

22nd Annual Report

2022-2023





BOARD OF DIRECTORS	: Smt. Vandita Sharma, IAS Shri P. Ravi Kumar, IAS Shri Rakesh Singh, IAS Shri. I.S.N. Prasad, IAS Shri. L.K. Atheeque, IAS Shri. Gaurav Gupta, IAS Dr. Vishal R, IAS Shri B.H Anil Kumar, IAS Shri. Dhananjaya Singh Shri. Ajit Kumar Jha, IRSE Shri P.S Gupta, IRSE Shri. Ashutosh Mathur, IRSE Shri R.K Singh, IRSE Shri. Anand Bharti Smt. Deepa Kotnis, IRAS Smt. Bhusvaneshwari K, IRAS Shri Gul Ashfaque Mohammed, IRSE Shri Amit Garg, IRSE (Managing Director) Shri Harendra Pandey, (Director/BD&F) Shri. R.K. Singh, IRSE (Director/P&P) Shri. Awdhesh Mehta, CA, ICWA, CPA (Director/BD&F)	- Chairperson (from 07.06.2022) - Chairman (upto 31.05.2022) - - upto 01.07.2023 - from 31.07.2023 to 05.09.2023 - Managing Director from 11.08.2022 & Director from 13.05.2022 - from 05.09.2023 - upto 13.05.2022 - from 23.08.2023 - upto 23.08.2023 - upto 13.05.2022 - from 13.05.2022 - upto 13.05.2022 - from 21.09.2023 - upto 28.08.2023 - upto 25.07.2022 - upto 13.05.2022 - upto 03.08.2022 - upto 08.04.2022 - from 21.09.2022 - from 20.01.2023
COMPANY SECRETARY	: Shri. S.N. Srinivasa B. Com, LLB, FCS, FCMA, PGDIRPM	
STATUTORY AUDITORS	: M.S. Reddy and Associates Chartered Accountants #31/1, 2 nd Floor, 11 th Main, 16 th Cross, Malleshwaram Bangalore-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 – 560 038 IDBI Bank Limited Gandhinagar, Bangalore - 560 009	
REGISTERED OFFICE	: No.8, 1 st Floor, Samparka Soudha Dr. Rajkumar Road, Rajajinagar, 1 st Block, Bangalore – 560 010	



**22nd ANNUAL REPORT
2022-23**

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

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RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED**NOTICE TO THE SHAREHOLDERS**

NOTICE is hereby given that the **22nd Annual General Meeting** of the Shareholders of M/s. Rail Infrastructure Development Company (Karnataka) Limited **will be held on 29th September 2023 at 3:00 p.m.** at Room No.313, 3rd Floor, Vidhana Soudha, Bangalore – 560001 to transact the following business: -

ORDINARY BUSINESS

- 1. Adoption of Financial Statements:** Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2023 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.** To fix the remuneration of the statutory auditors to be appointed by the C&AG of India for the Financial year 2023-24 and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to Section 142 (1) of the Companies Act, 2013, the Board of Directors of the Company be and are hereby authorised to fix the remuneration and out of pocket expenses, statutory taxes and other ancillary expenses of the Independent Statutory Auditors to be appointed by the Comptroller and Auditor General of India for the Financial Year 2023-24 in terms of section 139(5) of the Companies Act, 2013 as amended."

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

Place: Bangalore
Date:05.09.2023

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 48hours before the commencement of the AGM.
- 2.** The Company being a Government Company, the Comptroller & Auditor General of India is yet to appoint Statutory Auditors of the Company for the year 2023-24 under section 139 (5) of the Companies Act, 2013.
- 3.** Route Map is enclosed.
- 4.** 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.

DIRECTORS' REPORT TO THE SHAREHOLDERS

**TO,
THE MEMBERS,**

Your Directors have pleasure in presenting the Twenty- second 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, 2023.

1. FINANCIAL RESULTS

The financial results for the year ended March 31, 2023 are summarised below.

