



RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED

(A Joint Venture of Govt. of Karnataka & Ministry of Railways)



19th ANNUAL REPORT 2019-20





**NINETEENTH
ANNUAL REPORT
2019-20**

**Rail Infrastructure Development Company
(Karnataka) Limited**

Rail Infrastructure Development Company (Karnataka) Limited - K-RIDE

BOARD OF DIRECTORS	: Shri.T.M.Vijay Bhaskar, IAS - Chairman Shri. I.S.N. Prasad, IAS Shri. Rakesh Singh, IAS Shri. Kapil Mohan, IAS Shri. O.P. Singh, IRSE Shri. GulAshfaque Mohammed, IRSE Shri. R.K. Singh, IRSE Shri. Amit Garg, IRSE Shri. Harendra Pandey - Director (BD & F) - (from 02.12.2020) ACA,ACMA,ACS
COMPANY SECRETARY	: Shri. S.N.Srinivasa - (from 01.06.2020) B.Com, LLB, FCS, FCMA, PGDIRPM
GM (FINANCE)	: Shri. Awadhesh Mehta - (from 01.10.2020) CA, ICWA, CPA
STATUTORY AUDITORS	: M/s. Pandurang Shenoy & Co., Chartered Accountants No.5E, 5 th Floor, Chitrapura Bhavan, 15 th Cross, 8 th Main, Malleshwaram Bengaluru - 560055
C&AGI AUDITORS	: Office of the Accountant General (Audit - II) Karnataka Audit Bhavan 'A' Block, Post Box No.5398 Bengaluru - 560001
BANKERS	: Canara Bank Indiranagar Branch Bangalore - 560038 IDBI Bank Limited Gandhinagar Bangalore - 560009
REGISTERED OFFICE (OLD ADDRESS UPTO 15.12.2020)	: MSIL House, 7 th Floor, # 36, Cunningham Road, Bangalore - 560052
REGISTERED OFFICE (NEW ADDRESS FROM 16.12.2020)	: Samparka Soudha, Survey No. 8, 1 st Floor, (B.E.P. Premises) Opp. Orion Mall, Dr. Rajkumar Road, Rajajinagar 1 st Block, Bangalore - 560010

CONTENTS

1. Notice	:	1
2. Directors' Report	:	2
3. Auditors' Report	:	9
4. C&AGI Comments	:	16
5. Balance Sheet	:	17
6. Profit and Loss Statement	:	18
7. Cash Flow Statement	:	19
8. Notes to Financial Statements & Significant Accounting Policies	:	20

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the 19th Annual General Meeting of the Shareholders of **M/s. Rail Infrastructure Development Company (Karnataka) Limited** will be held on **Wednesday the 4th November 2020 at 5.00 p.m. at the office of Chief Secretary to GoK, Room No.320, 3rd Floor, Vidhana Soudha, Bangalore – 560 001** to transact the following business at shorter notice:-

ORDINARY BUSINESS

1. **Adoption of Financial Statements:** Financial Statements of the Company for the year ended March 31, 2020 and the reports of the Board of Directors (the Board) and Auditors thereon together with the comments received from C&AGI under section 143 of the Companies Act, 2013.
2. **Re-appointment of Director :** To appoint a Director in place of Shri. T.M. Vijay Bhaskar, (DIN 06688932), who retires by rotation and being eligible offers himself for re-appointment.
3. **Re-appointment of Director :** To appoint a Director in place of Shri. Kapil Mohan, (DIN 03627128), who retires by rotation and being eligible offers himself for re-appointment.
4. To consider fixation of remuneration for the year ending 31st March 2021 payable to Statutory Auditors appointed by Comptroller & Auditor General of India (C&AGI) and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT the appointment of M/s. Panduranga Shenoy & Co, (Firm Regn. No.008242S) Chartered Accountants, Bengaluru as Statutory Auditors made by the CAG under section 139(5) of the Companies Act, 2013 for the financial year 2020-21 be and is hereby noted and the remuneration payable to M/s. Panduranga Shenoy & Co, Chartered Accountants, Bengaluru for the financial year 2020-21 be and is hereby fixed at ₹ 25,000/- plus GST& other taxes if any.”

By order of the Board
For Rail Infrastructure Development Company (Karnataka) Limited

Place : Bangalore
Date : 28.10.2020

Sd/-
S.N.SRINIVASA
Company Secretary

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote at the meeting instead of himself and the proxy need not be a member of the Company. The enclosed proxy form should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the AGM.
2. The Company being a Government Company, the Comptroller & Auditor General of India has appointed the Statutory Auditors of the Company for the year 2020-21 under section 139 (5) of the Companies Act, 2013.
3. Consent of all shareholders obtained for shorter notice.
4. Route Map is enclosed.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
6. The Registrar of Companies, Karnataka has granted general extension of time for holding the AGM by 3 months upto 31.12.2020 to all the companies in view of the difficulties faced due to Covid-19 Pandemic vide their order dated 08.09.2020.

DIRECTORS' REPORT TO THE SHAREHOLDERS**To The Members,**

Your Directors have pleasure in presenting the Nineteenth Annual Report on the working of your Company together with the Audited Statement of Accounts and the Auditors' Report with an addendum to this report containing the Management Replies to the observations made in the Auditors Report for the financial year ended on March 31, 2020.

1. FINANCIAL RESULTS

The financial results for the year ended March 31, 2020 are summarised below.

(₹ In Lakhs)

Particulars	Current Year 31.03.2020	Previous Year 31.03.2019
Income from Operations	-	-
Other Income:		
Interest from Bank Deposits	190.77	73.49
Interest on Income Tax Refund	7.12	-
Other Miscellaneous Income	1.29	-
Total Income	199.18	73.49
Less: Total Expenses	75.40	37.69
: Prior period items	-	-
Profit before Tax	123.78	35.80
Less: Provision for Tax	-	-
Profit / (Loss) after Tax	123.78	35.80
Add: Profit brought forward	829.00	793.20
Add: Prior period adjustments	13.84	-
Profit carried to the Balance Sheet	966.62	829.00

2. GENERAL INFORMATION ABOUT THE COMPANY

Based on the directives of the Ministry of Railways, the Company was restructured as a State Joint Venture with equity participation between Government of Karnataka and Ministry of Railways at 51:49 ratio vide Revised Shareholders Agreement dated 17.10.2018. In view of restructuring of K-RIDE as a State JV, the activities/scope of the Company has been widened which amongst others, include the following:

- development, financing and implementation of railway projects and/or projects which may require viability gap funding that are important for critical connectivity/ capacity enhancement, as agreed by the Parties;
- undertaking surveys, preparation of Detailed Project Report (DPR) to examine the Viability of the railway projects;
- processing for sanctioning of the railway projects (identified by the Board or the parties);
- incorporation and funding of subsidiaries/special purpose vehicles for undertaking railway projects; and
- undertaking all such actions not specifically mentioned above, that may be required to give effect to the intent of the Parties, as set out in the Agreement.

