stated

15. Gross Carrying value of assets those have been fully depreciated, but still are in use are as follows:

(Rs. in Million)

Particulars	**As at**		
	31.03.20	**31.03.19**	**31.03.18**
Gross Carrying Value of fully depreciated Assets	3,697.90	3,914.00	3,300.90

16. The details of the Assets those have been retired during the period are as follows:

(Rs. in Million)

For the year ended on:	**31.03.20**	**31.03.19**	**31.03.18**
Gross Book Value	416.70	6.20	5.30
Net Book Value	0.40	2.30	0.10
Sale Proceeds	0.13	2.20	0.09
Profit/Loss on Retirement	-0.27	-0.10	0.01

17. In the following asset category, depreciation is charged at different rates as compare to the rates prescribed in part C of Schedule II of the Companies Act'2013 on the basis of useful life determined by technical committee:

S. No	**Assets Category**	**Useful life as specified in Part C of schedule II**	**Useful life as per Group's policy**
1	Prefabricated Building	RCC 60 years and others 30 years	15 Years
2	Temporary Structure	3 Years	Fully Depreciated
3	Telecom Equipment's	13 Years	8 Years
4	Last Mile/Access Equipment's	13 Years	8 Years
5	Data Centre	13 Years	8 Years
6	Leasehold Improvements	Over the lease Period	Over the lease period or 10 years when there is no lease agreement

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

Employee Benefits – Defined Contribution

Pension:

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

Provident Fund:

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

Amount in Millions unless otherwise stated

Employee Benefits – Defined Benefit

Gratuity

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

Leave Encashment

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

Post-Retirement Medical:

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

Post-Retirement Medical is provided for based on actuarial valuations, as at the Balance Sheet date.

The following tables summaries the components of net benefit expense recognized in the Restated Consolidated Statement of Profit and Loss and the funded status and amounts recognized in the Restated Consolidated Statement of Assets and Liabilities for the above defined benefit plan.

Table I: Assumptions

(% Per Annum)

	Gratuity			Leave Encashment		
Assumptions	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
Discount Rate	6.71	7.77	7.60	6.71	7.77	7.60
Rate of increase in Compensation levels	6.00	6.00	6.00	6.00	6.00	6.00
Rate of Return on Plan Assets	7.77	7.60	7.60	7.77	7.60	7.60

Table II: Service Cost

(Rs. in Million)

	Gratuity			Leave Encashment		
All Figures in INR	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
Current Service Cost	16.46	13.90	15.29	23.25	19.74	19.51
Past Service Cost (including curtailment Gains/Losses)	0	0	8.21	0	0	0
Gains or losses on Non Routine settlements	0	0	0	0	0	0
Total	**16.46**	**13.90**	**23.50**	**23.25**	**19.74**	**19.51**

Amount in Millions unless otherwise stated

Table III: Net Interest Cost

(Rs. in Million)

	Gratuity			Leave Encashment		
All Figures in INR	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
Interest Cost on Defined Benefit Obligation	10.41	10.35	6.00	14.17	12.32	9.11
Interest Income on Plan Assets	7.88	6.12	5.68	11.62	8.93	4.88
Net Interest Cost (Income)	**2.53**	**4.23**	**0.32**	**2.55**	**3.39**	**4.23**

Table IV: Change in Present Value of Obligations

(Rs. in Million)

	Gratuity			Leave Encashment		
All Figures in INR	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
Opening of defined benefit obligations	133.97	136.20	78.89	182.37	162.15	119.87
Service cost	16.46	13.90	23.50	23.25	19.74	19.51
Interest Cost	10.41	10.35	6.00	14.17	12.32	9.11
Benefit Paid	-5.51	-3.58	-4.05	-8.22	-5.22	-8.70
Actuarial (Gain)/Loss on total liabilities:	**23.85**	**-22.90**	**31.86**	**21.99**	**-6.62**	**22.36**
- due to change in financial assumptions	18.72	-2.35	31.97	18.79	-2.38	0.07
- due to change in demographic assumptions	0	0	0	0	0	0
- due to experience variance	5.13	-20.55	-0.11	3.20	-4.24	22.29
Closing of defined benefit obligation	**179.18**	**133.97**	**136.20**	**233.57**	**182.37**	**162.15**

Table V: Change in Fair Value of Plan Assets

(Rs. in Million)

	Gratuity			Leave Encashment		
All Figures in INR	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
Opening fair value of plan assets	101.46	80.51	74.70	149.58	117.60	64.20
Actual Return on Plan Assets	9.47	6.07	5.40	10.31	8.62	6.32
Employer Contribution	64.57	18.45	4.46	2.84	28.58	55.78
Benefit Paid	-5.51	-3.58	-4.05	-8.22	-5.22	-8.70
Closing fair value of plan assets	**169.99**	**101.46**	**80.51**	**154.51**	**149.58**	**117.60**

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

(Rs. in Million)

	Gratuity			Leave Encashment		
All Figures in INR	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
Expected Interest Income	7.88	6.12	5.68	11.62	8.94	4.88
Actual Income on Plan Asset	9.47	6.07	5.40	10.31	8.62	6.32
Actuarial gain /(loss) on Assets	**1.59**	**-0.05**	**-0.28**	**-1.31**	**-0.32**	**1.44**

Amount in Millions unless otherwise stated

Table VII: Other Comprehensive Income/(Loss)

(Rs. in Million)

	Gratuity			Leave Encashment		
All Figures in INR	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
Opening amount recognized in OCI outside P&L account	0	0	0	N/A	N/A	N/A
Actuarial gain / (loss) on liabilities	-23.85	22.90	-31.86	N/A	N/A	N/A
Actuarial gain / (loss) on assets	1.59	-0.05	-0.28	N/A	N/A	N/A
Closing amount recognized in OCI outside P&L account	**-22.26**	**22.86**	**-32.14**	**N/A**	**N/A**	**N/A**

Table VIII: The amount to be recognized in Restated Consolidated Statement of Assets and Liabilities

(Rs. in Million)

	Gratuity			Leave Encashment		
All Figures in INR	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
Present Value of Obligations	179.18	133.97	136.20	233.57	182.37	162.15
Fair value of plan assets	169.99	101.46	80.51	154.51	149.58	117.60
Net Obligations	9.19	32.51	55.69	79.06	32.79	44.55
Amount not recognized due to asset limit	0	0	0	0	0	0
Net defined benefit liability / (assets) recognized in Restated Consolidated Statement of Assets and Liabilities	**9.19**	**32.51**	**55.69**	**79.06**	**32.79**	**44.55**

Table IX: Expense Recognized in Restated Consolidated Statement of Profit and Loss

(Rs. in Million)

	Gratuity			Leave Encashment		
All Figures in INR	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
Service cost	16.46	13.90	23.50	23.25	19.74	19.51
Net Interest Cost	2.53	4.23	0.32	2.55	3.39	4.23
Net actuarial (gain)/ loss	0	0	0	23.30	-6.31	20.92
Expenses recognized in the Restated Consolidated Statement of Profit & Loss	**18.99**	**18.13**	**23.82**	**49.10**	**16.82**	**44.66**

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

(Rs. in Million)

	Gratuity			Leave Encashment		
Item	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
Fund Managed by Insurer	100%	100%	100%	100%	100%	100%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Amount in Millions unless otherwise stated

Table XI: Change in Net Defined Obligations

(Rs. in Million)

	Gratuity			Leave Encashment		
All Figures in INR	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
Opening of Net defined benefit liability	32.51	55.69	4.19	32.79	44.55	55.67
Service cost	16.46	13.90	23.50	23.25	19.74	19.51
Net Interest Cost	2.53	4.23	0.32	2.55	3.39	4.23
Re-measurements	22.26	-22.86	32.14	23.30	-6.31	20.92
Contribution paid to fund	-64.57	-18.45	-4.46	-2.84	-28.58	-55.78
Closing of Net defined benefit liability	**9.19**	**32.51**	**55.69**	**79.06**	**32.79**	**44.55**

Table XII: Reconciliation of Expense recognized in Restated Consolidated Statement of Profit and Loss

(Rs. in Million)

	Gratuity			Leave Encashment		
All Figures in INR	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
Present Value of Obligation as at the end of the year	179.18	133.97	136.20	233.57	182.37	162.15
Present Value of Obligation as at the beginning of the year	-133.97	-136.20	-78.89	-182.37	-162.15	-119.87
Benefit Paid	5.51	3.58	4.05	8.22	5.22	8.70
Actual Return on Assets	-9.47	-6.07	-5.40	-10.31	-8.62	-6.32
OCI	-22.26	22.86	-32.14	0	0	0
Expenses Recognized in the Restated Consolidated Statement of Profit and Loss	**18.99**	**18.13**	**23.82**	**49.10**	**16.82**	**44.66**

Table XIII: Reconciliation of Liability in Restated Consolidated Statement of Assets and Liabilities

(Rs. in Million)

	Gratuity			Leave Encashment		
All Figures in INR	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
Opening net defined benefit liability / (asset)	32.51	55.69	4.19	32.79	44.55	55.67
Expense charged to profit and loss account	18.99	18.13	23.82	49.10	16.82	44.66
Amount recognized outside profit & loss account	0	0	0	0	0	0
Employer Contributions	-64.57	-18.45	-4.46	-2.84	-28.58	-55.78
OCI	22.26	-22.86	32.14	0	0	0
Closing net defined benefit liability / (asset)	**9.19**	**32.51**	**55.69**	**79.06**	**32.79**	**44.55**

Table XIV: Sensitivity Analysis

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

(Rs. in Million)

	Gratuity			Leave Encashment		
Item	**March 31, 2020**	**Impact (Absolute)**	**Impact %**	**March 31, 2020**	**Impact (Absolute)**	**Impact %**
Base Liability	179.18	0		233.57	0	

Amount in Millions unless otherwise stated

Increase Discount Rate by 0.50%	169.93	-9.26	-5.17%	224.34	-9.23	-3.95%
Decrease Discount Rate by 0.50%	189.29	10.10	5.64%	243.51	9.94	4.26%
Increase Salary Inflation by 1.00%	193.31	14.12	7.88%	253.73	20.17	8.63%
Decrease Salary Inflation by 1.00%	164.81	-14.37	-8.02%	215.87	-17.70	-7.58%
Increase Withdrawal Rate by 1.00%	181.74	2.59	1.43%	224.75	-8.82	-3.78%
Decrease Withdrawal Rate by 1.00%	176.18	-3.00	-1.68%	243.83	10.26	4.39%

	Gratuity			Leave Encashment		
Item	**March 31, 2019**	**Impact (Absolute)**	**Impact %**	**March 31, 2019**	**Impact (Absolute)**	**Impact %**
Base Liability	133.97	0		182.37	0	
Increase Discount Rate by 0.50%	127.50	-6.50	-4.87%	175.70	-6.70	-3.66%
Decrease Discount Rate by 0.50%	141.10	7.10	5.30%	189.50	7.20	3.94%
Increase Salary Inflation by 1.00%	145.10	11.10	8.28%	197.00	14.70	8.05%
Decrease Salary Inflation by 1.00%	123.00	-11.00	-8.18%	169.40	-13.00	-7.10%
Increase Withdrawal Rate by 1.00%	136.90	2.90	2.19%	171.30	-11.10	-6.08%
Decrease Withdrawal Rate by 1.00%	130.60	-3.40	-2.54%	197.20	14.90	8.15%

	Gratuity			Leave Encashment		
Item	**March 31, 2018**	**Impact (Absolute)**	**Impact %**	**March 31, 2018**	**Impact (Absolute)**	**Impact %**
Base Liability	136.20			162.15		
Increase Discount Rate by 1.00%	122.80	-13.40	-10%	145.40	-16.70	-10%
Decrease Discount Rate by 1.00%	152.20	16.00	12%	182.20	20.10	12%
Increase Salary Inflation by 1.00%	152.30	16.10	12%	182.30	20.20	12%
Decrease Salary Inflation by 1.00%	122.50	-13.70	-10%	145.10	-17.00	-11%
Increase Withdrawal Rate by 1.00%	138.20	2.00	1%	164.90	2.80	2%
Decrease Withdrawal Rate by 1.00%	133.90	-2.30	-2%	158.90	-3.20	-2%

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

(Rs. in Million)

	Gratuity			Leave Encashment		
All Figures in INR	**March 31, 2020**	**March 31, 2019**	**March 31, 2018 (Non-Discounted)**	**March 31, 2020**	**March 31, 2019**	**March 31, 2018***
Year 1	13.15	9.42	8.12	23.99	19.23	NA
Year 2	5.89	4.81	9.89	18.63	16.93	NA
Year 3	9.80	9.38	10.82	17.86	14.15	NA
Year 4	8.74	7.50	8.47	16.23	12.48	NA
Year 5	9.95	6.54	7.62	16.04	13.02	NA
After 5th Year	131.65	96.32	119.12	140.81	106.57	NA
Total	**179.18**	**133.97**	**164.04**	**233.57**	**182.37**	**NA**

*Figures are not available.

Amount in Millions unless otherwise stated

Post-Retirement Medical Scheme

Table I: Change in Present Value of Obligations

(Rs. in Million)

All Figures in INR	31-Mar-2020	31-Mar-2019	31-Mar-2018
Defined Benefit Obligation at beginning of year	42.26	14.21	0
Current Service Cost	4.51	2.01	14.21
Past Service Cost	0	0	0
(Gain) / Loss on settlements	0	0	0
Interest Expense	3.28	1.08	0
Benefit Payments from Plan Assets	0	0	0
Benefit Payments from Employer	0	0	0
Settlement Payments from Plan Assets	0	0	0
Settlement Payments from Employer	0	0	0
Other (Employee Contribution, Taxes, Expenses)	0	0	0
Increase / (Decrease) due to effect of any business combination / divesture / transfer)	0	0	0
Increase / (Decrease) due to Plan combination	0	0	0
Remeasurements - Due to Demographic Assumptions	0	0	0
Remeasurements - Due to Financial Assumptions	23.39	-1.81	0
Remeasurements - Due to Experience Adjustments	21.20	26.77	0
Defined Benefit Obligation at end of year	94.64	42.26	14.21
Discount Rate (%)	6.71%	7.77%	7.60%
Medical Inflation Rate (%)	5.00%	5.00%	5.00%

Table II: Change in Fair Value of Plan Assets

(Rs. in Million)

All Figures in INR	31-Mar 2020	31-Mar-2019	31-Mar-2018
Fair Value of Plan Assets at beginning of year	**0**	**0**	**0**
Interest Income	0	0	0
Employer Contributions	0	0	0
Employer Direct Benefit Payments	0	0	0
Employer Direct Settlement Payments	0	0	0
Benefit Payments from Plan Assets	0	0	0
Benefit Payments from Employer	0	0	0
Settlement Payments from Plan Assets	0	0	0
Settlement Payments from Employer	0	0	0
Other (Employee Contribution, Taxes, Expenses)	0	0	0
Increase / (Decrease) due to effect of any business combination / divestiture / transfer)	0	0	0
Increase / (Decrease) due to Plan combination	0	0	0
Remeasurements - Return on Assets (Excluding Interest Income)	0	0	0
Fair Value of Plan Assets at end of year	**0**	**0**	0

Amount in Millions unless otherwise stated

Table III: Changes in Reimbursement Rights

(Rs. in Million)

All Figures in INR	31-Mar-2020	31-Mar-2019	31-Mar-2018
Reimbursement Rights at beginning of year	0	0	0
Reimbursement Service Cost	0	0	0
Gain/ (loss) on Settlements	0	0	0
Interest Income	0	0	0
Employer Contributions to Reimbursement Rights	0	0	0
Reimbursements to Employer	0	0	0
Increase / (Decrease) due to effect of any business combination / divesture / transfer)	0	0	0
Increase / (Decrease) due to Plan combination	0	0	0
Benefits paid by the Group in Prior Year and settled by Fund Manager in current year	0	0	0
Net Transfer In / (Out) (Including the effect of any business combination / divesture)	0	0	0
Remeasurements - Return on Reimbursement Rights (Excluding Interest Income)	0	0	0
Reimbursement Rights at end of year	**0**	**0**	0

Table IV: Changes in Asset Ceiling / Onerous Liability

(Rs. in Million)

All Figures in INR	31-Mar-2020	31-Mar-2019	31-Mar-2018
Asset Ceiling / Onerous Liability at beginning of year	0	0	0
Interest Income	0	0	0
Gain / (Loss) on Settlements	0	0	0
Remeasurement - Due to Asset Ceiling / Onerous Liability (Excluding Interest Income)	0	0	0
Asset Ceiling / Onerous Liability at end of year	0	0	0

Table V: Components of Defined Benefit Cost

(Rs. in Million)

All Figures in INR	31-Mar-2020	31-Mar-2019	31-Mar-2018
Current Service Cost	4.51	2.01	14.21
Past Service Cost	0	0	0
(Gain) / Loss on Settlements	0	0	0
Reimbursement Service Cost	0	0	0
Total Service Cost	4.51	2.01	14.21
Interest Expense on DBO	3.28	1.08	0
Interest (Income) on Plan Assets	0	0	0
Interest (Income) on Reimbursement Rights	0	0	0
Interest Expense on (Asset Ceiling) / Onerous Liability	0	0	0
Total Net Interest Cost	3.28	1.08	0
Reimbursement of Other Long-Term Benefits	0	0	0
Defined Benefit Cost included in P & L	**7.79**	**3.09**	**14.21**

Amount in Millions unless otherwise stated

Remeasurements - Due to Demographic Assumptions	0	0	0
Remeasurements - Due to Financial Assumptions	23.39	-1.81	0
Remeasurements - Due to Experience Adjustments	21.20	26.77	0
(Return) on Plan Assets (Excluding Interest Income)	0	0	0
(Return) on Reimbursement Rights	0	0	0
Changes in Asset Ceiling / Onerous Liability	0	0	0
Total Remeasurements in OCI	**44.59**	**24.96**	0
Total Defined Benefit Cost recognized in P&L and OCI	**52.38**	**28.05**	**14.21**
Discount Rate (%)	**6.71%**	**7.77%**	**7.60%**
Medical Inflation Rate (%)	**5%**	**5%**	**NA**

Table VI: Amounts recognized in the Restated Consolidated Statement of Assets and Liabilities

(Rs. in Million)

All Figures in INR	**31-Mar-2020**	**31-Mar-2019**	**31-Mar-2018**
Defined Benefit Obligation	94.64	42.26	14.21
Fair Value of Plan Assets	0	0	0
Funded Status	94.64	42.26	14.21
Effect of Asset Ceiling / Onerous Liability	0	0	0
Net Defined Benefit Liability / (Asset)	**94.64**	**42.26**	**14.21**

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

(Rs. in Million)

All Figures in INR	**31-Mar-2020**	**31-Mar-2019**	**31-Mar-2018**
Net Defined Benefit Liability / (Asset) at beginning of year	42.26	14.21	0
Defined Benefit Cost included in P & L	7.79	3.09	14.21
Total Remeasurements included in OCI	44.59	24.96	0
Net Transfer In / (Out) (Including the effect of any business combination / divesture)	0	0	0
Amount recognized due to Plan Combinations	0	0	0
Employer Contributions	0	0	0
Employer Direct Benefit Payments	0	0	0
Employer Direct Settlement Payments	0	0	0
Credit to Reimbursements	0	0	0
Net Defined Benefit Liability / (Asset) at end of year	**94.64**	**42.26**	**14.21**

Table VIII: Sensitivity Analysis

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

Particulars			**Assumptions (%)**	**PV of DBO (In Million)**	**Variation (%)**
Discount Rate	**Base**	**31.03.20**	6.71%	94.64	0.00%
		31.03.19	7.77%	42.26	0.00%
		31.03.18	7.60%	14.21	0.00%
	+ 100 Basis Points	**31.03.20**	7.71%	69.30	-26.77%

Amount in Millions unless otherwise stated

		31.03.19	8.77%	31.82	-24.69%
		31.03.18	8.60%	11.45	-19.43%
	-100 Basis Points	**31.03.20**	5.71%	120.10	26.91%
		31.03.19	6.77%	51.82	22.62%
		31.03.18	6.60%	17.89	25.95%
Medical Inflation Rate	**Base**	**31.03.20**	5.00%	94.64	0.00%
		31.03.19	5.00%	42.23	0.00%
		31.03.18	5.00%	14.21	0.00%
	+ 100 Basis Points	**31.03.20**	6.00%	127.29	34.51%
		31.03.19	6.00%	59.03	39.69%
		31.03.18	6.00%	17.96	26.41%
	-100 Basis Points	**31.03.20**	4.00%	72.55	-23.34%
		31.03.19	4.00%	36.72	-13.15%
		31.03.18	4.00%	11.36	-20.01%

Table IX: Maturity Profile of Defined Benefit Obligation

(Rs. in Million)

All Figures in INR	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
Year 1	3.18	2.14	0.34
Year 2	0	1.72	0.33
Year 3	0	1.68	0.32
Year 4	0.32	1.14	0.32
Year 5	0.52	0.81	0.32
After 5th Year	90.55	34.77	12.58

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

(Rs in Million)

Particulars	**Period**	**Provision for pension**	**Provision for Post-Retirement Medical**	**Provision for Gratuity & Leave Encashment**	**Total**
Carrying Amount at the beginning of the year	31.03.20	131.20	42.26	65.30	238.80
	31.03.19	90.60	14.21	100.20	205.00
	31.03.18	50.80	0.00	59.90	110.70
Additional provision made in the year	31.03.20	0	52.38	90.35	142.73
	31.03.19	40.60	28.05	65.30	134.00
	31.03.18	39.80	14.21	100.20	154.20
Amount utilized/adjusted during the year	31.03.20	-117.86	0	0	-117.86
	31.03.19	0	0	-47.10	-47.10
	31.03.18	0	0	-59.90	-59.90
Unused amount reversed during the year	31.03.20	0	0	-67.50	-67.50
	31.03.19	0	0	-53.10	-53.10
	31.03.18	0	0	0	0
Carrying amount at the end of the year	31.03.20	13.33	94.64	88.25	196.10
	31.03.19	131.20	42.26	65.30	238.80
	31.03.18	90.60	14.21	100.20	205.00

Amount in Millions unless otherwise stated

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

The break-up of total grant in aid/subsidy received up to 31.03.2020 for various purposes is as under: -

(Rs. in Million)

Grant/Subsidy Received For	**Up to 31.03.2020**	**Up to 31.03.2019**	**Up to 31.03.2018**
North East Project	314.60	314.60	314.60
Rural Wi-Fi	103.07	93.90	73.90
Total	**417.67**	**408.50**	**388.50**

Grant/Subsidy on NE Project:

The Group had undertaken projects of NE-1 and NE-2 with a total capital outlay of Rs. 4512.50 Million for which anticipated subsidy of Universal Service Obligation Fund of Department of Telecommunication, Government of India was pegged at Rs. 3880.00 Million and net cash outflow of Rs. 632.50 Million.

a. The details of capital expenditure incurred and subsidy received is as follows:

(Rs. in Million)

Particulars	**Upto the year ended on**		
	31.03.20	**31.03.19**	**31.03.18**
Capital expenditure Incurred	3,110.70	3,081.00	3,012.10
Less: Material Transferred to Other Project/Regions	117.20	0	0
Less: Subsidy Received	314.60	314.60	314.60
Net cash outflow	**2,678.90**	**2,766.40**	**2,697.50**

In the opinion of the management, the Group has complied with all the conditions set out for the subsidy and accordingly, there is no liability to refund the subsidy already received.

b. The Group has capitalized following amounts out of the amount incurred above:

(Rs. in Million)

Particulars	**Upto the year ended on**		
	31.03.20	**31.03.19**	**31.03.18**
Amount Capitalized	682.90	682.90	222.70
Subsidy Received against above capitalisation	167.80	167.80	39.50

c. Depreciation charged to Restated Consolidated Statement of Profit and Loss due to capitalization and accordingly impact of amortization of subsidy recognized in Restated Consolidated Statement of Profit and Loss in proportion to depreciation (which is shown under the head other operating revenue) are as follows:

(Rs. in Million)

Particulars	**For the year ended on**		
	31.03.20	**31.03.19**	**31.03.18**
Depreciation charged to Restated Consolidated Statement of Profit and Loss	47.20	41.40	31.30
Amortization of subsidy recognised in Restated Consolidated Statement of Profit and loss	11.90	9.20	5.80

Amount in Millions unless otherwise stated

Grant/Subsidy on Rural Wi-Fi:

The Group has received Rural Wi-Fi Subsidy amounting to Rs. 103.07 million up to 31.03.2020 from Department of Telecommunication (DoT) for installation of Wi-Fi in rural areas.

a. The details of capital expenditure incurred and subsidy is received as follows:

(Rs. in Million)

Particulars	**Upto the year ended on**		
	31.03.20	**31.03.19**	**31.03.18**
Capital expenditure Incurred	141.48	72.45	13.05
Subsidy Received	103.07	93.90	73.90
Net cash outflow	38.41	(21.45)	(60.85)

b. The Group has capitalized following amounts on account of partial commissioning of wi-fi services at the stations.:

(Rs. in Million)

Particulars	**Upto the year ended on**		
	31.03.20	**31.03.19**	**31.03.18**
Amount Capitalized	141.48	64.40	Nil
Subsidy Received	103.07	93.90	73.90

c. Depreciation charged to Restated Consolidated Statement of Profit and Loss due to capitalization and accordingly impact of amortization of subsidy recognized in Restated Consolidated Statement of Profit and Loss in proportion to depreciation (which is shown under the head other operating revenue) are as follows:

(Rs. in Million)

Particulars	**For the year ended on**		
	31.03.20	**31.03.19**	**31.03.18**
Depreciation charged to Restated Consolidated Statement of Profit and Loss	13.83	7.00	Nil
Amortization of subsidy recognised in Restated Consolidated Statement of Profit and Loss	9.40	3.90	Nil

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

Exchange Difference

(Rs. in Million)

S. No	**Particulars**	**March'20**	**March'19**	**March'18**
1	The amount of exchange differences recognised in Restated Consolidated Statement of Profit/(loss).	(1.20)	1.53	(10.04)
2	Net exchange differences recognised in other comprehensive income and accumulated in a separate component of equity.	Nil	Nil	Nil
3	Reconciliation of the amount of such exchange differences at the beginning and end of the period.	NA	NA	NA

Amount in Millions unless otherwise stated

23. IND-AS – 24: Related party disclosures

Names of related parties and their relationship:

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

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

(ii) Key Management Personnel:

S. No.	Name	Designation	Date of appointment	Date of Cessation (If any)
1	Sh. Puneet Chawla	CMD	14/12/2018	Appointed as CMD w.e.f. 10/05/2019 (earlier holding additional charge from 14/12/2018 to 09/05/2019)
		Chairman and Director-Subsidiary	20/12/2018	
2	Sh. Ashutosh Vasant	Director/POM	30/03/2017	NA
		CMD (Addl. Charge)	03/10/2017	Cessation of Addl. Charge of the post of CMD w.e.f. 23/04/2018
		Chairman and Director-Subsidiary	08/01/2018	Ceased to be Chairman and Director-Subsidiary w.e.f. 27/04/2018
3	Sh. Sanjai Kumar	Director/NPM	23/05/2018	NA
4	Sh. Anand Kumar Singh	Director-Finance	04/09/2019	NA
		CFO	26/09/2019	
5	Sh. Sanjeev Jain	Director/Finance (Addl. Charge) and	11/04/2019	Ceased to be Director/Finance & CFO w.e.f. 04/09/2019
		CFO	24/05/2019	
6	Sh. Sanjeeb Kumar	Director/Finance (Addl. Charge)	03/04/2018	Ceased to be Director/Finance & CFO w.e.f. 03/04/2019
		CFO	14/05/2018	
7	Sh. H. K. Agarwal	CMD (Addl. Charge)	23/08/2018	Ceased to be CMD w.e.f. 12/12/2018
		Chairman and Director-Subsidiary	29/08/2018	Ceased to be Director- Subsidiary w.e.f. 20/12/2018
8	Sh. N. Kashinath	CMD (Addl. Charge)	23/04/2018	Ceased to be the CMD w.e.f. 23/08/2018

Amount in Millions unless otherwise stated

		Chairman and Director-Subsidiary	27/04/2018	Ceased to be Chairman and Director-Subsidiary w.e.f. 29/08/2018
9	Sh. Anshul Gupta	Director/NPM (Addl. Charge)	16/11/2017	Cessation of Addl. Charge of the post of D/NPM w.e.f. 23/05/2018
10	Smt. Anju Ranjan	Director/Finance (Addl. Charge)	03/04/2017	Ceased to be the Director/Finance & CFO w.e.f. 02/04/2018
		CFO	28/06/2017	
11	Sh. Rajendra Kumar Bahuguna	CMD	01/10/2011	Ceased to be CMD w.e.f. 30/09/2017
		Chairman and Director-Subsidiary	12/08/2014	Ceased to be Chairman and Director-Subsidiary w.e.f. 08/01/2018
12	Sh. A. Seshagiri Rao	Director/NPM	14/08/2012	Ceased to be Director/NPM w.e.f. 28/08/2017
13	Sh. Narender Kumar Gupta	Director/Finance	10/07/2012	Ceased to be Director/Finance w.e.f. 31/03/2017
14	Sh. J S Marwah	Company Secretary	05/02/2015	NA
15	Sh. Harish Chandra Batra	Director (Finance)/-Subsidiary	19/05/2018	NA
		CFO- Subsidiary	26/06/2018	
16	Sh. A.K Sablania	Director-Subsidiary	25/06/2018	NA
		CEO- Subsidiary	26/06/2018	
17	Smt. Madhulika Pathak	Director-Subsidiary	12/08/2014	Ceased to be Director-Subsidiary w.e.f. 19/05/2018
		CFO-Subsidiary	28/02/2018	Ceased to be CFO-Subsidiary w.e.f. 26/06/2018
18	Sh. Sanjai Kumar	Director-Subsidiary	12/08/2014	Ceased to be Director-Subsidiary w.e.f. 25/06/2018
19	Sh. Yudhveer	Company Secretary-Subsidiary	24/05/2017	22.12.2019
20	Smt. Nikita Sharma	Company Secretary	23.12.2019	NA

Amount in Millions unless otherwise stated

(iii) Disclosures of transactions of the Group with Key Management Personnel:

(Rs. in Million)

Name	Designation	Salaries and Allowances			Provident Fund Contribution			Pension Contribution			Other Benefits *		
		31.03.20	**31.03.19**	**31.03.18**	**31.03.20**	**31.03.19**	**31.03.18**	**31.03.20**	**31.03.19**	**31.03.18**	**31.03.20**	**31.03.19**	**31.03.18**
Sh. Puneet Chawla	CMD and Chairman and Director-Subsidiary	2.60	-	-	-	-	-	0.70	-	-	-	-	-
Sh. Ashutosh Vasant	Director/POM CMD (Addl. Charge) Chairman and Director-Subsidiary	5.10	4.00	4.10	0.30	0.30	0.28	0.30	0.25	0.23	-	-	-
Sh. Sanjai Kumar	Director/NPM	5.60	4.10	-	0.30	0.29	-	0.30	0.24	-	-	-	-
Sh. Anand Kumar Singh	Director-Finance and CFO	3.30	-	-	0.20	-	-	0.10	-	-	-	-	-
Sh. Rajendra Kumar Bahuguna	CMD and Chairman and Director-Subsidiary	-	-	3.10	-	-	-	-	-	-	-	-	-
Sh. A. Sheshgiri Rao	Director/NPM	-	-	2.20	-	-	-	-	-	-	-	-	2.6
Sh. Narender Kumar Gupta	Director/Finance	-	-	-	-	-	-	-	-	-	-	-	0.9
Sh. J S Marwah	Company Secretary	2.20	2.10	1.90	0.20	0.14	0.13	0.10	0.12	0.11	-	-	-
Sh. Yudhveer	Company Secretary-Subsidiary	0.90	1.10	0.30	0.11	0.08	0.02	0.09	0.07	0.02	-	-	-
Smt. Nikita Sharma	Company Secretary-Subsidiary	0.20	0	0	0.02	0	0	0.02	0	0	-	-	-
Total		**19.90**	**11.30**	**11.60**	**1.13**	**0.81**	**0.43**	**1.61**	**0.68**	**0.36**	**-**	**-**	**3.5**

*Other benefits include leave encashment and gratuity.

Amount in Millions unless otherwise stated

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

(Rs. in Million)

Employee Name	Designation	Gratuity			Leave Encashment		
		As at 31st March 2020	**As at 31st March 2019**	**As at 31st March 2018**	**As at 31st March 2020**	**As at 31st March 2019**	**As at 31st March 2018**
Sh. Sanjai Kumar	Director/NPM	1.30	1.10	-	2.20	1.80	-
Sh. J S Marwah	Company Secretary	0.30	0.20	0.13	0.80	0.60	0.58
Sh. Ashutosh Vasant	Director/POM	1.20	1.00	1.54	1.60	1.20	1.17
Sh. Anand Kumar Singh	Director/Finance	-	-	-	1.30	-	-

(v) Transactions with Railway PSUs& Railway Units

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

(Rs. in Million)

Particulars	**Period**	**Revenue**	**Expense**	**Receivable**	**Payable**	**Advance Received**
Centre For Railway Information Systems	Mar'20	34.10	0	30.40	0	0
	Mar'19	24.10	0	21.30	0	0
	Mar'18	0.00	0.00	13.80	0.00	0.00
Container Corporation of India Ltd	Mar'20	41.00	0	18.61	0	0
	Mar'19	8.40	0	9.17	0	0
	Mar'18	1.80	0.00	2.90	0.00	0.00
Dedicated freight corridor Corporation of India Limited	Mar'20	61.06	0	36.57	0	55.28
	Mar'19	28.15	3.00	14.72	0	92.10
	Mar'18	20.40	0.00	5.20	0.00	46.60
Indian Railway Catering and Tourism Corporation Limited	Mar'20	178.25	0.60	6.31	0	0
	Mar'19	61.29	0	13.38	0	0.10
	Mar'18	15.60	0.00	9.50	0.00	0.10
IRCON International Limited	Mar'20	5.40	0.50	2.10	0	0
	Mar'19	3.90	0	0.70	0	0
	Mar'18	3.50	0.00	0.70	0.00	0.00
Konkan Railway Corporation of India Limited	Mar'20	20.73	12.40	10.6	0	2.19
	Mar'19	10.30	5.20	3.60	3.00	11.30
	Mar'18	4.20	2.80	0.70	1.50	0.70
Rail Land Development Authority	Mar'20	0.14	0	0	0	0
	Mar'19	0.40	0	0.50	0	0
	Mar'18	0.40	0.00	0.40	0.00	0.00
Rail Vikas Nigam Limited	Mar'20	51.42	0	21.80	0	61.42
	Mar'19	33.00	18.70	9.00	0	77.70
	Mar'18	29.10	0.00	5.00	0.00	62.10
CAO Rail Wheel Plant Bela	Mar'20	0.70	0	0	0	0
	Mar'19	1.00	0	1.10	0	0
	Mar'18	0.60	0.00	1.00	0.00	0.00
RITES Limited	Mar'20	8.00	0	7.20	0	0
	Mar'19	3.70	0	1.60	0.10	0
	Mar'18	1.10	0.00	0.90	0.00	0.00
India Railways	Mar'20	2,831.40	357.20	1,089.39	628.40	1,509.75*
	Mar'19	1,152.89	270.76	1,213.34	505.50	1,233.67
	Mar'18	1,187.30	285.10	1,100.50	497.70	981.30

Amount in Millions unless otherwise stated

National High-Speed Rail Corporation	Mar'20	26.09	0	0	0	60.51
	Mar'19	1.51	0	0	0	0
	Mar'18	2.00	0.00	0.40	0.00	0.00
Mumbai Railway Vikas Corporation	Mar'20	5.10	0	0	0	0.45
	Mar'19	0	0	0	0	0
	Mar'18	0.00	0.00	0.00	0.00	0.00
Maharashtra Rail Infrastructure Development Corporation Ltd	Mar'20	0.15	0	0	0	1.53
	Mar'19	0	0	0	0	0
	Mar'18	0.00	0.00	0.00	0.00	0.00
Total	**Mar'20**	**3,263.54**	**370.70**	**1,222.98**	**628.40**	**1,691.13**
	Mar'19	**1,328.64**	**297.66**	**1,288.45**	**508.60**	**1,414.87**
	Mar'18	**1,265.40**	**287.90**	**1,140.00**	**499.20**	**1,090.80**

* Advance includes an amount of Rs. 476.30 Million from Subsidiary company towards VSS project (Refer item no 32 of note No. 42 of Annexure-VI).