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Current Year 31.03.2023	Previous Year 31.03.2022	Current Year 31.03.2023	Previous Year 31.03.2022
Income from Operations	8631.75	5571.96	8631.75	5571.96
Other Income:				
Interest from Bank Deposits	512.17	768.62	512.17	768.62
Interest on Income Tax Refund	0.27	0.45	0.27	0.45
Other Miscellaneous Income	531.92	4.80	531.92	4.80
Total Income	9676.11	6345.83	9676.11	6345.83
Less: Total Expenses	10000.92	6256.56	10002.40	6257.24
: Prior period items		-		-
Profit before Tax	(324.81)	89.27	(326.29)	88.59
Less: Provision for Tax	-	-	-	-
Profit / (Loss) after Tax	(324.81)	89.27	(326.29)	88.59
Add: Profit brought forward	1068.35	979.07	1067.66	979.07
Add: Prior period adjustments	-	-	-	-
Profit carried to the Balance Sheet	743.54	1068.35	741.37	1067.66

Consolidated Financial Statement

In accordance with the provisions of the Companies Act, 2013 ("the Act") and Accounting Standards (AS) 21 on Consolidated Financial Statement, the consolidated audited financial statement forms part of the Annual Report.

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.

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 Rs.315.71Crore were released by Govt. of Karnataka to Railways through K-RIDE.

During the year K-RIDE continued the execution work of 2 sanctioned doubling projects assigned by MoR with a funding pattern of 50:50 between GoK&MoR at a total project cost of Rs. 812.83 Crore i.e., Baiyappanahalli - Hosur (48 kms): Rs.498.73 Crore & Yeshwanthpur - Channasandra (21.70 kms): Rs. 314.10 Crore.

The progress of two doubling projects is being monitored regularly and the following is the action plan for completion:

Sl. No.	PROJECT DESCRIPTION	ACTION PLAN	Sl. No.	PROJECT DESCRIPTION	ACTION PLAN
1	Doubling of track between Yeshwanthpura - Channasandra (21.70KM) PH 15 (DL)	Progress is monitored regularly. TDC: Dec 2024 2023-24 Financial: 120 Cr 2024-25 (i) Yeswanthpura – Yeswanthpura Bypass- Lottegollahalli – Hebbal (8.1 km)– June'2024 (ii) 4 th line between YPR bypass to Lottegollahalli (2.5Km)- Dec'2024 (iii) Hebbal - Baiyappanahalli (11.6 Km) Financial: 70 Cr.	2	Doubling of track between Baiyappanahalli - Hosur (48Km) / PH15 (DL)	TDC: 2022-23 Carmelaram – Heelalige (10.5 km) – Commissioned. 2023-24 Bellandur - Carmelaram, (3.5 Km) – Mar-24 Financial: 200 Cr. 2024-25 (i) Anekal road – Hosur (14 km) – June 24, (ii) Baiyappanahalli – Bellandur (11.7 Km) road- Sep-24. (iii) Heelalige - Anekal road (10 km) – Dec'24 Financial: 50 Cr.

Further, K-RIDE has taken up the works to execute BSRP at a total cost of Rs.15,767/- Crore including taxes and duties, land cost, interest during construction and cost escalations. This does not include the cost of trainsets (Rs.2,785 Crore) which will be procured, operated and maintained on a PPP model. K-RIDE has continued the land acquisition works during the year. The BSRP envisages 4 corridors with a total route length of 148.17 Kms as detailed below:

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. The BSRP was inaugurated & foundation stone was laid by Hon'ble Prime Minister Shri. Narendra Modi on 20.06.2022 at Kommaghatta, Bangalore.

The progress of works undertaken in respect of all 4 corridors of BSRP is furnished below:

Progress:

(a) Corridor 2: (Chikkabanawara to Bennigenahalli)

- ◆ Tender for Civil works for Corridor-2 (Baiyyapanahalli to Chikkabanavara) has been awarded at a cost of Rs.859.97 Cr. General consultancy contract awarded at a cost of Rs.196.98 Cr. Also, tenders awarded for Shifting of S&T utilities, Electrical utilities, Consultancy Services for Land and Station Development, SAP.
 - Preconstruction works such as survey, GPR, soil investigation, alignment design, utility identification, levelling of ground, setting up of casting yard, batching plant, design of Minor and Major Bridges, U girder design, I girder design is in progress.
 - Test pile completed in Hebbal and Yeshwantpur, Work at LC -148, Minor Bridges at 409, 410, 406, 407 in progress etc. Physical work started at site.
 - Shifting of S&T Utilities: 100% work completed.
 - Geotechnical works completed.
- ◆ Tender for Station Building for construction of 12 nos stations of C-2 invited and last date fixed for receipt of tender is 15.09.2023

(b) Corridor-4:(Heelalige to Rajanukunte)

- ◆ Tender invited for Civil work - Elevated and at-grade for Corridor-4 (Heelalige to Rajanukunte -46.2 Km) and opened in July 2023 and the same is under evaluation.
- ◆ Tender for shifting of electrical utilities is being invited.
 - Shifting of S&T Utilities are in progress: 30% work completed.
 - Geotechnical investigation works completed.
- ◆ Conceptual planning for Station Building for construction of 20 nos stations is under process and tender will be invited in coming months.