The Company allotted 50,00,000 equity shares of ₹10/- each on 05.04.2019 as against the 2nd right issue of shares.

The authorised share capital of the company has been increased from ₹ 20 Crores to ₹ 100 Crores in the AGM held on 25.11.2019.

The paid up capital of the company has also been increased from ₹10 Crores to ₹30 Crores and the Company is awaiting the receipt of funds from GoK & MoR.

3. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS, IF ANY

There are no material events occurred subsequent to the date of financial statements.

4. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no change in the nature of business of the Company. The Company is authorised by Govt. of Karnataka for drawing funds released by them to Railways & others for various cost sharing projects and acting as a Nodal Agency. During the year ₹173.81 Crores were released by Govt. of Karnataka to Railways through K-RIDE. The company has already initiated steps to implement BSRP, two doubling projects and other new railway line projects as and when assigned by the government.

5. DIVIDEND

Since the Company has no business income, and has only interest on fixed deposits held with the Banks, no dividend has been recommended by the Directors.

6. TRANSFER OF RESERVES IN TERMS OF SECTION 134(3)(J) OF THE COMPANIES ACT, 2013

The Company has not transferred any amount to General Reserve Account for the financial year ended 31st March 2020.

7. SHARE CAPITAL

The authorised share capital of the company has been increased from ₹ 20 Crores to ₹100 Crores in the AGM held on 25.11.2019. The paid up share capital of the company has also been increased from ₹10 Crores to ₹ 30 Crores and is awaiting the receipt of funds from GoK and MoR. The shares of the Company were held by the Govt. of Karnataka and Ministry of Railways in the ratio of 51:49 ratio.

8. DEMAT & REMAT OF SHARES

The Company has already initiated steps to close its demat account with NSDL in view of rematerialisation of shares consequent on the exemptions from the DEMAT for Govt. Companies. However, the company has already informed NSDL and BgSE (RTA) that the Company has decided to withdraw its shares from the depository. The Company has accordingly made subsequent allotments in physical mode only.

9. DETAILS RELATING TO DEPOSITS

The Company has not received any deposit nor renewed it.

10. DIRECTOR'S & KEY MANAGERIAL PERSONNEL

During the year, the Govt. of Karnataka has nominated Shri.Rakesh Singh, IAS, ACS to GoK/UDD as Director on the Board of K-RIDE w.e.f.28.02.2020 in place of Dr.E.V.Ramana Reddy, IAS, transferred.

The Ministry of Railways has nominated Shri.A.K. Singhal, IRSE, Principal Executive Director (Bridges) as Director on the Board of K-RIDE w.e.f.28.02.2020 in place of Shri.Sanjay Rastogi. The Ministry of Railways has also nominated Shri. Gul Ashfaq Mohammed, IRSE, CPDE/SWR as a Director on the Board of K-RIDE w.e.f.28.02.2020.

The Ministry of Railways has nominated Shri.Ajay Sharma, ED/SPV/MTP/Railway Board as Director on the Board of K-RIDE w.e.f.18.06.2020 in place of Shri.A.K.Singhal.

The Ministry of Railways has nominated Shri.O.P.Singh, PED/SD/MTP/Railway Board as Director on the Board of K-RIDE w.e.f.13.08.2020 in place of Shri.Ajay Sharma.

Shri. Amit Garg, IRSE continues to be the Managing Director of the Company w.e.f. 25.07.2019. The Company appointed Shri.S.N.Srinivasa as Company Secretary w.e.f. 01.06.2020 and Shri.V.Sridhar as GM/Civil of the company w.e.f.18.06.2020 to comply with the provisions of the companies Act, 2013. None of the directors other than Managing Director are whole time directors of the company as on date.

Shri. T.M.Vijay Bhaskar & Shri. Kapil Mohan Directors retires by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

The provisions of sub-section (4) of Section 149 of the Companies Act, 2013 read with Rule 4 of Companies (Appointment & Qualification of Directors) Rules, 2014 regarding independent directors are not applicable to the Company.

The provisions of sub-section (1) of Section 178 read with Rule 6 of Companies (Meetings of Board and its powers) Rules, 2014 regarding constitution of Nomination & Remuneration Committee, Stakeholders Relationship Committee & Audit Committee are not applicable to the Company for the year 2019-20. However, the Audit & Nomination & Remuneration Committees have been constituted during the year 2019-20 consequent on increase in paid up capital of the Company to ₹10 Crores during the year 2019-20.

11. AUDITORS

As the Company is a Government Company under section 2(45) of the Companies Act, 2013, the Comptroller and Auditor General of India under section 139 (5) of the Companies Act, 2013 appoints the statutory auditors to audit the annual accounts. The CAG have appointed M/s. Panduranga Shenoy & Co, Bangalore, CAs as statutory auditors for the year 2020-21. The statutory auditors appointed by CAG will hold office until the next Annual General Meeting.

12. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the Directors had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit and loss of the Company for that period;
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors had prepared the annual accounts on a going concern basis;
- e. the Company being unlisted sub clause (e) of Section 134 (5) is not applicable.
- f. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS U/S 186

The particular of loans, guarantees or investments u/s 186 for the year under report may be taken as Nil.

14. INFORMATION ABOUT SUBSIDIARY/ JV/ASSOCIATE COMPANY

The Company has no subsidiary/associate Company. The Company has invested ₹ 2 Crore in the paid up capital of M/s.Hassan Mangalore Rail Development Company Ltd., (1.786% of paid up capital) one of the Special Purpose Vehicle (Joint Venture of Ministry of Railways, Govt., of Karnataka and strategic investors).Further, Company proposed to incorporate a 100% subsidiary project SPV i.e. M/s.Bengaluru Integrated Rail Infrastructure Development Enterprise Limited - B-RIDE to take Bangalore Sub-urban Rail Project shortly.

15. RELATED PARTY TRANSACTIONS

There were no contracts or arrangements entered into by the Company in accordance with provisions of section 188 of the Companies Act, 2013.

16. BOARD MEETINGS, COMMITTEES OF DIRECTORS

The Board of Directors of the Company met five times during the financial year on the following dates:

1. 05.04.2019
2. 29.07.2019
3. 05.10.2019
4. 23.12.2019
5. 28.02.2020

The gap intervening between two meetings of the board is as prescribed in the Companies Act, 2013.