(vi) Additional disclosure required as per (Issue of Capital and Disclosure Requirement) ICDR Regulations 2018 in respect of transactions with Related parties is given hereunder:

Name of the Related Party : RailTel enterprises Limited (REL - Subsidiary)

On consolidation, following transaction with Subsidiary has been eliminated:

Balances as at	**31st March 2020**	**31st March 2019**	**31st March 2018**
Investment in subsidiary	100.00	100.00	100.00
Receivables	66.60	17.60	14.30
Payable	8.00	4.40	4.60

Transactions for the year ended	**31st March 2020**	**31st March 2019**	**31st March 2018**
Operating income from subsidiary	47.50	7.70	3.30
Operating expenses	12.60	NIL	NIL
Non-Operating income from subsidiary	0.50*	7.30	4.50

* Net off excess income booked of Rs. 3.9 Million of FY 2018-19 reversed during the year.

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

Numerator	**For the year ended 31st March 2020**	**For the year ended 31st March 2019**	**For the year ended 31st March 2018**
Net Profit after tax as per Restated Consolidated Statement of Profit and Loss attributable to Equity Shareholders (Used as Numerator (Rs. in Million)	1,410.66	1,353.56	1,340.06
Denominator			

-Number of Equity Shares (Face value of Rs.10/- each)	320938407	320938407	320938407
Number of Shares allotted during the year	NIL	NIL	NIL
-Weighted Average number of equity shares for calculating Basic Earnings Per Share	320938407	320938407	320938407
-Weighted Average number of equity shares for calculating Diluted Earnings Per Share	320938407	320938407	320938407
-Basic Earnings Per Share (Rs. / per share) (Face value of Rs.10/- each)	4.40	4.22	4.18
-Diluted Earnings Per Share (Rs. / per share) (Face value of Rs.10/each)	4.40	4.22	4.18

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

Based on an independent impairment study conducted by an independent firm of chartered accountants, using replacement cost approach with applicable depreciation till date of impairment study (The replacement cost has been determined based on market-based data provided by the management and as verified/confirmed by the independent consultants), the Group has recognized the impairment loss amounting Rs. 492.98 Million (PY-Nil) during the year 2019-20 and shown under the head “Exceptional Items” in Restated Consolidated Statement of Profit and Loss for NE Project. This project was halted for the long time due to difficult working conditions in north eastern region and various other reasons. This project is currently accounted under the capital work in progress and contains mainly the plant and machinery. Assets constructed under the project become idle for the long time. Hence, the Group has assessed and recognized the impairment loss on these projects. Out of the total impairment loss of Rs. 492.98 Million, Impairment loss of Rs. 396.20 Million pertains to the assets totally damaged and no future economic benefits are expected from these assets. Impairment loss have been calculated by taking the whole project as "Cash Generating Unit".

Recoverable amount has been calculated as per Ind AS 36 and 113. The "fair value less cost of sales" is taken as recoverable amount as computation of "value in use" is not practicable. To compute the fair value, the Group has used the valuation technique of "cost approach". Under the cost approach, "the amount that would be required currently to replace the service capacity of an asset" is taken to calculate the fair value. Obsolescence on account of technological, economic and physical deterioration is also adjusted. Unobservable inputs have been taken under the third level of fair value hierarchy to compute the fair value as per Ind AS 36 and 113. Such inputs are latest cost of purchase of similar assets, obsolescence rates etc. Further, the Group has accounted these assets under the "Telecom Services" segment. Kindly refer item no. 27 of Note no. 42 of Annexure-VI for disclaimer related to segment report.

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

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

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

Amount in Millions unless otherwise stated

(Rs in Million)

Particulars	For the year ended on	Provision for Arbitration Claim	Performance Related Pay	3rd PRC	Total
Carrying Amount at the beginning of the year	31.03.20	4.60	170.53	0.00	175.13
	31.03.19	4.60	192.40	0.00	197.00
	31.03.18	4.60	99.40	4.20	108.20
Additional provision made in the year	31.03.20	0.00	32.40	0.00	32.40
	31.03.19	0.00	36.10	0.00	36.10
	31.03.18	0.00	97.00	0.00	97.00
Amount utilized/adjusted during the year	31.03.20	0.00	-81.30	0.00	-81.30
	31.03.19	0.00	-42.00	0.00	-42.00
	31.03.18	0.00	-0.40	-4.20	-4.60
Unused amount reversed during the year	31.03.20	0.00	-22.58	0.00	-22.58
	31.03.19	0.00	-15.97	0.00	-15.97
	31.03.18	0.00	-3.60	0.00	-3.60
Carrying amount at the end of the year	31.03.20	4.60	99.05	0.00	103.65
	31.03.19	4.60	170.53	0.00	175.13
	31.03.18	4.60	192.40	0.00	197.00

b. Contingent liabilities**:**

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

26.1 (a): Claim against the Group not acknowledged as debts

(Rs in Million)

Particulars	For the year ended on	Service Tax	Income Tax	VAT	DOT*	Other	Total
Carrying Amount at the beginning of the year	31.03.20	149.10	296.80	13.10	1116.60	57.20	**1,632.80**
	31.03.19	147.50	136.60	8.30	1075.60	57.20	**1,425.20**
	31.03.18	113.20	29.20	37.90	1075.60	30.00	**1,285.90**
Additions during the year	31.03.20	0.00	77.80	0.30	1799.00	70.96	**1,948.06**
	31.03.19	13.60	163.00	17.60	41.00	0.00	**235.20**
	31.03.18	0.00	119.50	0.40	0.00	27.20	**147.10**
Amount adjusted during the year	31.03.20	-66.60	-146.40	-1.80	-2915.60	-34.42	**-3,164.82**
	31.03.19	-12.00	-2.80	-12.80	0.00	0.00	**-27.60**
	31.03.18	34.30	-12.10	-30.00	0.00	0.00	**-7.80**
Carrying amount at the end of the year	31.03.20	82.50	228.20	11.60	0.00	93.74	**416.04**
	31.03.19	149.10	296.80	13.10	1,116.60	57.20	**1,632.80**
	31.03.18	147.50	136.60	8.30	1,075.60	57.20	**1,425.20**

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

Amount in Millions unless otherwise stated

26.1(b) Bank Guarantees given by the Group to Customers/Government

(Rs. In Million)

Particulars	**March'20**	**March'19**	**March'18**
Bank Guarantees	1,720.80	1,577.40	1,508.30

26.1(c) Capital Commitments

(Rs. In Million)

Particulars	**March'20**	**March'19**	**March'18**
Estimated amounts of contracts remaining to be executed on capital account	626.90	2,232.00	2,540.60

27. <u>Disclosure Requirements as per IND AS 108 – Operating Segments</u>

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

The Group's operating segments are as follows:

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

   It provides a wide range of Telecom services to its customer as under:

   1. Managed Data Services
   2. Leased Line
   3. Virtual Private Network
   4. Internet Leased Line
   5. Data Centre
   6. Tower collocation
   7. Rack and space
   8. NLD for voice carriage

2. **Project Work services-** To generate revenue through its expertise in telecom field, Group has taken the following projects:

   1. National Optical Fiber Network
   2. Telecom and IT services related projects
   3. Enterprise specific IT & ITES Projects

Amount in Millions unless otherwise stated

The Group's Operating segment information for the period ended March'20, March'19 and March'18 is presented below:

(Rs. in Million)

Sr. No.	Particulars	For the year ended on								
		31.03.20			31.03.19			31.03.18		
		Telecom Services	Project Work Services	Total	Telecom Services	Project Work Services	Total	Telecom Services	Project Work Services	Total
		A	B	A+B	A	B	A+B	A	B	A+B
1	**Segment Revenue**									
	Revenue from operations	7,508.90	3,771.64	11,280.54	7,064.15	2,968.54	1,0032.69	6,855.58	2,912.21	9,767.79
	Sales/Revenue from Operations	**7,508.90**	**3,771.64**	**11,280.54**	**7,064.15**	**2,968.54**	**1,0032.69**	**6,855.58**	**2,912.21**	**9,767.79**
2	**Segment Results**									
	Profit/Loss before Taxes									
	Segment Operating Income/(Loss)	1,531.97*	370.86	1,902.83	1,733.00	474.41	2,207.51	1,515.08	113.90**	1,628.98
	Total	**1,531.97**	**370.86**	**1,902.83**	**1,733.00**	**474.41**	**2,207.51**	**1,515.08**	**113.90**	**1,628.98**
	Add/Less: (i) Other Un-allocable expenditure net of un-allocable income			13.17			50.31			-10.13
	(ii) Finance cost net of Finance income			-68.40			-80.93			-22.74
	Total Profit before Tax			**1,847.60**			**2,176.89**			**1,596.11**
3	**Segment Assets**									
	a. Property, Plant & Equipment Assets (Net Blocks)	6,085.27	-	6,085.27	7,859.77	-	7,859.77	6,843.46	-	6,843.46
	b. Right of Use Assets	1,729.60	-	1,729.60	-	-	-	-	-	-
	b. Other Assets	7,500.12	3,181.45	10,681.57	4,068.44	2,953.01	7,021.45	5,852.55	1,537.89	7,390.44
	c. Capital CWIP	2,525.46	-	2,525.46	2,998.95	-	2,998.95	3,641.63	-	3,641.63
	d. Un-allocable assets	-	-	2,959.10	-	-	4,396.58	-	-	5,353.26
	Total Assets	**17,840.45**	**3,181.45**	**23,981.00**	**14,927.16**	**2,953.01**	**22,276.75**	**16,337.64**	**1,537.89**	**23,228.79**
4	**Segment Liabilities**									
	a. Segment Liabilities	7,848.21	2,104.10	9,952.31	6,794.48	2,008.00	8,802.48	8,377.17	2,157.78	10,534.95
	b. Un-allocable Liabilities	-	-	335.13	-	-	583.42	-	-	402.07
	Total liabilities	**7,848.21**	**2,104.10**	**10,287.44**	**6,794.48**	**2,008.00**	**9,385.90**	**8,377.17**	**2,157.78**	**10,937.02**

* Impairment loss amounting to Rs 492.98 Million is recognized in FY 2019-20.

****** Net of exceptional item (reference Note no. 39 of Annexure VI and Note no. 3 of Part A/B of Annexure V).

Amount in Millions unless otherwise stated

Information about major customers:

Following are the customers who contributed 10% or more to the Group's revenue:

(Amount in Million)

Customers	**For the year ended on**		
	31.03.20	**31.03.19**	**31.03.18**
No. of Customers	1	2	3
Amount	2,831.40	2,348.20	4,115.80

28. Disclosure Requirement as per IND AS 112 – Disclosure of Interest in Other entities : N.A.

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

Valuation techniques and process used to determine fair values

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

Financial Instrument

Financial Instruments by Category

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

(Rs in Million)

Particulars	**Year**	**Financial Assets/Liabilities at amortised costs**	**Financial Assets/Liabilities at FVTPL**	**Financial Assets/Liabilities at FVTOCI**
Assets				
Trade Receivables (Refer to Note No. 11)	31.03.20	5,070.70	Nil	Nil
	31.03.19	4,595.72	Nil	Nil
	31.03.18	4,666.78	Nil	Nil
Investments (Refer to Note No. 10)	31.03.20	Nil	Nil	Nil
	31.03.19	Nil	70.45	Nil
	31.03.18	Nil	Nil	Nil
Cash & Cash Equivalents and Other Bank Balances (Refer to Note No. 12 & 13)	31.03.20	2,684.30	Nil	Nil
	31.03.19	4,069.29	Nil	Nil
	31.03.18	5,092.21	Nil	Nil
Other Financial Assets (Refer to Note No. 6,7,14 & 15)	31.03.20	4,410.30	Nil	Nil
	31.03.19	1,263.19	Nil	Nil
	31.03.18	1,184.81	Nil	Nil
Liabilities				
Trade Payables (Refer to Note No. 24)	31.03.20	3,788.76	Nil	Nil
	31.03.19	2,667.64	Nil	Nil
	31.03.18	2,709.64	Nil	Nil
Other Financial Liabilities (Refer to Note No. 19,20,25 & 26)	31.03.20	2,326.44	Nil	Nil
	31.03.19	1,681.56	Nil	Nil
	31.03.18	1,639.73	Nil	Nil

Amount in Millions unless otherwise stated

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

(Rs in Million)

Particulars	**As at March'20**	**As at March'19**	**As at March'18**
Financial assets at amortised cost			
Interest expenses on other financial assets	16.54	16.14	14.10
Interest income on other financial liabilities	7.04	9.50	8.40
Financial assets at Fair Value through Profit or Loss (FVTPL)	**Nil**	**0.30**	**Nil**
Financial assets at Fair Value through Other Comprehensive Income (FVTOCI)	**Nil**	**Nil**	**Nil**

Financial Risk Management

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

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

The Group has established a risk management policy to identify and analyze the risks faced by the Group. The audit committee broadly oversees how management monitors compliances with the Group's risk management policies and procedures. The audit committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

1. Credit Risk:

Credit risk is the risk of financial losses to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation and arises principally from the Group's trade receivables, employee loans and other activities that are in the nature of leases.

The Group assesses on a forward-looking basis the expected credit loss associated with its financial assets carried at amortized cost. For trade receivables in the year 2019-20, the Group followed 'simplified approach' for recognition of impairment loss and always measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109 i.e. expected credit loss allowance as computed based on historical credit loss experience. Group has 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. 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, the trade receivables have been divided into two categories as follows:

- Government and PSU Customers
- Telecom and others

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

Amount in Millions unless otherwise stated

Till March 31,2019, trade receivables were provided on the basis of probable losses inherent in the accounts receivable as per the management's best estimate considering the ageing of trade receivable, historical write-off experience (net of recoveries) etc. Trade receivables are provided in specific cases where management considers the trade receivable as non- recoverable.

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

(Amount in Million)

Ageing	March 31, 2020			
	Gross Amount	Expected credit Loss	Gross Amount	Expected credit Loss
	Government and PSU		Telecom and others	
Within 1 year	3,755.10	21.60	413.70	18.90
1 -2 years	472.60	23.70	17.90	8.10
2 -3 years	349.00	39.80	57.70	47.50
More than 3 years	199.00	34.60	227.60	227.70
Total	**4,775.70**	**119.70**	**716.90**	**302.20**

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

The gross carrying amount of financial assets, net of any impairment losses recognized represents the maximum credit exposure. The maximum exposure to credit risk as at March' 2020, March' 2019 and March' 2018 was as follows: -

(Rs in Million)

Particulars		Trade Receivables (Refer to Note No. 11)	Other Financial Assets (Refer to Note No. 6,7,14 & 15)
Gross Carrying Value	31.03.20	5,492.60	4,410.30
	31.03.19	4,895.21	1,263.19
	31.03.18	4,969.13	1,184.81
Net Value after Impairment	31.03.20	5,070.70	4,410.30
	31.03.19	4,595.72	1,263.19
	31.03.18	4,666.78	1,184.81

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

2. **Liquidity Risk:**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group reputation, typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses, servicing of financial obligations.

3. **Market Risk:**

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments.

Amount in Millions unless otherwise stated

The Group makes investment in mutual fund which are subject to Market Risk. Hence, the investment is classified in the Restated Consolidated Statement of Assets and Liabilities at fair value through profit and loss (FVTPL) and resultant gain/loss on investment is classified as FVTPL. However, to manage the price risk, the Group has invested in liquid funds and the level of the investments is insignificant in view of the level of the operation of the Group.

30. IND AS 115 – Revenue from Contracts with Customers

The Group adopted Ind AS 115 'Revenue from Contract with Customer's w.e.f. 01.04.2018. The Standard was applied retrospectively with the cumulative effect of initially applying this standard as an adjustment to the opening balance of retained earnings at the date of initial application.

Disaggregation of Revenue

The Group disaggregates revenue from contract with customer into categories that depicts how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. In project business segment the Group provides warranty to customer which is implicit in the contract revenue. The said warranty is provided by OEMs with back to back performance obligation and hence the Group does not have additional obligation for warranty in addition to the same provided by OEMs. Since warranty is implicit in transaction price on back to back agreement with OEMs and hence has not been accounted for separately.

The following table illustrates the disaggregation of disclosure by primary geographical region, major product line, market or type of customer, type of contract, contract duration, sales channel and timing of revenue recognition in accordance with Ind AS 115.

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

(Rs in Million)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Geographical Segment			
Pan India	4,134.70	3,244.90	3,020.94
Abroad	-	-	-
Total	**4,134.70**	**3,244.90**	**3,020.94**

(Rs in Million)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Major Product Line			
Railway Project Works	1,888.59	318.61	353.68
Other Projects	1,883.05	2,649.93	2,558.53
Others	363.06	276.36	108.73
Total	**4,134.70**	**3,244.90**	**3,020.94**

Amount in Millions unless otherwise stated

(Rs in Million)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Type of Customer			
Government Customers	3,951.30	2,846.50	2,318.26
Non - Government Customers	183.40	398.40	702.68
Total	**4,134.70**	**3,244.90**	**3,020.94**

(Rs in Million)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Type of Contract			
Fixed Price Contracts	2,210.50	2,953.00	2,767.65
Time- and- Materials Contracts	1,924.20	291.90	253.29
Total	**4,134.70**	**3,244.90**	**3,020.94**

(Rs in Million)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Sales Channel			
Direct to Customer	4,134.70	3,244.90	3,020.94
Through Intermediaries	-	-	
Total	**4,134.70**	**3,244.90**	**3,020.94**

(Rs in Million)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Duration of Contract			
Short Term	4,127.30	3,244.90	3,020.94
Long Term	7.40	-	
Total	**4,134.70**	**3,244.90**	**3,020.94**

<u>Contract Assets</u>

(Rs in Million)

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Trade Receivable	1,832.90*	2,589.76	1,314.26
Unbilled Revenue	1,338.50**	361.20	223.63
Work in Progress	10.05	2.05	0.00
Total	**3,181.45**	**2,953.01**	**1,537.89**

Amount in Millions unless otherwise stated

Particulars	**As at March 31, 2020**	**As at March 31, 2019**	**As at March 31, 2018**
Contract Liability	2,104.10	2,008.00	2,157.78
Total	**2,104.10**	**2,008.00**	**2,157.78**

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

(Rs in Million)

Particulars	**During the Year Ended March 31, 2020**	**During the Year Ended March 31, 2019**	**During the Year Ended March 31, 2018**
Revenue recognized during the year from the contract liability balance at the beginning	416.50	267.40	111.75
Total	**416.50**	**267.40**	**111.75**

Revenue Recognized from performance obligations satisfied partially in Previous Period

(Rs in Million)

Particulars	**During the Year Ended March 31, 2020**	**During the Year Ended March 31, 2019**	**During the Year Ended March 31, 2018**
Revenue recognized due to change in Transaction Price	-	-	-
Total	-	-	-

* Includes trade receivable of Rs. 451.90 Million recoverable from a customer out of which Rs. 263.80 Million is disputed by the customer and management is of the opinion that it is fully recoverable and in view of this no provision has been made against the said amount except for Expected Credit Loss as per Ind AS requirement. Further, the Group has also claimed an amount of Rs. 266.60 Million towards SLA deduction and interest for delayed payment. However, the same has not been recognized in the books of accounts on conservative basis as per Ind AS-115. Group has filed an application to Ministry of Railways for settlement of the dispute through administrative Mechanism for resolution of CPSE dispute (AMRCD).

** Includes amount of Rs. 239.00 Million pertaining to a project executed for a customer for which payment shall be made by the customer after their User Acceptance Test (UAT). However, work has been executed as per agreement.

31. Ind AS 116 –Leases

<u>**Transitional Provision**</u>:

The Group has applied IND AS 116 with a date of initial application of April 1, 2019, using the modified retrospective approach and the effect is Nil on retained earnings as at April 1, 2019. The comparative information continued to be reported as per Ind AS 17.

A <u>As a Lessee</u>

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

Amount in Millions unless otherwise stated

<u>Right of use - Asset</u>

(Rs in Million)

Particulars	**As at 31st March 2020**			
	Building	**Land**	**Telecom Assets**	**Total**
Right-of-use assets, except for investment property (Note No. 4)	1,115.50	327.50	286.60	**1,729.60**

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

<u>Lease Liabilities</u>

(Rs in Million)

Maturity analysis - Contractual undiscounted cash flows	**As at 31st March 2020**
Less than one year	116.40
One to five years	272.30
More than five years	231.50
Total undiscounted lease liabilities at 31st March, 2020	**620.20**

<u>Lease Liabilities included in the Restated Consolidated Statement of Assets and Liabilities</u>

(Rs in Million)

Particulars	**As at 31st March 2020**
Current	77.40
Non – Current	348.00
Total	**425.40**

<u>Amount Recognized in Restated Consolidated Statement of Profit & Loss</u>

(Rs in Million)

Particulars	**for the year ended 31st March 2020**
Interest on lease liabilities	34.12
Variable lease payments not included in the measurement of lease liabilities	Nil
Expenses relating to Short term leases and leases of low-value assets, excluding short-term leases of low-value assets	Nil

<u>Amounts recognized in the Restated Consolidated Statement of Cash flows</u> -

(Rs in Million)

Particulars	**for the year ended 31st March 2020**
Total cash outflow for leases	66.70

<u>Other Disclosure</u>-

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

Amount in Millions unless otherwise stated

B. As a Lessor

(Rs in Million)

Particulars	**Year ended 31st March 2020**
Lease Income	7,066.20

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

Lease Payments to be received after the reporting date

(Rs in Million)

Particulars	**As at 31st March 2020**
Less than one year	449.96
One to two years	213.58
Two to three years	186.89
Three to four years	176.11
Four to five years	116.66
More than five years	124.33
Total undiscounted lease payments	**1,267.51**

Other Disclosures –

a) The Group has been offering NLD Services, infrastructure services (Dark Fibers, Tower space and co-location etc.) under IP-I registration, ILD and Internet services under unified license to its customers under respective operating lease.

b) The Group has entered into a non–cancellable long-term lease arrangement to provide optical fiber on indefeasible right of use (IRU) basis. The lease rental receivable proportionate to actual kilometers accepted by the customer is credited to the Restated Consolidated Statement of Profit and Loss on a straight – line basis over the lease term. Due to the nature of the transaction, it is not possible to compute gross carrying amount, depreciation for the year and accumulated depreciation of the asset given on operating lease as of March 31, 2020 and accordingly respective disclosures required by IND AS 116 are not provided

32. Ministry of Railway (MoR) had entered into an MoU with RailTel Enterprises Ltd. (REL)- Subsidiary of the Group on 24.03.2017, for installation of Video Surveillance System (VSS) at various stations across Pan India under Nirbhaya Fund. Subsequently, MoR entrusted the work of installation of Video Surveillance System (VSS) at 6049 stations across Pan India, to the RailTel Corporation of India Limited (Holding company) with a markup of 8.5% on cost incurred vide its MoU dated 25.06.2020 which supersedes the earlier MoU executed between MoR and REL. Total advance received by REL from Railways towards execution of this project was Rs. 650 Million, out of which REL has remitted an amount of Rs. 476.30 Million to Holding company for execution of this project up to 31st March 2020 and balance amount of Rs. 173.70 Million has been remitted after 31st March 2020.

33. COVID -19 Impact & Assessment

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

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

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

For M/s Suresh Chandra & Associates
Chartered Accountants
FRN 001359N

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

Ved Prakash Bansal
M. No. 500369

Place New Delhi
Date: 26.09.2020

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

Anand Kumar Singh
Director Finance
(DIN : 07018776)

Puneet Chawla
Chairman and Managing Director
(DIN: 08303340)

RailTel Corporation of India Limited
Annexure-VII
Restated Statement of Accounting Ratio
Amount in INR Million unless otherwise stated

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2018
Restated PAT attributable to equity shareholders as per Restated Consolidated Statement of P & L	1,410.66	1,353.56	1,340.06
ASSETS	320.94	320.94	320.94
Weighted Average Number of of Equity Shares at the end of the year (In Million)	320.94	320.94	320.94
Weighted Average Number of Diluted Potential Equity Shares Outstanding during the year(In Million)	320.94	320.94	320.94
Restated Net Worth	13,693.56	12,890.85	12,291.77
Restated Earning Per Share			
Basic (In Rupees)	4.40	4.22	4.18
Diluted (In Rupees)	4.40	4.22	4.18
Return on Restated Net Worth (%)	10.30%	10.50%	10.90%
Net Asset Value Per Share (Rs.)	42.67	40.17	38.30
EBITDA	3,224.60	3,371.54	2,820.49
Nominal Value per Equity Share (Rs.)	10	10	10

Note : (i)
The ratios have been calculated as below
(a) Basic Earning Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/Weighted Average Number of Equity Shares Outstanding during the year
(b) Diluted Earning Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/Weighted Average Number of Diluted Potential Equity Shares Outstanding during the year
(c) Return on Restated Net Worth (%) = Restated PAT Attributable to Equity Shareholders/Net Worth as Restated X 100

(d) Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the year/Total Number of outstanding Equity Shares at the end of the year

Note: (ii)
Weighted Average Number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multilpied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion to total number of days during the year. Since no equity shares issued during the year, no wieghted average calculation made.

Note (iii)
Earnings per share calculation are in accordance with IND AS-33 "Earnings Per share".

Note (iv)

Restated Net Worth = Equity Share Capital + Reserve and Surplus (including Net profit in the Statement of Profit & Loss)

Note (v)
The figures disclosed above are based on the Restated Consolidated Statements of the company.

RailTel Corporation of India Limited
Annexure-VIII
Restated Statement of Dividend
Amount in Millions unless otherwise stated

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2018
Number of Equity Shares (numbers in Million)	320.94	320.94	320.94
Face Value (₹ per share)	10	10	10
Dividend per Equity Share (in ₹)	2.12	2.00	1.95
Rate of Dividend (%) per share	21%	20.00%	19.46%
Total Dividend (₹ in Million)-Note	680.60	642.00	624.70
Dividend Distribution tax (₹ in Million)	-	132.92	128.05
Dividend Distribution tax rate (%)	-	20.70%	20.50%

Note: Total dividend/dividend distribution tax stated above is based on the dividend (interim/final) & dividend distribution tax paid for the respective finacial year. Further, out of dividend of Rs. 680.60 Million shown for the year ended 31st March 2020, interim dividend of Rs. 200.00 Million was approved in the 112th board meeting dated 07.08.2020 which has been paid and final dividend of Rs. 480.60 Million has been recommended by the Board in its 113th meeting held on 28.08.2020 which is subject to shareholders approval in the annual general meeting.

Annexure-IX
Restated Turnover Statement

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2018
Revenue from Telecom Services	7,447.49	6,714.62	6,849.83
Revenue from Projects	3,771.64	2,968.54	2,912.21
Other Operating Revenue	61.41	349.53	5.75
Total Revenue from Operations	**11,280.54**	**10,032.69**	**9,767.79**

Annexure-X
Restated Statement of Capitalisation

Particulars	Pre-Offer for the year ended 31st March 2020	Adjusted Post Offer*
Debt	-	-
Shareholder's funds		
Share Capital	3,209.38	3,209.38
Other Equity	10,484.18	10,484.18
Total Shareholder's funds	**13,693.56**	**13,693.56**
Debt/Equity Ratio	**-**	**-**

*There will be no change in capital structure post offer, as the offer is in connection with the "Initial Public Offering" of Equity Shares for sale by the President of India.

OTHER FINANCIAL INFORMATION

1. The standalone financial statements of our Company as at and for the year ended March 31, 2020, March 31, 2019 and March 31, 2018 and the reports thereon dated August 28, 2020, August 16, 2019 and August 18, 2018, respectively ("**Standalone Financial Statements**") are available at https://www.railtelindia.com/corporate-information/review-of-annual-reports.html. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Standalone Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Standalone Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company and its Subsidiary, or any entity in which it or its shareholders have significant influence (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor any of the BRLMs or any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Standalone Financial Statements, or the opinions expressed therein.

2. Accounting and other ratios are derived from the Restated Financial Information.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2020, derived from our Restated Financial Statements, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Financial Information*" and "*Risk Factors*" beginning on pages 273, 174 and 25, respectively.

(in ₹ million, except ratios)

	Pre-Offer as at March 31, 2020	**As adjusted for the Offer#**
Long Term Borrowings (Including current maturities)	NIL	[●]
Short Term Borrowings	NIL	[●]
Total Borrowings	NIL	[●]
Equity Share Capital	3,209.38	[●]
Reserves and Surplus	10,484.18	[●]
Total Equity	**13,693.56**	[●]
Ratio: Total Borrowings/ Total Equity	NIL	[●]

**To be updated upon finalisation of the Offer Price.*

FINANCIAL INDEBTEDNESS

As on March 31, 2020, our Company and its Subsidiary do not have any outstanding fund-based facilities. However, our Company and its Subsidiary have availed certain bank guarantee facilities from HDFC Bank Limited, IndusInd Bank Limited, RBL Bank Limited, State Bank of India, Union Bank of India, Punjab & Sind Bank and Yes Bank Limited aggregating to ₹ 1,720.80 million as on March 31, 2020, in order to be able to meet our contractual obligations towards our clients.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our restated financial statements as of and for the financial years ended March 31, 2018, 2019 and 2020 including the related annexures. These restated financial statements are prepared in accordance with Ind AS and restated as per Chapter III of the Companies Act and the SEBI ICDR Regulations.

Ind AS differs in certain material respects with IFRS and U.S. GAAP. See "Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as IFRS and U.S. GAAP, which may be material to investors' assessments of our financial condition." on page 51.

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward-Looking Statements" on page 19 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read "Risk Factors" on page 25 for a discussion of certain factors that may affect our business, financial condition or results of operations.

Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2018, 2019 and 2020 included herein is derived from our Restated Consolidated Financial Statements, included in this Draft Red Herring Prospectus. For further information, see "Restated Financial Statements" on page 174.

Our Company's Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that year. Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to Railtel Corporation of India Limited on a standalone basis, and references to "the Group", "we", "us", "our", are to Railtel Corporation of India Limited on a consolidated basis.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report "Assessment of the telecom and telecom data services industry in India" dated September 2020 (the "**CRISIL Report**") prepared by CRISIL Research, a division of CRISIL Limited and commissioned by us in connection with the Offer. Neither we, nor the BRLMs, nor any other person connected with the Offer has independently verified this information. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant fiscal year. For further information, see "Presentation of Financial, Industry and Market Data" on page 16.*

OVERVIEW

We are an information and communications technology ("**ICT**") infrastructure provider and are one of the largest neutral telecom infrastructure providers in India (*Source: CRISIL Report*). We are a Mini Ratna (Category-I) Central Public Sector Enterprise, wholly-owned by the Government of India and under the administrative control of the Ministry of Railways. We were incorporated on September 26, 2000 with the aim of modernizing the existing telecom system for train control, operation and safety and to generate additional revenues by creating nationwide broadband and multimedia network by laying optical fiber cable by using the right of way along railway tracks.

As of June 30, 2020, our optic fiber network covers over 55,000 route kilometers and covers 5,677 railway stations across towns and cities in India. The transport network is built on high capacity dense wavelength division multiplexing ("**DWDM**") technology and an Internet protocol/ multi-protocol label switching ("**MPLS**") network over it to support mission critical communication requirements of Indian Railways and other customers.

We operate data centers in Gurugram, Haryana and Secunderabad, Telangana to host and collocate critical applications for customers including the Indian Railways. In addition to strategic and critical network infrastructure services, we also undertake various ICT projects for the Indian Railways, central government and state governments, including various signaling projects for Indian Railways.

We offer a diverse range of services across industries. Our portfolio of services can be broadly classified as below:

Telecom Network Services

*National Long Distance ("**NLD**") Services*: We provide digital capacity to carry long distance telecommunication services and includes various tele-services including voice, data, fax, text, video and multimedia. As part of our NLD services, we offer our enterprise customers with: (i) leased line services; and (ii) MPLS based virtual private network ("**VPN**") facilities.

*Internet Service Provider ("**ISP**") Services*: As part of our ISP services, we offer enterprise customers Internet leased line services with multiple bandwidth options ranging from 2 MBPS and above across India. We also offer retail broadband services through our 'RailWire' platform.

Telecom Infrastructure Services

*Passive Infrastructure ("**IP-1**") Services*: We provide storage, power, cooling, and physical security for servers and networking equipment of our customers and connect them with a variety of telecommunications and network service providers. In addition, we provide space on microwave towers for collocating base transceiver stations ("**BTS**") for telecom operators, small cell sites for extending their mobile coverage and space for collocating mobile switching centers. We also provide single core dark fiber for transmission of digital video signals to multiple system operators ("**MSOs**") for cable distribution.

Managed Data Center and Hosting Services

Data Centre and Managed Hosting Services: We offer a variety of data centre services including Infrastructure as a Service or IaaS, dedicated hosting, managed services, cloud computing, managed e-Office services, disaster recovery services, Aadhar authentication services and other IT related services such as load balancing services, application hosting, bandwidth services and advanced firewall services.

*Telepresence Services ("**TPaaS**")*: We offer end-to-end, high-definition, secure, hosted multitenant video conferencing facility bundled with required bandwidth as a service.

*Security Operations Centre as a Services ("**SOCaaS**")*: Our security operations centre ("**SOC**") provides centralized and consolidated cyber security incident prevention and security event monitoring services, it has detection response capabilities and supports requirements of other business units. We are able to provide both offsite and onsite security solutions.

Projects (System Integration Services)

ICT Hardware, Software and Service System Integration Projects: We collaborate with partners and OEMs to undertake ICT hardware implementation, software delivery and digital transformation projects including creation of state wide area network ("**WAN**") and its maintenance, data center and facility management services, Wi-Fi projects, city surveillance projects, laying of state wide fiber optic network and its maintenance, implementation and maintenance of end-to-end IT applications of enterprises.

Digital Services: We also collaborate with partners who offer solutions/ applications that are hosted on our data centers, we offer digital services including unified communications, Wi-Fi as a service, e-tendering/ e-auction/ smart payments and disaster management services.

Other Services: Other services offered by us include consultancy services for ICT services and solutions and signaling services including signal design and design automation software tools for the Indian Railways.

Our operations are certified with various certifications including ISO 9001:2015, ISO/IEC 20000-1:2011, ISO/IEC 27001:2013, CMMI Maturity Level-3 and CMMI Maturity Level-4 for our quality management systems, information security management systems, and service management systems, respectively.

We have a strategic relationship with the Indian Railways and we undertake a wide variety of projects including provision of mission critical connectivity services such as Video Surveillance System ("**VSS**") at stations and within trains, 'e-Office' services and implementing short haul connectivity between stations and long haul connectivity to support various organizations within the Indian Railways. We also undertake various passenger services including Content on Demand ("**CoD**") services and Wi-Fi across major railway stations in India.

We believe that our experience and expertise in handling and undertaking telecom and ICT projects, has led us to be selected for implementation of various mission-mode projects for the GoI including rolling out the National Knowledge Network ("**NKN**"), Bharat Net (formerly, the National Optical Fiber Network) and USOF funded optical fiber based connectivity project in North East India. We also undertake ICT projects including the KFON, projects for ESIC and MHRD.