Depots:

- ◆ 2 nos of depots planned for BSRP, Devanahalli depot in Corridor-1 and Soladevanahalli in Corridor-2. Land acquisition is under process.
- ◆ Detailed Design Consultancy (DDC) tenders for two depots invited and tender was opened in July 2023 and the same is under evaluation and tender for civil work for depot is under preparation.

(c) Corridor-1: (Bangalore city - Yelahanka -Devanahalli)

- ◆ Preconstruction activities such as survey, alignment, utility identification, tress, etc is under process.
- ◆ Tender for Shifting of S&T invited and tender was opened and the same is under evaluation.
- ◆ Preparation of tender document for Civil works of Corridor-1 is under process.
- ◆ Geotechnical investigation completed.
- ◆ Station building tender will follow.

(d) Corridor-3: (Kengeri to Whitefield).

- ◆ Preconstruction activities such as survey, alignment, utility identification, tress, etc is under process.
- ◆ RITES has been appointed to study the interoperability issues for running BSRP and IR trains between Bangalore Cantonment and Whitefield.

(e) Rolling Stock:

- ◆ RFQ tender for Rolling Stock on PPP mode has been invited and tender was opened and the same is under evaluation. The DEA has approved the financial assistance from multilateral agency i.e., KFW & EIB for EUR 500 million and EUR 300 million respectively.

Pre-appraisal of project has been undertaken by the funding agencies from and met all the stakeholders. K-RIDE has submitted all the documents required by the funding agencies and the funds are expected during the year 2023-24. Draft MoU for BSRP has been finalised and the same is in final stages.

5. DIVIDEND

Due to inadequacy of profits, no dividend has been recommended by the Board of 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 2023.

7. SHARE CAPITAL

The Authorised Share Capital of the Company is Rs.5000 Crore. The paid-up capital of the company is Rs.30 Crores as on 31.3.2023. The Ministry of Railways have released Rs 50 Crore towards the paid-up capital in March 2023 and the same is shown as share deposit as on 31.3.2023. Further the Ministry of Railways has released Rs.450 Crore on 01.06.2023 toward Equity for BSRP. K-RIDE has taken up the proportionate release of the amount to K-RIDE as equity for BSRP so as to consider necessary allotment of shares.

8. DETAILS RELATING TO DEPOSITS

The Company has not received any deposit nor renewed it.

9. DIRECTOR'S & KEY MANAGERIAL PERSONNEL

The following changes in the Directors and Key Managerial Personnel was effected since the last annual report.

Shri. Gaurav Gupta, IAS, ACS to GoK/IDD continues to be the MD/K-RIDE of the company w.e.f 11.08. 2022. Pursuant to the nomination by the Govt of Karnataka, Shri.L.K.Atheeq, IAS, ACS / FD was appointed as a Director on the Board of K-RIDE w.e.f. 31.07.2023 in place of Shri.I.S.N.Prasad, IAS. Further, as per the nomination by the Govt of Karnataka, Dr.Vishal, R, IAS, Secretary to GoK/FD was appointed as a Director on the Board of K-RIDE w.e.f. 5.9.2023 in place of Shri.L.K.Atheeq, IAS.

The Ministry of Railways has nominated Shri. Rajesh Kumar Singh, IRSE, CPDE, South Western Railway as Director (Project & Planning) on the Board of K-RIDE w.e.f.21.09.2022.

Pursuant to the nomination by the Ministry of Railways, Shri. Dhananjaya Singh, ED/GS/C-II/RB was appointed as a Director on the Board of K-RIDE w.e.f. 23.08.2023 in place of Shri. Ajit Kumar Jha, ED/CE(G)/RB. Further, as nominated by the Ministry of Railways Shri. Anand Bharti, CE/C-III/BNC was appointed as a Director on the Board of K-RIDE in place of Smt. Deepa Kotnis, FA & CAO/CN/BNC/SWR.

Shri. Awadhesh Mehta, CA, ICWA, CPA was appointed as Director (Business Development & Finance) of the company w.e.f. 20.1.2023 who is a nominee of Government of Karnataka and he continues to be the CFO of the Company. Shri. S.N. Srinivasa continues to be the Company Secretary of the Company w.e.f. 01.06.2020

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 2022-23. 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 Rs.10 Crore during the year 2019-20 and the committees are functioning.