The details of attendance of members are as follows:

Name	Status	Category	No. of meeting held during the year 2019-20	
			Held	Attended
Shri. T.M.Vijay Bhaskar	Chairman	Non-Executive & Nominee Director	3	3
Shri. I.S.N. Prasad	Member	Non-Executive & Nominee Director	2	1
Shri. Rakesh Singh	Member	Non-Executive & Nominee Director	1	1
Shri. Kapil Mohan	Member	Non-Executive & Nominee Director	3	3
Shri. R.K.Singh	Member	Non-Executive & Nominee Director	2	2
Shri. A.K.Singhal	Member	Non-Executive & Nominee Director	1	0
Dr.E.V.Ramana Reddy	Member	Non-Executive & Nominee Director	2	2
Shri. Sanjay Rastogi	Member	Non-Executive & Nominee Director	3	1
Shri. Pavan Kumar Malapati	Member	Non-Executive & Nominee Director	3	1
Dr. Sandeep Dave	Chairman	Non-Executive & Nominee Director	1	1
Shri. Ramesh R	Member	Non-Executive & Nominee Director	2	1
Shri. S.Gagarin	Member	Non-Executive & Nominee Director	2	2
Shri. Rajesh Agarwal	Member	Non-Executive & Nominee Director	1	0
Shri. Gul Ashfaque Mohammed	Member	Non-Executive & Nominee Director	1	0
Shri. Amit Garg	Member	Managing Director	5	5

A) AUDIT COMMITTEE

The Audit Committee was constituted on 05.10.2019 consequent on increase in paid up capital of the company to ₹ 10 Crore as follows:

1. Shri. Kapil Mohan - Chairman of the Committee
 2. Shri. Sanjay Rastogi - Member
 3. Director from FD - Member
 4. Director (BD & F) - Member
- (As & when joins K-RIDE)

The Committee was reconstituted on 28.02.2020 as follows:

1. Shri. Kapil Mohan - Chairman of the Committee
2. Shri. R.K.Singh - Member
3. Shri. I.S.N. Prasad - Member
4. Shri.Gul Ashfaque Mohammed - Member

No Audit Committee Meeting took place during the financial year 2019-20.

B) NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was constituted on 05.10.2019 consequent on increase in paid up capital of the company to ₹ 10 Crore as follows:

1)	Dr.E.V.Ramana Reddy	-	Chairman of the Committee
2)	Shri. Kapil Mohan	-	Member
3)	Shri. Sanjay Rastogi	-	Member
4)	Director from FD	-	Member

The Committee was reconstituted on 28.02.2020 as follows:

1)	Shri. Rakesh Singh	-	Chairman of the Committee
2)	Shri. Kapil Mohan	-	Member of the Committee
3)	Shri. R.K.Singh	-	Member of the Committee
4)	Shri. Amit Garg	-	Member of the Committee

The Nomination and Remuneration Committee met once on 20.03.2020 during the financial year 2019-20. All the members attended the meeting.

17. EXTRACT OF ANNUAL RETURN

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT 9** has been published on the website of the Company under the web-link: <https://kride.in/ear-for-the-year-ended-31-03-2020/>.

18. BOARD EVALUATION

The provisions of clause (p) of sub-section (3) of Section 134 of the Companies Act, 2013 read with Sub Rule 4 of Rule 8 of Companies (Accounts) Rules, 2014, regarding Board Evaluation is not applicable to the company as the same is exempted for Govt. Companies.

19. QUALIFICATIONS IN AUDIT REPORTS

There is no qualifications made in the Auditors Report for the financial year ended 31.03.2020.

20. PARTICULARS OF EMPLOYEES

There are no employees drawing remuneration beyond the stipulated limit in accordance with Sec.197 read with the provisions of Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

As the Company has not commenced its operations, the information relating to conservation of energy, technology absorption and foreign exchange outgo may be taken as Nil.

22. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

As the company has not commenced its operations and as on date no orders which are held significant and material to the Company has been passed by any of the Regulators.

23. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has an adequate internal financial control considering the nature and size of the company.

24. RISK MANAGEMENT POLICY

Although the company has long been following the principle of risk minimization as is the norm in every industry, it has now become a compulsion.

The main objective is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business.

The common risks inter alia are: Regulations, Competition, Business risk, Technology obsolescence, Investments.

Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk.

As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

25. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

There was no complaint received from any employee during the financial year 2019-20 and hence no complaint is outstanding as on 31.03.2020 for redressal.

26. CORPORATE SOCIAL RESPONSIBILITY

The provisions regarding Corporate Social Responsibility are not applicable to the Company for the year under report.

27. SECRETARIAL STANDARDS

The Company is following the provisions of the Companies Act, 2013 regarding secretarial standards.

28. APPLICABILITY OF SECRETARIAL AUDIT REPORT

The Secretarial Audit is not applicable to the Company.

29. VIGIL MECHANISMS OF THE COMPANY:

The provisions regarding vigil mechanisms are not applicable to the Company.

30. OUTLOOK FOR THE FUTURE:

The Company being a state Joint Venture will undertake:

- a) Survey and Preparation of DPR of mutually identified all infrastructure projects and process for obtaining requisite sanctions.
- b) Execution of already sanctioned railway projects (doublings & new lines).
- c) Execution of RoB/RuB works as assigned to it.
- d) Infrastructure projects in any other sector.

The Company can also form Project Specific subsidiary companies (Project SPVs) which may have equity holding by other stakeholders like Banks, PSUs, Ports, Mining Companies etc. to cater to a specific project.

K-RIDE has successfully completed the FLS of Dharwad – Belgaum New Line and its preparation of DPR successfully. K-RIDE has been entrusted with two doubling projects i.e. Baiyyappanahalli – Hosur (48 kms) – ₹ 498.73 Crores & Yeshwanthpur – Channasandra (21.70 kms) - ₹ 314.10 Crores and execution of works for the same has started. Tenders for other civil, signalling and electrification works have been invited.

About the Bengaluru Sub-urban Rail Project: -

The Ministry of Railways and Govt. of Karnataka have jointly approved the DPR for Bengaluru Suburban Rail Project for running dedicated sub-urban rail services. The DPR was prepared by M/s.RITES and the project will be implemented by K-RIDE. The total project completion cost is ₹ 15767 Crores including taxes and duties, land cost, interest during construction and cost escalations. This does not include the cost of trainsets (₹ 2785 Crores) which will be procured, operated and maintained on a PPP model.