The following table sets forth certain information relating to our revenues from operations for our services for the periods indicated:

Particulars	**Revenues from Operations**		
	Fiscal 2018	**Fiscal 2019**	**Fiscal 2020**
	(₹ million)		
Telecom Network Services			
- *NLD Services*	3,896.90	3,719.71	4150.70
- *ISP Services*	1,478.33	1,622.70	1,662.20
Telecom Infrastructure Services			
- *IP – 1 Services*	1,205.52	1152.73	1351.56
Managed Data Center and Hosting Services			
- *Data Centre and Managed Hosting Services*	72.24	77.08	131.91
- *TPaaS*	196.84	142.40	151.12
Projects (System Integration Services) (including other operating revenue)	2,917.96	3318.07	3833.05
Total	**9,767.79**	**10,032.69**	**11280.54**

Our revenue from operations have grown at a CAGR of 7.47% from ₹ 9,767.79 million in Fiscal 2018 to ₹ 11280.54 million in Fiscal 2020 and in Fiscal 2019, we had the lowest gearing ratio among Key Telecom Companies in India. We have been profitable since Fiscal 2007 and have consistently declared and paid dividends since Fiscal 2008. Our net profit margin of 12.50% in Fiscal 2020 was the highest among the Key Telecom Companies and Key IT/ICT Companies in India while our operating profit margin was the highest among the Key IT/ICT Companies in India (*Source: CRISIL Report*).

PRESENTATION OF FINANCIAL INFORMATION

Our restated statement of assets and liabilities as of March 31, 2018, 2019 and 2020, and the restated statement of profit and loss, cash flow and changes in equity for Fiscal 2018, 2019 and 2020, of our Group together with the statement of significant accounting policies, and other explanatory information thereon (collectively, the "**Restated Consolidated Financial Statements**"), have been derived from our audited consolidated financial statements as of and for the years ended March 31, 2018, 2019 and 2020 prepared in accordance with Ind AS, and section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, and restated in accordance with the SEBI ICDR Regulations.

New Standards Adopted

Ind AS 115 – Revenue from Contracts with Customers

The Ministry of Corporate Affairs notified Ind AS 115, 'Revenue from Contracts with Customers' effective for annual periods beginning on or after April 1, 2018. Ind AS 115 establishes a five-step model that apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry.

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

For further information, see "*Restated Financial Statements – Annexure VI – Note 42 – Item 30: Ind AS 115 – Revenue from Contracts with Customers*" on page 262.

Ind AS 116 – Leases

The Ministry of Corporate Affairs notified Ind AS 116, 'Leases', on March 30, 2019, to supersede Ind AS 17 'Leases' including Appendix A of Ind AS 17 'Operating Leases-Incentives', Appendix B of Ind AS 17 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease' and Appendix C of Ind AS 17, 'Determining whether an Arrangement contains a Lease'. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

We have applied Ind AS 116 with a date of initial application of April 1, 2019, using the modified retrospective approach and the effect is nil on retained earnings as at April 1, 2019. The comparative information continues to be reported under Ind AS 17.

For further information, see "*Restated Financial Statements – Annexure VI – Note 42 – Item 31: Ind AS 116 – Leases*" on page 264.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our business and results of operations have been affected by a number of important factors that are expected to continue to affect our business and results of operations in the future. These factors include the following:

Licensing fees and adjusted gross revenue (AGR)

The DoT had imposed on us licensing fees at the prescribed rate of 8% on 'license income' for Fiscal 2019. Telecom service companies pay license fees and spectrum usage charges at 8% and 3%-5% of the adjusted gross revenue (AGR), respectively. As defined by the DoT, AGR includes telecom service revenue as well as non-core revenue. However, the Cellular Operators' Association of India (COAI) had challenged this definition in 2005, stating that AGR should include only revenue from core licensed telecom services. Over the years, telecom service companies continued to pay license fees and spectrum usage charges calculated as a percentage of only core-revenue AGR, without making adequate provisions in the form of contingent liabilities as an outside balance sheet item, against the judgement. (*Source: CRISIL Report*)

The Supreme Court of India, in its judgement dated October 24, 2019, upheld the DoT's definition of AGR, i.e. to include telecom service revenue and non-core revenue. However, the Supreme Court in its subsequent decision dated June 11, 2020 considered public sector undertakings a separate class as they discharge governmental functions and represent public funds and accordingly, the requirement of the license by public sector undertakings was based on their own internal requirements and not for commercial exploitation in a manner that other telecom service providers require the services. While the Supreme Court issued such a clarification in this instance, these and any other measures taken by authorities that regulate our operations may impact our operations. Any unexpected or onerous requirements or regulations or any changes in laws, or the promulgation of new laws, rules and regulations relating to our operations may have a material adverse effect on our business, financial condition and results of operations.

Capital expenditure, subsidies availed, and depreciation and amortization

We incur capital expenditure primarily towards constructing, expanding, enhancing and maintaining our optical fiber network infrastructure, including laying of optic fiber and ducts, installation of data centers, and connecting our "Railwire Wi-Fi" at rural areas. We account for our capital expenditure as expenses incurred on property, plant and equipment, and movement in capital work-in-progress. We have invested significantly to develop our optical fiber network. We own part of our network through long-term leases, typically of at least five-year terms. While we regularly incur capital expenditure in the ordinary course of our business, including to support our growing customer base, we also incur substantial capital expenditure on upgrading our technology and expanding our network to remain competitive in the market. In Fiscal 2018, 2019 and 2020, our additions to property, plant and equipment, and movement in capital work-in-progress, amounted to ₹ 1,172.23 million, ₹ 1,521.34 million, and ₹ 617.29 million, respectively. We have historically financed our capital expenditure through our cash flow from operations and expect to continue to do so. Our capital expenditure for network infrastructure is capitalized.

We also benefit from certain subsidies for projects carried out for government entities, including subsidies granted under the 'Universal Service Obligation Fund' of the Department of Telecommunication. In Fiscal 2018, 2019 and 2020, the aggregate amount amortised in the statement of profit and loss in proportion to depreciation on assets capitalized out of subsidy was ₹ 5.80 million, ₹ 13.10 million and ₹ 21.30 million, respectively, representing 0.06%, 0.13% and 0.18% of our total income in such periods, respectively. There can be no assurance that these and other projects will continue to enjoy similar subsidies in the future. If the subsidies expire or terminate or in the event that the relevant authority rejects our entitlement to these subsidies, we may incur higher capital expenditure, which may negatively impact our financial condition and results of operations.

Further, we depreciate such capital expenditure over varying periods based on a technical assessment of the useful life of such infrastructure, in compliance with the requirements prescribed by the Companies Act, 2013. Our depreciation costs can have a significant impact on our profit margins. In Fiscal 2018, 2019 and 2020, we incurred depreciation and amortization expenses of ₹ 1,186.29 million, ₹ 1,115.75 million, and ₹ 1,309.00 million, respectively, representing 14.21%, 13.60%, and 14.05% of our total expenses in such periods, respectively. As of March 31, 2020, our net carrying value of fixed assets, comprising property plant and equipment, right of use assets and other intangible assets amounted to ₹ 7,893.30 million.

We expect that the majority of our capital expenditure will continue to be incurred to expand or upgrade our network coverage. As part of our strategy to expand into new markets and grow our market share in our existing markets, we intend to continue to invest in enhancing our technology systems and developing our network infrastructure in those markets in which we see significant opportunities for growth.

Government policies and general economic factors

Our business and revenues are substantially dependent on projects awarded by government establishments, including central, state and local authorities and agencies and public sector undertakings. Any adverse changes in government policies and budgetary allocation resulting from a change in government policies or priorities, could materially and adversely affect our financing, capital expenditure, revenues, or operations relating to our existing and proposed projects as well as our ability to participate in competitive bidding or negotiations for our future projects. For instance, we performed certain services under the NOFN project on behalf of Bharat Broadband Network Limited for connecting various gram panchayats in India, and income was recognized on the basis of terms of agreement executed between the two companies till March 31, 2017. However, during Fiscal 2018, an amount of ₹.265.12 million was reversed on the strength of cabinet decision communicated by BBNL for downward revision of administrative expenditure & establishment charges with retrospective effect. The amount of ₹ 265.12 million was reversed for income recognized till March 31, 2017, and disclosed as an exceptional item in Fiscal 2018 considering the materiality and non-recurring nature of the transaction. For further information, see "*Restated Financial Statements – Annexure VI – Note 42 – Item 9*" and "*Restated Financial Statements – Annexure V – Part A/B*" on pages 232 and 193, respectively Any similar decisions implemented by the government in the future may adversely impact our results of operations, financial condition, cash flows and prospects.

In addition, a substantial portion of our revenues in the past three fiscals has been derived from three key customers, namely, the National Informatics Centre Services Inc., the Indian Railways and the Employees' State Insurance Corporation of India. Revenue generated from these three customers represented 42.13%, 23.41% and 25.09% of our total revenue from operations in Fiscal 2018, 2019 and 2020, respectively. The project for the Employees' State

Insurance Corporation of India has been subsequently completed in Fiscal 2020 and will not be renewed. Similarly, certain other customers that contribute significantly to our revenue may not renew their arrangements due to changes in government policy or budgetary allocation. While we continue to source other customers and enter into other contracts, there can be no assurance that we will be able to entirely substitute the revenue generated from existing customers in the event they do not renew their arrangements with us. Further, a change in government policy or budgetary allocation may also affect the ability of these customers' to perform their obligations under the contracts entered into with us. These and any other events that have an adverse impact on the operations or financial condition of these key customers would have a direct impact on our revenues and results of operation.

Demand for our services is also significantly affected by the general level of economic activity and economic conditions in the various geographies and sectors in which we operate. Deterioration in economic conditions may lead to lower demand for our services.

Ability to provide telecommunications or related services that are technologically up to date

The telecommunications industry is characterized by technological changes, including an increasing pace of change in existing mobile systems, industry standards, customer demand, preferences, behavior, and ongoing improvements in the capacity and quality of network. As new technologies develop, our equipment may need to be replaced or upgraded, or our networks may need to be rebuilt in part or in whole in order to sustain our competitive position in the Indian telecommunications industry. As a result, we may require substantial capital expenditures and access to related technologies in order to integrate new technologies with our existing technology and phase out outdated and unprofitable technologies. If we are unable to modify our networks and equipment on a timely and cost effective basis, we may lose customers.

High-speed data services have emerged as a key competitive factor in India. Deployment of new telecom technologies in the future may involve significant additional resources including time, funds, and thereby could have an impact on our results of operations, financial condition and cash flows. Technologies such as mobile money payment services, innovative mobile applications, and other OTT and value-added service products are also of growing importance to our customers. We may not be able to provide such technologies or expand our offerings in a manner that enables us to compete effectively in the Indian telecom sector. If the costs associated with new technologies are higher than anticipated, our business, financial condition and results of operation may be adversely affected. In addition, we face the risk of unforeseen complications in the deployment of new services and technologies, and we cannot assure you that these new technologies will be commercially successful, once deployed. Our results of operations would also suffer if our new services and products are not well received by our customers, are not appropriately timed with market opportunities or are not effectively brought to market or where our investments in such ventures do not generate commensurate returns.

Additionally, we may be unable to successfully respond to technological advances and evolving industry standards due to the following:

- Upgrading our services in response to market demand may require the adoption of new technologies that could render many of the technologies that we are currently implementing less competitive or obsolete. We may also need to gain access to related or enabling technologies in order to integrate the new technology with our existing technology, including updating our technology and services to ensure compatibility with our customers' hardware and software. Consistent with the experience of other industry players, our new services may contain flaws or other defects when first introduced to the market.
- New telecommunications services are introduced by our competitors from time to time, including competitors who may bundle such telecom services with other offerings. Our competitors may gain access to new advanced technology that allows them to deliver their services at lower prices, at higher quality or with other add-on services that might make our competitors' services more attractive than our services. If we do not anticipate these changes and promptly adopt new and innovative services in response, we may not be able to capture the opportunities in the market and may lose our customers.
- To compete successfully, we may need to increase the diversity and sophistication of the services we offer and upgrade our telecommunications technology, including technology we use for our broadband internet services. We may be required to make substantial capital expenditures and may not be successful in modifying our network infrastructure and/ or upgrading to use other technology in a timely and cost-effective manner in response to these

changes. Additionally, new technology or trends in the telecommunications industry could have an adverse effect on the services we currently offer and may cause significant write-downs of our fixed assets. Increased adoption of these or other competing technology may lead to a decline in our turnover and profitability.

- Developing new services can be complex. We may not be able to implement the new services effectively, promptly and economically to meet customer demand. In developing new services, we may need to make significant investments in our network infrastructure and/ or otherwise in order to support these services. If we exceed our budgeted capital expenditure and cannot meet the additional capital requirements through operating cash flows and planned financings, we may have to delay our projects, which could make us less competitive and lead to customer loss.
- Our new services may not be commercially successful. The failure of any of our services to achieve commercial acceptance could result in lower than expected turnover.

To respond to technological changes, including consumer demand for internet services at higher speeds, we may need to invest to further upgrade our existing technologies to prevent them from becoming obsolete. If we cannot respond to new technology successfully and offer the new services to meet the demands of our customers in a timely manner and at competitive prices, our business, financial condition, results of operations and prospects could be adversely affected.

Our relationship with the Indian Railways

The Indian Railways is the largest rail network in Asia, running approximately 13,523 passenger trains every day in Fiscal 2019 to transport approximately 23.12 million passengers per day in Fiscal 2019 (*Source: http://indianrailways.gov.in/railwayboard/view_section_new.jsp?lang=0&id=0,1,261 and Indian Railways - Year Book 2018-19, Ministry of Railways*). As of March 31, 2019, the total running track kilometres (total all gauges) was 95,981 kilometres (*Source: Indian Railways – Year Book 2018-19, Ministry of Railways*). Further, the total freight carried per day (including non-revenue) was 3.36 million tonnes in Fiscal 2019 (*Source: Indian Railways - Year Book 2018-19, Ministry of Railways*).

We have a strategic relationship with the Indian Railways and we undertake a wide variety of projects including provision of mission critical connectivity services such as VSS at stations and within trains, 'e-office' services and implementing short haul connectivity between stations and long haul connectivity to support various organizations within the Indian Railways. We also undertake various passenger services including CoD services and Wi-Fi across major railway stations in India. In Fiscal 2018, 2019 and 2020, revenue generated from providing these services to the Indian Railways amounted to ₹ 1,187.30 million, ₹ 1,152.89 million and ₹ 2,831.40 million of our total income in such periods, respectively. We are awarded mandates by the Indian Railways on a nomination basis, owing to our technical capabilities and our longstanding relationship with the organization. This also enables us to source mandates from other public sector entities that rely on our track record of serving the Indian Railways. Our business is therefore dependent, directly and indirectly, on the policies and support of the Indian Railways. Further, the growth of our business is dependent on the continued investments and growth of the Indian Railway sector, which is significantly affected by the policies of the GoI. Any adverse changes to the Indian railways sector and consequently to the Indian Railways may affect our growth and operations.

Work force costs

Our work force costs comprise employee benefits expenses, which includes expenses on salaries and wages, contributions to provident and other funds, and staff welfare expenses. We believe that our employees are a key contributor to our competitive advantage and continued success. We have invested significantly in attracting, training, developing and retaining our employees, and intend to continue to do so as part of our business strategy. As our business and operations grow, we expect our employee costs to also increase as we expand our workforce to support our growth. Our total work force costs for Fiscal 2018, 2019 and 2020 was ₹ 1,179.94 million, ₹ 1,120.20 million, and ₹ 1,205.34 million, respectively, representing 14.13%, 13.65%, and 12.93% of our total expenses in such periods, respectively.

Regulation

We operate in a highly regulated industry. Our provision of wired broadband internet services are regulated and governed by the DOT, TRAI and other statutory regulations, which require us to meet operating standards and comply with operational restrictions. Such requirements, or any new requirements or changes to existing requirements, affect our business strategies and financial performance. We incur costs to ensure that our network infrastructure and the services we provide to consumers comply with such requirements. We also incur costs to acquire certain rights of way from local regulatory authorities to develop our network infrastructure in certain areas. A change in certain significant terms of any of the licenses, such as their duration, the amount of charges payable under the licenses, the range of services permitted or the scope of exclusivity, if any, could have a material adverse effect on our business and prospects. For further information on the regulations applicable to us, see "*Key Regulations and Policies*" on page 138.

Competition

We operate in extremely competitive markets where the investment capability and the size of the competitors are much larger than us. We face significant competition from a number of companies, including from those with pan-India footprints such as Bharti Airtel Limited, Reliance Jio Infocomm Limited, Power Grid Corporation of India Limited as well as Bharat Sanchar Nigam Limited and Mahanagar Telephone Nigam Limited (*Source: CRISIL Report*).

We believe key competitive factors in our industry include changing technologies, customer preferences and needs and the ability to deliver solutions to meet such evolving needs. Other competitive factors in our industry include breadth and depth of service offerings, reputation and track record, ability to tailor enterprise solution service offerings to customer needs and industry expertise. We expect the competition to intensify in the segments in which we operate as new entrants emerge in the industry due to available growth opportunities. In addition, as we expand into new market segments, we will face increased competition as we will compete with existing competitors. Moreover, our competitors or we may take certain strategic actions, including acquisitions, partnerships and joint ventures, or repositioning of product lines, which may lead to greater competition in one or more product categories.

Increased competition may result in operating losses, loss of market share and diminished value in our services, as well as different pricing, service or marketing decisions. In addition, competition may generally cause us to incur unanticipated costs associated with research and product development. Additionally, we believe that our ability to compete also depends in part on factors outside our control, such as the availability of skilled employees in India, the price at which our competitors offer comparable services, and the extent of our competitors' responsiveness to their customers' needs.

SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The Restated Consolidated Statements of assets and liabilities as at March 31, 2020, March 31, 2019 and March 31, 2018 and the Restated Consolidated Statements of profit and loss (including Other Comprehensive Income), Restated Consolidated Statement of changes in equity and Restated Consolidated statement of cash flows for year ended March 31, 2020, March 31, 2019 and March 31, 2018 (hereinafter collectively referred to as "Restated Consolidated Statements") have been prepared specifically for inclusion in the Draft Red Herring Prospectus ("DRHP") to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with the proposed initial public offer which comprises of offer for sale by certain shareholders' existing equity shares of ₹ 10 each at such premium arrived at by the book building process (referred to as the 'Issue'). The Restated Consolidated Statements, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of: Sub-section (1) of Section 26 of Chapter III of the Companies Act; relevant provisions of the SEBI ICDR Regulations; and The Guidance Note on Report in company prospectus (Revised 2019) issued by the ICAI (referred to as the Guidance Note).

These Restated Consolidated Statements have been compiled from the audited annual consolidated financial statements as at and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 which were prepared by the Company in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules 2015, Companies (Indian

Accounting Standards) Amendment Rules, 2016, as amended and other accounting principles generally accepted in India.

The Restated Consolidated statements have been prepared on the historical cost basis as explained in the accounting policies below, except certain financial assets and liabilities which are measured at fair value where the Ind AS requires a different accounting treatment (refer accounting policy regarding financial instruments);

The preparation of these Restated Consolidated Statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Company's accounting policies. The areas where estimates are significant to the Restated Consolidated Statements, or areas involving a higher degree of judgement or complexity, are disclosed in "*Restated Financial Statements – Annexure VI – Note 42*" on page 234.

Summary of Significant Accounting Policies

Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing Ind AS requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised Ind AS on an ongoing basis.

Basis of Consolidation

The Standalone financial statements of the Company and its subsidiary Company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses, if any, as per Indian Accounting Standard notified under section 133 of the Companies Act read together with the rules made thereunder. The results of operations of a subsidiary are included in the Consolidated Financial Statements from the date on which the parent subsidiary relationship came into existence.

The Subsidiary Company included in the consolidation is the Company's 100% subsidiary RailTel Enterprises Limited.

Use of Estimates

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

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

Critical Accounting Estimates and Management Judgements

In application of the accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is stated here under:

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

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

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

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

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.

Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities are segregated based on the available information.

Property Plant and Equipment's (PPE)

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

- Assets are recognized as tangible assets or intangible assets if provisional acceptance certificate has been issued or we have started offering services from these tangible or intangible assets.
- Where assets are installed on the premises of the customers (commonly called customer premise equipment – 'CPE') such assets continue to be treated as PPE as the associated risks and rewards remain with us and the management is confident of exercising control over them, expenses on such assets are treated as retrievable expenses (returnable item of assets after the decommissioning of link) and a depreciation of 100% may be charged on all these assets.

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

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

- Advance paid towards acquisition of fixed assets and cost of assets not put to use before the year end, are disclosed as other non-current assets.

- Fixed assets under construction and cost of assets not put to use before the year end, are disclosed as capital work in progress.

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

- Assets are depreciated to the residual value on a straight-line basis over the estimated useful lives. The assets residual values and useful lives are reviewed at each financial year end or whenever there are indicators for review and adjusted prospectively.

S. No	Name of Assets	Main Asset/ Component	Useful life of assets
1	OFC & Related Assets	Main Assets	18 year. 5.28%
2	Leasehold Land/Flats	Main Assets	Period of lease
3	Leasehold Building	Main Assets	Period of lease
4	Freehold Building	Main Assets	60 years, 1.67%
5	Leasehold Improvements	Main Assets	Period of lease
6	Prefabricated Building	Main Assets	15 year 6.67%
7	Computer	Main Assets	3 year 31.67%
8	Office Equipment's	Main Assets	5 year 19%
9	Software-ERP	Main Assets	5 year with 20%
10	Furniture	Main Assets	10 year 9.5%
11	Licenses	Main Assets	Period of license
12	ERP Hardware	Main Assets	6 year 15.83%
13	Vehicle	Main Assets	8 year 11.875%
14	Temporary Fixtures	Main Assets	Fully depreciated
15	Telecom Equipment's	Main Assets	8 year. 12.5%
16	Last Mile/Access Equipment's	Main Assets	8 year. 12.5%
	Radio/Access Switches	Component	3 year 33.33%
17	Power Plant Equipment's	Main Assets	8 year. 12.5%
	Battery	Component	5 year. 20%
18	Data Centre	Main Assets	8 year. 12.5%
	Data Centre infrastructure	Component	13 year. 7.31%
19	Other Infrastructure	Main Assets	8 year. 12.5%
	Data Network	Main Assets	8 year. 12.5%

Intangible Assets

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

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

- Amortization is recognized in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Software-Software is capitalized at the amounts paid to acquire the respective license for use and is amortized over the period of license, generally not exceeding three years. Software costing up to ₹ 500,000 which has independent use is amortized over a period of 12 months from the date of place in service.

Licenses-Acquired licenses are initially recognized at cost. Subsequently, licenses are measured at cost less accumulated amortization and accumulated impairment loss, if any. Amortization is recognized in the statement of profit and loss on a straight-line basis over the unexpired period of the license commencing from the date when the related network is available for intended use in the respective jurisdiction. Spectrum charges paid to DoT is charged to Statement of Profit and Loss on straight line basis over the period of use.

Non-Current Assets (or Disposal Groups) Held For Sale

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

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

Impairment of Assets

The carrying amounts of assets are reviewed by management whenever events or changes in circumstances indicate that the carrying amount may not be recoverable (except intangible assets, for which testing to be done irrespective of whether there is an indication of impairment). An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash- generating unit to which the asset belongs. Fair value less costs to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Impairment losses, if any, are recognized in profit or loss as a component of depreciation and amortization expense. An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had previously been recognized.

Leases

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

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, our incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments from a change in an index or rate. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the profit and loss if the carrying amount of the right-of-use asset has been reduced to zero. We present right-of-use asset that do not meet the definition of investment property as a separate line item and lease liabilities in "other financial liabilities" in the Balance Sheet.

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

As a Lessor. When we act as a lessor, we determine at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, we make an overall assessment of whether the lease transfers substantially all the risk and rewards incidental to the ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is an operating lease. As part of the assessment, we consider certain indicators such as whether the lease is for the major part of the economic life of the asset. If an arrangement contains lease and non-lease components, we apply Ind AS 115 "Revenue from contract with customers" to allocate the consideration in the contract.

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

Indefeasible Right to Use ('IRU'). We enter into agreement for leasing assets (capacity) under "Indefeasible right to use" with third parties. Under the arrangement the assets are taken or given on lease over the substantial part of the asset life. However, the title to the assets and associated risks are retained by the lessor.

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

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

Under Ind AS 116

We have applied Ind AS 116 using the modified retrospective approach with effect from April 1, 2019 and the comparative information continues to be reported under Ind AS 17 as follows:

As the Lessee. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Lease rentals with respect to assets taken on 'Operating Lease' are charged to the statement of profit and loss on a straight-line basis over the lease term. Finance leases, which transfer to us substantially all the risks and rewards incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in the Statement of profit and loss. Amortization of leased assets is computed on straight line basis over the shorter of useful life of the assets or remaining lease period. Amortization charge for capital leases is included in depreciation expense for the period.

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

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

Indefeasible Right to Use ('IRU'). We enter into agreement for leasing assets (capacity) under "Indefeasible right to use" with third parties. Under the arrangement the assets are taken or given on lease over the substantial part of the asset life. However, the title to the assets and associated risks are retained by the lessor. Hence, such arrangements are recognized as operating lease. The contracted price is received in advance and is recognized as revenue during the tenure of the agreement. Unearned IRU revenue net of the amount recognizable beyond one year is disclosed as deferred revenue in other long-term liabilities and the amount recognizable within one year is disclosed as deferred revenue in current liabilities. Exchange of Network capabilities with other telecommunication service providers are recorded as monetary transactions and measured at the carrying amount of capacities relinquished, as these exchanges are for similar productive assets used to provide telecommunication services to customers.

Borrowing Costs

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

Cash and Cash Equivalents

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

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

Government Grant

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

Revenue Recognition and Receivables

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

Income from Telecom Services. Income from Telecom Services include incomes from NLD services, internet service, infrastructure provider services such as co-location, dark fibre, tower space. Service revenue also includes revenues associated with access and inter connection for usage of the network of other operators. Our performance obligation in such kind of contracts is providing infrastructure bandwidth/ connectivity as per the agreed norms. Since the customer simultaneously receives and consumes benefit provided by our performance as we perform, our transfer of control of service over time and, therefore, satisfy a performance obligation and recognize revenue over time. We use output methods to recognize revenue as the output selected faithfully depicts our performance towards complete satisfaction of the performance obligation. Since the performance obligation is being satisfied directly in relation to time, the passage of time is the best output which would depict the satisfaction of the performance obligation. Generally, payment against provision of such services becomes due as per payment terms, and fixed transaction price as per contracts with customers, which is generally is on periodical basis. Warranties are commonly included in arrangements to sell services. They can be explicitly stated, required by law or implied based on our customary business practices. The price of a warranty may be included in the overall purchase price or listed separately as an optional product. All the assurance type warranties are considered as part of primary performance obligation, while the service type warranties are considered as distinct performance obligation.

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

Income from Projects. Income from Projects include laying of Optical Fibre Cable, installation of Network Operations Centre, installation of indoor/outdoor wireless access points, load balancer, Wi-Fi Access Controller, installation of software, chats, anti-virus, fire walls. Our performance obligation in such kind of contracts is installation, testing and commissioning of various equipment as per the agreed norms. Under this type of contract, generally assets are installed at customer's site. However, customer does not have the ability to direct the use of, and obtain substantially all of the remaining benefits from, these assets unless they are connected to main server/ data centre or commissioned properly. Since the customer receives control of the goods and/ or service after successful commissioning of indented facilities, we transfer control of goods and/ or service at a point in time and, therefore, satisfy a performance obligation and recognize revenue at a point in time. We use output methods to recognize Revenue as the output selected faithfully depicts our performance towards complete satisfaction of the performance obligation. Customer's acceptance of commissioning report is the best output which would depict the satisfaction of the performance obligation. Generally, payment against provision of such contracts becomes due as per payment terms, and fixed transaction price as per contracts with customers, which is generally on milestone basis. Warranties are commonly included in such arrangements. They can be explicitly stated, required by law or implied based on our customary business practices. The price of a warranty may be included in the overall purchase price or listed separately as an optional product. All the assurance type warranties are considered as part of primary performance obligation, while the service type warranties are considered as distinct performance obligation.

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

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

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

Uncollectible Accounts Receivable

Uncollectible accounts receivable reflects management's best estimate of probable losses inherent in the accounts receivable balance. Management primarily determines the allowance based on the ageing of accounts receivable balances and historical write-off experience, net of recoveries. We provide 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.

Unbilled Revenue

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

License Fees – Revenue Share

The revenue-share is computed as per the licensing agreement at the prescribed rate and is expensed as incurred. As per the NLD and ISP license condition, we are required to share 8% of our adjusted gross revenue with the DoT, the same is provided on the basis of adjusted gross revenue booked during the year. In addition, we are also required to share 7% of our adjusted gross revenue with Indian Railways as per agreement between the Company and Railways dated November 21, 2006. The same is provided for in the Restated Consolidated Statement of Profit and Loss.

Employee Benefits

Employee benefits include provident fund, pension, gratuity and compensated absences.

Defined Contribution Plans

Provident Fund: Our contribution to provident fund is considered as defined contribution plans and is charged as an expense as they fall due based on the amount of contribution required to be made. 12% of the basic pay plus dearness allowance of employees and equal contribution of the corporation is contributed to provident fund maintained with the Regional Provident Fund Commissioner. Contribution to provident fund is charged to revenue.

Pension: We have a pension scheme for our employees, under defined contribution plan we will pay an amount equal to 10% of basic pay and dearness allowance to the eligible employees

Defined Benefit Plans

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

- Gratuity is payable on separation at the rate of 15 days' pay for each completed year of service to eligible employee, who rendered continuous service of 5 year or more. The gratuity celling of ₹ 2 million has been considered for actuarial valuation.

- Leave Encashment is payable on separation to eligible employee who have accumulated earned leave. Leave salary is provided for based on valuation, as balance sheet date, made by independent actuary.

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

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

Short-Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the year in which the employee renders the related service. The cost of such compensated absences is accounted as under: (i) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and (ii) in case of non-accumulating compensated absences, when the absences occur.

Long-Term Employee Benefits

Compensated absences which are not expected to occur within 12 months after the end of the year in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

Post Sales Client Support and Warranties

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

Taxes

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.

Mat Credit. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that we will pay normal income tax. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the statement of profit and loss account and shown as MAT Credit Entitlement. We review the same at each balance sheet date and write down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that we will pay normal income tax during the specified period.

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

Segment Reporting

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

Earnings Per Share

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

Prior Period Expenses

Income/Expenditure relating to prior period, which do not exceed ₹ 200,000 in each case, are treated as income/expenditure of current year.

Exceptional Item

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

Provisions and Contingencies

We recognize a provision when there is a present obligation as a result of a past event and it is probable that it would involve an outflow of resources and a reliable estimate can be made of the amount of such obligation. When we expect some or all of provision to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

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

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

Operating cycle

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

Dividend

Dividend distribution to the Company's shareholders is recognized as a liability in the financial statements in the period in which the dividend is approved by the shareholders. Interim dividend is provided for in the year of payment.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in the accounting policies of our Company during Fiscal 2018, 2019 and 2020, except for the changes as necessitated by applicable laws.

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Income

Revenue from Operations

Revenue from operations includes (i) income from telecom services; (ii) income from projects; and (iii) other operating revenue.

Income from Telecom Services. Income from telecom services comprises income from providing (a) NLD services; (b) ISP services; and (c) IP-I services. The Department of Telecommunication, Government of India has provided licenses to our Company, namely ILD, NLD and ISP registration for providing various type of telecommunication services in India.

Income from Projects. Income from projects comprises income from (a) railway project works; and (b) other projects. Our Company has undertaken the National Optical Fiber Network project, telecom and information technology services related projects and enterprise specific information technology and information technology enabled services projects.

Other Operating Revenue. Other operating revenue comprises early-termination penalty that is withheld by our Company/ deducted from the refund amount paid by our Company to the customer that has opted to terminate the services of the link during minimum subscription period and amortization of government grant.

Other Income

Other income includes (i) interest income and (ii) other non-operating income.

Interest Income. Interest income comprises (a) interest income on deposits with banks and (b) interest on income tax refunds.

Other Non-operating Income. Other non-operating income comprises (a) miscellaneous income including sale of scrap, tender fee earned; (b) income on mutual funds; (c) gain on fair valuation of mutual funds; (d) liabilities/ provision written-back; and (e) gain on foreign exchange transactions.

Finance Income

Finance income includes discounting impact (including reversal of discounting impact) of assets as of each of March 31, 2018, 2019 and 2020 due to application of Ind AS 116.

Expenses

Access and Other Charges

Access and other charges include (i) operating and maintenance of fiber and equipment; (ii) share of revenue with Konkan Railways; (iii) hire charges radio modem/ optic fibers and internet access; (iv) interconnect and port charges; (v) RailWire expenses; (vi) rent; (vii) power and fuel expenses on network; (viii) rural wi-fi; and (ix) revenue share to railways. Revenue share to railways payable by our Company has been computed at prescribed rate of 7% in our Restated Financial Statements.

License Fee and Spectrum Charges

License fee and spectrum charges include (i) license fee to the DoT payable by our Company computed at prescribed rate of 8%; and (ii) spectrum charges to the DoT.

Expenses on Project

Expenses on project includes (i) expenses on railway projects; (ii) expenses on projects (other than railway); (iii) allocation of employee benefit expenses; and (iv) allocation of administrative and other expenses.

Employee Benefit Expenses

Employee benefit expenses include (i) salaries and wages; (ii) contribution to provident fund; and (iii) staff welfare expenses.

Administrative and Other Expenses

Administrative and other expenses include (i) auditor remuneration; (ii) books and periodicals; (iii) communication expenses; (iv) conveyance expenses; (v) bank charges and commission; (vi) legal and professional expenses; (vii) insurance; (viii) rates and taxes; (ix) rent; (x) repair and maintenance – others; (xi) tender expenses; (xii) training and recruitment expenses; (xiii) travelling expenses; (xiv) printing and stationery expenses; (xv) vehicle hire charges; (xvi) inspection charges; (xvii) business promotion expenses; (xviii) other miscellaneous expenses; (xix) loss on sale of fixed assets; (xx) provision for expected credit loss; (xxi) research and development expenses; (xxii) loss on foreign exchange transactions.

Corporate Social Responsibility

Corporate social responsibility expenses include donations to several organization as required by Companies Act 2013.

Depreciation and Amortization

Depreciation and amortization expenses include (i) depreciation on tangible assets; (ii) amortization on intangible assets; and (iii) charge over right of use.

Finance Expenses

Finance expenses include (i) discounting impact of liability as of each of March 31, 2018, 2019 and 2020; (ii) reversal of discounting impact of financial liability as of each of March 31, 2017, 2018 and 2019; (iii) finance charge on instalment of Noida land; (iv) finance charge (interest) on Video Surveillance System' ("**VSS**") project; and (v) finance charge (interest cost unwinding) on leased assets.