10. 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 is yet to appoint statutory auditors for the year 2023-24. The statutory auditors appointed by CAG will hold office for respective financial year until the next Annual General Meeting.

11. 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:

- in the preparation of the annual standalone & consolidated financial statements for the year ended March 31,2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made 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, 2023 and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the Company being unlisted sub clause (e) of Section 134 (5) is not applicable.
- 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.

12. 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. There is no loan outstanding in the name of the Company from any bank or financial institution and accordingly the applicability of one time settlement (OTS) does not arise. Further, there are no proceedings pending in the name of the Company under Insolvency and Bankruptcy Code (IBC).

13. INFORMATION ABOUT SUBSIDIARY/ JV/ASSOCIATE COMPANY U/S 129

The Company has invested Rs.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, the Company has subscribed Rs.10 Lakhs in the 100% subsidiary project SPV Company i.e.,M/s. Bengaluru Integrated Rail Infrastructure Development Enterprise Limited – B-RIDE to implement Bangalore Sub-urban Rail Project (BSRP).

Statement containing salient features of the financial statement of subsidiaries pursuant to first proviso to subsection (3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014 in prescribed format AOC-1 is attached as **Annexure-1**.

14. 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.

15. BOARD MEETINGS, COMMITTEES OF DIRECTORS

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

1. 18.07.2022
2. 25.08.2022
3. 14.12.2022
4. 27.03.2023

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 2022-23	
			Held	Attended
Smt. Vandita Sharma	Chairman	Non-Executive & Nominee Director	4	4
Shri. I.S.N. Prasad	Member	Non-Executive & Nominee Director	4	4
Shri. Rakesh Singh	Member	Non-Executive & Nominee Director	4	4
Shri. Gaurav Gupta	Member	Non-Executive & Nominee Director	4	4
Shri. Ajith Kumar Jha	Member	Non-Executive & Nominee Director	4	4
Shri. Ashutosh Mathur	Member	Non-Executive & Nominee Director	4	4
Smt. Deepa Kotnis	Member	Non-Executive & Nominee Director	3	3
Shri. R.K. Singh	Member	Director (P&P)	2	2
Shri. Awadhesh Mehta	Member	Director (BD&F)	4	4
Shri. Amit Garg	Member	Managing Director	1	1

A) AUDIT COMMITTEE

The Audit Committee pursuant to Sec.177 of the Companies Act, 2013 was reconstituted on 19.5.2022 consisting of the following Directors.

1. Shri. Gaurav Gupta - Chairman of the Committee
2. Shri. I.S.N. Prasad - Member of the Committee
3. Shri. Ashutosh Mathur - Member of the Committee
4. Smt. Bhuvaneshwari K - Member of the Committee

On 16.08.2022, the audit committee was reconstituted consisting of the following Directors.

1. Shri. Gaurav Gupta - Chairman of the Committee
2. Shri. I.S.N. Prasad - Member of the Committee
3. Shri. Ashutosh Mathur - Member of the Committee
4. Smt. Deepa Kotnis - Member of the Committee

The Audit Committee met twice during the financial year 2022-23 on the following dates:

1. 15.07.2022
2. 10.11.2022

The details of attendance of members are as follows:

Name	Status	Category	No. of meeting held during the year 2022-23	
			Held	Attended
Shri. Gaurav Gupta	Chairman	Non-Executive & Nominee Director	2	2
Shri. I.S.N. Prasad	Member	Non-Executive & Nominee Director	2	1
Shri. Ashutosh Mathur	Member	Non-Executive & Nominee Director	2	2
Smt. Deepa Kotnis	Member	Non-Executive & Nominee Director	2	1
Smt. Bhuvaneshwari. K	Member	Non-Executive & Nominee Director	1	1

B) NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration Committee pursuant to Sec.178 of the Companies Act, 2013 was reconstituted on 19.5.2022 consisting of the following Directors:

- 1) Shri. Rakesh Singh - Chairman of the Committee
- 2) Shri. Gaurav Gupta - Member of the Committee
- 3) Shri. Ashutosh Mathur - Member of the Committee
- 4) Shri.Amit Garg - Member of the Committee

On 16.08.2022, the N&R committee was reconstituted consisting of the following Directors.