Corridors	Section	Length in Kms
1	Bengaluru - Devanahalli	41.40
2	Baiyyappanahalli - Chikkabanavara	25.01
3	Kengeri - Whitefield	35.52
4	Heelalige - Rajanukunte	46.24
	Total	148.17

Project is expected to be completed in a period of **six years** from the date of sanction of the project. Land acquisition work for the project has begun. The Project has been approved by Govt. of Karnataka. It is now awaiting the approval of Govt. of India.

31. ACKNOWLEDGEMENTS

K-RIDE has developed close relationships with Infrastructure Development Department, Urban Development Department, Directorate of Urban Land Transport (DULT), Finance Department / Government of Karnataka, Ministry of Railways, Government of India, South Western Railway, Hassan Mangalore Rail Development Company (HMRDC) and M/s. RITES Ltd. The Board of Directors wishes to gratefully acknowledge the assistance and guidance received from all of them.

By order of the Board
For Rail Infrastructure Development Company (Karnataka) Ltd.,

Place: Bangalore
Date: 03.10.2020

Sd/-
T.M.VIJAY BHASKAR, IAS
Chairman

INDEPENDENT AUDITOR'S REPORT

To the Members of
Rail Infrastructure Development Company (Karnataka) Limited

REPORT ON THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of Rail Infrastructure Development Company (Karnataka) Limited, ("the Company"), which comprise the Balance Sheet as at March 31st 2020, the Statement of Profit and Loss, cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 2013, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in case of the Balance sheet, of the state of affairs of the Company as at March 31, 2020; and
- (b) in the case of the Statement of profit and Loss, of the Profit for the year ended on that date.
- (c) in the case of cash flow statements, the cash flow for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in Auditor's Responsibilities for the Audit of Financial Statement section of our report. We are Independent of the Company in accordance with code of Ethics issued by Institute of Chartered Accountants of India together with Ethical requirements that are relevant to our audit of financial statements under the provisions of the act and the rules there under, and we have fulfilled our others responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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

Information other than Financial Statements and Auditor's Report thereon

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

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

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

When we read other information, if we conclude that there is a material misstatement there in, we required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under

Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using going concern basis of accounting unless management either intends to liquidate the company or to cease operation, or has no realistic alternative but to do so. Board of directors is also responsible for overseeing the company's financial reporting process.

Auditors' Responsibility for the Financial Statements

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

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

- a. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal control relevant to the audit in order to design the audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we enclose in the 'Annexure-A' a statement on the matters specified in paragraphs 3 and 4 of the said order, to the extent applicable.
2. We are enclosing our report in terms of section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we consider appropriate and according to the information and explanations given to us, in the 'Annexure-B' on the directions and sub-directions issued by the Comptroller and Audit General of India.
3. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31 March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) In our opinion and based on the information and explanation given to us at the time of performing our audit, adequate internal control systems are in place and we find their operating effectiveness to be satisfactory. This may be referred with Internal Financial Control in 'Annexure-C'.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion to the best of our information and according to the explanations given to us:
 - I. The Company does not have any pending litigations which would impact its financial position.
 - II. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - III. There were no amount which were required to be transferred to the Investors Education and Protection Fund by the Company.

For Pandurang Shenoy & Co.,
Chartered Accountants
Firm registration number: 008242S

Date: 05.10.2020
Place: Bangalore
UDIN: 20202768AAAABW2125

CA K Pandurang Shenoy
Partner
M No. 202768

Annexure-A

Annexure referred to in paragraph 1 Our Report of even date to the members of Rail Infrastructure Development Company (Karnataka) Limited on the accounts of the company for the year ended 31st March, 2020.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets ;
(b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
2. The Company has no inventories and accordingly, provisions of Clause 3 (ii) of the Order are not applicable to the Company.
3. Considering the nature of business of the Company, none of the clauses from 3(iii) to 3(xii) of the Order are applicable to the Company
4. According to the information and explanations given to us, no material fraud on or by the company has been reported during the course of our Audit.
5. According to the Information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
6. According to the Information and explanations given to us and based on our examination of the records of the Company, the Company has issued 50,00,000 right shares of ₹ 10 each.
7. According to the Information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. According paragraph 3(xv) of the Order is not applicable.
8. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Pandurang Shenoy & Co.,
Chartered Accountants
F.R.N: 008242S

Date: 05.10.2020
Place: Bangalore
UDIN: 20202768AAAABW2125

CA K Pandurang Shenoy
Partner
M.No.202768

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of Rail Infrastructure Development Company (Karnataka) Limited (the Company) for the year ended 31st March 2020.

Sl.No.	General Directions	Comments
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT System on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, Company maintains all its accounting transactions in Tally software.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off to debts/loans/ interest etc made by a lender to the company due to the Company's inability to repay the loan? If yes, the financial impact may be stated.	We have not come across any restructuring of an existing loan or cases of waiver/write off to debts/loans/ interest.
3	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/ utilized as per its terms and conditions? List the case of deviation.	Yes.

For Pandurang Shenoy & Co.,
Chartered Accountants
F.R.No.008242S

Date : 05.10.2020
Place : Bangalore

CA K Pandurang Shenoy
Partner
M No. 202768

“ANNEXURE C” TO THE INDEPENDENT AUDITOR’S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

1. We have audited the internal financial controls over financial reporting of Rail Infrastructure Development Company (Karnataka) Limited, ('the Company') as of March 31st, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

2. The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that
 - (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Pandurang Shenoy & Co.,
Chartered Accountants
Firm registration number: 008242S

Date : 05.10.2020
Place : Bangalore
UDIN : 20202768AAAABW2125

CA K Pandurang Shenoy
Partner
M No. 202768

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED, BENGALURU FOR THE YEAR ENDED 31 MARCH 2020

The preparation of financial statements of **Rail Infrastructure Development Company (Karnataka) Limited, Bengaluru** for the year ended **31 March 2020** in accordance with the financial reporting framework prescribed under the companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 05.10.2020.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of **Rail Infrastructure Development Company (Karnataka) Limited, Bengaluru** for the year ended **31 March 2020** under section 143 (6) (a) of the Act.