RESULTS OF OPERATIONS

The following table sets forth certain information with respect to our results of operations on a consolidated basis for Fiscal 2018, 2019 and 2020:

Particulars	**Fiscal**					
	2018		**2019**		**2020**	
	(₹ million)	**Percentage of total income**	**(₹ million)**	**Percentage of total income**	**(₹ million)**	**Percentage of total income**
Income						
Revenue from Operations	9,767.79	95.65%	10,032.69	96.63%	11,280.54	96.76%
Other Income	429.04	4.20%	352.01	3.39%	379.91	3.26%
Finance Income	15.35	0.15%	(2.04)	(0.02)%	(0.40)	(0.00)%
Total Income	**10,212.18**	**100.00%**	**10,382.66**	**100.00%**	**11,660.05**	**100.00%**
Expenses						
Access and Other Charges	2,500.86	24.49%	2,635.20	25.38%	2,490.34	21.36%
License Fee and Spectrum Charges	473.41	4.64%	459.90	4.43%	479.27	4.11%
Expenses on Project	2,533.19	24.81%	2,494.13	24.02%	3,400.78	29.17%
Employee Benefits Expense	1,179.94	11.55%	1,120.20	10.79%	1,205.34	10.34%
Administrative and Other Expenses	431.62	4.23%	271.40	2.61%	314.83	2.70%
Corporate Social Responsibility	7.55	0.07%	30.30	0.29%	51.91	0.45%
Depreciation and Amortization	1,186.29	11.62%	1,115.75	10.75%	1,309.00	11.23%
Finance Expenses	38.09	0.37%	78.89	0.76%	68.00	0.58%
Total Expenses	**8,350.95**	**81.77%**	**8,205.77**	**79.03%**	**9,319.47**	**79.93%**
Profit/ (loss) before	**1,861.23**	**18.23%**	**2,176.89**	**20.97%**	**2,340.58**	**20.07%**

Particulars	Fiscal					
	2018		2019		2020	
	(₹ million)	Percentage of total income	(₹ million)	Percentage of total income	(₹ million)	Percentage of total income
exceptional items and tax						
Exceptional Items	(265.12)	(2.60)%	-	-	(492.98)	(4.23)%
Profit/ (loss) before tax but after exceptional items	**1,596.11**	**15.63%**	**2,176.89**	**20.97%**	1,847.60	**15.85%**
Tax expense						
Current tax	794.32	7.78%	580.74	5.59%	559.81	4.80%
Deferred tax	(236.00)	(2.31)%	209.57	2.02%	(134.04)	(1.15)%
Tax impact of earlier years	(302.27)	(2.96)%	33.02	0.32%	11.17	0.10%
Profit/ (loss) for the period	**1,340.06**	**13.12%**	**1,353.56**	**13.04%**	1,410.66	**12.10%**
Net profit attributable to						
(a) Owners of the company	1,340.06	13.12%	1,353.56	13.04%	1,410.66	12.10%
(b) Non-controlling interest						
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Re-measurement losses on defined benefit plans	(32.14)	(0.31)%	(2.10)	(0.02)%	(66.85)	(0.57)%
Income tax relating to item that will not be reclassified to profit and loss	11.12	0.11%	0.73	0.01%	16.82	0.14%
Items that will be reclassified to profit and loss						
Other comprehensive income/ (loss)	**(21.02)**	**(0.21)%**	**(1.37)**	**(0.01)%**	**(50.03)**	**(0.43)%**
Total comprehensive income for the period	**1,319.04**	**12.92%**	**1,352.19**	**13.02%**	**1,360.63**	**11.67%**

FISCAL 2020 COMPARED TO FISCAL 2019

Key Developments

We surrendered our spectrum license to the DoT with effect from August 1, 2018. As a result, spectrum charges in Fiscal 2019 were incurred for the period between April 1, 2018 and July 31, 2018, and no spectrum charges were incurred in Fiscal 2020.

Total Income

Total income marginally increased by 12.30% from ₹ 10,382.66 million in Fiscal 2019 to ₹ 11,660.05 million in Fiscal 2020 primarily due to the reasons discussed below.

Revenue from Operations

Revenues from operations increased by 12.44% from ₹ 10,032.69 million in Fiscal 2019 to ₹ 11,280.54 million in Fiscal 2020, primarily due to increase in income from telecom services and income from projects. This increase was offset by a decrease in other operating revenue.

Income from Telecom Services: Income from telecom services increased by 10.91% from ₹ 6,714.62 million in Fiscal 2019 to ₹ 7,447.49 million in Fiscal 2020, as a result of increase in income from NLD services by 11.59% from ₹ 3,719.71 million in Fiscal 2019 to ₹ 4,150.70 million in Fiscal 2020, as a result of increase in customer base and additional capacity/ services provided. In addition, there was an increase in income from IP-I services by 19.12% from ₹ 1,372.21 million in Fiscal 2019 to ₹ 1,634.59 million in Fiscal 2020, as a result of increase in revenue from data center services and telepresence and additional leasing of dark fiber and tower space. Income from ISP services also increased by 2.43% from ₹ 1,622.70 million in Fiscal 2019 to ₹ 1,662.20 million in Fiscal 2020, as a result of increase in number of subscribers and additional capacity provided to customers.

Income from Projects: Income from projects increased by 27.05% from ₹ 2,968.54 million in Fiscal 2019 to ₹ 3,771.64 million in Fiscal 2020, as a result of a significant increase in income from railway project works from ₹ 318.61 million in Fiscal 2019 to ₹ 1,888.59 million in Fiscal 2020 on account of implementation of certain new projects including ₹ 435.06 million from the VSS project, ₹ 768.69 million from the E-office project, and ₹ 132.82 million from the IT project. This increase was offset by a decrease in income from other projects by 28.94% from ₹ 2,649.93 million in Fiscal 2019 to ₹ 1,883.05 million in Fiscal 2020, as a result of completion of the ESIC project.

Other Operating Revenue: Other operating revenue, primarily comprising amortization of government grant and penalty on surrender of services by a customer, significantly decreased from ₹ 349.53 million in Fiscal 2019 to ₹ 61.41 million in Fiscal 2020 as a result of non-cancellation of services in Fiscal 2020. In terms of our contracts with customers, if our customer terminates the services of the link during minimum subscription year, our Company shall refund or adjust (against the future orders) the already paid indefeasible right of use (“IRU”) charges after deducting the termination penalty. Accordingly, our Company deducted the termination penalty of ₹ 34.70 million and ₹ 336.40 million in Fiscal 2020 and Fiscal 2019, respectively, and recognized as other operating revenue.

Other Income

Other income increased by 7.93% from ₹ 352.01 million in Fiscal 2019 to ₹ 379.91 million in Fiscal 2020, primarily due to a significant increase in other non-operating income by 56.27% from ₹ 66.50 million in Fiscal 2019 to ₹ 103.92 million in Fiscal 2020, as a result of increase in miscellaneous income. Miscellaneous income significantly increased from ₹ 31.90 million in Fiscal 2019 to ₹ 93.20 million in Fiscal 2020 on account of income from forfeiture of a bank guarantee, reversal of long outstanding retention money and sale of scrap. This increase was offset by a decrease in interest income on deposits with bank by 5.22% from ₹ 283.30 million in Fiscal 2019 to ₹ 268.50 million in Fiscal 2020 as a result of decrease in interest rates and reduction in fixed deposit receipts of the Company. Interest income on deposits with bank includes ₹ 29.50 million and ₹ 37.20 million for VSS project fund and ₹ 9.34 million and no such amount for ETCS project fund in Fiscal 2020 and Fiscal 2019, respectively. Liabilities/ Provisions written back also decreased from ₹ 24.57 million in Fiscal 2019 to ₹ 2.61 million in Fiscal 2020 as a result of less reversal of provisions.

Finance Income

Finance income was ₹ (2.04) million in Fiscal 2019 compared to ₹ (0.40) million in Fiscal 2020, as a result of change in non-current assets/liabilities of the company.

Expenses

Total expenses increased by 13.57% from ₹ 8,205.77 million in Fiscal 2019 to ₹ 9,319.47 million in Fiscal 2020, primarily due to the reasons discussed below.

Access and Other Charges

Access and other charges decreased by 5.50% from ₹ 2,635.20 million in Fiscal 2019 to ₹ 2,490.34 million in Fiscal 2020, as a result of a decrease in (i) hire charges radio modem/ optic fibers and internet access by 16.44% from ₹ 555.80 million in Fiscal 2019 to ₹ 464.40 million in Fiscal 2020, as a result of reduction in internet bandwidth rates, and reduction in last mile charges as connectivity was provided under major projects in Fiscal 2019 which were completed; (ii) power and fuel expenses on network by 13.79% from ₹ 410.40 million in Fiscal 2019 to ₹ 353.80 million in Fiscal 2020, primarily due to a bill for arrears of electricity that was raised by the Railways in Fiscal 2019; (iii) interconnect and port charges from ₹ 58.30 million in Fiscal 2019 to ₹ 2.80 million in Fiscal 2020, as a result of completion of a project in Fiscal 2020 which resulted in decreased income and accordingly a decrease in interconnect and port charges; and (iv) rent from ₹ 26.50 million in Fiscal 2019 to ₹ 1.12 million in Fiscal 2020, as a result of no rent payable on telepresence equipment in Fiscal 2020, due to procurement of such equipment by the Company in Fiscal 2020. This was offset by an increase in revenue share to railways by 11.91% from ₹ 284.30 million in Fiscal 2019 to ₹ 318.16 million in Fiscal 2020 as a result of increased revenue in Fiscal 2020, and corresponding increase in the revenue share payable, an increase in RailWire expenses by 5.44% from ₹ 684.40 million in Fiscal 2019 to ₹ 721.60 million in Fiscal 2020 as a result of increase in business and revenue generated through RailWire, and corresponding increase in the revenue share payable to the partners of RailWire, and an increase in operation and maintenance of fiber and equipment by 1.75% from ₹ 613.80 million in Fiscal 2019 to ₹ 624.55 million in Fiscal 2020 as a result of an annual increase in operation and maintenance rates.

License Fee and Spectrum Charges

License fee and spectrum charges increased by 4.21% from ₹ 459.90 million in Fiscal 2019 to ₹ 479.27 million in Fiscal 2020, as a result of an increase in license fee to DoT (revenue share) by 6.01% from ₹ 452.10 million in Fiscal 2019 to ₹ 479.27 million in Fiscal 2020, as a result of increase in total revenue on which license fee is payable. This was marginally offset by a decrease in spectrum charges to DoT from ₹ 7.80 million in Fiscal 2019 to no such amount in Fiscal 2020, as a result of surrender of spectrum license to the DoT.

Expenses on Project

Expenses on project significantly increased by 36.35% from ₹ 2,494.13 million in Fiscal 2019 to ₹ 3,400.78 million in Fiscal 2020, as a result of an increase in (i) expenses on railway projects from ₹ 294.00 million in Fiscal 2019 to ₹ 1,654.45 million in Fiscal 2020, as a result of implementation of certain new railway projects, including the E-office and VSS projects; (ii) allocation of administrative and other expenses by 26.56% from ₹ 65.50 million in Fiscal 2019 to ₹ 82.90 million in Fiscal 2020, as a result of increase in project expenditure, as 3% of project expenditure is allocated for administrative and other expenses; and (iii) allocation of employee benefit expenses by 26.60% from ₹ 109.11 million in Fiscal 2019 to ₹ 138.13 million in Fiscal 2020, as a result of increase in project expenditure, as 5% of project expenditure is allocated for employee benefit expenses. This increase was offset by a decrease in expenses on projects (other than railway) by 24.70% from ₹ 2,025.52 million in Fiscal 2019 to ₹ 1,525.30 million in Fiscal 2020, as a result of completion of certain projects in Fiscal 2020 including the ESIC project.

Employee Benefit Expenses

Employee benefit expense increased by 7.60% from ₹ 1,120.20 million in Fiscal 2019 to ₹ 1,205.34 million in Fiscal 2020, primarily due to increase in salaries and wages by 9.29% from ₹ 1,170.00 million in Fiscal 2019 to ₹ 1,278.65 million in Fiscal 2020 primarily due to annual salary increments driven by inflation. Contribution to provident also increased by 8.04% from ₹ 57.20 million in Fiscal 2019 to ₹ 61.80 million in Fiscal 2020, primarily attributable to annual salary increments driven by inflation.

Administrative and Other Expenses

Administrative and other expenses increased by 16.00% from ₹ 271.40 million in Fiscal 2019 to ₹ 314.83 million in Fiscal 2020, as a result of increases in (i) provision for expected credit loss expenses from ₹ 13.21 million in Fiscal 2019 to ₹ 125.11 million in Fiscal 2020, as a result of additional expected credit loss provided for further to a detailed study on expected credit loss, (ii) rates and taxes expenses from ₹ 8.50 million in Fiscal 2019 to ₹ 35.11 million in Fiscal 2020 due to payment of disputed taxes under “Vivad se Vishwas scheme” of the government, (iii) travelling expenses by 34.15% from ₹ 31.10 million in Fiscal 2019 to ₹ 41.72 million in Fiscal 2020; (iv) vehicle hire charges expenses by 11.05% from

₹ 27.20 million in Fiscal 2019 to ₹ 30.20 million in Fiscal 2020; (v) business promotion expenses from ₹ 5.71 million in Fiscal 2019 to ₹ 11.60 million in Fiscal 2020, as a result of increased business development activities undertaken in Fiscal 2020 to source projects and customers. This increase was significantly offset by a decrease in rent from ₹ 125.40 million in Fiscal 2019 to ₹ 20.10 million in Fiscal 2020, as a result of implementation of Ind AS 116 due to which lease charges were recognized as right of use assets and depreciation/ amortization on these assets has been provided for in Fiscal 2020.

Corporate Social Responsibility

Corporate social responsibility expenses significantly increased by 71.32% from ₹ 30.30 million in Fiscal 2019 to ₹ 51.91 million in Fiscal 2020, as a result of utilizing the unused CSR budget pertaining to previous years.

Depreciation and Amortization Expense

Depreciation and amortization expenses increased by 17.32% from ₹ 1,115.75 million in Fiscal 2019 to ₹ 1,309.00 million in Fiscal 2020, primarily due to an increase in depreciation on tangible assets by 5.86% from ₹ 1,114.92 million in Fiscal 2019 to ₹ 1,180.28 million in Fiscal 2020, as a result of implementation of Ind AS 116 due to which lease charges were recognized as right of use assets and depreciation/ amortization on these assets has been provided for in Fiscal 2020.

Finance Expenses

Finance expenses decreased by 13.80% from ₹ 78.89 million in Fiscal 2019 to ₹ 68.00 million in Fiscal 2020, primarily as result of an increase in the amount of rent paid towards property leased in Noida in Fiscal 2019.

Profit/ (Loss) before Exceptional Items and Tax

For the reasons discussed above, profit before exceptional items and tax was ₹ 2,340.58 million in Fiscal 2020 compared to ₹ 2,176.89 million in Fiscal 2019. The exceptional item amounted to ₹ 492.98 million in Fiscal 2020 on account of impairment loss recognized as per Ind AS 36, with respect to the NE project. The NE project did not progress for a long time due to difficult working conditions in the north eastern region and various other reasons. The project is currently accounted under capital work in progress and mainly comprises plant and machinery. Assets constructed under the project have remained idle for a considerable period of time, and we have accordingly assessed and recognized an impairment loss on these projects. For further information, see "*Restated Financial Statements – Annexure VI – Note 42*" on page 232.

Further, in case of work of the National Optical Fiber Network ("**NOFN**") Project executed by our Company on behalf of Bharat Broadband Network Limited ("**BBNL**") for connecting the Gram Panchayat, income was recognized on the basis of terms of agreement executed between the BBNL and our Company until March 31, 2017. However, during Fiscal 2018, an amount of ₹ 265.12 million was reversed on the strength of cabinet decision communicated by BBNL for downward revision of administrative expenditure & establishment charges with retrospective effect. The amount of ₹ 265.12 million was reversed for income recognized till March 31, 2017, and disclosed as an exceptional item in Fiscal 2018 considering the materiality and non-recurring nature of the transaction. For further information, see "*Restated Financial Statements – Annexure VI – Note 42 – Item 9*" and "*Restated Financial Statements – Annexure V – Part A/B*" on pages 232 and 193, respectively.

Tax Expense

Current tax decreased by 3.60% from ₹ 580.74 million in Fiscal 2019 to ₹ 559.81 million in Fiscal 2020. Deferred tax expense was ₹ 209.57 million in Fiscal 2019 while deferred tax credit was ₹ 134.04 million in Fiscal 2020. Tax impact of earlier years amounted to ₹ 33.02 million in Fiscal 2019 compared to ₹ 11.17 million in Fiscal 2020.

Profit/ (Loss) for the Period

For the various reasons discussed above, we recorded a profit for the year of ₹ 1,410.66 million in Fiscal 2020 compared to ₹ 1,353.56 million in Fiscal 2019.

Total Comprehensive Income for the Year

Total comprehensive income for the year was ₹ 1,360.63 million in Fiscal 2020 compared to ₹ 1,352.19 million in Fiscal 2019.

FISCAL 2019 COMPARED TO FISCAL 2018

Key Developments

We surrendered our spectrum license to the DoT with effect from August 1, 2018. As a result, spectrum charges in Fiscal 2019 was incurred for the period between April 1, 2018 and March 31, 2019, whereas spectrum charges were incurred for the entire year ended July 31, 2018.

Total Income

Total income marginally increased by 1.67% from ₹ 10,212.18 million in Fiscal 2018 to ₹ 10,382.66 million in Fiscal 2019 primarily due to the reasons discussed below.

Revenue from Operations

Revenues from operations marginally increased by 2.71% from ₹ 9,767.79 million in Fiscal 2018 to ₹ 10,032.69 million in Fiscal 2019, primarily due to increase in other operating revenue. This increase was significantly offset by a decrease in income from telecom services and decrease in income from projects.

Income from Telecom Services: Income from telecom services decreased by 1.97% from ₹ 6,849.83 million in Fiscal 2018 to ₹ 6,714.62 million in Fiscal 2019, as a result of decrease in income from NLD services by 4.55% from ₹ 3,896.90 million in Fiscal 2018 to ₹ 3,719.71 million in Fiscal 2019, as a result of increase in customer base and additional capacity/services provided. In addition, there was a decrease in income from IP-I services by 6.94% from ₹ 1,474.60 million in Fiscal 2018 to ₹ 1,372.21 million in Fiscal 2019, as a result of decrease in income from tower space sharing services and colocation services. This was partially offset by an increase in income from ISP services by 9.77% from ₹ 1,478.33 million in Fiscal 2018 to ₹ 1,622.70 million in Fiscal 2019, as a result of increase in number of subscribers and additional capacity provided to customers.

Income from Projects: Income from projects marginally decreased by 1.93% from ₹ 2,912.21 million in Fiscal 2018 to ₹ 2,968.54 million in Fiscal 2019, as a result of a decrease in income from railway project works by 9.92% from ₹ 353.68 million in Fiscal 2018 to ₹ 318.61 million in Fiscal 2019, as a result of completion of the project for ESIC. This was marginally offset by income from other projects that increased by 3.57% from ₹ 2,558.53 million in Fiscal 2018 to ₹ 2,649.93 million in Fiscal 2019.

Other Operating Revenue: Other operating revenue, primarily comprising amortization of government grant and penalty on surrender of services by customers, significantly increased from ₹ 5.75 million in Fiscal 2018 to ₹ 349.53 million in Fiscal 2019 as a result of cancellation of services in Fiscal 2019.

Other Income

Other income decreased by 17.95% from ₹ 429.04 million in Fiscal 2018 to ₹ 352.01 million in Fiscal 2019, primarily due to decrease in interest income and other non-operating income. Interest income decreased by 18.25% from ₹ 349.22 million in Fiscal 2018 to ₹ 285.50 million in Fiscal 2019 due to a decrease in interest income on deposits with banks by 18.88% from ₹ 349.22 million in Fiscal 2018 to ₹ 283.30 million in Fiscal 2019, as a result of decrease in interest rates and reduction in fixed deposits receipts of the Company. This was marginally offset by an increase in income on mutual funds, and increase in interest on income tax refunds.

Other non-operating income decreased by 16.69% from ₹ 79.82 million in Fiscal 2018 to ₹ 66.50 million in Fiscal 2019, as a result of decrease in miscellaneous income by 29.44% from ₹ 45.21 million in Fiscal 2018 to ₹ 31.90 million in Fiscal 2019. Liabilities/ provision written back also decreased by 11.62% from ₹ 27.80 million in Fiscal 2018 to ₹ 24.57 million in Fiscal 2019, as a result of excess provision written back made in Fiscal 2018 based on accounting estimates that was reversed in Fiscal 2019.

Finance Income

Finance income decreased significantly from ₹ 15.35 million in Fiscal 2018 to ₹ (2.04) million in Fiscal 2019, due to discounting of financial instrument in accordance with Ind AS 109.

Expenses

Total expenses decreased by 1.74% from ₹ 8,350.95 million in Fiscal 2018 to ₹ 8,205.77 million in Fiscal 2019, primarily due to the reasons discussed below.

Access and Other Charges

Access and other charges increased by 5.37% from ₹ 2,500.86 million in Fiscal 2018 to ₹ 2,635.20 million in Fiscal 2019, as a result of an increase in (i) hire charges radio modem/ optic fibers and internet access by 19.54% from ₹ 464.93 million in Fiscal 2018 to ₹ 555.80 million in Fiscal 2019, as a result of incurring last mile charges for connectivity for new customers as part of the projects implemented in Fiscal 2019; (ii) power and fuel expenses on network by 4.94% from ₹ 391.07 million in Fiscal 2018 to ₹ 410.40 million in Fiscal 2019, as a result of a bill for arrears of electricity that was raised by the Railways in Fiscal 2019; (iii) RailWire expenses by 5.80% from ₹ 646.87 million in Fiscal 2018 to ₹ 684.40 million in Fiscal 2019, as a result of increase in revenue generated as part of the RailWire business and corresponding increase in revenue share payable; and (iv) revenue share to railways by 2.85% from ₹ 276.41 million in Fiscal 2018 to ₹ 284.30 million in Fiscal 2019. This was partially offset by a decrease in operation and maintenance of fiber and equipment by 0.33% from ₹ 615.83 million in Fiscal 2018 to ₹ 613.80 million in Fiscal 2019, and a decrease in interconnect and port charges equipment by 20.36% from ₹ 73.20 million in Fiscal 2018 to ₹ 58.30 million in Fiscal 2019, as a result of decrease in corresponding income recognized.

License Fee and Spectrum Charges

License fee and spectrum charges marginally decreased by 2.85% from ₹ 473.41 million in Fiscal 2018 to ₹ 459.90 million in Fiscal 2019, as a result of a decrease in spectrum charges to the DoT from ₹ 23.28 million in Fiscal 2018 to ₹ 7.80 million in Fiscal 2019, as a result of surrender of spectrum license to government in Fiscal 2019.This was marginally offset by an increase in license fee to the DoT (revenue share) by 0.44% from ₹ 450.13 million in Fiscal 2018 to ₹ 452.10 million in Fiscal 2019, as a result of increase in total revenue on which license fee is payable.

Expenses on Project

Expenses on project decreased by 1.54% from ₹ 2,533.19 million in Fiscal 2018 to ₹ 2,494.13 million in Fiscal 2019, as a result of (i) expenses on railway projects increasing by 3.12% from ₹ 285.11 million in Fiscal 2018 to ₹ 294.00 million in Fiscal 2019; (ii) expenses on projects (other than railway) decreasing by 1.77% from ₹ 2,061.95 million in Fiscal 2018 to ₹ 2,025.52 million in Fiscal 2019; (iii) allocation of employee benefit expenses decreasing by 6.21% from ₹ 116.33 million in Fiscal 2018 to ₹ 109.11 million in Fiscal 2019, as a result of decrease in project expenditure since such expense is allocated at 5% of project expenditure ; and (iv) allocation of administrative and other expenses decreasing by 6.16% from ₹ 69.80 million in Fiscal 2018 to ₹ 65.50 million in Fiscal 2019, as a result of decrease in project expenditure since such expense is allocated at 3% of project expenditure.

Employee Benefit Expenses

Employee benefit expense decreased by 5.06% from ₹ 1,179.94 million in Fiscal 2018 to ₹ 1,120.20 million in Fiscal 2019, primarily due to decrease in salaries and wages by 5.35% from ₹ 1,236.10 million in Fiscal 2018 to ₹ 1,170.00 million in Fiscal 2019 primarily due to lower provisions made for payment of bonus in Fiscal 2019 and lower provision for retirement benefits in Fiscal 2019 as compared to Fiscal 2018. Contribution to provident also decreased by 0.99% from ₹ 57.77 million in Fiscal 2018 to ₹ 57.20 million in Fiscal 2019, due to decrease in salaries and wages.

Administrative and Other Expenses

Administrative and other expenses significantly decreased by 37.12% from ₹ 431.62 million in Fiscal 2018 to ₹ 271.40 million in Fiscal 2019, as a result of decreases in (i) communication expenses by 15.87% from ₹ 12.60 million in Fiscal

2018 to ₹ 10.60 million in Fiscal 2019 as a result of decrease in telecom charges, (ii) legal and professional expenses by 32.72% from ₹ 56.79 million in Fiscal 2018 to ₹ 38.21 million in Fiscal 2019 due to availing fewer consultancy services, (iii) rent expenses by 13.10% from ₹ 144.31 million in Fiscal 2018 to ₹ 125.40 million in Fiscal 2019, as a result of surrendering some property that was used for certain project works that were completed in Fiscal 2019; (iv) repair and maintenance- others expenses by 56.18% from ₹ 55.48 million in Fiscal 2018 to ₹ 24.31 million in Fiscal 2019, as a result of carrying out major repairs of building in Fiscal 2018, and no such major repairs in Fiscal 2019; (v) research and development expenses from ₹ 20.00 million in Fiscal 2018 to no such expenses in Fiscal 2019, as a result of discontinuation of direct research in Fiscal 2019; and (vi) loss on foreign exchange transactions from ₹ 10.04 million in Fiscal 2018 no such expenses in Fiscal 2019, as a result of reduced corresponding liabilities incurred in foreign currency.

Corporate Social Responsibility

Corporate social responsibility expenses significantly increased from ₹ 7.55 million in Fiscal 2018 to ₹ 30.30 million in Fiscal 2019, due to incurring CSR expenses budgeted for Fiscal 2018 and Fiscal 2019, in Fiscal 2019, as the budget for Fiscal 2018 was approved towards the end of the year.

Depreciation and Amortization Expense

Depreciation and amortization expenses decreased by 5.95% from ₹ 1,186.29 million in Fiscal 2018 to ₹ 1,115.75 million in Fiscal 2019, primarily due to a decrease in depreciation on tangible assets by 4.91% from ₹ 1,172.48 million in Fiscal 2018 to ₹ 1,114.92 million in Fiscal 2019, as a result of complete depreciation of certain assets in Fiscal 2018.

Finance Expenses

Finance expenses significantly increased from ₹ 38.09 million in Fiscal 2018 to ₹ 78.89 million in Fiscal 2019, primarily as result of accounting adjustments such as the application of Ind AS 109.

Profit/ (Loss) before Exceptional Items and Tax

For the reasons discussed above, profit before exceptional items and tax was ₹ 2,176.89 million in Fiscal 2019 compared to ₹ 1,861.23 million in Fiscal 2018. Exceptional item amounted to ₹ 265.12 million in Fiscal 2018. For further information, see "*– Results of Operations – Fiscal 2020 compared to Fiscal 2019 – Profit/ (Loss) before Exceptional Items and Tax*" and "*Restated Financial Statements – Annexure VI – Note 42 – Item 9*" on pages 199 and 232, respectively.

Tax Expense

Current tax decreased by 26.89% from ₹ 794.32 million in Fiscal 2018 to ₹ 580.74 million in Fiscal 2019. Deferred tax credit was ₹ 236.00 million in Fiscal 2018 while deferred tax expense was ₹ 209.57 million in Fiscal 2019. Tax impact of earlier years amounted to ₹ (302.27) million in Fiscal 2018 compared to ₹ 33.02 million in Fiscal 2019.

Profit/ (Loss) for the Period

For the various reasons discussed above, we recorded a profit for the year of ₹ 1,353.56 million in Fiscal 2019 compared to ₹ 1,340.06 million in Fiscal 2018.

Total Comprehensive Income for the Year

Total comprehensive income for the year was ₹ 1,352.19 million in Fiscal 2019 compared to ₹ 1,319.04 million in Fiscal 2018.

LIQUIDITY AND CAPITAL RESOURCES

Capital Requirements

We fund our operations through equity share capital and other equity, which includes retained profits.

CASH FLOWS

Particulars	Fiscal		
	2018	2019	2020
	(₹ million)		
Net cash generated from operating activities	408.81	353.93	1,733.03
Net cash generated from/ (used in) investing activities	15.41	406.46	(479.54)
Net cash generated from/ (used in) financing activities	(620.20)	(772.40)	(624.62)
Net increase/ (decrease) in cash and cash equivalents during the period	(195.98)	(12.01)	628.87
Cash and cash equivalents at the end of the period	728.34	716.33	1,345.20

Operating Activities

Fiscal 2020

In Fiscal 2020, net cash generated from operating activities was ₹ 1,733.03 million. Profit for the period was ₹ 1,410.66 million in Fiscal 2020 and adjustments to reconcile profit for the period to operating profit/ (loss) before working capital changes consisted of depreciation and amortization expense of ₹ 1,309.00 million, impairment of capital work in progress of ₹ 492.98 million in relation to the projects executed by our Company in the north-east region of India (for further information, see "*Restated Financial Information – Annexure VI – Note 42 – Item 25*" on page 232), and provision for doubtful debts (net) of ₹ 125.11 million, that was partially offset by interest income of ₹ (276.61) million. The main working capital adjustments in Fiscal 2020 consisted of increase in financial non-current assets of ₹ 2,185.42 million on account of non-current nature of term deposit and decrease in non-financial current liabilities of ₹ 712.99 million. This was offset by an increase in financial current liabilities of ₹ 1,395.33 million, decrease in non-financial current assets of ₹ 223.05 million and decrease in financial current assets of ₹ 460.42 million. Net cash generated from operation before tax amounted to ₹ 2,115.73 million and income tax paid amounted to ₹ 382.70 million.

Fiscal 2019

In Fiscal 2019, net cash generated from operating activities was ₹ 353.93 million. Profit for the period was ₹ 1,353.56 million in Fiscal 2019 and adjustments to reconcile profit for the period to operating profit/ (loss) before working capital changes consisted of depreciation and amortization expense of ₹ 1,115.75 million and non-cash expense (interest expenses for right of use assets) of ₹ 53.09 million, which was partially offset by interest income of ₹ (291.52) million. The main working capital adjustments in Fiscal 2019 consisted of decrease in non-financial non-current liabilities of ₹ 1,250.48 million on account of non-current nature of term deposit and decrease in financial non-current liabilities of ₹ 804.46 million. This was partially offset by an increase in financial current liabilities of ₹ 772.97 million, decrease in non-financial current assets of ₹ 278.61 million and decrease in financial current assets of ₹ 32.16 million. Net cash generated from operation before tax amounted to ₹ 967.63 million and income tax paid amounted to ₹ 613.70 million.

Fiscal 2018

In Fiscal 2018, net cash generated from operating activities was ₹ 408.81 million. Profit for the period was ₹ 1,340.06 million in Fiscal 2018 and adjustments to reconcile profit for the period to operating profit/ (loss) before working capital changes consisted of depreciation and amortization expense of ₹ 1,186.29 million, provision for doubtful debts (net) of ₹ 51.20 million, partially offset by non-cash income (provision written back and forex) of ₹ (27.80) million and interest income of ₹ (356.03) million. The main working capital adjustments in Fiscal 2018 consisted of decrease in non-financial current liabilities of ₹ 703.37 million on account of non-current nature of term deposit, increase in financial current assets of ₹ 787.90 million, decrease in non-financial non-current liabilities of ₹ 793.66 million and increase in non-financial non-current assets of ₹ 139.38 million. This was offset by an increase in financial non-current liabilities of ₹ 499.00 million, decrease in non-financial current assets of ₹ 393.84 million and increase in financial current liabilities of ₹ 225.68 million. Net cash generated from operation before tax amounted to ₹ 913.31 million and income tax paid amounted to ₹ 504.50 million.

Investing Activities

Fiscal 2020

Net cash used in investing activities was ₹ 479.54 million in Fiscal 2020, primarily on account of purchase of tangible and non-tangible assets of ₹ 617.36 million, capital advances of ₹ 154.03 million and increase in term deposit of ₹ 65.53 million. This was partially offset by interest income received of ₹ 278.06 million.

Fiscal 2019

Net cash generated from investing activities was ₹ 406.46 million in Fiscal 2019, primarily on account of decrease in term deposit of ₹ 999.79 million on account of maturity of fixed deposits, and interest income received of ₹ 278.11 million. This was significantly offset by purchase of tangible and non-tangible assets of ₹ 837.50 million and increase in short term investment of ₹ 70.10 million.

Fiscal 2018

Net cash generated from investing activities was ₹ 15.41 million in Fiscal 2018, primarily on account of decrease in term deposit of ₹ 868.00 million on account of maturity of fixed deposits, and interest income received of ₹ 403.41 million. This was significantly offset by purchase of tangible and non-tangible assets of ₹ 1,172.16 million and capital advances of ₹ 157.75 million.

Financing Activities

Fiscal 2020

Net cash used in financing activities was ₹ 624.62 million in Fiscal 2020, primarily on account of dividend paid of ₹ 462.00 million, dividend distribution tax paid of ₹ 95.92 million and payment for lease liability of right of use assets of ₹ 66.70 million.

Fiscal 2019

Net cash used in financing activities was ₹ 772.40 million in Fiscal 2019, primarily on account of dividend paid of ₹ 624.70 million, dividend distribution tax paid of ₹ 128.40 million and payment for lease liability of right of use assets of ₹ 19.30 million.

Fiscal 2018

Net cash used in financing activities was ₹ 620.20 million in Fiscal 2018, primarily on account of dividend paid of ₹ 515.30 million, and dividend distribution tax paid of ₹ 104.90 million.

INDEBTEDNESS

As of March 31, 2020, we did not have any outstanding secured or unsecured borrowings.

CONTINGENT LIABILITIES AND COMMITMENTS

Our Restated Consolidated Financial Statements disclosed the following contingent liabilities as per Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets:

Particulars	As of March 31,		
	2018	2019	2020
	(₹ million)		
Claims against the Company not acknowledged as debts			
Service tax	147.50	149.10	82.50
Income tax	136.60	296.80	228.20
VAT	8.30	13.10	11.60
DoT	1,075.60	1,116.60	0.00
Other	57.20	57.20	93.74
Total	**1,425.20**	**1,632.80**	**416.04**
Bank guarantees given by the Company to customers/ government	1508.30	1577.40	1720.80
Total	**2,933.50**	**3,210.20**	**2,136.84**

For further information, see our "*Restated Financial Statements – Annexure VI – Note 42 – Item 26*" on page 232.

CONTRACTUAL OBLIGATIONS

The following table sets forth certain information relating to future payments due under known contractual commitments as of March 31, 2020, aggregated by type of contractual obligation:

	As of March 31, 2018	As of March 31, 2019	As of March 31, 2020
	(₹ million)		
Estimated amounts of contracts remaining to be executed on capital account	2,540.60	2,232.00	626.90

SECURITIZATION AND ASSIGNMENT ARRANGEMENTS

We have not entered into any securitization transaction or assignment transaction during Fiscal 2018, 2019 and 2020. Except as disclosed in the Restated Financial Statements or elsewhere in this Draft Red Herring Prospectus, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

CAPITAL EXPENDITURE

In Fiscal 2018, 2019 and 2020, our capital expenditure towards additions to fixed assets (property, plant and equipment's and intangible assets was ₹ 1,127.83 million, ₹ 2,164.02 million, and ₹ 597.80 million, respectively. The following table sets forth our fixed assets as of the dates indicated:

Particulars	As of March 31,		
	2018	2019	2020
	(₹ million)		
Property, plant and equipment (Gross)	16,330.78	18,458.10	17,358.97
Intangible assets (Gross)	100.59	104.57	148.33
Right of use assets (Gross)	0	0	1911.80
Depreciation of property, plant and equipment	9,487.32	10,598.34	11,273.70
Depreciation on right of use	0	0	182.20
Amortization of intangible assets	64.15	64.98	69.90
Depreciation on investment property	0	0	0

We expect to meet our capital expenditure in the next three Fiscals through internal accruals.

RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business. These transactions principally include revenue share to the Indian Railways and remuneration to KMPs, and executing projects for other public sector undertakings of the Indian Railways. For further information relating to our related party transactions, see "*Restated Financial Statements – Annexure VI – Note 42 – Item 23*" on page 232.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our activities expose us to a variety of financial risks, which include market risk (such as, currency risk, interest rate risk and other price risk), credit risk and liquidity risk. Our focus is to ensure liquidity, which is sufficient to meet our operational requirements. Our Company monitors and manages key financial risks so as to minimise potential adverse effects on its financial performance. We have a risk management policy, which covers the risks associated with the financial assets and liabilities.