1. Shri. Rakesh Singh - Chairman of the Committee
2. Shri. Gaurav Gupta - Member of the Committee
3. Shri. Ashutosh Mathur - Member of the Committee

The Nomination and Remuneration Committee met twice during the financial year on the following dates:

1. 24.08.2022
2. 17.11.2022

The details of attendance of members are as follows:

Name	Status	Category	No. of meeting held during the year 2022-23	
			Held	Attended
Shri. Rakesh Singh	Chairman	Non-Executive & Nominee Director	2	2
Shri. Gaurav Gupta	Member	Non-Executive & Nominee Director	2	2
Shri. Ashutosh Mathur	Member	Non-Executive & Nominee Director	2	2

C) MANAGEMENT COMMITTEE

The Management Committee was reconstituted on 19.5.2022 consisting of the following Directors:

- 1) Shri. I.S.N. Prasad - Chairman of the Committee
- 2) Shri. Rakesh Singh - Member of the Committee
- 3) Shri. Gaurav Gupta - Member of the Committee
- 4) Shri. Ashutosh Mathur - Member of the Committee
- 5) Shri.Amit Garg - Member of the Committee

On 16.08.2022, the Management Committee was reconstituted consisting of the following Directors.

- 1) Shri. I.S.N. Prasad - Chairman of the Committee
- 2) Shri. Rakesh Singh - Member of the Committee
- 3) Shri. Gaurav Gupta - Member of the Committee
- 4) Shri. Ashutosh Mathur - Member of the Committee
- 5) Smt.Deepa Kotnis - Member of the Committee

The Management Committee met 4 times during the financial year on the following dates:

1. 05.07.2022
2. 24.08.2022
3. 30.09.2022
4. 16.01.2023

The details of attendance of members are as follows:

Name	Status	Category	No. of meeting held during the year 2022-23	
			Held	Attended
Shri. I.S.N. Prasad	Chairman	Non-Executive & Nominee Director	4	3
Shri. Rakesh Singh	Member	Non-Executive & Nominee Director	4	2
Shri. Gaurav Gupta	Member	Non-Executive & Nominee Director	4	4
Shri. Ashutosh Mathur	Member	Non-Executive & Nominee Director	4	4
Smt.Deepa Kotnis	Member	Non-Executive & Nominee Director	4	2
Shri. Amit Garg	Member	Non-Executive & Nominee Director	1	1

16 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, a copy of annual return in MGT 7 has been published on the website of the Company under the web-link: <https://kride.in/for-the-year-ended-31-03-2023/>

17. 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.

18. QUALIFICATIONS IN AUDIT REPORTS

The qualifications in the Auditors Report under “Basis for Qualified Opinion” for the Financial Year ended 31.03.2023 have been suitably replied by the Management as an Addendum to the Directors Report vide **Annexure – 2 & 2A.**

19. 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.

20. 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.

21. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

No orders which are held significant and material to the Company has been passed by any of the Regulators.

22. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

23. 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.

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

There was only one complaint received from the employee during the financial year 2022-23 and the same is outstanding as on 31.03.2023 for redressal as the inquiry is going on.

25. CORPORATE SOCIAL RESPONSIBILITY:

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

26. SECRETARIAL STANDARDS

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

27. APPLICABILITY OF SECRETARIAL AUDIT REPORT

The Secretarial audit is not applicable to the Company.

28. VIGIL MECHANISMS OF THE COMPANY:

The Company has a Vigil Mechanism Policy & Whistle Blower Policy.

29. 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.

The Bengaluru Suburban Rail Project (BSRP) and 2 doubling projects will enhance the value of the Company and will bring more net-worth and profits to the shareholders.

14. 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: 31.08.2023

VANDITA SHARMA, IAS
Chairperson

Form No. AOC – 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part - A: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. '000)

Name of the subsidiary	Bengaluru Integrated Rail Infrastructure Development Enterprises Limited
The date since when subsidiary was acquired	6-Jan-2021
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
Share capital	1,000
Reserves and surplus	(217.27)
Total assets	826.25
Total Liabilities	826.25
Investments	Nil
Turnover	Nil
Profit before taxation	(148.53)
Provision for taxation	Nil
Profit after taxation	(148.53)
Proposed Dividend	Nil
Extent of shareholding (in percentage)	100%