**For and on behalf of the
Comptroller and Auditor General of India**

**(ANUP FRANCIS DUNGUNG)
ACCOUNTANT GENERAL (AUDIT-II)
KARNATAKA, BENGALURU**

Place : Bangalore
Date : 20.10.2020

BALANCE SHEET AS AT 31ST MARCH 2020

Particulars	Notes No.	As at 31 March 2020 (₹)	As at 31 March 2019 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	10,00,00,000	5,00,00,000
(b) Reserves and Surplus	4	9,66,62,640	8,29,00,242
(2) Share Application Money pending allotment	5	-	5,00,00,000
(3) Non - Current Liabilities			
(a) Deferred Tax Liabilities (Net)		-	-
(b) Other Long - Term Liabilities	6	4,90,823	4,90,823
(4) Current Liabilities			
(a) Other Current Liabilities	7	25,60,03,333	43,58,83,314
TOTAL		45,31,56,796	61,92,74,379
II. ASSETS			
(1) Non - Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	8	2,03,897	1,12,566
(ii) Intangible Assets		10,50,192	-
(b) Non-Current investments	9	2,00,00,000	2,00,00,000
(2) Current Assets			
(a) Cash and Cash Equivalents	10	36,64,38,348	59,56,67,160
(b) Other Current Assets	11	6,54,64,359	34,94,653
TOTAL		45,31,56,796	61,92,74,379
The accompanying Notes are an integral part of the financial statements			

In terms of our report attached
for Pandurang Shenoy & Co.,
Chartered Accountants
Firm Reg.No. 008242S

CA K Pandurang Shenoy
Partner
M.No. 202768

Place : Bangalore
Date : 05.10.2020

For and on Behalf of Board of Directors of
Rail Infrastructure Development Company (Karnataka) Limited

Amit Garg
Managing Director
DIN: 08212610

Vedula Sridhar
GM(Civil)/CFO

Kapil Mohan
Director
DIN: 03627128

S.N. Srinivasa
Company Secretary
FCS:2197

Place : Bangalore
Date : 25.09.2020

STATEMENT OF PROFIT AND LOSS THE YEAR ENDED 31ST MARCH 2020

Sl. No.	Particulars	Notes No.	As at 31 March 2020 (₹)	As at 31 March 2019 (₹)
I	Revenue from Operations		-	-
II	Other Income	12	1,99,18,651	73,49,060
III	Total Revenue (I+II)		1,99,18,651	73,49,060
IV	Expenses:			
	Employee benefit expenses	13	39,82,159	5,31,120
	Financial Costs		-	-
	Depreciation and amortisation expenses	8	85,911	81,816
	Other Expenses	14	34,72,028	31,56,384
	Total Expenses		75,40,098	37,69,320
V	Profit before exceptional and extraordinary items and tax (III - IV)		1,23,78,553	35,79,739
VI	Exceptional Items - Prior Period Items (Refer Note No.18)		-	-
VII	Profit before extraordinary items and tax (V-VI)		1,23,78,553	35,79,739
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		1,23,78,553	35,79,739
X	Tax Expenses:			
	(1) Current Tax		-	-
	(2) Deferred Tax		-	-
XI	Profit (Loss) for the year from continuing operations (IX-X)		1,23,78,553	35,79,739
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax Expenses of discontinuing operations		-	-
XIV	Profit/(Loss) from discontinuing operations (XII - XIII)		-	-
XV	Profit/(Loss) for the year (XI + XIV)		1,23,78,553	35,79,739
XVI	Earning per equity share	16.3		
	(1) Basic		1.24	0.72
	(2) Diluted		1.24	0.72
	The accompanying Notes are an integral part of the financial statements			

In terms of our report attached
for Pandurang Shenoy & Co.,
Chartered Accountants
Firm Reg.No. 008242S

CA K Pandurang Shenoy
Partner
M.No. 202768

Place : Bangalore
Date : 05.10.2020

For and on Behalf of Board of Directors of
Rail Infrastructure Development Company (Karnataka) Limited

Amit Garg
Managing Director
DIN: 08212610

Vedula Sridhar
GM(Civil)/CFO

Kapil Mohan
Director
DIN: 03627128

S.N. Srinivasa
Company Secretary
FCS:2197

Place : Bangalore
Date : 25.09.2020

CASH FLOW STATEMENT (INDIRECT METHOD) FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	As at 31 March 2020 (₹)	As at 31 March 2019 (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax	1,23,78,553	35,79,739
Prior Period Adjustments	13,83,845	-
Receipts from GoK towards Project Funding	173,81,00,000	199,60,19,283
Payments to MoR towards Project Funding	(192,06,08,674)	(172,82,60,567)
Adjustments for Non- Operating matters:		
Depreciation/ Amortisation	85,911	81,816
Interest Income	(1,90,77,369)	(73,48,548)
Loss/(Profit) on Sale of fixed assets	(8,110)	-
Write off preliminary Expenses	-	-
Operating profit before working capital changes	(18,77,45,844)	26,40,71,724
Adjustments for :		
Decrease/ (increase) in Other Current Assets	(6,19,69,706)	(4,18,218)
(Decrease) / increase in Trade Payables	-	-
(Decrease) / increase in Other Current Liabilities	26,28,693	19,525
(Decrease) / increase in Short Term provisions	-	-
Cash generated from operations	(24,70,86,857)	26,36,73,031
Direct taxes paid	-	-
Net cash from/(used in) operating activities (A)	(24,70,86,857)	26,36,73,031
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets	(12,33,975)	(45,900)
Sale of fixed assets	14,651	-
Interest received on fixed deposits and Current Account	1,90,77,369	71,04,556
Net cash from/(used in) investing activities (B)	1,78,58,045	70,58,656
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Application Money refunded	-	-
Investments in Non Current Assets	-	-
Net cash from/(used in) financing activities (C)	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(22,92,28,812)	27,07,31,687
Cash and cash equivalents (opening balance)	59,56,67,160	32,49,35,473
Cash and cash equivalents (closing balance)	36,64,38,348	59,56,67,160
Components of Cash and Cash Equivalents		
a) Cash on Hand	20,192	9,400
b) Balances with Banks:		
In Current Account & Savings Accounts	14,34,27,134	53,41,68,644
In Deposit Account	13,64,91,022	6,14,89,116
Cheques/Draft in Hand	8,65,00,000	-
	36,64,38,348	59,56,67,160
<div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <p>In terms of our report attached for Pandurang Shenoy & Co., Chartered Accountants Firm Reg.No. 008242S</p> <p>CA K Pandurang Shenoy Partner M.No. 202768</p> <p>Place : Bangalore Date : 05.10.2020</p> </div> <div style="width: 40%; text-align: center;"> <p>For and on Behalf of Board of Directors of Rail Infrastructure Development Company (Karnataka) Limited</p> <div style="display: flex; justify-content: space-around;"> <div style="width: 45%;"> <p>Amit Garg Managing Director DIN: 08212610</p> <p>Vedula Sridhar GM(Civil)/CFO</p> </div> <div style="width: 45%;"> <p>Kapil Mohan Director DIN: 03627128</p> <p>S.N. Srinivasa Company Secretary FCS:2197</p> </div> </div> <p>Place : Bangalore Date : 25.09.2020</p> </div> <div style="width: 30%;"></div> </div>		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