Credit Risk

Credit risk is the risk of financial losses to our Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation and arises principally from our Company's trade receivables, employee loans and other activities that are in the nature of leases.

We periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Credit risk is also managed through approvals, establishing credit limits, continuous monitoring of creditworthiness of customers to which we grant credit terms in the normal course of business.

Our 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, our 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, our 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. Our 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. For further information, see "*Restated Financial Statements – Annexure VI – Note 42 – Item 29*" on page 232.

Liquidity Risk

Liquidity risk is the risk that our Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Our 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 our Company reputation, typically our Company ensures that it has sufficient cash on demand to meet expected operational expenses, servicing of financial obligations.

Market Risk

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments.

Our Company had investments in mutual funds and the investment held by our Company are exposed to price risk. The investment is therefore classified in the balance sheet at fair value through profit and loss (FVTPL) and profit for the period as a result of gain/ loss on investment is classified as FVTPL. However, to manage the price risk, our

Company has invested in liquid funds and the level of the investments is insignificant in view of the level of the operation of our Company.

Inflation

In recent years, India has experienced relatively high rates of inflation. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

AUDITOR OBSERVATIONS / REMARKS

Other than as disclosed below, there have been no reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted by our statutory auditors in their auditor's reports on the audited consolidated financial statements as of and for the years ended March 31, 2018, 2019 and 2020:

For the year ended March 31, 2020

The auditors' report for the Audited Consolidated Financial Statements as of and for the year ended March 31, 2020, included the following Emphasis of Matter:

With respect to the NE projects having a total estimated expenditure of ₹ 4,512.50 million and anticipated subsidy of ₹ 3,880.00 million, the Company has incurred total capital expenditure of ₹ 3,110.70 million and has received a subsidy of ₹ 314.60 million only. Further, the Company has transferred material amounting to ₹ 117.20 million to other projects/ regions. As the project is on hold, the Company has recognized an impairment loss of ₹ 492.98 million based on an impairment study carried out by an independent consultant which has been disclosed under the head 'Exceptional Items' in 'Restated Consolidated Statement of Profit & Loss'. The auditor's opinion is not modified in respect of this Emphasis of Matter.

For further information, see "*Restated Financial Statements – Annexure VI – Note 42 – Items 21 and 25*" on page 232.

For the year ended March 31, 2019
The auditors' report for the Audited Consolidated Financial Statements as of and for the year ended March 31, 2019, included the following Emphasis of Matters:

Regarding the NE projects having a total expenditure of ₹ 4,512.50 million and anticipated subsidy of ₹ 3,880.00 million. The Company has incurred total capital expenditure of ₹ 3,081.00 million and has received a subsidy of ₹ 314.60 million with a net cash outflow of ₹ 2,766.40 million up to March 31, 2019. The auditor's opinion is not modified in respect of this Emphasis of Matter.

For further information, see "*Restated Financial Statements – Annexure VI – Note 42 – Item 21*" on page 232.

For the year ended March 31, 2018
The auditors' report for the Audited Consolidated Financial Statements as of and for the year ended March 31, 2018, included the following Emphasis of Matters:

- Regarding reversal of income of ₹ 265.12 million in respect of NOFN project on account of downward revision of Administration Expenses and Establishment charges with retrospective effect.

  For further information, see "*Restated Financial Statements – Annexure VI – Note 42 – Item 9*" and "*Restated Financial Statements – Annexure V – Part A/B*" on pages 232 and 193, respectively.

- With respect to the Subsidiary, RailTel Enterprises Limited, it had received LOA from the Government of Rajasthan in Fiscal 2016 for ₹260.03 million for implementation of Network Connectivity for 1,500 schools of Rajasthan, in respect of which income of ₹ 52.70 million was booked in Fiscal 2016 and the same was allotted to M/s Synoptics Technologies Private Limited in Fiscal 2016 for ₹ 85.30 million, accordingly expense of ₹ 48.20

million was booked in the same year. An amount of ₹ 4.40 million was received from customer in the Fiscal 2017 and payment was made to vendor of ₹ 3.70 million accordingly.

In the Fiscal 2018, agreement was terminated by the Government of Rajasthan, as a result of which sales return of ₹ 52.70 million and reversal of expense of ₹ 48.20 million was booked.

For further information, see "*Restated Financial Statements – Annexure VI – Note 42 – Item 10*" on page 232.

- With regard to unspent amount of ₹ 29.40 million (Fiscal 2018) relating to CSR activities out of the amount required to be spent of ₹ 37.00 million. The Company had created a reserve towards un-spent amount of CSR in earlier years (Fiscal 2014) under the head "Corporate Social Development Reserve". An amount of ₹ 12.20 million is still un-spent and is appearing in Corporate Social Development Reserve.

  For further information, see "*Restated Financial Statements – Annexure VI – Note 42 – Item 14*" on page 232.

- Regarding the NE projects having a total expenditure of ₹ 4,512.50 million and anticipated subsidy of ₹ 3,880.00 million, the Company has incurred total capital expenditure of ₹ 3,012.10 million and has received a subsidy of ₹ 314.60 million with a net cash outflow of ₹ 2,697.50 million up to March 31, 2018.

  Further, the balances recoverable from customers or other parties, recoverable/ payable from/to ministry of railways, sundry creditors, are subject to reconciliation/ confirmation. The auditor's opinion is not modified in respect of this Emphasis of Matter.

  For further information, see "*Restated Financial Statements – Annexure VI – Note 42 – Item 21*" on page 232.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

KNOWN TRENDS OR UNCERTAINTIES

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*Management's Discussions and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations and Financial Condition*" and the uncertainties described in "*Risk Factors*" on pages 276 and 25, respectively. To our knowledge, except as discussed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 25, 122 and 273, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

NEW PRODUCTS OR BUSINESS SEGMENTS

Other than as disclosed in this section and "*Our Business*" on page 122, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

TOTAL TURNOVER OF EACH MAJOR INDUSTRY SEGMENT IN WHICH THE COMPANY OPERATED

Other than as disclosed in the Restated Financial Statements, we do not have any separate reportable business segments. For further information, see "*Restated Financial Statements*" on page 174.

SIGNIFICANT DEPENDENCE ON A SINGLE OR FEW CUSTOMERS OR SUPPLIERS

Other than as disclosed in this Draft Red Herring Prospectus, there is no significant dependence on a single or few customers or suppliers.

SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECTED OR ARE LIKELY TO AFFECT INCOME FROM CONTINUING OPERATIONS

Other than as disclosed in this Draft Red Herring Prospectus, there have been no significant economic changes that have taken place in the last three fiscal years that have materially affected or are likely to affect income from operations.

KNOWN TRENDS OR UNCERTAINTIES THAT HAVE HAD OR ARE EXPECTED TO HAVE A MATERIAL ADVERSE IMPACT ON SALES, REVENUE OR INCOME FROM CONTINUING OPERATIONS

Our business has been affected and we expect that it will continue to be affected by the trends identified above in "*Management's Discussions and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting Our Results of Operations and Financial Condition*" and the uncertainties described in the section titled "*Risk Factors*" on pages 276 and 25, respectively. To our knowledge, other than as disclosed in this Draft Red Herring Prospectus, there are no known factors which we expect to have a material adverse impact on sales, revenue or income from continuing operations.

SEASONALITY OF BUSINESS

Our business is not seasonal in nature.

COMPETITIVE CONDITIONS

Our primary competitors are private sector telecom service providers, public and private sector telecom infrastructure companies and other infrastructure companies. For further information, see "*Our Business*", "*Industry Overview*" and "*Risk Factors*" on pages 122, 93 and 25, respectively on our industry and competition.

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2020 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Other than as disclosed in this section including under "*Management's Discussions and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting Our Results of Operations and Financial Condition*", "*Our Business*" and "*History and Certain Corporate Matters*" on pages 276, 122 and 142, respectively, to our knowledge no circumstances have arisen since March 31, 2020 which materially and adversely affect or are likely to affect, our operations, trading or profitability, or the value of our assets or our ability to pay our liabilities within the next 12 months

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding (i) criminal proceedings involving our Company, Subsidiary, Directors; (ii) actions by any statutory or regulatory authorities involving our Company, Subsidiary, Directors; (iii) claim involving our Company, Subsidiary, Directors for any direct or indirect tax liabilities (disclosed in a consolidated manner giving the total number of claims and total amounts involved), (iv) proceeding involving our Company, Subsidiary, Directors (other than proceedings covered under (i) to (iii) above) which has been determined to be "material" pursuant to the materiality policy approved by our Board in its meeting held on September 26, 2020 ("**Materiality Policy**") (as disclosed herein below).*

In terms of the Materiality Policy, other than outstanding criminal proceedings, actions taken by any statutory or regulatory authority and claims for any direct or indirect tax liabilities mentioned in point (i) to (iii) above, all other pending litigation:

A. involving our Company and Subsidiary:

i. where the aggregate monetary claim made by or against our Company and our Subsidiary, in any such pending litigation proceeding is in excess of (i) two percent of the consolidated profit after tax of our Company; or (ii) one percent of our consolidated total operating income of our Company, whichever is lower, in the most recently completed Fiscal as per the Restated Financial Statements. The consolidated profit after tax of our Company for Fiscal 2020 as per the Restated Financial Information was ₹ 1,410.66 million while the consolidated total income of our Company for Fiscal 2020 was ₹ 11,660.05 million. Accordingly, we have disclosed all such outstanding litigation proceedings where the aggregate monetary claim made by or against our Company and our Subsidiary, in any such pending litigation proceeding is in excess of ₹ 28.21 million (being two per cent of the consolidated profit after tax of our Company for Fiscal 2020 as per the Restated Financial Information);

ii. where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation does not exceed the amount determined as per clause (i) above, and the amount involved in all of such cases taken together exceeds the amount determined as per clause (i) above; and

iii. where the monetary liability is not quantifiable, or which does not fulfil the threshold specified in (i) above, but the outcome of which could, nonetheless may have a material adverse effect on the position, business, operations, prospects or reputation of our Company have been considered "material".

B. involving our Directors (individually or in aggregate), the outcome of which would materially and adversely affect the business, operations, prospects, financial position or reputation of our Company, irrespective of the amount involved, has been considered as material.

*Further, in accordance with the Materiality Policy, a creditor of our Company, shall be considered to be material creditor (except banks and financial institutions from whom the Company has availed financing facilities) for the purpose of disclosure in the offer documents, if amounts due to such creditor exceeds five per cent. of the total consolidated trade payables of our Company as per the most recently completed Fiscal as per the Restated Financial Statements. Accordingly, we have disclosed consolidated information of outstanding dues owed to any creditors of our Company, separately giving details of number of cases and amount for all dues where each of the dues exceed ₹ 189.44 million (being approximately five per cent. of total consolidated trade payables of our Company as at March 31, 2020 as per the Restated Financial Information) ("**Material Dues**"). Further, in accordance with the Materiality Policy for the disclosure of the outstanding dues to any party which is a micro, small or a medium enterprise ("**MSME**") will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.*

Unless stated to the contrary, the information provided in this section is as of the date of this Draft Red Herring Prospectus. All terms defined in a summary pertaining to a particular litigation shall be construed only in respect of the summary of the litigation where such term is used.

I. Litigation involving our Company

A. Outstanding criminal proceedings involving our Company

Criminal proceedings initiated against our Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal litigation proceedings initiated against our Company

Criminal proceedings initiated by our Company

1. Our Company ("**Complainant**") lodged a first information report no. 50/ 2010 against Umesh Tanawade ("**Accused Person'**), Orbit Netcom Private Limited and Orbit Teletronics Private Limited ("**Accused Companies**") (Accused Person and Accused Companies together called "**Accused**") under Section 420, 467, 468, 471, 465 and 34 of Indian Penal Code, 1860 for fraudulently embezzling our Company's money to the account of the Accused Companies. Our Company, on inspection found that the Accused Person was misappropriating our Company's money by deceptively increasing/charging the amount in the cheques issued by the Complainant to one of the Accused against the work done by the Accused and withdrawing the amount mentioned on the Cheque. The pecuniary value involved is ₹ 12.54 million. The matter is pending before the Metropolitan Magistrate Court.

2. Our Company lodged a first information report no. 76/ 2010 against Umesh Tanawade ("**Accused**") under Section 420, 465, 467, 468, 471 and 34 of Indian Penal Code, 1860 for fraudulently embezzling our Company's money by fraudulently opening a bogus account in the name of Aster Tele Services with Bassein Catholic Co-Operative Bank, Bhayander Branch ("**Bank**") and informed the Bank that bogus cheques are authentic and deposited the same. Our Company, on inspection found that the Accused Person was misappropriating the Company's money and filed the FIR against the Accused Person. The pecuniary value involved is ₹ 3.16 million. The matter is pending before the Metropolitan Magistrate Court.

B. Tax involving our Company

The consolidated details of tax proceedings involving our Company are as follows:

Nature	Number of cases	Amounts involved (in ₹ million)
Direct tax	7	228.20
Indirect tax	7	94.10

C. Other outstanding litigation involving our Company

Civil litigations initiated against our Company

1. An Arbitration petition was filed before Mahesh Mangal, IRSSE, Retd. GM/CORE/Allahabad, Sole Arbitrator by Houston Technologies Limited ("**Claimant**") against our Company ("**Respondent**"). The Respondents had issued an open tender notice bearing No. RailTel/Tender/OT/CO/DNM/2013-14/MPLS/220 dated June 14, 2013 ("**Tender**") for supply and supervision of installation, testing and commissioning of MPLS Network at various location and integration with existing transmission network and the Tender was awarded to the Claimant vide a letter of acceptance dated January 24, 2014 at a total cost of ₹ 144.27 million. Certain additional works were added by the Respondent to the original contract and for which additional letter of acceptance dated April 4, 2014 was issued by Respondent to the Claimant. The Claimant had also submitted the 5 (five) performance bank guarantee amounting to ₹16.62 million as per the Tender and letter of acceptance dated April 4, 2014. The Claimant then engaged M/s. Juniper Networks, INC for procuring necessary equipment to complete the contract. The Respondent deducted the delay penalties for the delay on the account of the Claimant and the issues were finally certified as resolved on October 19, 2016 and a Joint UAT Report for JunOS Space verifying that all specifications were available and demonstrated as successfully installed and functional was prepared and signed by both parties. Later the Respondent pointed out that the OEM Warranty Certificate along with relevant

documents were not provided by Claimant and withheld the pending payments to the Claimant amounting to ₹ 31.66 million. The Claimant is therefore claiming an amount of ₹ 48.08 million along with sum of ₹ 10 million as a compensation. Accordingly, the Claimants have invoked arbitration clause no. 28 of chapter 4 of the Tender alleging illegal termination of contract and encashment of performance Bank Guarantees by Respondents and is pending before the Sole Arbitrator.

Civil litigations initiated by our Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil litigation proceedings initiated by our Company

D. Pending action by regulatory or statutory authority involving our Company

As on the date of this Draft Red Herring Prospectus, there are no pending action/s by regulatory and statutory authorities against our Company

II. Litigation involving our Subsidiary

A. Outstanding criminal proceedings involving our Subsidiary

Criminal proceedings initiated against our Subsidiary

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings against our Subsidiary.

Criminal proceedings initiated by our Subsidiary

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings by our Subsidiary.

B. Tax involving our Subsidiary

As on the date of this Draft Red Herring Prospectus, there are no outstanding tax proceedings involving our Subsidiary.

C. Other outstanding litigation involving our Subsidiary

Civil litigations initiated against our Subsidiary

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil litigation against our Subsidiary.

Civil litigations initiated by our Subsidiary

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil litigation initiated by our Subsidiary.

D. Pending action by statutory or regulatory authorities against our Subsidiary

As on the date of this Draft Red Herring Prospectus, there are no pending actions by statutory or regulatory authorities against our Subsidiary.

III. Litigation involving our Directors

A. Outstanding criminal proceedings involving our Directors

Criminal proceedings initiated against our Directors

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Directors. Please also refer to the risk factor "*Risk Factors- This DRHP does not contain disclosures in relation to one of our Directors"* beginning on page 25.

Criminal proceedings initiated by our Directors

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Directors.

B. Tax involving our Directors

As on the date of this Draft Red Herring Prospectus, there are no outstanding tax proceedings involving our Directors.

C. Other outstanding litigation involving our Directors

Civil litigations initiated against our Directors

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil litigations initiated against our Directors.

Civil litigations initiated by our Directors

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil litigations initiated by our Directors.

D. Pending action by statutory or regulatory authorities against our Directors

As on the date of this Draft Red Herring Prospectus, there are no pending action by statutory or regulatory authorities against our Directors.

IV. Outstanding dues to small scale undertakings or any other creditors

Details in relation to the total outstanding dues (trade payables) owed to micro, small and medium enterprises as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, material creditors in accordance with the Materiality Policy and other creditors as on March 31, 2020, are as set forth below:

Particulars	Number of creditors	Amount involved (in ₹ million)
Dues to material creditors	3	1,157.91
Dues to micro, small and medium enterprises	94	648.14
Other Creditors	1,243	1,982.71
Total	**1,340**	**3,788.76**

Complete details of outstanding over dues to our material creditors along with the name and amount involved as on March 31, 2020 for each such material creditor is available on the website of our Company at https://www.railtelindia.com/images/pdf/List%20of%20Trade%20payable.pdf. Information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, www.railtelindia.com, would be doing so at their own risk.

V. Material developments since the last balance sheet date

Except as stated in *"Management's Discussion and Analysis of Financial Condition and Results of Operation"* on page 273, there have not arisen since March 31, 2020, the date of the last Restated Financial Statements included in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our profitability or operations taken as a whole or the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Except as disclosed herein, we have obtained all material consents, licenses, permissions, registrations and approvals, from various governmental statutory and regulatory authorities, which are necessary for undertaking our current business activities and operations ("***Material Approvals***"). Except as disclosed below, no further Material Approvals are required for carrying on the present business activities and operations of our Company or our Subsidiary. In the event any of the approvals and licenses that are required for our business operations expire in the ordinary course, we make applications for their renewal from time to time. Unless otherwise stated, these approvals are valid as of the date of this Draft Red Herring Prospectus.

For details in connection with the regulatory and legal framework within which we operate, see "*Key Regulations and Policies*" on page 138.

I. Incorporation related approvals

Certificate of incorporation dated September 26, 2000, issued to our Company by the Assistant Registrar of Companies, N.C.T. of Delhi and Haryana in the name of "*RailTel Corporation of India Limited*".

Certificate for commencement of business dated October 9, 2000 issued to our Company by the Deputy Registrar of Companies, N.C.T. of Delhi and Haryana.

II. Approvals in relation to the Offer

For the approvals and authorizations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures – Authority for the Offer*" on page 315.

III. Tax related approvals

1. Permanent Account Number AABCR7176C issued by the Income Tax Department under the Income tax Act, 1961;

2. Tax deduction account number DELR05222A issued by the Income Tax Department under the Income tax Act, 1961;

3. Registration as employer and enrolment certificate under the relevant state professions, trade, calling and employment legislation for payment of professional tax; and

4. As disclosed below, GST registrations have been obtained by our Company for each state where our business operations are spread:

Sr. No.	State	Registration number
1.	Andhra Pradesh	37AABCR7176C1ZC
2.	Arunachal Pradesh	12AABCR7176C1ZO
3.	Assam	18AABCR7176C1ZC
4.	Bihar	10AABCR7176C1ZS
5.	Chandigarh	04AABCR7176C1ZL
6.	Chhattisgarh	22AABCR7176C1ZN
7.	Dadra Nagar, Haveli	26AABCR7176C1ZF
8.	Delhi	07AABCR7176C2ZE
9.	Goa	30AABCR7176C1ZQ
10.	Gujarat	24AABCR7176C1ZJ
11.	Haryana	06AABCR7176C1ZH
12.	Himachal Pradesh	02AABCR7176C1ZP
13.	Jammu and Kashmir	01AABCR7176C1ZR
14.	Jharkhand	20AABCR7176C1ZR

Sr. No.	State	Registration number
15.	Karnataka	29AABCR7176C1Z9
16.	Kerala	32AABCR7176C1ZM
17.	Madhya Pradesh	23AABCR7176C1ZL
18.	Maharashtra	27AABCR7176C1ZD
19.	Manipur	14AABCR7176C1ZK
20.	Meghalaya	17AABCR7176C1ZE
21.	Mizoram	15AABCR7176C1ZI
22.	Nagaland	13AABCR7176C1ZM
23.	Odisha	21AABCR7176C1ZP
24.	Pondicherry	34AABCR7176C1ZI
25.	Punjab	03AABCR7176C1ZN
26.	Rajasthan	08AABCR7176C1ZD
27.	Tamil Nadu	33AABCR7176C1ZK
28.	Telangana	36AABCR7176C1ZE
29.	Tripura	16AABCR7176C1ZG
30.	Uttarakhand	05AABCR7176C1ZJ
31.	Uttar Pradesh	09AABCR7176C1ZB
32.	West Bengal	19AABCR7176C1ZA

IV. Material Approvals in relation to the business operations of our Company, as applicable

1. Unified License in ISP Category 'A' and ILD obtained by entering into the license agreement dated October 18, 2016 between President of India, acting through Shrigopal Agrawal, Director (AS-I), Department of Telecommunication (DOT) and the Company;

2. Registration Certificate for Infrastructure Provider Category –I (IP-I) dated April 15, 2002 issued by, Ramkrishna, Director (BS-III), Department of Telecommunications (Basic Service group), Ministry of Communications, Government of India;

3. National long Distance license no. 10-10/06-BS-I (NLD-06) obtained by entering into the License Agreement dated July 7, 2006 between President of India, acting through Govind Singhal, Director (BS-III), Department of Telecommunications (DOT), and the Company.

V. Certain other Material Approvals relating to our labour / employees and offices, as applicable

1. Shops and establishment licence issued to our Company on February 17, 2020 bearing registration number 2020020891, for registration of establishment under Delhi Shops & Establishments Act, 1954;

2. Provident Fund code number allotted to our Company by the Employees' Provident Fund Organisation; for eastern region, southern region and western region;

3. Labour License issued to our Company under the Contract Labour (Regulation and Abolition) Act, 1970; and

4. Labour Contractor License issued to our Company under the Maharashtra Building and other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2007;

VI. Approvals in relation to the business operations of our Subsidiary, as applicable

1. Permanent Account Number AAGCR9912H issued to our wholly owned subsidiary RailTel Enterprises Limited by the Income Tax Department under the Income tax Act, 1961;

2. Importer Exporter Code (IEC) number AAGCR9912H allotted to RailTel Enterprises Limited;

3. Labour License issued to our wholly owned subsidiary RailTel Enterprises Limited under the Contract Labour (Regulation and Abolition) Act, 1970; and

4. As disclosed below, GST registrations have been obtained by our wholly owned subsidiary RailTel Enterprises Limited for each state where our business operations are spread:

Sr. No.	State	Registration number
1.	Assam	18AAGCR9912H1Z1
2.	Andhra Pradesh	37AAGCR9912H1Z1
3.	Bihar	10AAGCR9912H1ZH
4.	Chhattisgarh	22AAGCR9912H1ZC
5.	Delhi	07AAGCR9912H1Z4
6.	Haryana	06AAGCR9912H1Z6
7.	Jharkhand	20AAGCR9912H1ZG
8.	Karnataka	29AAGCR9912H1ZY
9.	Kerala	32AAGCR9912H1ZB
10.	Madhya Pradesh	23AAGCR9912H1ZA
11.	Maharashtra	27AAGCR9912H1Z2
12.	Odisha	21AAGCR9912H1ZE
13.	Rajasthan	08AAGCR9912H1Z2
14.	Tamil Nadu	33AAGCR9912H1Z9
15.	Telangana	36AAGCR9912H1Z3
16.	Tripura	16AAGCR9912H1Z5
17.	Uttarakhand	05AAGCR9912H1Z8
18.	Uttar Pradesh	09AAGCR9912H1Z0
19.	West Bengal	19AAGCR9912H1ZZ

VII. Approvals in relation to intellectual property of our Company and Subsidiary

Our Company has obtained the following trademark registrations:

Sr. No.	Particulars of the mark	Trademark No.	Class	Valid/ renewed up to
1.		4282955	42	September 3, 2029
2.		3700554	38	December 12, 2027
3.		4093108	38	February 19, 2029
4.		1715475	38	July 29, 2028

Sr. No.	Particulars of the mark	Trademark No.	Class	Valid/ renewed up to
5.	रेलटेल RAILTEL	1111368	16	June 13, 2022

The following trademark applications made by our Company have been objected:

Sr. No.	Particulars of the mark	Application No.	Class	Date of Application
1.	railwire Express Network	3883006	42	July 9, 2018

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Offer

The Board of Directors have authorised and approved this Offer pursuant to a resolution passed at its meeting held on September 28, 2020.

The Selling Shareholder has, through letter dated September 28, 2020, conveyed the consent for inclusion of 86,653,369 Equity Shares as part of the Offer for Sale. For details, see "*The Offer*" on page 58.

The Selling Shareholder, through letter dated [●], conveyed the consent for inclusion of [●] Equity Shares for Employees Bidding in the Employee Reservation Portion as part of the Offer for Sale.

Our Board, by way of resolution dated September 28, 2020, has approved this Draft Red Herring Prospectus.

Our Company has received in-principle approvals from BSE and NSE for listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

The Selling Shareholder has confirmed that it has held the Equity Shares proposed to be offered and sold in the Offer for at least one year prior to the date of filing of this Draft Red Herring Prospectus, in accordance with Regulation 8 of the SEBI ICDR Regulations and that the Equity Shares proposed to be offered and sold by it shall not be sold or transferred, charged, pledged or otherwise encumbered.

Prohibition by SEBI or other Governmental authorities

Our Company, our Directors, our Promoter/ Selling Shareholder and the persons in control of our Company, have not been prohibited from accessing or operating in the capital markets for any reason and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority or court, including any securities market regulator in any jurisdiction.

Our Promoter, our Directors and persons in control of our Company were not, and are not, a promoter or a director or persons in control of any other company which is debarred from accessing the capital markets under any order or directions made by SEBI or any other regulatory or governmental authority or court, including any securities market regulator in any jurisdiction.

Neither our Company, nor our Promoter/Selling Shareholder or our Directors have been identified as Wilful Defaulters.

None of our Directors are associated in any manner with the securities market, including securities market related businesses, and there has been no action taken by SEBI against our Directors or any entity in which any of our Directors are involved as a promoter or director in the five years preceding the date of this Draft Red Herring Prospectus.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India or abroad.

Our Directors have not been declared as fugitive economic offenders.

Confirmation under the Companies (Significant Beneficial Ownership) Rules, 2018

Section 89 of the Companies Act, 2013, which deals with declaration in respect of beneficial interest in any share, is not applicable to the Government Companies.

Eligibility for the Offer

Our Company confirms that it is not ineligible to make the Offer in terms of the SEBI ICDR Regulations, to the extent applicable. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

The Selling Shareholder confirms that it has held the Equity Shares being offered for sale in this Offer for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus with SEBI and that it is in compliance with Regulation 8 of the SEBI ICDR Regulations.

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations as set out under the eligibility criteria calculated as per our Restated Financial Information:

- Our Company has had net tangible assets of at least ₹30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each. As the Offer is being made entirely through an offer for sale, the limit of not more than 50% of the net tangible assets being monetary assets, is not applicable.;

- Our Company has a pre-tax operating profit of at least ₹150 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

- Our Company has a net worth of at least ₹10 million in each of the preceding three full years (of 12 months each) calculated on a restated and consolidated basis; and

- Our Company has not changed its name since its incorporation.

Our Company's net tangible assets, monetary assets and monetary assets as a percentage of the net tangible assets, operating profits and net worth, derived from the Restated Financial Information included in this Draft Red Herring Prospectus as at and for the last three Fiscals are set forth below:

(₹ in million)

Particulars	As of and for the financial year ended March 31, 2020	As of and for the financial year ended March 31, 2019	As of and for the financial year ended March 31, 2018
Restated net tangible assets, [i)]	13,650.53	13,020.70	12,215.20
Restated consolidated operating profit [(ii)]	2,029.07	1,905.81	1,454.93
Restated Net worth [(iii)]	13,693.56	12,890.85	12,291.77

(i) *Restated 'Net tangible assets' mean the sum of total assets of our company, excluding deferred tax assets (net) and intangible assets as defined in Ind AS 38 'intangible assets' reduced by total liabilities excluding deferred tax liabilities (net), each on a restated basis;*
'

(ii) *Restated consolidated operating profit' is calculated as the restated profit before exceptional items and tax plus finance expenses less other income less finance income;*

(iii) *Restated 'Net worth' means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation, each as applicable for the Company on a restated basis..*

Our Company has pre-tax operating profits in each of Fiscal 2020, 2019 and 2018 in terms of our Restated Financial Statements. Further, our Company is in compliance with the conditions specified in the SEBI ICDR Regulations, to the extent applicable.

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

- Our Company, the Promoter/ Selling Shareholder and our Directors are not debarred from accessing the capital markets by SEBI;

- The companies with which our Promoter or our Directors are associated as promoter or director are not debarred from accessing the capital markets by SEBI;

- Neither our Company, nor our Promoter, or Directors have been identified as a wilful defaulter (as defined in the SEBI ICDR Regulations);

- None of our Directors has been declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;

- There are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus;

- Our Company along with the Registrar to our Company, has entered into tripartite agreements dated June 18, 2020 and July 1, 2020 with CDSL and NSDL, respectively, for dematerialization of the Equity Shares;

- The Equity Shares of our Company held by the Promoter are in the dematerialised form;

- The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus; and

- Since the Offer is through an Offer for Sale, Regulation 7(1)(e) of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the amount to be raised through the Offer and existing identifiable internal accruals) shall not apply.

In accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees to whom the Offered Shares will be allotted under this Offer shall not be less than 1,000 otherwise the entire application money will be refunded to the Bidders. If such money is not repaid within the time prescribed under the applicable law, our Company and the Selling Shareholder shall be liable to pay interest on the application money at the rate of 15% per annum in accordance with the applicable law.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, ICICI SECURITIES LIMITED, IDBI CAPITAL MARKETS & SECURITIES LIMITED AND SBI CAPITAL MARKETS LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, AND THE SELLING SHAREHOLDER WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF FOR

THE PORTION OF THE EQUITY SHARES OFFERED BY WAY OF THE OFFER OF SALE, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY AND THE SELLING SHAREHOLDER DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 29, 2020, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY OR ANY PERSON WHO HAS AUTHORISED THE ISSUE OF THIS DRAFT RED HERRING PROSPECTUS FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/ OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

Disclaimer from our Company, the Selling Shareholder, our Directors and the BRLMs

Our Company, the Selling Shareholder, our Directors and the BRLMs accept no responsibility for statements made otherwise than those confirmed in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's or the Selling Shareholder's instance. Anyone placing reliance on any other source of information, including our Company's website www.railtelindia.com, or on the website of our Subsidiary, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the underwriting agreement to be entered into between our Company, Selling Shareholder and the Underwriters.

All information shall be made available by our Company, the Selling Shareholder and the BRLMs to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Neither our Company nor the Selling Shareholder nor any Syndicate Members shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; and (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, Underwriters and their respective directors (as applicable), officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Offered Shares and that they shall not issue, sell, pledge, or transfer the Offered Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Offered Shares. Our Company, the Selling Shareholder, the Underwriters and their respective directors (as applicable), officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Offered Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with and perform services for our Company, the Selling Shareholder, our Group Company, or their respective affiliates, associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholder, our Group Company or their respective directors (as applicable), affiliates, associates or third parties, for which they have received and may in the future receive compensation.

Disclaimer in respect of Jurisdiction

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in New Delhi only.

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus did not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. **No person outside India is eligible to bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.**

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the filing with the RoC.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the filing with the RoC.

Listing

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Applications shall be made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares to be issued and sold in the Offer. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all moneys received from the Bidders/ Applicants in pursuance of the Red Herring Prospectus/ the Prospectus. If such money is not repaid within the prescribed time after our Company, the Selling Shareholder is liable to repay it, then our Company, Selling Shareholder and every Director of our Company and every officer of our Company who is in default may, on and from expiry of such period, shall be liable to repay the money, with interest, as prescribed under applicable law. Any expense incurred by our Company on behalf of the Selling Shareholder with regard to interest on such refunds will be reimbursed by the Selling Shareholder. For the avoidance of doubt, subject to applicable law, the Selling Shareholder shall not be responsible to pay interest for any delay, except to the extent that such delay has been caused by any act or omission solely attributable to such Selling Shareholder.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges mentioned above are taken within six Working Days of the Bid/ Offer Closing Date. Further, the Selling Shareholder confirms that it shall provide assistance to our Company and the BRLMs, as may be reasonably required and necessary, for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/ Offer Closing Date.

Consents

Consents in writing of the Promoter, our Directors, our Company Secretary and Compliance Officer, Statutory Auditors, Legal Counsel to our Company and the Selling Shareholder as to Indian Law, Legal Counsel to the BRLMs as to Indian Law, International Legal Counsel to our Company and the Selling Shareholder, Bankers to our Company, the BRLMs, the Registrar to the Offer have been obtained; and consents in writing of the Syndicate Members, Sponsor Bank and the Bankers to the Offer to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for filing with the RoC.

Expert to the Offer

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated September 26, 2020 from our Statutory Auditors to include their name as required under section 26 of the Companies Act, 2013, in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013, in relation to its examination reports, dated September 26, 2020 on the Restated Financial Statements and the statement of special tax benefits dated September 26, 2020, and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus. The term 'expert' and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Capital issue during the preceding three years by our Company, listed Group Companies, Subsidiaries and our associate

Our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

None of the securities of any of our Subsidiary are listed on any stock exchange. Our Company does not have any associates or Group Company.

Previous public/ rights issue of our Company during the last five years preceding the date of this DRHP

Our Company has not undertaken any public or rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

Performance *vis-à-vis* objects – public/ rights issue of our Company

Our Company has not undertaken any public or rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

Performance *vis-à-vis* objects – public/ rights issue of the listed subsidiaries of our Company

Our Company does not have any subsidiaries which has undertaken any public or rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

Commission and brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public issue of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's incorporation.