Note No.	Particulars	As at 31 March 2020 (₹)	As at 31 March 2019 (₹)
3	Share Capital		
	Authorised : 10,00,00,000 Equity Shares of ₹10/- each (March 31, 2019 - 200,00,000 equity Shares of ₹10/- each)	100,00,00,000	20,00,00,000
	Issued and Subscribed : 100,00,000 Equity shares of ₹10/- each (March 31, 2019 - 100,00,000 Equity shares of ₹10/- each)	10,00,00,000	10,00,00,000
	Paid up : 100,00,000 Equity shares of ₹10/- each (March 31, 2019 - 50,00,000 Equity shares of ₹10/- each)	10,00,00,000	5,00,00,000
	(B) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:		
	Number of equity shares with voting rights at the beginning of the year (Sub-division of 5007 shares of ₹100/- each into 50070 shares of ₹10/- each)	50,00,000	5,007
		-	50,070
	Add:- Number of Right shares allotted during the year	50,00,000	49,49,930
	Less:- Number of shares bought back during the year	-	-
	Number of equity shares with voting rights at the end of the year	1,00,00,000	50,00,000
	(C) Rights, preferences and restrictions attaching to various classes of shares	-	-
	(D) Shareholding in the company of the holding company and ultimate Holding company and their subsidiaries/associates	-	-
	(E) The details of Shareholders holding more than 5% of shares:		
	Equity Shares with Voting Rights:		
	1. Governor of Karnataka / Govt. of Karnataka:		
	No. of Shares	50,99,995	25,49,930
	Percentage of Holding	51.0000%	50.9986%
	2. Infrastructure Development Corporation (Karnataka) Limited:		
	No. of Shares	-	-
	Percentage of Holding	-	-
	3. Ministry of Railways/President of India :		
	No. of Shares	49,00,000	24,50,000
	Percentage of Holding	49.00%	49.00%
	4. Others : *		
	No. of Shares	5	70
	Percentage of Holding	0.0001%	0.0014%

*Note : As per records of the Company, including its Register of Members and other declarations received from them regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares representing GoK.

The Company has amended the clause V of the MOA Subdividing the value of equity shares of ₹100/- into 10 equity shares of ₹10/- each in the EGM held on 26.10.2018. The Subdivision of shares was effected on the record date of 12.11.2018.

The Company allotted 50,00,000 equity shares of ₹10/- each on 05.04.2019 as against the 2nd right issue of shares.

The authorised share capital of the company has been increased from ₹20 Cr. to ₹100 Cr. in the AGM held on 25.11.2019.

Note No.	Particulars	As at 31 March 2020 (₹)	As at 31 March 2019 (₹)
4	Reserves and Surplus :		
	(a) <u>Surplus in Statement of Profit and Loss</u>		
	Opening Balance	8,29,00,242	7,93,20,503
	Add : Prior Period Adjustments	13,83,845	-
	Add : Profit for the Current Year	1,23,78,553	35,79,739
	Closing balance	9,66,62,640	8,29,00,242
	Prior Period Adjustments includes ₹ 8,67,595/- towards IT refund received for FY-2006-07 (AY-2007-08) and ₹ 5,16,250/- (inclusive of GST) towards development of Computer Software wrongly booked as expenses during the previous year instead of advances.		
5	Share Application Money pending allotment	-	5,00,00,000
6	Other Long - Term Liabilities		
	Project Study Fund	1,45,430	1,45,430
	Advance from GoK	3,45,393	3,45,393
		4,90,823	4,90,823
7	Other Current Liabilities		
	Other Payables:		
	i. <u>Statutory Remittances:</u>		
	Withholding Taxes	5,28,844	9,385
	Receipts from GoK Payable to Railways	25,32,00,000	43,57,08,674
	Others	22,74,489	1,65,255
		25,60,03,333	43,58,83,314
9	Non-Current investments		
	<u>Investments in Equity Instruments of Associate Companies:</u>		
	Hassan Mangalore Rail Development Company		
	[20,00,000 Equity Shares of ₹10/- each		
	(Previous Year 20,00,000 Equity Shares of ₹10/- each)]	2,00,00,000	2,00,00,000
		2,00,00,000	2,00,00,000
10	Cash and Cash Equivalents		
	<u>Balances with Scheduled Banks:</u>		
	- In Current account	14,34,27,134	53,41,68,644
	- In Deposit accounts	13,64,91,022	6,14,89,116
	Cheques/Draft/GO Receipts in Hand	8,65,00,000	-
	Cash on Hand	20,192	9,400
		36,64,38,348	59,56,67,160
11	Other Current Assets		
	Loans & Advances (Asset)		
	Bangalore Suburban Rail Project Advance (BSRP)	4,99,73,000	-
	Dharward Belagam New Line Project	24,79,661	-
	Income Tax - Refundable	10,31,113	12,99,526
	Interest accrued on Bank deposits	22,17,554	21,81,627
	Security Deposits	13,500	13,500
	Rent Deposit - KRDC	97,34,880	-
	HMRDC Receivable	14,651	-
		6,54,64,359	34,94,653

The advance relating to BSRP is 50% share GoK towards preparation of DPR by M/s. RITES Limited.
The advance relating to Dharward Belagam New Line is towards Final Location Survey (FLS) and preparation of DPR by M/s. RITES Limited.

8. FIXED ASSETS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

(Amount in ₹)

Note No.	Particulars	Gross Block			Depreciation (WDV)			Net Block		
		As at 01.04.2019	Additions during the year	Sale / Deletions	As at 31.03.2020	As at 01.04.2019	Accumulated Depreciation Reversed/ Adjusted	For the year	As at 31.03.2020	As at 31.03.2019
(i)	Tangible Assets:									
	Computers	79,348	1,23,756	-	2,03,104	51,077	-	55,618	1,06,695	96,409
	Office equipment	1,92,008	56,109	1,13,899	1,34,218	1,07,713	1,07,358	26,375	26,730	1,07,488
	Total	2,71,356	1,79,865	1,13,899	3,37,322	1,58,790	1,07,358	81,993	1,33,425	2,03,897
(ii)	Intangible Assets:									
	Computer Software	-	10,54,110	-	10,54,110	-	-	3,918	3,918	10,50,192
	Total	-	10,54,110	-	10,54,110	-	-	3,918	3,918	10,50,192
	Total	2,71,356	12,33,975	1,13,899	13,91,432	1,58,790	1,07,358	85,911	1,37,343	12,54,089
	Previous Year	2,25,456	45,900	-	2,71,356	76,973	-	81,816	1,58,790	1,12,566
										1,48,483

Note No.	Particulars	As at 31 March 2020 (₹)	As at 31 March 2019 (₹)
12	Other Income		
	a) Interest Income		
	Bank Deposits	1,90,77,369	73,48,548
	b) Other Non-Operating Income		
	Interest on Income Tax Refund	7,12,465	512
	Profit on Sale of Assets	8,110	-
	Miscellaneous Income	1,20,707	-
	Total	1,99,18,651	73,49,060
	Expenses payable of ₹ 19,163/- (₹ 3750/- being service tax provided on 31.03.2017, ₹ 11,236/- being the professional fee provided on 31.03.2014 and ₹ 4,177/- being excess service tax booked for the FY's 2003-04, 2004-05 & 2006-07) are written back to Miscellaneous Income, as the same are no longer required to be paid.		
13	Employee benefit expenses		
	Employee Salary & Contract Expenses	39,82,159	5,31,120
	Total	39,82,159	5,31,120
14	Other Expenses:		
	Office Maintenance Expenses	2,04,749	2,47,708
	Professional and Consultancy Services	37,270	45,000
	Travel and Conveyance Expenses	14,08,607	7,37,823
	Payments to Auditors	29,500	25,000
	Rates and Taxes	4,87,388	15,93,561
	Printing & Stationery	1,88,145	40,270
	Computer Software Exp	-	4,37,500
	Advertisement	11,08,369	29,522
	Directors Sitting Fees	8,000	-
	Total	34,72,028	31,56,384

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate Information:

In September 2000, the Govt. of Karnataka (GoK) and the Ministry of Railways (MoR) entered into an MOU to set up a joint venture company called "Rail Infrastructure Development Company (Karnataka) Limited - K-RIDE" to expedite development and implementation of identified railway projects in Karnataka.

The Company is intended to carry out resource mobilization, securing traffic guarantees and securing involvement of strategic partners in project funding. The Government of Karnataka incorporated the company under the Companies Act, 1956 at Bangalore in November 2000 for Co-ordinating with Local organizations/Bodies in charge of urban development for the purposeful resolution of various ancillary matters connected with railway project development.

Government of Karnataka through GO No.IDD 59 NSW 2009 dated 17th August, 2009 empowered the company to act as a Nodal Agency for ensuring necessary Co-Ordination and Smooth implementation of identified railway projects and for monitoring progress of implementation and report to Government of Karnataka.

Based on the directives of the Ministry of Railways, the Company was restructured as a State Joint Venture with equity participation between Government of Karnataka and Ministry of Railways at 51:49 ratio vide Revised Shareholders Agreement dated 17.10.2018. In view of restructuring of K-RIDE as a State JV, the activities/scope of the Company has been widened which amongst others, include the following:

- a) development, financing and implementation of viable railway projects and/or projects which may require viability gap funding that are important for critical connectivity/ capacity enhancement, as agreed by the Parties;
- b) undertaking surveys, preparation of Detailed Project Report (DPR) to examine the viability of the railway projects;
- c) processing for sanctioning of the railway projects (identified by the Board or the parties);
- d) incorporation and funding of subsidiaries/special purpose vehicles for undertaking railway projects; and
- e) undertaking all such actions not specifically mentioned above, that may be required to give effect to the intent of the Parties, as set out in the Agreement.

2. Significant Accounting Policies:

2.1 Basis of Accounting and Preparation of financial statements

The financial statements of the Company are prepared in accordance with the Generally Accepted Accounting Principles in India ("GAAP") under the historical cost convention using the accrual method of accounting and complied with the mandatory Accounting Standard notified by Central Government of India under the Companies (Accounts) Rules, 2014 read with rule 7 and section 133 of the Companies Act, 2013.

2.2 Use of Estimates

The preparation of the financial statements is in conformity with Indian GAAP, which requires that the management make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenue and expenses during the reported period. Although such estimates are made on a reasonable basis taking into account all available information, actual results could differ from these estimates and such differences are recognised in the period in which the results are ascertained.

2.3 Revenue Recognition

The company is yet to commence its business operations and hence, there is no revenue from operations recognised for the year.

- a. Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- b. Other income is recognised when such income accrues to the Company.

2.4 Cash and Cash Equivalents (for purpose of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Fixed Assets

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. The cost of an asset comprises of all direct costs relating to acquisition and installation of fixed assets and indirect costs incurred up to putting the same to use.

Any Borrowing costs incurred up to the date of installation / acquisition is also capitalised.

2.7 Depreciation and Amortisation

The company has adopted Schedule II to the Companies Act, 2013, for depreciation purposes, from 1st April 2014. The company was previously not identifying components of fixed assets separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of fixed asset.

Due to application of Schedule II to the Companies Act, 2013, the company has changed the manner of depreciation for its fixed assets. Now, the company identifies and determines separate useful life for each major component of the fixed asset, if they have useful life that is materially different from that of the remaining asset. The company has used transitional provisions of Schedule II to adjust the impact of component accounting arising on its first application. If a component has zero remaining useful life on the date of Schedule II becoming effective, i.e., 1st April 2014, its carrying amount, after retaining any residual value, is charged to the opening balance of retained earnings. The carrying amount of other components, i.e., components whose remaining useful life is not nil on 1st April 2014, is depreciated over their remaining useful life.

Depreciation on tangible fixed assets is provided on the written down value method, based on life of assets and in the manner specified in Schedule II to the Companies Act, 2013 except for Building and individual assets acquired for a value less than (or) equal to ₹ 5,000/- are not capitalised.

The useful lives of assets and the manner specified in Schedule II to the Companies Act, 2013 is as per the table below:

Asset Description	No. of years
Plant and machinery	15
Office Equipment	5
Computers	3
Furniture and Fixtures	10
Vehicles	8
Computer Software	3

2.8 Impairment of tangible and intangible assets

At each Balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset is greater than its recoverable amount, an impairment loss is recognised in the profit and loss account to the extent carrying amount is greater than recoverable amount.

2.9 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or productivity of qualifying assets are capitalised as part of the cost of such assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

2.10 Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

- i. Current Investments are carried at lower of cost and fair value determined on an individual investment basis.
- ii. Long Term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of investments, if any.