Price information of past issues handled by the BRLMs

A. ICICI Securities Limited

Price information of past issues handled by ICICI Securities Limited

Sr. No.	Issue Name	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	HDFC Asset Management Company Limited	28,003.31	1,100.00	06-Aug-18	1,726.25	+58.04%,[+1.17%]	+30.61%,[-7.32%]	+23.78%,[-4.33%]
2	Creditaccess Grameen Limited	11,311.88	422.00	23-Aug-18	390.00	-21.16%,[-3.80%]	-14.91%,[-8.00%]	-5.71%,[-8.13%]
3	Aavas Financiers Ltd	16,403.17	821.00	08-Oct-18	750.00	-19.32%,[+1.76%]	+2.42%,[+3.67%]	+38.82%,[+12.74%]
4	IndiaMart InterMesh Limited	4,755.89	973.00(1)	04-Jul-19	1,180.00	+26.36%,[-7.95%]	+83.82%,[-4.91%]	+111.64%,[+2.59%]
5	Affle (India) Limited	4,590.00	745.00	08-Aug-19	926.00	+13.09%,[-0.78%]	+86.32%,[+8.02%]	+135.49%,[+6.12%]
6	Spandana Sphoorty Financial Limited	12,009.36	856.00	19-Aug-19	824.00	-0.56%,[-2.14%]	+52.76%,[+7.61%]	+17.32%,[+9.59%]
7	Sterling and Wilson Solar Limited	28,496.38	780.00	20-Aug-19	706.00	-21.88%,[-1.60%]	-48.63%,[+7.97%]	-64.78%,[+9.95%]
8	Rossari Biotech Limited	4,962.50	425.00	23-July-20	669.25	+87.25%,[+1.39%]	NA*	NA*
9	Happiest Minds Technologies Limited	7,020.20	166.00	17-Sep-20	350.00	NA*	NA*	NA*
10	Route Mobile Limited	6,000.00	350.00	21-Sep-20	717.00	NA*	NA*	NA*

**Data not available*

(1) *Discount of ₹ 97 per equity share offered to Eligible Employees. All calculations are based on Issue Price of ₹ 973.00 per equity share.*

Notes:
1. All data sourced from www.nseindia.com
2. Benchmark index considered is NIFTY
3. 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading day

SUMMARY STATEMENT OF DISCLOSURE

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2020-21*	3	17,982.70	-	-	-	1	-	-	-	-	-	-	-	-
2019-20	4	49,850.66	-	-	2	-	1	1	1	-	-	2	-	1
2018-19	4	60,843.16	-	-	2	1	-	1	-	-	2	-	1	1

** This data covers issues up to YTD*

B. IDBI Capital Markets & Securities Limited:

Price information of past issues handled by IDBI Capital Markets & Securities Limited during current financial year and two financial years preceding the current financial year:

Sr. No.	Issue Name	Issue Size (in ₹ Million)	Issue Price (₹)	Listing Date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
1.	Route Mobile Limited	6,000.00	350.00	September 21, 2020	717.00	N.A.	N.A.	N.A.
2.	Indian Railway Catering and Tourism Corporation Limited	6,379.60	320.00(6)	October 14, 2019	626.00	+191.27% (+2.10%)	+186.64% (+5.69%)	+291.84% (-21.43%)
3.	Rail Vikas Nigam Limited	4,768.61	19.00(5)	April 11, 2019	19.00	+19.47% (-2.74%)	+40.26% (-0.35%)	+20.53% (-4.06%)
4.	Garden Reach Shipbuilders & Engineers Limited	3,435.89	118.00(4)	October 10, 2018	102.50	-23.39% (+1.32%)	-19.11% (+2.98%)	-16.74% (+11.53%)
5.	IRCON International Limited	4,667.03	475.00(3)	September 28, 2018	412.00	-27.04% (-8.24%)	-6.60% (-1.84%)	-15.71% (+5.06%)
6.	RITES Limited	4,604.40	185.00(2)	July 02, 2018	190.00	+34.97% (+6.56%)	+33.03% (+2.56%)	+49.70% (+1.90%)
7.	Mishra Dhatu Nigam Limited	4,328.96	90.00(1)	April 04, 2018	87.00	+67.89% (+5.44%)	+40.44% (+5.22%)	+29.50% (+7.92%)

(1): Price for retail individual bidders bidding in the retail portion and to eligible employees was INR 87.00 per equity share
(2): Price for retail individual bidders bidding in the retail portion and to eligible employees was INR 179.00 per equity share
(3): Price for retail individual bidders bidding in the retail portion and to eligible employees was INR 465.00 per equity share
(4) Price for retail individual bidders bidding in the retail portion and to eligible employees was INR 113.00 per equity share
(5) Price for retail individual bidders bidding in the retail portion and to eligible employees was INR 18.50 per equity share
(6) Price for retail individual bidders bidding in the retail portion and to eligible employees was INR 310.00 per equity share
N.A: Not Available

Notes:
a. *Source: www.nseindia.com for the price information*
b. Wherever 30th/ 90th/ 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.
c. The Nifty 50 index is considered as the benchmark index.

Summary statement of price information of past issues handled by IDBI Capital Markets & Securities Limited

Fiscal Year	Total no. of IPOs	Total amount of funds raised (₹ Million.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2020 - date this Document	1	6,000.00	-	-	-	-	-	-	-	-	-	-	-	-
2019 - 20	2	11,148.21	-	-	-	1	-	1	-	-	-	1	-	1
2018 – 19	4	17,036.28	-	1	1	1	1	-	-	-	2	-	2	-

** The information is as on the date of the document*
The information for each of the financial years is based on issues listed during such financial year.

C. SBI Capital Markets Limited:

Price information of past issues handled by SBI Capital Markets Limited

Sr. No.	Issue Name	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	SBI Cards & Payment Services Ltd.[1]	1,03,407.88	755.00	March 16, 2020	661.00	-33.05% [-2.21%]	-21.79% [+8.43%]	12.50% [+24.65]
2	Indian Railway Catering and Tourism Corporation Ltd [2]	6,379.60	320.00	October 14, 2019	626.00	191.53% [+5.05%]	186.64% [+8.07%]	291.84% [-19.66%]
3	Sterling and Wilson Solar Limited	28,496.38	780.00	August 20, 2019	706.00	-21.88% [-1.60%]	-48.63% [+7.97%]	-64.78% [+9.95%]
4	Ircon International Limited [3]	4,667.03	475.00	September 28, 2018	412.00	-27.04% [+8.24%]	-6.60% [-1.84%]	-15.71% [+5.06%]
5	RITES Limited [4]	4,604.40	185.00	July 02, 2018	190.00	34.97% [+6.56%]	33.03% [+2.56%]	49.70% [+1.90%]
6	ICICI Securities Ltd	35,148.49	520.00	April 04, 2018	435.00	-27.93% [+5.44%]	-37.26% [+5.22%]	-44.39% [+7.92%]
7	Mishra Dhatu Nigam Limited [5]	4,328.96	90.00	April 04, 2018	87.00	67.89% [+5.44]	40.44% [+5.22%]	29.50% [+7.92%]

Source: www.nseindia.com

Notes:

** The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the previous trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.*

** The Nifty 50 index is considered as the Benchmark Index*

1. *Price for eligible employees was ₹ 680.00 per equity share*
2. *Price for retail individual bidders bidding in the retail portion and to eligible employees was ₹ 310.00 per equity share*
3. *Price for retail individual bidders bidding in the retail portion and to eligible employees was ₹ 465.00 per equity share*
4. *Price for retail individual bidders bidding in the retail portion and to eligible employees was ₹ 179.00 per equity share*
5. *Price for retail individual bidders bidding in the retail portion and to eligible employees was ₹ 87.00 per equity share*

Summary statement of disclosure Price information of past issues during current financial year and two financial years preceding the current financial year handled by SBI Capital Markets Limited:

Financial Year	**Total no. of IPOs #**	**Total amount of funds raised (₹ Mn.)**	**No. of IPOs trading at discount - 30th calendar days from listing**			**No. of IPOs trading at premium - 30th calendar days from listing**			**No. of IPOs trading at discount - 180th calendar days from listing**			**No. of IPOs trading at premium - 180th calendar days from listing**		
			Over 50%	**Between 25-50%**	**Less than 25%**	**Over 50%**	**Between 25-50%**	**Less than 25%**	**Over 50%**	**Between 25-50%**	**Less than 25%**	**Over 50%**	**Between 25-50%**	**Less than 25%**
2020-21*	0	-	-	-	-	-	-	-	-	-	-	-	-	-
2019-20	3	138,283.86	-	1	1	1	-	-	1	-	-	1	-	1
2018-19	4	48,748.88	-	1	1	1	1	-	-	1	-	-	2	1

** The information is as on the date of this Draft Red Herring Prospectus.*

 # Date of Listing for the issue is used to determine which financial year that particular issue falls into

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the BRLMs as set forth in the table below:

S. No.	Name of the BRLMs	Website
1.	ICICI Securities Limited	www.icicisecurities.com
2.	IDBI Capital Markets & Securities Limited	www.idbicapital.com
3.	SBI Capital Markets Limited	www.sbicaps.com

Stock Market Data of Equity Shares

This being an initial public offer of the Equity Shares, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement, provides for retention of records with the Registrar to the Offer for a minimum period of eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, in order to enable the investors to approach the Registrar to the Offer for redressal of their grievances. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All grievances, other than of Anchor Investors in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the ASBA Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, UPI ID in case of RIBs, date of the submission of ASBA Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the Bidder.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Bidders can contact the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted a Stakeholders' Relationship Committee comprising, Rashmi Jain as a Chairperson, Sanjai Kumar and Anand Kumar Singh as members. For details of the Stakeholders' Relationship Committee, see the section titled *"Our Management"* on page 148.

Our Company has also appointed Jasmeet Singh Marwah, the Company Secretary of our Company, as the Compliance Officer for the Offer and he may be contacted in case of any pre-Offer or post-Offer related issues. For details, please see the sections entitled "*General Information*" and "*Our Management*" on pages 66 and 148.

Our Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013, in relation to redressal of investor grievances through SCORES.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus.

Further, no investor complaint in relation to our Company is pending as on the date of this Draft Red Herring Prospectus.

SECTION VII – OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Offered Shares (including Employee Reservation Portion) being Allotted shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, SEBI Listing Regulations, the MoA and AoA, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, ASBA Form, any Revision Form, Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of this Offer. The Offered Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the offer of capital, and listing and trading of securities issued from time to time by the SEBI, the GoI, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of this Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the GoI, the Stock Exchanges, the RoC, the RBI and/or any other authorities, as in force and to the extent applicable or such other conditions as may be prescribed by such authorities, while granting their approval for this Offer.

The Offer

The Offer consists of an offer for sale of the Offered Shares by the Selling Shareholder.

For details in relation to Offer expenses, see "*Objects of the Offer*" and "*Other Regulatory and Statutory Disclosures*" beginning on pages 85 and 315, respectively.

Ranking of the Offered Shares

The Equity Shares being offered and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association and the SEBI Listing Regulations, and shall rank *pari passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The Allottees will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 358.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders, as per the provisions of the Companies Act, the Memorandum of Association, Articles of Association, CPSE Capital Restructuring Guidelines, the SEBI Listing Regulations and other applicable laws including guidelines or directives that may be issued by the GoI in this respect. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the Allotment of Offered Shares), will be payable to the Allottees, in accordance with applicable law. For further details in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of the Articles of Association*" on pages 172 and 358 respectively.

Face Value, Offer Price and Price Band

The face value of each equity share of our Company is ₹10. The Floor Price is ₹ [●] per Equity Share and the Cap Price is ₹ [●]. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band, minimum Bid Lot size, the Retail Discount and the Employee Discount for this Offer will be decided by our Company and the Selling Shareholder, in consultation with the BRLMs, and will be advertised in all editions of the English national daily newspaper, [●], and all editions of the Hindi national daily newspaper [●] (Hindi being the regional language of New Delhi where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their respective websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the ASBA Forms available on the websites of the Stock Exchanges. The Offer Price shall be determined by the Selling Shareholder and our Company, in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Offered Shares by way of Book Building Process.

At any given point of time, there shall be only one denomination of Equity Shares.

Retail Discount and Employee Discount

Our Company and the Selling Shareholder may, in consultation with the BRLMs, offer a discount to Retail Individual Bidders Bidding in the Retail Portion and Eligible Employees Bidding in the Employee Reservation Portion. A discount of ₹ [●] per Equity Share on the Offer Price may be offered to the Retail Individual Bidders and a discount of ₹ [●] per Equity Share on the Offer Price may be offered to the Eligible Employees bidding in the Employee Reservation Portion. Retail Individual Bidders Bidding at the Cut-Off Price have to ensure payment at the Cap Price, less Retail Discount, as applicable, at the time of making a Bid. Eligible Employees Bidding in the Employee Reservation Portion respectively at the Cut-Off Price have to ensure payment at the Cap Price, less Employee Discount, as applicable, at the time of making a Bid.

Compliance with disclosure and accounting norms

Our Company shall comply with applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of our Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person, by proxy or by "e-voting" in accordance with the provisions of the Companies Act and the rules made thereunder;
- Right to receive offers for purchasing rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation, subject to any statutory and other preferential claims being satisfied;
- Right to freely transfer their Equity Shares, subject to foreign exchange regulations and other applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under the applicable law, including the Companies Act, the SEBI Listing Regulations, and the Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Description of Equity Shares and Terms of the Articles of Association*" beginning on page 358.

Allotment only in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialized form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchanges. Hence, the Equity Shares offered through this Draft Red Herring Prospectus can be applied for in the dematerialized form only. In this context, our Company has entered into two agreements with the Depositories and the Registrar to the Offer:

- Tripartite Agreement dated June 18, 2020 among our Company, CDSL and the Registrar to the Offer; and
- Tripartite Agreement dated July 1, 2020 among our Company, NSDL and the Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares will be in dematerialized form, the tradable lot is one Equity Share. Allotment in this Offer will be only in dematerialized form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares to successful Bidder.

Joint Holders

Subject to the provisions contained in our Articles of Association, where two or more persons are registered as the holders of any Equity Share, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Period of operation of subscription list

For further information, please see "*Terms of the Offer– Bid/ Offer Programme*" on page 331.

Jurisdiction

The courts/ authorities of New Delhi, India, will have exclusive jurisdiction in relation to this Offer.

Nomination facility to Bidders

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debenture) Rules, 2014, as amended, the First Bidder, or Sole Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of Sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Offered Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or alienation of equity share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the Registrar and Share Transfer Agent.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013, shall, upon the production of such evidence as may be required by the Board, elect either:

(a) to register himself or herself as the holder of the Equity Shares; or

(b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety (90) days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialized form, there shall be no requirement to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidders will prevail. If the investors wish to change their nomination, they are requested to inform their respective Depository Participant.

Withdrawal of the Offer

Our Company and the Selling Shareholder, in consultation with the BRLMs, reserve the right not to proceed with the entire or portion of this Offer for any reason at any time after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company shall issue a public notice in the same newspapers in which the Pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with this Offer. Our Company shall also promptly inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and Sponsor Banks, as applicable, to unblock the bank accounts of the Bidders within one Working Day from the date of receipt of such notification.

Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final RoC approval of the Prospectus after it is filed with the RoC and filed with the SEBI and Stock Exchanges. If our Company withdraws the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with an issue or offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

Bid/ Offer Programme

BID/ OFFER OPENS ON	**[●]**
BID/ OFFER CLOSES ON*	**[●]**

**The Selling Shareholder and our Company may, in consultation with the BRLMs, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date i.e. [●], in accordance with the SEBI ICDR Regulations*

An indicative timetable in respect of this Offer is set out below:

Event	Indicative Date
Bid/Offer Opening Date*	[●]
Bid/Offer Closing Date**	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any for Anchor Investors) /unblocking of funds from ASBA Account	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

** Our Company and the Selling Shareholder in consultation with the BRLMs may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*
***Our Company and Selling Shareholder, may in consultation with the BRLMs, decide to close the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date.*

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company and/ or the Selling Shareholder and/or the BRLMs.

Whilst our Company and the Selling Shareholder shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six (6) Working Days of the Bid/ Offer Closing Date or such period as may be prescribed, the timetable may be changed due to various factors, such as extension of the Bid/ Offer period by our Company and the Selling Shareholder, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholder confirms, that it shall extend reasonable co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares (offered by Selling Shareholder) at the Stock Exchanges within six (6) Working Days from the Offer Closing Date or such time as may be prescribed by SEBI.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Draft Red herring Prospectus may result in changes to the abovementioned timelines.

Submission of Bids:

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) (“**IST**”)
Bid/Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/ Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) Until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion.

For the avoidance of doubt, it is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs and the Sponsor Bank will be rejected.

Due to limitation of the time available for uploading the Bids on the Bid/Offer Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/Offer Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation under this Offer. Bids will only be accepted on Working Days. Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006, and letter no. NSE/IPO/25101- 6 dated July 6, 2006, issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the Stock Exchanges.

On the Bid/Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

Any time mentioned in this Draft Red Herring Prospectus is IST.

Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only during Monday to Friday (excluding any public holiday). None among our Company, the Selling Shareholder or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software or hardware system or otherwise.

In case of any discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical ASBA Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

None among our Company or any member of the Syndicate is liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; and (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Our Company and Selling Shareholder, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the Face Value of the Equity Shares. In all circumstances, the Cap price shall be less than or equal to 120% of the Floor Price.

In case of revision in the Price Band or in case of force majeure, banking strike or similar circumstances, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice and also by indicating the change on the terminals of the Syndicate Members. However, in case of revision in the Price Band, the Bid Lot shall remain the same.

Minimum Subscription

As this is an offer for sale by the Selling Shareholder, the requirement of minimum subscription of 90% of the Offer under the SEBI ICDR Regulations is not applicable to this Offer. However, if our Company does not receive the minimum subscription in the Offer as specified under terms of the Rule 19(2)(b) of the SCRR, as applicable, including through devolvement of Underwriters, if any, within sixty (60) days from the date of Bid/ Offer Closing Date, our Company and the Selling Shareholder shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company and the Selling Shareholder shall pay interest at the rate of 15% per annum for the period of delay or at such rate as prescribed under the applicable law.

Further, our Company and the Selling Shareholder shall ensure that the number of prospective Allottees to whom the Offered Shares will be allotted shall not be less than 1,000 in compliance with Regulation 49(1) of the SEBI ICDR Regulations failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company and the Selling Shareholder shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for Disposal of Odd Lots

Since our Equity Shares will be traded in dematerialized form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restrictions, if any, on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer capital of our Company, the Anchor Investor lock-in the Offer and the Promoters' minimum contribution as per Regulations 16 of the SEBI ICDR Regulations, as provided in "*Capital Structure*" on page 76 and except as provided in the Articles of Association, there are no restrictions on transfer and transmission of Equity Shares or on their consolidation or splitting. For details, please refer to the section titled "*Description of Equity Shares and Terms of the Articles of Association*" on page 358.

OFFER STRUCTURE

Initial public offering of [●] Equity Shares through an Offer for Sale, for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share less Retail Discount and Employee Discount, as applicable), aggregating to ₹ [●] million, comprising a Net Offer of 8,66,53,369 Equity Shares and Employee Reservation of up to [●] Equity Shares. The Offer and Net Offer shall constitute [●] % and 27%, respectively, of the post-Offer issued, subscribed and paid-up Equity Share capital of our Company.

The Offer is being made through the Book Building Process.

Particulars	QIBs#	Non-Institutional Bidders	Retail Individual Bidders**	Eligible Employees**(3)
Number of Offered Shares available for Allotment/ allocation*(1)	Not more than 43,326,683 Equity Shares	Not less than 12,998,006 Equity Shares available for allocation or the Net Offer less allocation to QIBs and Retail Individual Bidders	Not less than 30,328,680 Equity Shares available for allocation or the Net Offer less allocation to QIBs and Non-Institutional Bidders	Up to [●] Equity Shares
Percentage of Offer Size available for Allotment/ allocation	Not more than 50% of the Net Offer. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs (excluding the Anchor Investor Portion).	Not less than 15% of the Net Offer or the Net Offer less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 35% of the Net Offer or the Net Offer less allocation to QIB Bidders and Non-Institutional Bidders.	The Employee Reservation Portion shall constitute up to [●]% of the post-Offer paid-up Equity Share capital of our Company.
Basis of Allotment if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) upto [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be	Proportionate	Proportionate, subject to the minimum Bid Lot and subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis. For details, see "*Offer Procedure*" beginning on page 338.	Proportionate (3)

Particulars	QIBs#	Non-Institutional Bidders	Retail Individual Bidders**	Eligible Employees**(3)
	Allotted on a proportionate basis to all other QIBs, including Mutual Funds receiving allocation as per (a) above			
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceeds the size of the Offer (excluding QIB Portion), subject to such limits as may be applicable to the Bidder.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000, net of Retail Discount.	Such number of Equity Shares (in multiples of [●] Equity Shares) for which the Bid Amount does not exceed ₹500,000 net of Employee Discount.(2)
Mode of Bidding	Through the ASBA process only (other than Anchor Investors)			
Mode of Allotment	Compulsorily in dematerialized form			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter For Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion, [●] Equity Shares and in multiples of one Equity Share thereafter, subject to availability in the Retail Portion and the Employee Reservation Portion			
Trading Lot	One Equity Share			
Who can apply(2)	Public financial institutions specified in Section 2(72) of the Companies Act, FPIs (other than individuals, corporate bodies, and family offices), scheduled commercial banks, mutual funds registered with SEBI, VCFs, Alternative Investment Funds, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development	Resident Indian individuals, HUFs (in the name of Karta), companies, corporate bodies, Eligible NRIs, scientific institutions, societies and trusts.	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs applying for Equity Shares.	Eligible Employees

Particulars	QIBs#	Non-Institutional Bidders	Retail Individual Bidders**	Eligible Employees**(3)
	Authority, provident funds with a minimum corpus of ₹ 250 million, pension funds with a minimum corpus of ₹ 250 million, the National Investment Fund set up by the GoI, insurance funds set up and managed by the army, navy, or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies, as defined in the SEBI ICDR Regulations.			
Terms of Payment	**In case of Anchor Investors:** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids(2) **In case of all other Bidders:** Full Bid Amount shall be blocked by the SCSBs in the bank account of the Bidders, or by the Sponsor Bank through the UPI Mechanism (only for RIBs using the UPI Mechanism) at the time of the submission of the ASBA Form.(3) and (4)			

**Assuming full subscription in this Offer.*

***The Selling Shareholder and our Company, in consultation with the BRLMs, may offer a discount of ₹ [●] and ₹ [●] on the Offer Price to the Retail Individual Bidders and the Eligible Employees bidding under the Employee Reservation Portion, respectively. The amount of Retail Discount and Employee Discount, as applicable, will be advertised in all newspapers wherein the Pre-Offer Advertisement will be published. For further details, see "Offer Procedure" on page 338.*

#Our Company and the Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors at the price at which allocation is made to Anchor Investors, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹ 50 million per Anchor Investor, and (iii) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof will be permitted, subject to minimum allotment of ₹ 50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹ 100 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, which price shall be determined by the Company and the Selling Shareholder in consultation with the BRLMs.

*(1) Subject to valid Bids being received at or above the Offer Price. The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"), read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in terms of Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") ("QIB Portion"), provided that our Company and the Selling Shareholder in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to*

Anchor Investors, on a discretionary basis (the "Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which Equity Shares are allocated to Anchor Investors. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price (net of Retail Discount, if any). The Offer includes a reservation of up to [●] Equity Shares aggregating to ₹[●] million for subscription by Eligible Employees. The Offer less Employee Reservation Portion is referred to as the Net Offer. Subject to valid Bids being received at or above the Offer Price, under-subscription, in the Non-Institutional Portion, Employee Reservation Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories, at the discretion of our Company and the Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. Under-subscription in the Employee Reservation Portion shall be added to the Net Offer.

(2) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid-cum-Application Form, provided that any difference between the price at which Equity Shares are allocated to the Anchor Investors and the Anchor Investor Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.*

(3) *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the ASBA Form. The ASBA Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the ASBA Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories*

(4) *Eligible Employees Bidding in the Employee Reservation portion can Bid up to a Bid Amount of ₹500,000, net of Employee Discount. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000, net of Employee Discount. In the event of under-subscription in the Employee Reservation Portion (post the initial Allocation of up to ₹200,000 per Eligible Employee), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to an Eligible Employee not exceeding ₹500,000 (which shall be less the Employee Discount, if applicable). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation to Eligible Employees with Bid Amounts over ₹200,000 up to a maximum of ₹500,000, net of Employee Discount), shall be added to the Net Offer.*

OFFER PROCEDURE

All Bidders should review the General Information Document, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("**CAN**") and Allotment in the Offer; (vi) General instructions (limited to instructions for completing the ASBA Form); (vii) disposal of applications; (viii) Submission of ASBA Form; (ix) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (x) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (xi) mode of making refunds; (xii) Designated Date; and (xiii) interest in case of delay in Allotment or refund.*

*SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and with circular bearing number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to continue with the UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs ("**UPI Phase III**"), as may be prescribed by SEBI.*

Our Company, the Selling Shareholder and the members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus and the Prospectus.

Our Company, the Selling Shareholder and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

Book Building Procedure

The Offer is being made through the Book Building Process in terms of Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") ("QIB Portion"), provided that our Company and the Selling Shareholder in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors, on a discretionary basis (the "Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which Equity Shares are allocated to Anchor Investors. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price (net of Retail Discount, if any)

Further, subject to receipt of necessary approvals from GoI, up to [●] Equity Shares may be offered for allocation and Allotment on a proportionate basis to the Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received from them at or above the Offer Price, net of Employee Discount, if any. All Bidders, shall participate in the Offer mandatorily through the ASBA process by providing details of their respective bank account in which the Bid Amount will be blocked by SCSBs.

Under-subscription, if any, in any category (including the Employee Reservation Portion), except in the QIB category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company and the Selling Shareholder in consultation with the Book Running Lead Managers and Designated Stock Exchange. In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount). A discount of up to ₹ [●] per Equity Share may be offered to Eligible Employees bidding in the Employee Reservation Portion in accordance with the SEBI ICDR Regulations. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹ 500,000, net of Employee Discount), shall be added to the Net Offer.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The ASBA Form which do not have the details of the Bidders' depository accounts, including DP ID, Client ID, UPI ID (in case of Retail Individual Bidders using the UPI mechanism) and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted the Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer. Investors rematerializing their Equity Shares subsequent to Allotment should note that any transfer of such Equity Shares shall be subject to the Companies Act, 2013, the rules made thereunder and any other applicable law.

Phased implementation of UPI for Bids by Retail Individual Bidders as per the UPI Circulars

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI Mechanism will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circulars proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

a) **Phase I**: This phase was applicable from January 1, 2019 and lasted till June 30, 2019. Under this phase, a Retail Individual Bidder, besides the modes of Bidding available prior to the UPI Circulars, also had the option to submit the ASBA Form with any Designated Intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

b) **Phase II:** This phase has commenced with effect from July 1, 2019 and will continue March 31, 2020. Under this phase, submission of the ASBA Form by a Retail Individual Bidder through intermediaries to SCSBs for blocking of funds has been discontinued and has been replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Further, pursuant to SEBI circular dated March 30, 2020, this phase has been extended till further notice.

c) **Phase III:** Subsequently, the time duration from public issue closure to listing would be reduced to be three Working Days.

All SCSBs offering the facility of making applications in public issues are required to provide a facility to make applications using the UPI Mechanism. Further, in accordance with the UPI Circulars, our Company has appointed [●] as the Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Bidders into the UPI mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form/ASBA Form

All Bidders (other than for Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in this Offer through the ASBA process. Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. Retail Individual Bidders submitting ASBA Forms with the Syndicate, sub-syndicate, Registered Brokers, RTAs or with CDPs are required to utilize the UPI Mechanism. It is clarified that Retail Individual Bidders may continue to submit physical ASBA Forms with SCSBs without using the UPI Mechanism. The ASBA Forms that do not contain such details will be rejected. Applications made by the RIBs using third party bank account or using third party linked bank account UPI ID are liable for rejection.

For Anchor Investors, the Bid cum Application Forms will be available at the offices of the BRLMs.

Copies of the ASBA Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centers, and at the Registered and Corporate Office of our Company. Electronic copies of the ASBA Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one (1) day prior to the Bid/Offer Opening Date. Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

Bidders (other than Anchor Investors and RIBs using the UPI Mechanism) must provide bank account details and authorization by the ASBA bank account holder to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Form that does not contain such detail are liable to be rejected. The Sponsor Bank shall provide details of the UPI linked bank account of the Bidders to the Registrar to the Offer for purpose of reconciliation.

RIBs must provide the UPI ID in the relevant space provided in the ASBA Form and the ASBA Form that does not contain the UPI ID are liable to be rejected.

RIBs submitting an ASBA Form to any Designated Intermediary (other than SCSBs) should ensure that only the UPI ID is mentioned in the relevant space provided in the ASBA Form. ASBA Forms submitted by RIBs to Designated Intermediary (other than SCSBs) with ASBA Account details in relevant space provided in the ASBA Form, are liable to be rejected.

Further, such Bidders, including RIBs, shall ensure that the Bids are submitted at the Bidding Centres only on ASBA Forms bearing the stamp of the relevant Designated Intermediary (except in case of electronic ASBA Forms) and ASBA Forms (except electronic ASBA Forms) not bearing such specified stamp may be liable for rejection. Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable, at the time of submitting the Bid. Designated Intermediaries (other than SCSBs) shall not accept any ASBA Form from a RIB who is not Bidding using the UPI Mechanism.

The prescribed color of the ASBA Form for the various categories of Bidders is as follows:

Category	Colour of ASBA Form*
Resident Indians including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FVCIs, FPIs and registered multilateral and bilateral institutions applying on a repatriation basis	Blue
Anchor Investors**	

Eligible Employees bidding in the Employee Reservation Portion ***	Pink

** Excluding electronic ASBA Form*

Note: Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the website of the NSE
(www.nseindia.com) and the BSE (www.bseindia.com).

***Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLMs.*

**** Up to [●] Equity Shares shall be reserved for allocation and Allotment on a proportionate basis to the Eligible Employees Bidding in the Employee Reservation Portion., subject to valid Bids being received from them at or above the Offer Price. ASBA Forms for Eligible Employees will be made available at the Registered and Corporate Office of the Company.*

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Form (except the ASBA Form from a RIB bidding using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. Further, SCSBs shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For RIBs using the UPI Mechanism, the Stock Exchanges shall share the bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to the RIBs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIBs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the Bankers to the Offer) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the Bankers to the Offer. The BRLMs shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Offer for analysing the same and fixing liability.

Electronic registration of Bids

a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.

b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in this Draft Red Herring Prospectus.

c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by the Promoter, associates/ affiliate of the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase Offered Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for the Offered Shares in the Net Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders. Where the allocation is on a proportionate basis, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except for Mutual Funds, AIFs or FPIs sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs, no BRLM or its respective associates can apply in the Offer under the Anchor Investor Portion.

Further, an Anchor Investor shall be deemed to be an "associate of the BRLM" if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

The Promoter/ Selling Shareholder will not participate in the Offer except to the extent of the Offered Shares.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the ASBA Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason therefor.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any Company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of ASBA Form from the BRLMs, Syndicate Member and sub-syndicate members at select locations as specified in the ASBA Form. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIBs using the UPI Mechanism) to block their Non-Resident External ("**NRE**") accounts or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIBs Bidding using the UPI Mechanism) to block their Non- Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the ASBA Form. However, NRIs applying in the Offer through the UPI Mechanism, are advised to enquire with the relevant bank where their account is UPI linked prior to submitting their ASBA Form.

Eligible NRIs Bidding on a repatriation basis are advised to use the ASBA Form for Non-Residents (white in color).

Eligible NRI Bidders Bidding on a non-repatriation basis are advised to use the ASBA Form for Residents (blue in color).

NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Offer, provided the UPI facility is enabled for their NRE/ NRO accounts.

Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules.

Bids by HUFs

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the ASBA Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals.

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of equity shares to a single FPI or an investor group (which means multiple entities having common ownership, directly or indirectly, of more than fifty percent. or common control) must be below 10% of the post-issue equity share capital of a company on a fully diluted basis. Further, in terms of FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company. In terms of FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the ASBA Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the ASBA Form for Non-Residents.

Additionally, the aggregate foreign portfolio investment up to 24% of the paid-up capital on a fully diluted basis or the sectoral/statutory cap (49%), whichever is lower, does not require Government approval or compliance of sectoral conditions as the case may be, if such investment does not result in transfer of ownership and control of the resident Indian company from resident Indian citizens or transfer of ownership or control to persons resident outside India. Other investments by a person resident outside India will be subject to conditions of Government approval and compliance of sectoral conditions as laid down in these regulations.

Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates. The aggregate limit may be decreased below the sectoral cap to a threshold limit of 24% or 49% or 74% as deemed fit by way of a resolution passed by our Board followed by a special resolution passed by the Shareholders of our Company. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.
Further, pursuant to the Master Directions on Foreign Investment in India issued by the RBI date January 4, 2018 (updated as on March 8, 2019) the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Offer are advised to use the ASBA Form for non-residents.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, only Category I FPIs, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons eligible to be registered as Category I FPIs; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI may transfer offshore derivative instruments to persons compliant with the requirements of Regulation 21(1) of the SEBI FPI Regulations and subject to receipt of consent, except where pre-approval is provided.

Bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (such structure referred to as "**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by SEBI-registered VCFs, AIFs and FVCIs

The SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

The Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the holding by any individual VCF or FVCI registered with SEBI, in any company should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations).

All non-resident investors should note that dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, the Selling Shareholder or the BRLMs shall not be responsible for the loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the ASBA Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the ASBA Form, failing which our Company in consultation with the Selling Shareholder, reserve the right to reject any Bid without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies, not being subsidiaries, as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended ("**Financial Services Directions**"), is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to inter alia make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed under 5(b)(i) of the Financial Services Directions), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a) (v) (c) (i) of the Financial Services Directions. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves.

Bids by SCSBs

SCSBs participating in this Offer are required to comply with the terms of the SEBI circulars CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013 respectively. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs.

Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the ASBA Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016, as amended ("**IRDAI Investment Regulations**"), are set forth below:

i. equity shares of a company: the lower of 10%* of the investee company's outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer/investment assets in case of a general insurer or a reinsurer;

ii. the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

iii. the industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) or (iii) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the ASBA Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged along with the ASBA Form. Failing this, our Company in consultation with the Selling Shareholder reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Selling Shareholder, in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the ASBA Form.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the ASBA Form. Failing this, our Company and the Selling Shareholder, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time. The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Eligible Employees under the Employee Reservation Portion

The Offer includes a reservation of up to [●] Equity Shares aggregating to ₹[●] million for subscription by Eligible Employees.

Bids by Eligible Employees under the Employee Reservation Portion shall be subject to the following:

(a) Such Bids must be made in the prescribed ASBA Form (*i.e.* pink color form).

(b) The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The Allotment in the Employee Reservation Portion will be on a proportionate basis.

(c) Such Bidders should mention their employee identification number at the relevant place in the ASBA Form.

(d) The Bidder should be an Eligible Employee as defined above. In case of joint bids, the First Bidder shall be an Eligible Employee.

(e) Such Bidders must ensure that the Bid Amount does not exceed ₹500,000, net of Employee Discount. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of upto ₹200,000, net of Employee Discount. In the event of under-subscription in the Employee Reservation Portion (post the initial Allocation of up to ₹200,000, net of Employee Discount per Eligible Employee), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount).

(f) Such Bidders have the option to bid at Cut-off Price indicating their agreement to Bid and purchase at the Offer Price.

(g) Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion.

(h) Bids by Eligible Employees will have to Bid like any other Bidder. Only those Bids, which are received at or above this Offer Price, net of Employee Discount, if any, would be considered for Allotment under this category.

(i) Bid by Eligible Employees can be made also in the "Net Offer to the Public" and such Bids shall not be treated as multiple Bids.

(j) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above this Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

(k) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer. In case of under-subscription in the Net Offer (except an undersubscription in the QIB portion of the Net Offer), spill over to the extent of under subscription shall be permitted from the Employee Reservation Portion.

(l) If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the Allotment shall be made on a proportionate basis. For the method of proportionate basis of allocation, please refer to the section titled "*Offer Procedure – Allotment Procedure and Basis of Allotment*" on page 338.

In accordance with existing regulations, OCBs cannot participate in this Offer.

The above information is given for the benefit of Bidders. Our Company and the Selling Shareholder, our Directors, the officers of our Company, the BRLMs and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under laws or regulations or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a Pre-Offer Advertisement, in the form prescribed under Part A of Schedule X of the SEBI ICDR Regulations, in all editions of the English national daily newspaper [●], all editions of the Hindi national daily newspaper [●] (Hindi being the regional language of New Delhi, where our Registered Office is located), each with wide circulation.

In the pre-Offer advertisement, the Bid/Offer Opening Date and the Bid/Offer Closing Date shall be mentioned. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Signing of the Underwriting Agreement and the RoC Filing

Our Company and the Selling Shareholder and Member of Syndicate intend to enter into an Underwriting Agreement on or immediately after the finalization of the Offer Price but prior to the filing of the Prospectus. After signing the Underwriting Agreement, our Company will file an updated Red Herring Prospectus with the RoC in accordance with the applicable law, which would be termed as the Prospectus. The Prospectus will contain details of the Offer Price, Anchor Investor Offer Price, Offer Size and underwriting arrangements and would be complete in all material respects.