2.11 Taxes on Income

Income Tax comprises the current tax provision and the net change in the deferred tax asset or liability in the year. Current income tax expense is determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax assets and liabilities are recognized for the estimated future tax consequences of temporary differences between the carrying values of the assets and liabilities and their respective tax bases. Deferred tax assets are recognized and carried forward to the extent that there is reasonable / virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets and liabilities are measured using substantially enacted tax rates as on the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rate is recognized in the income statement in the period of enactment of the change.

2.12 Earnings Per Share

Basic Earnings per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.13 Provisions and Contingencies

A provision is recognised when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balances sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognised and, if any, are adequately disclosed in the notes to accounts.

Contingent Assets are neither recognised nor disclosed in the financial statements.

15. Additional Information to the financial Statements

15.1 Contingent Liabilities and commitments (to the extent not provided for)

Particulars	March'2020	March'2019
Contingent Liabilities:		
A. Outstanding guarantees and Counter Guarantees to various banks, in respect of the guarantees given by those banks in favor of various government authorities and others :		
i. Guarantees given by the company on behalf of subsidiaries	- Nil -	- Nil -
ii. Aggregate value of other Guarantees outstanding	- Nil -	- Nil -
B. Other Money for which the company is contingently liable		
i. Liability in respect of bills discounted with Banks (including third party bills discounting)	- Nil -	- Nil -
Claims against the company, not acknowledged as debts	- Nil-	- Nil -
Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for :		
a. Tangible Assets	- Nil-	- Nil -
b. Intangible Assets	-Nil-	-Nil-

15.2 Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 :

The Company is unable to identify (in all cases) whether its vendors qualify as micro or small enterprises. Accordingly, no disclosure in respect of principal and interest has been made; however, the management does not envisage any material impact on the financial statements in this regard, which has been relied upon by the auditors.

15.3 Method of Computation of Depreciation pursuant to applicability of Schedule II of the Companies Act, 2013 (Act)

In pursuant to applicability of Schedule II of the Act the company has adopted the prescribed useful life of the assets and has computed the rate of depreciation in the manner specified in Application Guidance note on Provisions of Schedule II of the Act, issued by the Institute of Chartered Accountants of India.

If a component has zero remaining useful life on the date of Schedule II becoming effective, i.e., 1st April 2014, its carrying amount, after retaining any residual value, is charged to the opening balance of retained earnings. The carrying amount of other components, i.e., components whose remaining useful life is not nil on 1st April 2014, is depreciated over their remaining useful life.

15.4 Activity in Foreign Currency [on Accrual Basis] :

The company has not entered into any Foreign Transactions during the current and Previous financial years.

16. Disclosures under accounting standards:

16.1 Segment Reporting

The Company is an Infrastructure Project Development Company and currently, acting as an Nodal Agency between the Government of Karnataka and Ministry of Railways. During the year, the company has no income from Business and hence, disclosure of segment reporting does not arise.

16.2 Related Party Disclosure

A. Names of Related Parties:

Name of the Related Parties	Nature of Relationship	% of Holding
Government of Karnataka – Represented by Governor of Karnataka	Major Shareholder having Substantial Interest in the company	51.00%
Ministry of Railways – Represented by President of India	Major Shareholder having Substantial Interest in the Company	49.00%
Investment in Hassan Mangalore Rail Development Company Limited	Special Purpose Vehicle [Group Entity]	1.786%

Key Management Personnel	Designation
Amit Garg (Effective from 25.07.2019)	Managing Director
Related Transactions during the year: The company has not entered into any transactions with the related parties during the current and previous financial year.	

16.3 Computation of Earnings Per Equity Share [EPS] as required by AS-20 :

Particulars	Value' INR	
	2019-20	2018-19
Net Profit for the Year	1,23,78,553	35,79,739
Less: Preference share dividend	-	-
Amount available for equity shareholders	1,23,78,553	35,79,739
Weighted average number of shares	10000000	5000000
Earnings per Share – Basic & Diluted	1.24	0.72
Face value per equity share	10	10

16.4 Taxation

The Company is a Nodal agency in the State of Karnataka for implementation of Railway Projects with Indian Railways and Karnataka Government Participation. The interest income earned on deposits of short term money with banks are considered as exempt income by referring and relying on the decision of the Honorable Karnataka High Court in the case of Commissioner of Income Tax Vs Karnataka Urban Infrastructure Development & Finance Corporation ITA No. 78 of 2008 and hence no provision is made for payment of income tax/ Minimum Alternate Tax.

17. Events occurring after the date of Balance Sheet

There are no Material Events occurring after the date of Balance Sheet.

18. Deferred Tax and Deferred Tax Liability

As there is no Income tax payable by the company on the current Interest Income on Fixed Deposits in the Foreseeable future, no provision for either Deferred Tax Liability or Deferred Tax Asset is recognised.

19. Cheques- In – Hand

As on 31st March 2020 the Company was having a sum of ₹ 8,65,00,000/- towards G.O. Receipts payable to Railways.

20. Preliminary Expenses

The expenses incurred up to the date of incorporation have been considered as preliminary expenses and has been written off in the year in which it is incurred to the extent of any asset is neither created nor acquired.

21. Dividend

The Company has not declared any dividend for the financial year ended 2019-20.

22. In the opinion of the management, Current Assets, Loans and Advances have a value not less than what is stated in the accounts if realized in the ordinary course of business.

23. Previous year's figures have been recast / restated, wherever necessary, to conform to the current year's classification.

In terms of our report attached
For Pandurang Shenoy & Co.,
Chartered Accountants
Firm Reg.No. 008242S

For and on Behalf of Board of Directors of
Rail Infrastructure Development Company (Karnataka) Limited

CA K Pandurang Shenoy
Partner
M.No. 202768

Amit Garg
Managing Director
DIN: 08212610

Kapil Mohan
Director
DIN: 03627128

Vedula Sridhar
GM(Civil)/CFO

S.N. Srinivasa
Company Secretary
FCS:2197

Place : Bangalore
Date : 05.10.2020

Place : Bangalore
Date : 25.09.2020

Proposed Bengaluru Suburban Rail Corridors



**RAIL INFRASTRUCTURE DEVELOPMENT COMPANY
(KARNATAKA) LIMITED**

(A Joint Venture of Govt. of Karnataka & Ministry of Railways)

Reg. Office : Samparka Soudha, 1st Floor, Survey No. 8, (B.E.P. Premises) Opp. Orion Mall, Dr. Rajkumar Road,
Rajajinagar 1st Block, Bangalore -560010. | www.kride.in