General Instructions

Investors should note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual

Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until the Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

In addition to the general instructions provided in the General Information Document for investing in Public Issues, Bidders are requested to note the additional instructions provided below:

Do's:

1. Check if you are eligible to apply as per the terms of this Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the ASBA Form;

4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;

5. Ensure that your ASBA Form bearing the stamp of the relevant Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;

6. Bidders shall submit the ASBA Form in the manner set out in the General Information Document;

7. In case of joint Bids, ensure that first Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first Bidder is included in the ASBA Form;

8. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than RIBs using the UPI Mechanism) and PAN in the ASBA Form and such ASBA Account belongs to you and no one else;

9. RIBs using the UPI Mechanism should ensure that the correct UPI ID is mentioned in the ASBA Form;

10. RIBs bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the Offer;

11. RIBs submitting a ASBA Form using the UPI Mechanism, should ensure that the: (a) bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid, are listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40;

12. RIBs not using the UPI Mechanism, should submit their ASBA Form directly with SCSBs and not with any other Designated Intermediary;

13. RIBs submitting a Bid-cum Application Form to any Designated Intermediary (other than SCSBs) should ensure that only UPI ID is included in the relevant space provided in the ASBA Form: Payment Details in the ASBA Form;

14. RIBs using the UPI Mechanism shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI;

15. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

16. RIB's using the UPI Mechanism shall ensure that the name of the bank with which it maintains its ASBA Account, appears in the list of SCSBs displayed on the SEBI website which are live on UPI. In case such bank with which such ASBA Account is maintained is not live on UPI, such RIB's may submit the ASBA Form with the SCSB physically, or using the facility of linked online trading, demat and bank account. Further, RIB's using the UPI Mechanism shall also ensure that the name of the mobile application and the UPI handle being used for making such application is also appearing on the SEBI website;

17. Ensure that the signature of the First Bidder in case of joint Bids, is included in the ASBA Forms;

18. Ensure that the name(s) given in the ASBA Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the ASBA Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

19. Ensure that you request for and receive a stamped acknowledgement of the ASBA Form for all your Bid options from the concerned Designated Intermediary;

20. Bidders, other than RIBs using the UPI Mechanism, shall ensure that they have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;

21. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

22. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;

23. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

24. Ensure that the Demographic Details are updated, true and correct in all respects;

25. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

26. Ensure that the correct investor category and the investor status is indicated in the ASBA to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;;

27. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents, including a copy of the power of attorney, are submitted;

28. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

29. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their ASBA Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database;

30. Ensure that where the ASBA Form is submitted in joint names, the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the ASBA Form;

31. Ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and in case of Bidding through a Designated Intermediary the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at

that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in) or such other websites as updated from time to time;

32. Ensure that you have correctly signed the authorisation/undertaking box in the ASBA Form or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form at the time of submission of the Bid;

33. For RIBs using the UPI Mechanism, ensure that you approve the Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

34. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;

35. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the ASBA Form;

36. RIBs using the UPI Mechanism should mention valid UPI ID of only the Applicant (in case of single account) and of the first Applicant (in case of joint account) in the ASBA Form;

37. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.

38. RIBs using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner; and

39. Bids by Eligible NRIs and HUFs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Portion, and Bids for a Bid Amount exceeding ₹200,000 would be considered under the Non-Institutional Portion, for the purposes of allocation in the Offer.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

3. Do not Bid on another ASBA Form, after you have submitted a Bid to a Designated Intermediary;

4. RIB should not submit a Bid using the UPI Mechanism, unless the name of the bank where the bank account linked to your UPI ID is maintained, is listed on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40;

5. RIB should not submit a Bid using the UPI Mechanism, using a Mobile App or UPI handle, not listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40;

6. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;

7. Do not send ASBA Forms by post; instead submit the same to the Designated Intermediary only;

8. Anchor Investors should not Bid through the ASBA process;

9. Do not submit the ASBA Forms to any non-SCSB bank or our Company or at a location other than the Bidding Centres. Provided that RIBs not using the UPI Mechanism should not submit ASBA Forms with Designated Intermediaries (other than SCSBs);

10. Do not Bid on a physical ASBA Form that does not have the stamp of the relevant Designated Intermediary;

11. Do not Bid at Cut-off Price in case of Bids by QIBs and Non-Institutional Bidders;

12. Do not fill up the ASBA Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Draft Red Herring Prospectus;

13. If you are a Non-Institutional Bidder or a Retail Individual Bidder, do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;

14. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/ Offer Closing Date;

15. Do not Bid for a Bid Amount exceeding ₹200,000 for Bids by Retail Individual Bidders and ₹ 500,000 for Bids by Eligible Employees Bidding in the Employee Reservation Portion;

16. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

17. Do not submit the General Index Register (GIR) number instead of the PAN;

18. Do not submit incorrect UPI ID details if you are a RIB Bidding through the UPI Mechanism;

19. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

20. Do not submit incorrect UPI ID details if you are a RIB bidding through the UPI Mechanism;

21. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account;

22. Do not submit more than one ASBA Form for each UPI ID in case of RIBs using the UPI Mechanism;

23. Do not submit Bids to a Designated Intermediary at a location other than Specified Locations;

24. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder;

25. Do not submit Bids on plain paper or on incomplete or illegible ASBA Forms or on ASBA Forms in a colour prescribed for another category of Bidder;

26. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

27. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIB using the UPI Mechanism;

28. Do not Bid on another ASBA Form, after you have submitted a Bid to any of the Designated Intermediaries;

29. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

30. Employees bidding in the Employee Reservation Portion do not bid using UPI mechanism.

31. Do not submit a Bid using UPI ID, if you are not a RIB.

32. Do not submit an ASBA Form using a third party bank account or using third party linked bank account UPI ID (in case of Bids submitted by RIBs using the UPI Mechanism); and

33. Do not Bid if you are an OCB.

The ASBA Form is liable to be rejected if any of the above instructions or any other condition mentioned in this Draft Red Herring Prospectus, as applicable, is not complied with.

Grounds for Technical Rejections

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

1. Bid submitted without instruction to the SCSB to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;

4. Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID;

5. Bids by HUFs not mentioned correctly;

6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

7. Bids submitted without the signature of the First Bidder or sole Bidder;

8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;

10. General Index Register (GIR) number furnished instead of PAN;

11. Bids by Retail Individual Bidders or Eligible Employees bidding in the Employee Reservation Portion (if any) with Bid Amount for a value of more than ₹200,000 (net of Retail Discount) or ₹500,000 (net of Employee Discount), respectively;

12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

13. Bids accompanied by cheque(s), demand draft(s), stock invest, money order, postal order or cash; and

14. Bids by OCB

For further details of grounds for technical rejections of an ASBA Form, please see the General Information Document.

Names of entities responsible for finalizing the basis of allotment in a fair and proper manner

The authorized employees of the Stock Exchanges, along with the BRLMs and the Registrar, shall ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of Allotment as prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares offered through the Offer Document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one (1) percent of the Net Offer may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Account

Our Company and Selling Shareholder in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS or NEFT). The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

i. In case of resident Anchor Investors: "[●]"

ii. In case of non-resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholder, the Syndicate, the Bankers to the Offer and the Registrar to the Offer to facilitate collections from Anchor Investors.

Depository Arrangements

The Allotment of the Offered Shares shall be only in a dematerialized form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic Mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Offer:

• Agreement dated July 1, 2020 among NSDL, our Company and the Registrar to the Offer.

• Agreement dated June 18, 2020 among CDSL, our Company and Registrar to the Offer.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"Any person who –

(a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*

(b) *makes or abets making of multiple applications to a company in different names or in different combinations of his/ her name or surname for acquiring or subscribing for its securities; or*

(c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,* *shall be liable for action under Section 447.*"

Undertakings by our Company

Our Company undertakes that:

- the complaints received in respect of this Offer shall be attended to by our Company expeditiously and satisfactorily;

- If Allotment is not made within six working days from the Bid/Offer Closing Date or such other prescribed timelines under applicable laws, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and other applicable laws for the delayed period;

- all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken, within the period prescribed by SEBI;

- the funds required for making refunds/ unblocking to unsuccessful Bidders (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within such time as prescribed under the applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit for the refund;

- no further Offer of Equity Shares shall be made until the Offered Shares are listed or until the Bid monies are unblocked in ASBA Account on account of non-listing, under-subscription, etc.;

- if our Company or the Selling Shareholder do not proceed with the Offere after the Bid/Offere Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

- if our Company and the Selling Shareholder, in consultation with the BRLMs, withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh draft offer document with the SEBI, in the event our Company or the Selling Shareholder subsequently decides to proceed with the Offer thereafter;

- our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time; and

- adequate arrangements shall be made to collect all ASBA Forms submitted by Bidders.

Undertakings by the Selling Shareholder

The Selling Shareholder undertakes the following:

- It is the legal and beneficial owners of the Offered Shares and have absolute entitlement title to the Offered Shares, which are currently held and are free and clear of all pledge, charges, liens and encumbrances and are in compliance with the provisions of the Companies (Significant Beneficial Ownership) Rules, 2018;

- It is not debarred or prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities, in either case under any order or direction passed by SEBI or any other regulatory authority or court / tribunal inside or outside India;

- The Equity Shares are free and clear of all liens or encumbrances and shall be transferred to the successful Bidders within the specified time;

- None of the Equity Shares held by it are pledged with any bank or financial institution as collateral security for loans granted by such banks or financial institutions or with any other creditor;

- The Equity Shares offered for sale by the Selling Shareholder are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations.

- It shall provide all reasonable cooperation as requested by our Company and the BRLMs in relation to the completion of the Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders (as applicable) to the requisite extent of its respective portion of the Offered Shares.

- There shall be no recourse to the proceeds of this Offer until the final listing and trading approvals have been obtained from all the Stock Exchanges where listing is proposed.

- It will deposit its respective portion of the Offered Shares in an escrow account opened with the Share Escrow Agent prior to filing of the Red Herring Prospectus with the RoC.

- It shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making a Bid in the Offer, and shall not make any payment, whether direct or indirect, whether in the nature of discounts, commission, allowance or otherwise, to any person who makes a Bid in the Offer.

- If the permission to deal in and for quotation of Equity Shares held by the President of India, acting through MoR as part of this offer for sale portion in this Offer ("Offer for Sale Shares"), is not granted by any of the Stock Exchanges, the Selling Shareholder shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within Fifteen (15) days after the Selling Shareholder becomes liable to repay it, then Selling Shareholder shall, on and from expiry of Fifteen (15) days, be liable to repay the money, with interest in accordance with the applicable law;

- In relation to this Offer for Sale Shares, the funds required for making refunds to unsuccessful applicants or dispatch of allotment advice by registered post or speed post as per the Modes described in this Draft Red Herring Prospectus and the Prospectus shall be made available to the Registrar to this Offer;

- Where the refunds are made through electronic transfer of funds, suitable communication shall be sent to the applicant(s) within six (6) working days of Bid/Offer Closing Date, or such other time period as may be prescribed by SEBI, giving details of the bank(s) where refunds shall be credited along with the amount and expected date of electronic refund;

- The certificates of the securities/refund orders or allotment advice to the Bidders, including those to non-residents Indians shall be dispatched within the specified time;

- It will take all such steps as may be required to ensure that the Equity Shares are available for transfer in this Offer for Sale;

- It will not sell, transfer, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares available in this Offer for Sale;

- It shall not sell or transfer, charge, pledge or otherwise encumber any locked-in Equity Shares proposed to form part of minimum promoter's contribution during the period starting from the date of filing this Draft Red Herring Prospectus with the SEBI till the date of commencement of lock-in period, as stated in this Draft Red Herring Prospectus and thereafter, till such time that the lock-in remains effective, save and except as may be permitted under the SEBI ICDR Regulations, including inter-se transfer under Regulation 22 of the SEBI ICDR Regulations;

- It will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer; and

- It has authorized the Compliance Officer of our Company and the Registrar to this Offer to redress any complaints received from Bidders in respect of this Offer for Sale.

The decisions with respect to the Price Band, the minimum Bid lot, reservations in this Offer, the rupee amount of the Retail Discount and the Employee Discount, as applicable, revision of the Price Band, the Offer Price, shall be taken by our Company and the Selling Shareholder, in consultation with the BRLMs.

Utilisation of Offer Proceeds

Our Company and the Selling Shareholder declare that all monies received out of this Offer shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India, and FEMA. While the Industrial Policy, 1991, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as 'Department of Industrial Policy and Promotion') ("**DPIIT**").The Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017 has notified the specific ministries handling relevant sectors.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated Foreign Direct Investment Policy notified by the D/o IPP F. No. 5(1)/2017-FC-1 dated August 28, 2017, with effect from August 28, 2017 (the "**FDI Policy**"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to August 28, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular.

On October 17, 2019, the Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Offer shall be on the basis of the FEMA Rules.

Currently, 100% FDI is permitted in the companies which are engaged in the telecom services sector, of which up to 49% investment can be done through the automatic route (except "other service providers", which are allowed 100% FDI through automatic route), subject to compliance with prescribed conditions, including those in relation to licensing and security.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government, OCBs cannot participate in this Offer. For details, see "*Offer Procedure*" beginning on page 338.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Offer Period.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

Pursuant to the Companies Act and the SEBI ICDR Regulations the main provisions of our Articles of Association relating to, among others, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles of Association and capitalized/defined terms herein have the same meaning given to them in our Articles. Subject to our Articles of Association, any words or expression defined in the Companies Act, 2013 shall, except so where the subject or context forbids; bear the same meaning in these Articles.

Articles No.	Particulars
3.	**Company to be governed by these articles**
	The regulations for the management of the Company and for the observance of the members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alteration of or addition to its regulations by special resolution as prescribed or permitted by the Act, be such as are contained in these Articles.
5.	**Company's share not to be purchased**
	Save as permitted by section 67 of the Act, the funds of the Company shall not be employed directly or indirectly in the purchase of, or lent on, the security of shares of the Company and the Company shall not give, any financial assistance, whether, by way of loan guarantee, the provision of security or otherwise, for the purpose of or in connection with any purchase of or subscription for shares in the Company or any company of which it may, for the time being, be a subsidiary. This Article shall not be deemed to affect the power of the Company to enforce repayment of loans to members or to exercise a lien as provided hereinafter.
6.	**Company may buy-back its own shares**
	Notwithstanding anything contained in these Articles, the Company may buy back its own shares or other securities as it may think proper subject to such limits, upon such terms and conditions, and subject to such approval as may be required under the Act and other Applicable Laws.
	CAPITAL AND SHARES
7.	**Authorised Share Capital**
	The authorised share capital of the Company shall be such amounts and be divided into such shares, as may be provided in Clause V of the Memorandum of Association of the Company, from time to time, with such rights, privileges and conditions attached thereto as are provided by the Company and with powers to the Company as permitted by the Act and Applicable Laws to increase, reduce or modify the said capital and to divide the shares of the Company in to several classes and attach thereto preferential, qualified or special rights, privileges or conditions as may be determined by the Company subject to provisions of the Act and other Applicable Laws, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of the Company and allowed by Applicable Law.
8.	**Shares and Securities under the control of the Board**
	Subject to the provisions of the Applicable Laws, these Articles and the rights of the President of India, the shares and securities of the Company for the time being shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board thinks fit, and may issue and allot Shares in the Capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to issue Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.
9.	**Increase of Share Capital by the Company and how carried in to effect**
	Subject to Applicable Laws, and these Articles, the Board may, from time to time, increase the Capital by creation of new shares and debentures in accordance with the applicable provisions of the Act. Such increase shall be of such aggregate amount and to be divided into such shares

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	of such respective amounts, as the resolution of the Board shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the Board shall determine. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 64 of the Act or any such compliance as may be required by the Act for the time being in force.
10.	**On what condition new shares may be issued**
	Subject to such directions as may be issued by the President in this behalf, new shares shall be issued in accordance with the Applicable Laws and upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct and if no direction be given, as the Board shall determine.
11.	**Mode of further issue of shares**
	A further issue of shares may be made in any manner whatsoever as the Board may determine, among others, by way of further public offer or private placement, subject to and in accordance of the Act and other regulations governing such issues.
13.	**How far new shares to rank with existing shares**
	Except so far as otherwise provided by the conditions of issue, or by these Articles, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provision herein contained with reference to the payment of calls and installments, transfer and transmission, lien, voting, surrender and otherwise.
14.	**Reduction of capital**
	Subject to the provisions of Section 66 of the Act and to such directions as may be issued by the President in this behalf, the Company may, from time to time, by special resolution reduce its capital by paying off capital or cancelling capital which has been lost or is unrepresented by available assets, or is superfluous by reducing the liability on the shares or otherwise as may be expedient, and capital may be paid off upon the footing that it may be called up again or otherwise; and the Board may, subject to the provisions of the Act, accept surrender of shares.
15.	**Sub-division and consolidation of shares**
	Subject to the approval of the President, the Company in general meeting may, from time to time, sub-divide or consolidate its shares or any of them and exercise any of the other powers conferred by Section 61 of the Act and shall file with the Registrar such notice of exercise of any such powers as may be required by the Act.
16.	**Power to modify**
	If at any time, the Capital of the Company by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights attached to the shares of each class may, subject to the provisions of Section 48 of the Act be varied with the consent in writing of the holders of at least three fourth of the issued shares of that class or with the sanction of the special resolution passed at a separate meeting of the holders of the issued shares of that class and all the provisions hereinafter contained as to general meeting shall, mutatis mutandis, apply to every such meeting.
17.	**Allotment of Shares**
	Subject to the provisions of Applicable Laws and these Articles, the shares shall be under the control of the Board of Directors who may allot or dispose of the same, or any of them, to such persons, upon such terms and conditions, at such times, and upon such consideration as the Board may think fit.
18.	**Installments of shares to be duly paid**
	If by the conditions of allotment of any share, the whole or part of the amount of issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his executor or administrator.
19.	**Liability of joint-holders of shares**
	The joint holder of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share.
20.	**Who may be registered**
	Shares may be registered in the name of any person, company or other body corporate. Not more than three persons shall be registered as joint-holders of any share.
21.	**Dematerialisation of Securities**

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	The Company shall seek admission of Company's securities in the Depository system of Central Depository Service (India) Ltd. to dematerialize the certificates of shareholders of the Company who wish to do so. The Company shall seek admission of Company's securities in the Depository system of National Stock Depository (India) Ltd. to dematerialize the certificates of shareholders of the Company who wish to do so.
	CALL OF SHARES
22.	**Board of Directors to make calls**
	1. The Board of Directors, may from time to time, by a resolution passed by a meeting of the Board (and not by a resolution by circulation) make such call as it thinks fit upon the members in respect of moneys unpaid on the share held by them respectively, by giving not less than 15 days notice for payment and each member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board of Directors. A call may be made payable by installments. The Board may, at their discretion, extend the time for payment of such calls.
	Calls to carry interest
	2. If any member fails to pay any call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payments at such rate as shall from time to time be fixed by the Board of Directors but nothing in this Article shall render it compulsory for the Board of Directors to demand or recover any interest from any such member.
23.	**Sums payable on allotment or at fixed date to be paid on due dates**
	1. Any sum which by the terms of issue of a share become payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these regulations be deemed to be a call duly made and payable on the date on which by the terms of issue such becomes payable.
	Voluntary advances of uncalled shares capital
	2. (a) The Board may, if it thinks fit receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him but this advance of calls may carry interest but shall not in respect thereof have a right to dividend or to participate in profit. (b) Upon all or any of the money so advanced may, until the same would, but for such advance become presently payable, pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, six percent per annum as may be agreed upon between the Board and the member paying the sum in advance and the Board of Directors may, at any time, repay the amount so advanced upon giving to such members three months' notice in writing. Provided further that such advance received by the Company will not be entitled to any dividend or participate in profits of the Company.
24.	**Call to date from resolution**
	A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board of Directors.
25.	**Forfeiture of shares**
	1. If a member fails to pay any call or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid together with any interest which may have accrued. 2. The Notice aforesaid shall: (a) Name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and (b) State that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made will be liable to be forfeited. 3. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

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	4. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. 5. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms it thinks fit.
26.	**Liability to pay money owing at the time of forfeiture**
	1. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which at the date of forfeiture, were presently payable by him to this Company in respect of the share. 2. The liability of such persons shall cease if and when Company shall have receive payment in full of all such money in respect of the shares.
27.	**Declaration of forfeiture**
	1. A duly verified declaration in writing that the declarant is a Director, the Manager or the Secretary of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all person claiming to be entitled to the share. 2. The Company may receive the consideration, if any, given for the shares on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of. 3. The transferee shall thereupon be registered as the holder of the share. 4. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share, be affected by any irregularity or invalidity in the proceedings in reference to or disposal of the share.
28.	**Provisions regarding forfeiture to apply in the case of non-payment at a fixed time**
	The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by terms of issue of share, becomes payable at a fixed time, whether on account of the nominal value of the shares or by way of premium, as if the same had been payable by virtue of a call duly made and noticed.
29.	**Company's lien on shares**
	The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not called or payable at a fixed time) in respect of that share and the Company shall also have a lien on all shares (other than fully paid shares) standing registered in the name of single person, for all moneys presently payable by him or his estate to the Company, but the Board may, at any time, declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a share shall extend to all dividend payable thereon.
30.	**Enforcement of lien by sale**
	The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of amount in respect of which lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or insolvency.
31.	**Application of proceeds of sales**
	The proceeds of the sale shall be received by the Company and shall applied in payment of such part of the amount in respect of which lien exists as is presently payable and the residue shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the persons entitled to the shares at the date of the sale. The purchaser shall be registered as the holder of the share and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
32.	**Transfer and transmission of shares**
	Subject to the provisions of Applicable Laws, the right of members to transfer their shares shall be restricted as follows:

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	(a) Subject to Section 58 of the Act and other Applicable Laws and subject as aforesaid, the Board may, in their absolute and uncontrolled discretion, refuse to register any proposed transfer of shares. (b) If the Board refuse to register transfer of any shares the Board shall within thirty days of the date on which the instrument of transfer is delivered to the Company, send to the transferee and the transferor notice of the refusal. But the Board shall not refuse to register transfer of any share on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account, whatsoever except a lien on the shares. (c) Subject to the provisions of the Act, other Applicable Laws and save as herein otherwise provided, the Board shall be entitled to treat the persons whose name appears on the register of members as the holder of any share as the absolute owner thereof and accordingly shall not (except as order by court of competent jurisdiction or as by law required) be bound to recognize any benami, trust or equity or equitable contingent or other claim to or interest in such share on the part of any person whether or not it shall have express or implied notice thereof. **(d) Transmission by operation of law:** Nothing contained in this Article shall prejudice any power of the Company to register as share-holder any person to whom the right to any share in the Company has been transmitted by operation of law.
33.	**Execution of transfer**
	The instrument of transfer of any share in the Company shall be executed both by transferor and transferee and the transferor shall be deemed to remain holder of the share until the name transferee is entered in the register of members in respect thereof.
34.	**Register of transfers**
	The Company shall keep a book to be called the "Register of Transfers" in accordance with all applicable provisions of the Act, and the Depositories Act with details of Securities held in dematerialized form in any medium as may be permitted by Applicable Law including in any form of electronic medium and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.
35.	**Instruments of the transfer to be left at office**
	Every instrument of transfer shall be delivered to the Company at the office for registration, accompanied by any certificate of the shares to be transferred and such evidence as the Company may require to prove the title of the transferor or his right to transfer the shares. All instruments of transfer shall be retained by the Company, but any instrument of transfer which the Board may decline to register shall on demand be returned to the person depositing the same.
36.	**Form of transfer**
	Shares in the Company shall be transferred in the form prescribed by the Companies (Central Government's) General Rules and Forms 2014 or in such other form as may be prescribed by the Applicable Laws. The instrument of transfer shall be in a common form approved by the stock exchanges;
37.	**Closing of Register of Members and Debenture Holders or other security holders**
	The Register of Members or the Register of Bond/Debenture holders may be closed for any period or periods not exceeding 45 days in each year but not exceeding 30 (thirty) days at any one time after giving not less than 7 days previous notice by advertisement in some newspaper circulating in the district in which the registered office of the company is situated.
38.	**Fee on transfer**
	No fee will be charged for transfer/transmission of shares and/or bonds.
39.	**How far new shares to rank with shares in original capital**
	Except so far as otherwise provide by the conditions of issue, or by these Articles, any capital raised by the creation of any shares shall be considered part of the original capital and shall be subject to the provision herein contained with reference to the payment of calls and installments, transfer and transmission, lien, voting, surrender and otherwise.
40.	**New shares to be offered to Members**

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	The new shares shall be offered to the members in proportion to the existing shares held by each member and such offer shall be made by notice specifying the number of shares to which the member is entitled and limited a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of such time or on receipt of an intimation from the member to whole such notice is given that he declines to accept the shares offered, the Board may dispose of the same in such manner as they think most beneficial to the Company.
	BORROWING POWERS
41.	**Power borrowing**
	1. Subject to the provisions of Section 73 to 76, 179 and 180 of the Act or other Applicable Laws, the Directors may, from time to time borrow, raise or secure the payment of any sum of money for the purpose of the Company in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of debentures or bonds of the Company or by mortgage charge upon all or any of the properties of the Company both present and future including its uncalled capital for the time being, by means of a resolution passed at a meeting of the Board. Provided that the Board shall not without the requisite sanction of the Company in general meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves.
	Conditions on which money may be borrowed
	2. The Board may secure the repayment of such moneys in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, perpetual or redeemable debentures, or debenture stock or any mortgage, charge or other securities on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.
	Terms of Issue of securities
	3. Any debentures, debenture stock, bonds or other securities may be issued on such terms and conditions as the Board may think fit. Provided that debenture with a right to allotment or conversion into shares shall be issued in conformity with the provisions of Section 62 of the Act. Debentures, debenture stock, bonds and other securities may be made assignable free from any equities from the Company and the person to whom it may be issued, Debentures, debenture stock, bonds or other securities with a right of conversion into or allotment of shares shall be issued only with such sanctions as may be applicable.
	How debentures etc. shall be transferred
	4. Debentures, bonds, etc. of the Company shall be transferred or transmitted in accordance with the procedure prescribed for shares in Section 56 of the Act and the prevailing rules made there under by Central Government from time to time, unless different provisions are made specifically in the terms of issue governing such debentures, bonds etc.
42.	**Securities may be assignable free from equities**
	Debentures, debenture stock, bonds or other securities may be made assignable free from any encumbrances between the Company and the person to whom the same may be issued.
43.	**Inviting/Accepting deposits**
	Subject to the provisions of the Act and the rules made there under from time to time, the Board of Directors may, from time to time, invite and/or accept deposits from the members of the public and/or employees of the Company / or otherwise at such interest rates as may be decided by the Board. Board may also pay commission to any person for subscribe or procure or agreeing to procure these deposits.
	GENERAL MEETING
44.	**Notice of General Meeting**
	1. A general meeting of the Company may be called by giving not less than twenty one days' notice in writing. 2. A general meeting may be called after giving shorter notice than that specified in clause (1) of this Article if consent is accorded thereto : (i) In the case of an Annual General Meeting, by not less than ninety-five per cent of the members entitled to vote thereat, and (ii) In the case of any other General meeting subject to the provisions of Section 101 of the Act, by members of the Company holding not less than ninety five

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	percent of such part of the paid-up share capital of the Company gives a right to vote at the meeting. (iii) The notice in each case shall specify the place, day and hour of the meeting.
45.	**Business of ordinary meeting**
	The business of an annual general meeting shall be to receive and consider the profit and loss account, the balance sheet, and the report of the Board of Directors and of the Auditors, to declare dividends. All other business transacted at such meeting shall be deemed special.
46.	**Quorum**
	1. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. 2. Save as herein otherwise provided, the quorum for the General meetings shall be as provided in section 103 of the Act.
47.	**General Meeting**
	The first annual general meeting of the Company shall be held within a period of nine months from the date of closing of the first financial year and thereafter, the annual general meeting shall be held within six months after the expiry of each financial year, except in the case when for any special reason time for holding any annual general meeting (not being the first annual general meeting) is extended by the Registrar under Section 96 of the Act, no greater interval than fifteen months shall be allowed to elapse between the date of one annual general meeting and that of the next. Every annual general meeting shall be held during business hours, i.e. between 9 a.m. and 6 p.m., on a day other than a national holiday either at the registered office of the Company or at some other place within city, town or village in which the registered office of the company is situated or at other place as the Central Government may direct, and the notice calling the meeting shall specify it as the annual general meeting. All other General meetings of the Company shall be called “Extra-ordinary General Meeting”.
48.	**When Extraordinary meeting to be called**
	The Board may, whenever, they think fit and shall on the requisition of the holders of not less than one tenth of the paid-up capital of the Company upon which all calls or other sums then due have been paid, as at the date carry the right of voting in regard to that matter or forthwith proceed to convene an extraordinary meeting of the Company, and in the case of such requisition, the following provisions shall have effect :- (1) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the office and may consist of several documents, in like-form each signed by one or more requisitionists. (2) If the Board of Directors of the Company do not proceed within twenty one days from the date of the requisition being so deposited to cause meeting to be called on a day not later than 45 days from the date of deposit of the requisition, the requisitionists or majority of them in value may themselves convene the meeting but any meeting so convened shall be held within three months from the date of the deposits of the requisition. (3) Any meeting convened under this Article by the requisitions shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the Board. If after, a requisition has been received, it is not possible for a sufficient number of Directors to meet in time so as to form a quorum any Director may convene an extraordinary general meetings in the same manner as nearly as possible as that in which meetings may be convened by the Board.
49.	**Omission to give notice**
	The accidental omission to give any such notice or the non-receipt of any such notice by any member shall not invalidate the proceeding at any meeting.
50.	**Chairman of general meeting**
	The Chairman of the Board shall be entitled to take the Chair at every general meeting or if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act as Chairman, the members present shall choose another Director as Chairman and if the Directors present decline to take the chair then, the members present shall choose one of their members to be the Chairman.
51.	**When, if quorum not present, meetings to be dissolved and when to be adjourned**

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	If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon such requisition as aforesaid, shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week at the same time and place, and if at such adjourned meeting a quorum is not present those members who are present shall be quorum and may transact the business for which the meeting was called.
52.	**Right of President to appoint any persons as his representative**
	1. The President, so long as he is a shareholder to the Company may, from time to time, appoint one or more persons (who need not be a member or members of the Company) to represent him at all or any meeting of the Company. 2. Any one of the persons appointed under sub-clause (1) of this Article shall be deemed to be a member of the Company and shall be entitled to vote and be present in person and exercise the same rights and powers (including the right to vote by proxy) as the President could exercise as a member of the Company. 3. The President may, from time to time, cancel any appointment made under sub clause (1) of this Article and make fresh appointment. 4. The production at the meeting of an order of the President evidenced as provided in the Constitution, shall be accepted by the Company as sufficient evidence of any such appointment or cancellation as aforesaid.
53.	**How questions at adjourned meeting**
	1. The Chairman may with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting adjourns the same, from time to time and place to place.
	Business at adjourned meeting
	2. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
	Notice of adjourned meeting
	3. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as was given in the case of an original meeting. 4. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at adjourned meeting.
54.	**How questions to be decided at**
	1. Every question submitted to a meeting shall be decided in the first instance by a show of hands and in the case of an equality of votes the Chairman shall, both on a show of hands and at a poll (if any), have a casting vote in addition to the vote or votes to which he may been entitled, as a member.
	Evidence of resolution when poll not demand
	2. At any general meeting a resolution put to vote of the meeting shall be decided on a show of hands, unless a poll is, before or on the declaration of the result of the show of hands, demanded by a member present in person or proxy, or by duly authorised representative, and unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands been carried or carried unanimously or by a particular majority or lost, and an entry to that effect in the book of proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number of proportion of the vote recorded in favour of or against that resolution.
	Poll
	3. If a poll is duly demanded, it shall be taken in such manner and at such time and place as the Chairman of the meeting directs and either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn.
	Poll demanded to be taken at the meeting
	4. Subject to the provisions of Section 109 of the Act, any poll duly demanded on the election of a Chairman of a meeting or on any question or adjournment shall be taken at the meeting and without adjournment.
	Business may proceed notwithstanding demand poll
	5. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

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	Chairman's decision conclusive
	6. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
	Objection to vote
	7. No objection shall be raised to the qualifications of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all other purposes.
	Chairman to judge validity
	8. Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.
55.	**Votes of Members**
	Upon a show of hands every member present in person or by proxy, or by duly authorised representative shall have one vote and upon a poll every such member shall have voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company. A member may exercise his vote at a meeting by electronic means in accordance with the provisions of Section 108 of the Act and rules made thereunder, and shall vote only once.
56.	**Votes in respect of shares of deceased and bankrupt members**
	Any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares provided that seventy-two hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Board of Directors of his right to such shares, unless the Board of Directors shall have previously admitted his right to such shares of his right to vote at such meeting in respect thereof.
57.	**Joint Holders**
	Where there are joint registered holders of any share, any one of such persons may vote at any meeting either personally or by proxy, in respect of such shares as if he were solely entitled thereto, and if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons present whole name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.
58.	**Votes in respect of shares of members of unsound mind**
	member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote whether on a show of hands or on poll, by his committee or other legal guardian, and any such committee or guardian may on a poll, vote by a proxy.
59.	**No member to vote unless calls are paid up**
	No member shall be entitled to vote at any general meeting unless all calls or others sums presently payable by him in respect of share in the Company have been paid.
	BOARD OF DIRECTORS
65.	**Board of Directors**
	The business of the Company shall be managed by the Board of Directors.
66.	**Number of Directors**
	A. Subject to the provisions of Section 149 of the Act, the President shall, from time to time, determine, in writing, the number of Directors of the Company which shall not be less than 3 (Three) and not more than 15 (Fifteen). The Directors shall not be required to hold any qualification shares and their remuneration, if any, shall be determined by the President. B. The following shall be the first directors of the Company: 1. Shri Ashok Kumar Chopra 2. Shri P. Raja Goundan 3. Shri Ashok Kumar Misra 4. Shri Akhil Agarwal 5. Shri Rajendra Kashyap 6. Shri S. Balachandran

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67.	**Appointment of Chairman, Chairman-cum-Managing Director, Directors and their term of office**
	1. The President shall have powers to appoint; (a) Full time Chairman or Part time Chairman, full time Managing Director(s) or a full time Chairman-cum-Managing Director and other full time Directors. (b) The Directors representing the Government of India (Govt. Nominee Directors) and (c) Part-time Non-Official Directors/ Independent Directors (d) The Directors appointed by the President shall hold office until removed by him or until their resignation, retirement, death or otherwise.
	Remuneration of Directors
	2. The Directors so appointed shall be paid such fee, salary and/or allowance as the President may from time to time, determine. Subject to the provisions of the Act, such reasonable additional remuneration as may be determined by the President may be paid to any one or more of the Directors for extra or special services rendered by him or them or otherwise.
	Removal of Directors
	3. The President shall have the power to remove any Director including the Chairman, Managing Director, and the Chairman-cum-Managing Director, if any, from office at any time in his absolute discretion.
	Filing of Vacancies of Directors
	4. The President shall have the right to fill any vacancy in the office of Chairman, Chairman-cum-Managing Director, Managing Director or Director(s) caused by removal, resignation, death or otherwise, as provided in the Article 67 (1).
	Retirement of Directors
	5. The Chairman or Chairman-cum-Managing Director, the Managing Director(s) and whole time Directors shall retire on their ceasing to hold office of the Chairman or Chairman-cum-Managing Director, the Managing Director(s) and whole time Directors respectively. Non-official part-time Director shall retire on the expiry of the term of their appointment. A Director representing a Ministry of the Government of India shall retire on his ceasing to be an official of that Ministry. A retiring Director shall be eligible for reappointment.
68.	**Appointment of Independent Directors**
	Subject to the provisions of Section 149(6) of the Act and other Applicable Laws, the President shall have the power to appoint requisite number of Independent Directors to comply with the Act as well as Listing Regulations as amended from time to time. (i) Every Independent Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an Independent Director, give a declaration that he meets the criteria of independence. (ii) The Company and Independent Directors are required to abide by the provisions specified in Schedule IV of the Act. (iii) An Independent Director shall not be entitled to any stock option and may receive remuneration by way of sitting fee, reimbursement of expenses for participation in the Board and other meetings of the Committees of the Board, and also to such commission based on profits, as may, subject to provisions of Applicable Laws, be approved by the Members. (iv) An Independent Director shall be held liable, only in respect of such acts of omission or commission by a Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently. (v) The provisions relating to retirement of Directors by rotation shall not be applicable to appointment of Independent Directors. Subject to Applicable Law, an Independent Director shall hold office for a term for which he is appointed upto a maximum period of 5 (five) consecutive years on the Board of a Company, but shall be eligible for reappointment for one more term on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall

Articles No.	Particulars
	hold office for more than 2 (two) consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of 3(three) years of ceasing to become an Independent Director provided that he shall not, during the said period of 3 (three) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. (vi) The Company shall familiarize the Independent Directors through various programmes about the company, including the following: a) Nature of the industry in which the Company operates; b) Business model of the Company; c) Roles, rights, responsibilities of Independent Directors; and d) Any other relevant information.
69.	**Sitting fee**
	The part time Non- official directors/ independent directors appointed in the Company shall be entitled to sitting fee for attending the meetings of Board of Directors or any committee thereof, as permitted under the provisions of the Act or rules thereto subject to the approval of the President of India. Fee shall also be payable for participating in meetings through permissible electronic mode.
70.	**General powers of the Company vested in the Board of Directors**
	Subject to the provisions of the Act, other Applicable Laws and the directives of instruments, if any, the President may issue from time to time, the business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are stipulated under the Act or any statutory modification thereof for the time being in force or SEBI Listing Regulations, rules and regulations of the stock exchanges and Department of Public Enterprises Guidelines, as applicable and as amended from time to time, or by these Articles, required to be exercised or done by the Company in general meetings Provided that the Directors shall not exercise any power or do any act or thing which is directed or required whether by the Act or any other act or by the Memorandum or Articles of the Company or otherwise, to be exercised or done by the company in general meeting. Provided further that in exercising any such power or doing any such act or thing, the Directors shall be subject to the provisions contained in that behalf in the Act or any other Applicable Law, or in the Memorandum or articles of the company, or in any regulations made by the company in general meeting. No regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.
71.	**Delegation of powers**
	1. Subject to the provisions of the Act the Board may from time to time, delegate such of its powers as it may think fit to the Chairman, Chairman-cum-Managing Director and/or Managing Director(s), whole time Director subject to such terms and conditions and restrictions as it may deem necessary to impose and may, from time to time, revoke, amend or vary all or any of the powers so delegated. 2. The Chairman, the Chairman-cum-Managing Director and/or Managing Director(s), whole time Director may sub-delegate any of the powers, delegated to him by the Board to any officer or other employees of the company, subject to conditions that every such sub-delegation of his powers will be reported to the Board.
72.	**Power of Chairman**
	1. Chairman shall reserve for decisions of the President any proposals or decisions of the Board of Directors or any matter brought before the Board which raises in the opinion of the Chairman, any important issue and which is on that account is fit to be reserved for the decision of the President and no decision on such an important issue shall be taken in the absence of the Chairman appointed by the President.
	Prior approval of President to be obtained in respect of
	2. Notwithstanding any of the provisions contained in the other Articles, prior approval of the President shall be obtained in respect of :- (a) Permanent appointment of any foreign national to any post in the Company. (b) any programme of capital expenditure on any new projects, modernization, purchase of equipments etc for an amount which exceeds the amount as per powers delegated to the Company within the Govt guidelines being a Mini Ratna category I status Company. (c) Issue of preference Share Capital etc.

Articles No.	Particulars
	(d) Winding up of the Company. (e) Sale, lease or disposal of any property having an original book value of Rs. 1 Crore and above. (f) The formation of a subsidiary Company or joint venture in India with the equity investment to establish joint ventures and subsidiaries exceeding the ceiling amount as per powers delegated to the Company within the Govt. guidelines, being a Mini Ratna Category I status Company.' (g) Company's Five Year and Annual Plans for Development and Capital Budgets. (h) Revenue Budget of the Company in case there is an element of deficit which is proposed to be met by obtaining funds from Central Government. (i) Agreement involving foreign collaboration proposed to be entered into by the Company. (j) Purchases and contracts of a major nature involving substantial capital outlay which are in excess of the powers vested in the Company.
73.	**Power of President to issue directives**
	Notwithstanding anything contained in all these Articles but subject to the provisions of the Act and applicable laws, the President may, from time to time, issue such directives or instructions as may be considered necessary in regard to the conduct of business and affairs of the Company and in like manner may vary and annul any such directive or instruction. The Board of Directors shall give immediate effect to the directives or instructions so issued. In particular, the President will have the powers :- (i) To give directives to the Company as to the exercise and performance of its functions in matters involving national security or substantial public interest. (ii) To call for such returns, accounts and other information with respect to the property and activities of the Company as may be required from time to time. (iii) To provide wholly or partly owned Company(ies) or subsidiary(ies) including participations in their share capital irrespective of the sources from which the operations of such companies are to be financed. (iv) To determine in consultation with the Board annual, short and long-term financial and economic objectives of the Company. Provided that all directives issued by the President shall be in writing addressed to Chairman. The Board shall, except where the President considers that the interest of national security requires, otherwise, incorporate the contents of directives issued by the President in the annual report of the Company and also indicate its impact on the financial position of the Company. (v) To take decisions regarding entering into partnership and/or regarding arrangements for sharing profits.
74.	**No Action in respect of any decision of Board requiring approval of President until such approval is obtained**
	No action shall be taken by the Company in respect of any proposal or decision of the Board reserved for the approval of the President until his approval to the same has been obtained.
75.	**Special powers of the Board of Directors**
	Without prejudice to the general powers conferred by these Articles, but subject to the provisions of Sections 179 to 182 of the Act, the Board of Directors shall have the following powers, that is to say power:- 1. To purchase, take on lease or otherwise acquire for the Company property, rights or privileges which the Company is authorised to acquire at such price, and generally on such terms and conditions as they think fit. 2. To authorise without reference to the Central Government, the undertaking of works of a capital nature within the limits stated in Article 72(2) above.
	To pay for property, debentures, etc.
	3. To pay for any property, rights or privileges acquired by, or services rendered to the Company either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such shares may be issued either as fully paid-up or with such amount credited as paid up thereof as may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

Articles No.	Particulars
	To secure contracts by mortgage
	4. To secure the fulfillments of any contracts or engagements entered into by the Company by mortgaged or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they may think fit.
	To appoint officers, etc.
	5. To create posts, to appoint persons thereto, and at their discretion remove or suspend such as general managers, CEOs, managers, secretaries, officers, clerks, agents and servants engaged for permanent, temporary or special services, as they may, from time to time, think fit, and to determine their powers and duties and fix their salaries or emoluments and require security in such instances and to such amounts as they think fit.
	To appoint trustee
	6. To appoint any person or persons (whether incorporated or not) or to accept and hold in trust for the company, any property belonging to the Company or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees.
	To bring and defend action
	7. To institute, conduct, defend, compound or abandon, any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any claims or demands by or against the Company.
	To refer to arbitration
	8. To refer any claims or demands by or against the Company to arbitration and observe and perform the awards.
	To give receipt
	9. To make and give receipts, release, and other discharges for money payable to the Company, and for the claims and demands of Company.
	To authorize acceptance etc.
	10. To determine who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptance, endorsements, cheques, releases, contracts and documents.
	To appoint attorney
	11. From time to time to provide for the management of the affairs of the Company outside the areas which in the context includes the townships and sites of operations of the Company in such manner as they think fit, and in particular to appoint any person to be the attorney or agent of the Company with such powers (including power to sub-delegate) and upon such terms as may be thought fit.
	To invest money
	12. To invest in Reserve Bank/State Bank of India/any bank or in such securities as may be approved by the President and deal with any of the moneys of the Company upon such investments authorised by the Memorandum of association of the Company (not being shares in this company) and in such manner as they think fit and from time to time to vary or relies such investments.
	To give security by way of indemnity
	13. To execute in the name and on behalf of the Company in favour of any Director or other persons who may incur or be about to incur any personal liability for the benefit of the Company such mortgage of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other power, covenants and provisions as shall be agreed upon.
	To give percentage
	14. To give any person employed by the Company a commission on the profit of any particular business, transaction or a share in the general profits of the Company, and such commission or share of profit shall be treated as part of the working expenses of the Company.
	To make bye laws
	15. From time to time make, vary and repeat bye-laws for the regulations of the business of the Company, its officers and servants.

Articles No.	Particulars
	To give bonus
	16. To give award, or allow any bonus, pension, ex-gratia, gratuity or compensation to any employee of the company or his widow, children or dependents, that may appear to the Board of Directors just or proper whether such employee, his widow, children or dependents have or have not a legal claim upon the Company.
	To create provident fund
	17. Before declaring any dividend, to set aside such portion of the profits of the Company as they may think fit, to form a fund to provide for such pensions, gratuities or compensation or to create any provident, superannuation, medical or benefit fund in such manner as the Board of Directors may deem fit
	To establish Managing Committee
	18. From time to time and at any time to establish any Managing Committee for managing any of the affairs of the Company in any specified locality in India, or out of India, and to appoint any person to be member of such Managing Committee and to fix their remuneration and from time to time and at any time to delegate to any person so appointed any of the powers, authority and discretion for the time being vested in the Board of Directors other than their power to make call; and to authorize the members for the time being for any such Managing Committee or any of them to fill up any vacancies therein and to act not withstanding vacancies, and any such appointment or delegation may be made in such terms and subject to such conditions as the Board of Directors may think fit and the Board of Directors may at any time remove any person so appointed and may annual or vary any such delegation.
	To make contract
	19. To enter into all such negotiations and contracts and rescind and vary all such contracts, execute and do all such acts deeds and things in the name and on behalf of the company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.
	To establish institution, society, etc.
	20. To establish, maintain, support and subscribe to any charitable, benevolent, public or generally useful objects of any institution, society, or club or local Boards or fund which may be for the benefit of the Company or its employees or may be connected with any town or place where the Company carries on its business or elsewhere or any objects in which the Company may be interested.
	To borrow or raise or secure the payment of money, subject to the approval of the President
	21. Subject to the approval of the President to borrow or raise or secure the payment of money in such manner as the Company shall think fit and particular by executing mortgages and the issue of bonds, debentures or debenture-stock, perpetual or otherwise charged upon all or any of the Company’s property (both present and future) including its uncalled capital and to buy-back, purchase, redeem, or pay off any such securities.
	To pay for preliminary expenses incurred
	22. To pay, reimburse, the expenses, cost, charges, honorarium, and consultancy for related, connected and related to preliminary expenses in connection with the promotion, formation, establishment and registration of the Company.
	To fix terms and conditions, for providing, maintaining operating services
	23. To fix terms, conditions and consideration for providing maintaining and operating services provided to the customers.
	To review compliance of laws applicable to the company
	24. To periodically review compliance reports pertaining to all laws applicable to the Company, as well as the steps taken by the Company to rectify instances of non-compliances;
	To plan for succession
	25. To satisfy itself that plans are in place for orderly succession for appointment to the Board of Directors and senior management;
	To formulate a code of conduct for Board members and senior management of company

Articles No.	Particulars
	26. To lay down a code of conduct for all members of Board of Directors and senior management of the company. The code of conduct shall suitably incorporate the duties of Independent Directors as laid down in the Act;
	To implement risk management plan for the company
	27. To be responsible for framing, implementing and monitoring the risk management plan for the Company in accordance with the Applicable Laws. The Company shall lay down procedures to inform members of the Board of Directors about risk assessment and minimization procedures.
76.	**Additional director**
	Subject to the provisions of Sections 149, 152 and 161 of the Act and Applicable Laws, the Board shall have the power to appoint an Additional Director provided the number of the Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by these Articles. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act.
77.	**Alternate director**
	(i) Subject to the approval of the President of India and provisions of Section 161 (2) of the Act, the Board may appoint an Alternate Director, not being a person holding any alternate directorship for any other director in the Company, to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the terms of office of the Original Director are determined before he so returns to India, any provisions in the Act or in these Articles for the automatic reappointment of any retiring Director in default of another appointment shall apply to the Original Director, and not to the Alternate Director. (ii) For the purpose of absence in the Board meetings in terms of Section 167 (1)(b) of the Act, the period during which an Original Director has an Alternate Director appointed in his place, shall be considered.
78.	**Small shareholders director**
	Subject to the provisions of Section 151 of the Act and other Applicable Laws, issued from time to time, the company may have one Director elected by small shareholders.
79.	**Woman director**
	Subject to the second proviso to Section 149 sub-section 1 of the Act and other Applicable Laws, if any, issued from time to time, the company shall have at least one Woman Director on the Board.
80.	**Seal**
	The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and except in the presence of at least one Director or such other person as the Board may appoint for the purpose; and the said Director or the person aforesaid shall sign every instrument to which the seal of the Company is so affixed in his presence.
81.	**Meeting of the board**
	The Company shall hold minimum number of four (4) meetings of its Board of Directors every year in such a manner that not more than 120 days shall intervene between two consecutive meetings of the Board.
82.	**Directors may summons meeting**
	A Director in consultation with and under the authority of the Chairman may at any time convene a meeting of the Board of Directors. Questions arising at any meeting shall be decided by majority of votes. The Chairman shall have a second or casting vote.
83.	**Notice of meeting**
	Notice of every meeting of the Board of Directors of the Company shall be given in writing to every Director for the time being in India and at his usual address in India. An accidental omission to give notice of any such meeting to a Director(s) shall not invalidate the meeting
84.	**Quorum of meetings**

Articles No.	Particulars
	The quorum for a meeting of the Company shall be one-third of its total strength (total strength as determined by the Act and any fraction in that one-third being round of as one) or 2 Directors, whichever is higher.
85.	**Chairman of board's meeting**
	The President may nominate a Director as Chairman of the Director's meetings and determine the period for which he is to hold office. If no such Chairman is nominated, or if at any meeting the Chairman is not present within 15 minutes after the time for holding the same, the Directors present may choose one of their members to be the Chairman of the meeting.
86.	**Power of quorum**
	A meeting of the Board of Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers, and discretion by or under the Articles of Company for the time being vested in or exercisable by the Board of Directors generally.
87.	**Delegation of powers to committees**
	The Board may, subject to the restrictions laid down in Section 179 of the Act, delegate any of their powers to Committees consisting of such member or members of their body as they think fit, and may from time to time, revoke such delegation. Any Committee so formed shall, in the exercise of the power so delegated, conform to any regulation that may, from time to time, be imposed upon it by the Board of Directors. The proceedings of such a Committee shall be placed before the Board of Directors as its next meeting.
88.	**Chairman at meeting of Committee**
	A committee of Directors may elect a Chairman of their meetings, if no such Chairman is elected or if at any meeting the Chairman is not present within 15 minutes after the time appointed for holding the same, the members present may choose one of the member to be the Chairman of the meeting.
89.	**When acts of Directors or committee valid notwithstanding defective appointment, etc**
	All acts done by Directors in any meeting of the Board of Directors, or of a Committee of Directors, or by any person acting as a Director shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been fully appointed and was qualified to be Director. Provided that nothing in this Articles shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.
90.	**Resolution without Board meeting valid**
	Subject to the provisions of Section 179 of the Act, resolutions of the Board can be passed by circulation and they shall be as valid and effectual as if they have been passed at a meeting of the Board of Directors duly called and constituted. No resolution shall, however, be deemed to have been duly passed by the Board or by a Committee thereof by circulation unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case maybe) and to all other Directors or members at their usual address in India, and has been approved by such of the Directors as are then in India or by a majority of such of them, as are entitled to vote on the resolution.
	VIGIL MECHANISM
91.	**Vigil Mechanism**
	The Company shall establish a vigil mechanism for their Directors and employees to report their genuine concerns or grievances. Audit Committee shall oversee the vigil mechanism. The vigil mechanism shall provide for adequate safeguards against victimisation of employees and Directors who avail of the vigil mechanism and also provide for direct access to the Chairman of the Audit Committee or the Director nominated to play the role of Audit Committee, as the case may be, in exceptional cases. In case of repeated frivolous complaints being filed by a Director or an employee, the Audit Committee may take suitable action against the concerned Director or employee including reprimand.
	DUTIES OF DIRECTORS
92.	**Duties of Directors**

Articles No.	Particulars
	(i) Subject to the provisions of this Act, a director of a Company shall act in accordance with the Articles of the Company. (ii) A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment. (iii) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment. (iv) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company. (v) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company. (vi) A director of a company shall not assign his office and any assignment so made shall be void. (vii) If a director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.
	RESERVES AND DIVIDENDS
93.	**Reserve fund**
	Subject to the provisions of Section 123 of the Act, the Board may, before recommending any dividend, set apart out of the profits of the Company such sums as they think proper as a reserve fund to meet contingencies or for equalizing dividends, or for special dividends, or for repairing, improving and maintaining any of the property of the company, and for amortization of capital and for such other purposes as the Board of Directors shall in their absolute discretion think conductive to the interest of the Company, and may invest the several sums so set aside upon such investments. (other than shares of the company) as they may think fit from time to time to deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company, and may divide the reserve funds into such special funds, as they think fit and employ the reserve funds or any part thereof in the business of the company and that without being bound to keep the same separate from the other assets.
94.	**Net profits**
	The declaration of the Directors as to the amount of net profits of the Company shall be conclusive.
95.	**Dividend**
	The profits of the Company available for payment of dividend subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of these presents as to the reserve funds and amortization of capital, shall, with the approval of the President, be divisible among the members in the proportion to the amount of capital paid up by them respectively, provided always that (subject as aforesaid) any capital paid up on a share during the period in respect of which a dividend is declared shall only entitle the holder of such share to an apportioned amount of such dividend as from the date of payment.
96.	**Interim dividend**
	Subject to the provisions of the Act and Applicable Laws, the Board may, from time to time, pay to the members such interim dividends as in their judgement the position of the Company justifies.
97.	**Capital paid up in advance**
	Where capital is paid up on any shares in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to a participate in profits.
98.	**Declaration of dividend**
	The Company in general meeting may declare a dividend to be paid to the members according to their rights and interests in the profits but no dividend shall exceed the amount recommended by the Board of Directors.
99.	**Dividend out of profits only and not to carry interest**

Articles No.	Particulars
	No dividend shall be declared or paid by the Company for any financial year except out of profits of the Company for that year arrived at after providing for the depreciation in accordance with the provisions of Section 123 of the Act or out of profits of the Company for any previous financial year or years arrived at after providing for the depreciation in accordance with those provisions and remaining undistributed or out of both or out of money provided by the Government for the payment of dividend in pursuance of a guarantee given by the Government. No dividend shall carry interest against the Company.
100.	**Debts may be deducted**
	The Board may retain any dividends in respect of shares on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
101.	**Dividends to the joint holders**
	Any one of several persons who are registered as the joining holders of any share, may give effectual receipts for all dividends and payments on account of dividends in respect of such shares.
102.	**Dividends are to be paid in cash**
	Subject to the provisions of Section 123 of the Act, no dividend shall be payable except in cash.
103.	**Payment by post**
	Unless otherwise directed, any dividends may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled or in the case of joint holders, to the registered address of that one whose name stands first in the register in respect of the joint holding; and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent. No unclaimed dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with all the provisions of Section 123 and 124 of the Act in respect of unclaimed or unpaid dividend.
104.	**Notice of dividends**
	Notice of the declaration of any dividends, whether interim or otherwise, shall be given to the holders of registered shares in the manner hereinafter provided.
	ACCOUNTS
105.	**Accounts to be kept**
	The Company shall cause to be kept proper books of accounts with respect to :- (a) All sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take place. (b) All sales and purchases made by the Company (c) The assets and liabilities of the Company.
106.	**Inspection of Account Books**
	The books of accounts shall be kept at the Registered Office of the Company or at such other place in India as the Board of Directors shall think fit and shall be open to inspection by the Directors during business hours.
107.	**Inspection by members**
	The Board of Directors shall, from time to time, determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members (not being Directors) and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board of Directors or by the company in general meeting.
108.	**Annual accounts and balance sheets**
	Subject to Section 129 of the Act, at the first Annual General Meeting and subsequently at every Annual General Meeting, the Board shall lay before the Company, a balance sheet and profit and loss Account in the case of the first account since the incorporation of the Company, and in any other case since the preceding account made upto a date not earlier than the date of the meeting by more than six months or where an extension of time has been granted for holding the meeting by more than six months and the extension so granted.
109.	**Annual report of the Board of Directors**
	The Board shall make out and attach to every balance sheet a report with respect to the state of the Company’s affairs, the amount, if any, which they recommended should be paid by way of

Articles No.	Particulars
	dividend and the amount, if any, which they propose to carry to the Reserve Fund, General Reserve or Reserve Account shown specifically in a subsequent balance sheet. The report shall be signed by the Chairman of the Board of Directors on behalf of the Directors authorised in that behalf by the Board, and when he is not so authorised, shall be signed by such number of Directors as are required to sign the balance sheet and the profit and loss account by virtue of sub-section (6) of Section 134 of the Act.
110.	**Content of profit and loss account**
	Forms of Balance Sheet and Profit and Loss Account shall be in accordance with the provisions of Section 129 of the Act. The profit and loss account shall in addition to the matters referred to in Section 129 of the Act show, arranged under the most convenient head, the amount of gross income distinguishing the several sources from which it has been derived and the amount of gross expenditure distinguishing the expenses of the establishment, salaries and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account so that just balance of profit and loss may be laid before the meeting, and in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated, with addition of the reason why only a portion of such expenditure is charged against the income of the year.
111.	**Balance sheet and profit and loss account to be sent to the members**
	The Company shall send a copy of such Balance Sheet and Profit and Loss Account together with a copy of the Auditor's Report to the registered address of every member of the Company in the manner in which notices are to be given hereunder at least twenty-one days before the meeting at which it is to be laid before the members of the Company during a period of at least twenty-one days before that meeting.
	AUDIT
112.	**Accounts to be audited annually**
	Once at least in every financial year the accounts of the Company shall be examined and the correctness of the profit and loss account and balance sheet shall be certified by one or more auditors as provided in the Act.
113.	**Appointments of auditors**
	The auditors of the Company shall be appointed or reappointed by the Central Government on the advice of the Comptroller and Auditor General of India and their remuneration, rights and duties shall be regulated by Sections 139 to 147 of the Act.
114.	**Powers of the Comptroller and Auditors General**
	The Comptroller and Auditor General of India shall have the powers :- (a) To direct the manner in which the Company's accounts shall be audited by the auditors appointed in pursuance of Article 113 hereof and to give such auditors instruction in regard to any matter relating to the performance of their functions as such. (b) To conduct a supplementary or test audit of the Company's accounts by such person or person as he may authorize in this behalf, and for the purposes of such audit, to have access at all reasonable times, to all accounts, account books, vouchers, documents and other papers of the Company and to require information or additional information to be furnished to any person or persons so authorised on such matters by such person or persons and in such form as the Comptroller and Auditor General may, by general or special order, direct.
115.	**Comments upon or supplement to audit report by the Comptroller and Auditor General to be placed before the annual meeting**
	The auditors aforesaid shall submit a copy of his/her audit report to the Comptroller and Auditor General of India who shall have the right to comment upon or supplement to the audit report in such manner as he may think fit. Any such comments upon or supplement to the audit report shall be placed before the Annual General Meeting of the Company at the same time and in the same manner as the audit report.
116.	**Auditor's right to attend meeting**
	The auditors of the Company shall be entitled to receive notice of and to attend any general meeting of the Company at which any account which have been examined or reported on by them are to be laid down before the Company and may make any statement or explanation they desire with respect to the accounts and supplementary report and comments, if any, of the Comptroller and Auditor General of India.
117.	**When accounts to be deemed finally settled**

Articles No.	Particulars
	Every account of the Company when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within the period, the account shall forthwith be corrected and henceforth shall be conclusive.
	NOTICE
118.	**How notices to be served on members**
	A notice may be given by the Company to any member either personally or by sending it by post to him to his registered address; if he has no registered address to the address if any, supplied by him to the Company, or through electronic means (e-mail), for the giving of notice to him.
119.	**In case of holder having no registered place of address**
	A holder of registered shares who has no registered place of address, may, from time to time, notify in writing to the Company his address which shall be deemed his registered place of address within the meaning of the last preceding Article.
120.	**When notice may be given by advertisement**
	If a member has no registered address and has not supplied to the Company an address for giving of notices to him, a notice addressed to him and advertised in newspaper circulating in the neighborhood of the registered office of the Company, shall be deemed to be duly given to him on the day on which the advertisement appears.
121.	**How notice to be given to a deceased or bankrupt member**
	A notice may be given by the Company to the person entitled to share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to him by name, or by the title or representative of the deceased, or assigned of the insolvent or by any like description, at the address (if any) supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by giving notice in any manner in which the same might have been given if the death or insolvency had not occurred.
122.	**To whom notice of general meeting to be given**
	Notice of every general meeting shall be given in the same manner here-in-before authorised to every member of the Company except those members who having no registered address have not supplied to the Company an address for giving of notice to them, and also to every person entitled to a share in consequence of the death or insolvency, would be entitled to receive notice of the meeting, provided the Company has been given due notice in accordance with the provisions of the Act..
123.	**Transferees bound by prior notice**
	Every person who by operation of the law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which previously to his name and address and title to the share being notified to and registered by the Company, shall be duly given to the person from whom he derives his title to such share.
124.	**How notice to be signed**
	The signature to any notice to be given by the company may be written or printed.
125.	**How time to be counted**
	Where a given number of days' notice or notices extending over any other period is required to be given, the day of service shall unless it is otherwise provided to be counted in such number or other period.
	STATUTORY REGISTERS
126.	**Statutory registers**
	The Company shall keep and maintain at its registered office or at such other place in India as the members of the Company may decide at the General Meeting, all applicable statutory registers namely, register of charges, register of members (including Foreign Register of members/debenture holders as the case may be) register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act, and the rules or any other Applicable Laws. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where

Articles No.	Particulars
	required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the rules.
	WINDING UP
127.	**Distribution of asset on winding up**
	Subject to the applicable provisions of Chapter XX of the Act and the rules made there under, if the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively. And if in a winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up, the excess shall be distributed amongst the members in proportion to the capital paid-up, or which ought to have been paid up on the shares held by them respectively. But this article is to be without prejudice to the rights of the holders of share issued upon special terms and conditions.
	SECRECY
128.	**Secrecy**
	Every Director, Secretary, Trustee, for the Company, its members, or debenture-holders member of a Committee, officer, servant, agent, accountant, or other person employed in or about the business of the Company shall, if so required by the Board before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all bonafide transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by any general meeting or by a court of law and except so far as may be necessary in order to comply with any of the provisions contained in these Articles.
129.	**Restriction on entry upon property**
	No shareholder or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the premises or properties of the Company without the permission of the Board or to require discovery of or any information respecting any detail of the trading of the Company or any matter which is or may be in the nature of trade secret, mystery of trade, or secret process or of any matter whatsoever which may be late to the conduct of business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to communicate. The President shall, however, be exempt from the provision of this Article notwithstanding anything mentioned hereinbefore.
	INDEMNITY AND RESPONSIBILITY
130.	**Director's and other's rights to indemnity**
	Subject to the provisions of the Act, every Director, Manager, Auditor, Secretary or other officer or employee of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses and expenses (including travelling expenses) which such Director, Manager, Auditor, Secretary or the officer or employee or servant may incur or become liable to by reason of any contract entered into or act or thing done by him as such officer or servant or in any other way in the discharge of his duties and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company have priority as between the members over all other claims. Subject to aforesaid every Director, Manager or officer of the Company shall be indemnified against any liability incurred by him or them in defending any proceedings whether civil or criminal in which judgement is given in his or their favour or in which he is or they are acquitted or in connection with any application under Section 463 of the Act in which relief is given to him or them by the Court.
131.	**Individual responsibility of directors**
	No Director or other officer of the Company shall be liable for the acts, receipts, neglect or defaults of any other Director or officer of the Company or for joining in any receipt or other act of conformity or for any loss or expenses happening to the Company through the

Articles No.	Particulars
	insufficiency or deficiency to title to any property acquire by the order of the Board of Directors for and behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any persons with whom any moneys, securities or effects shall be deposited or for any loss occasioned by any error of judgment or oversight on his part or for any other loss, damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own negligence, default, misfeasance, breach of duty or breach of trust.
REQUIREMENT OF COMPLIANCE WITH THE PROVISIONS OF THE SEBI LISTING REGULATIONS AND THE RULES AND REGULATIONS MADE BY SEBI	
132.	**Requirement of compliance with the provisions of the SEBI Listing Regulations and the rules and regulations made by SEBI**
	The Company shall from time to time comply with all the provisions as stipulated under the SEBI Listing Regulations and the rules and the regulations made by Securities and Exchange Board of India. Any provision of these Articles which is contrary to the provisions of the SEBI Listing Regulations or the Rules and Regulations made by SEBI or the provision of the Act, the said provision shall be deemed to be amended to the extent necessary to make it compliant with the said Listing Agreement or the rules and regulations of the SEBI or the Act. In case of any inconsistency between the provisions of these Articles, Act, SEBI Listing Regulations and other Applicable Laws, the provision/ compliance which is/are more onerous shall be applicable in such case, and these Articles shall be deemed amended to such extent.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and subsisting contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC. Copies of these contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 4 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date (except for such agreements executed after the Bid/Offer Closing Date).

A. Material Contracts to the Offer

1. Offer agreement dated September 29, 2020 among our Company, the Selling Shareholder and the BRLMs.

2. Registrar agreement dated September 28, 2020 among our Company, the Selling Shareholder, the BRLMs and Registrar to the Offer.

3. Escrow and Sponsor Bank Agreement dated [●] among our Company, the Selling Shareholder, the BRLMs, the Bankers to the Offer, the Syndicate Members and the Registrar to the Offer.

4. Syndicate agreement dated [●] among our Company, the Selling Shareholder, the BRLMs and the Syndicate Members.

5. Underwriting agreement dated [●] among our Company, the Selling Shareholder and the Underwriters.

6. Tripartite agreement dated June 18, 2020, among CDSL, our Company and the Registrar to the Offer.

7. Tripartite agreement dated July 1, 2020 among NSDL, our Company and the Registrar to the Offer.

8. Share escrow agreement dated [●] entered into among our Company, the Selling Shareholder and the Share Escrow Agent.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association, as amended from time to time.

2. Certificate of incorporation dated September 26, 2000.

3. Certificate of commencement of business dated October 9, 2000.

4. Letter issued by the Ministry of Railways (on behalf of the President of India), dated September 28, 2020 approving the divestment of 27% of the Equity Share capital of our Company, i.e., 86,653,369 Equity Shares, through the Offer.

5. Copies of annual reports of our Company for Fiscals 2018 and 2019 and audited consolidated financial statements for Fiscal 2020.

6. Resolution of the Board dated September 28, 2020 and IPO Committee dated September 29, 2020, in relation to the Offer and other related matters;

7. Examination reports of the Statutory Auditors, Suresh Chandra and Associates, Chartered Accountants, dated September 26, 2020 on the Restated Financial Statements included in this Draft Red Herring Prospectus.

8. Statement of possible special tax benefits available to our Company and its Shareholders from Suresh Chandra and Associates, Chartered Accountants dated September 26, 2020 included in this Draft Red Herring Prospectus.

9. Written consent of the Statutory Auditors, Suresh Chandra and Associates, Chartered Accountant, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 read with Section 26(5) of the Companies Act, 2013, in respect of their: (a) reports dated September 26, 2020 on the Restated Financial Statements; and (b) report dated September 26, 2020 on the statement of special tax benefits available for our Company and the Shareholders which have been included in this Draft Red Herring Prospectus.

10. Consents of the Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, Bankers to our Company, BRLMs, Syndicate Members, Registrar to the Offer, Bankers to the Offer, Legal Counsel to our Company and the Selling Shareholder as to Indian Law, International Legal Counsel to our Company and the Selling Shareholder and the Legal Counsel to the BRLMs as to Indian Law, in their respective capacities.

11. Consent of the President of India, acting through the MoR to include its shareholding representing 20% of the post Offer paid-up Equity Share capital as minimum promoter's contribution to the Offer, which shall be considered for lock-in for a period of three years from the date of allotment of Equity Shares in the Offer vide its letter dated September 28, 2020.

12. Order bearing no. 2009/E(O)II/40/27 and 2017/E(O)/II/40/6 dated December 12, 2018 and May 10, 2019, respectively issued by the Railway Board, Government of India for appointment of Puneet Chawla as the Chairman and Managing Director.

13. Order bearing no. 2017/E(O)II/40/28 dated May 23, 2018 issued by the Railway Board, Government of India, for appointment of Sanjai Kumar as the Director (Network, Planning and Marketing)/ Whole-time Director.

14. Order bearing no. 2015/E(O)II/40/27 dated September 3, 2019 issued by the Railway Board, Government of India, for appointment of Anand Kumar Singh as the Director (Finance)/ Whole-time Director.

15. Order bearing no. 2004/PL/48/3 dated May 3, 2019 issued by the Railway Board, Government of India for appointment of Umesh Balonda as the Part–time Government Director / Nominee Director.

16. Order bearing no. 2008/PL/48/1/Pt. dated July 20, 2018 issued by the Railway Board, Government of India, for appointment of Rashmi Jain as the Part-time (Non-official) Director / Independent Director.

17. Order bearing no. 2009/PL/50/13/Pt. dated July 11, 2019 issued by the Railway Board, Government of India, for appointment of Chinnasamy Ganesan as the Part–time (Non–official) Director / Independent Director.

18. Order bearing no. 2019/PL/77/02 dated December 30, 2019 issued by the Railway Board, Government of India, for appointment of Vinay Srivastava as the Part- time Government Director/ Nominee Director.

19. Memorandum of Understanding dated May 20, 2019 entered between our Company and Ministry of Railways for the Fiscal 2020.

20. Industry reports titled "*Assessment of the telecom and telecom data services industry in India*" from CRISIL dated September 2020.

21. Exemption letter bearing number SEBI/HO/CFD/DIL-II/OW/P/2020/15146 dated September 15, 2020 issued by SEBI whereby our Company has received relaxation from the strict enforcement of certain requirements under the SEBI ICDR Regulations and SEBI Listing Regulations.

22. In-principle listing approvals dated [●] and [●] received from NSE and BSE, respectively.

23. Due diligence certificate dated September 29, 2020 to SEBI from the BRLMs.

24. Observation letter, dated [●] bearing no. [●] received from SEBI in respect of this DRHP.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time, if so required in the interest of our Company, or if required by other parties, without notification to the shareholders, subject to compliance with the provisions contained in the Companies Act, 2013 and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

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Puneet Chawla
Chairman and Managing Director

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Sanjai Kumar
Director (Network, Planning and Marketing) /
Whole-time Director

____

Rashmi Jain
Part–time (Non–official) Director/ Independent
Director

Date: September 29, 2020

Place: New Delhi

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

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Anand Kumar Singh
Director (Finance) / Whole-time Director and Chief Financial Officer

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Anand Kumar Singh
Whole-time Director (Finance) and Chief Financial Officer

Date: September 29, 2020

Place: Kolkata

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

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Umesh Balonda
Part–time Government Director (Nominee Director)

Date: September 29, 2020

Place: New Delhi

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

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Vinay Srivastava
Part–time Government Director (Nominee Director)

Date: September 29, 2020

Place: New Delhi

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

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Chinnasamy Ganesan
Part-time (Non-official) Director/ Independent Director

Date: September 29, 2020

Place: Chennai

DECLARATION

On behalf of the Selling Shareholder, I certify and confirm that all the statements, disclosures and undertakings made in this Draft Red Herring Prospectus about or in relation to the Selling Shareholder and the Equity Shares which are being offered pursuant to this Offer for Sale are true and correct. We assume no responsibility as a Selling Shareholder, for any other statements, including, any of the statements made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

Signed on behalf of the Selling Shareholder

Authorised Signatory of the President of India,
acting through the Ministry of Railways, Government of India

Name: Vinay Srivastava

Designation: Executive Director/ PSU

Date: September 29, 2020

Place: New Delhi