Part – B: Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of the subsidiary	
<ol style="list-style-type: none"> 1. Name of Associates or Joint Ventures 2. Latest audited Balance Sheet Date 3. Shares of Associate or Joint Ventures held by the company on the year end <ul style="list-style-type: none"> No. of Shares Amount of Investment in Associates or Joint Venture Extent of Holding (in percentage) 4. Description of how there is significant influence 5. Reason why the associate/joint venture is not consolidated 6. Net worth attributable to shareholding as per latest audited Balance Sheet 7. Profit or Loss for the year <ul style="list-style-type: none"> i. Considered in Consolidation ii. Not Considered in Consolidation 8. Names of associates or joint ventures which are yet to commence operations 9. Names of associates or joint ventures which have been liquidated or sold during the year 	Information is Nil, as there are no Associates and Joint Ventures of K-RIDE during the year 2022-23

RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED**INDEPENDENT AUDITORS' REPORT****INDEPENDENT AUDITOR'S REPORT****To the Members of Rail Infrastructure Development Company (Karnataka) Limited****Report on the audit of Standalone Financial Statements****Qualified 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 31 March 2023, the Statement of Profit and Loss, and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. On completion of Audit of Accounts of the Company, we have rendered our Audit Report on 10th July 2023. Subsequently, the audit report has gone revision in the light of the observations of the Comptroller and Auditor General of India. This supersedes our earlier audit report dated 10th July 2023.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis of Qualified Opinion section of our report, the aforesaid Standalone 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, of the state of affairs of the Company as at March 31, 2023, and profit/loss, and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Matters giving rise to Qualified Opinion

1. The company is executing two doubling projects of Southwestern Railways (SWR). The percentage of completion is calculated based on original estimated cost as agreed in Memorandum of understanding (MOU) dated 14/07/2022 between Rail Infrastructure Development Company Karnataka Limited (KRIDE) and SWR. The increase in estimated contract costs due to escalation costs and change in GST rates are not considered in recognition of reduction in the profits/ increase in losses. Doubling work funded by Government of Karnataka (GOK) & MoR in the ratio of 50:50. As per MOU dated 14.07.2022 between K-RIDE & SWR any change in the DPR and the detailed estimate shall be sanctioned by SWR, as per the extant procedures within a reasonable period of time of submission of complete papers and costing details by K-RIDE. Currently revenue is recognized based on earlier approved estimate. We are unable to quantify the impact on profit/loss due to above change in estimation.
2. The company has not updated records of inventory properly. The inventory is accounted based on physical verification of inventory as on the year end. We are unable to quantify the impact on profit/loss.
3. Contract Revenue is determined by adding the aggregate cost-plus proportionate margin (Direction & General Charges) based on the fixed percentage as agreed upon as per Note no: 2.4.b of notes to accounts. In our opinion and according to information and explanations given to us, the closing stock as physically verified is undervalued by Rs.46,86,125. We are unable to determine the consequent impact of the undervaluation of stock on the contract revenue and on the Profit/ Loss.
4. The Company has not accounted for provision related to price variation of a contract work in respect of Doubling Project amounting to Rs.34.69 lakh. Non-creation of liability towards the above provision has resulted in understatement of loss and provisions by Rs.34.69 lakh.
5. The input tax on common expenditure allocated to doubling projects of SWR was not claimed and was debited to profit and loss account. We are unable to quantify the impact on profit/ loss.
6. An amount of Rs.38.15 crore (₹ 8.85 crore during the year 2021-22 and ₹ 29.30 crore for 2022-23) was earned as interest on unspent subordinate debt, which is pending confirmation from GOK as mentioned in point (g) of Emphasis of Matters, parked in fixed deposits. The same was reduced from Capital work-in-progress as disclosed in note no.12 of Notes to Accounts. Since the matter is under correspondence with Gok as to whether the fund received from Gok is Subordinate debt or Grant, we are unable to ascertain the impact of accounting treatment of the interest on the unspent fund.
7. Transportation cost for the displaced families amounting to Rs.75.50 lakh in respect of properties acquired by KIADB for BSRP is not disclosed under contingent liabilities pending approval of Compensation and Resettlement Package by GOK.
8. The disclosure of "Trade Payables" ageing schedule and "Security Deposit" classification in the notes to accounts are not in accordance with the Revised Schedule III.

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

Emphasis of Matters

We draw attention to the following matters in notes to the financial statements:

- a) The title deeds in respect of lands acquired through KIADB amounting to Rs. 5854.70 Lakh and land acquired from BWSSB amounting to Rs. 86.67 lakh and land acquired from LIDKAR amounting to Rs.361.63 lakhs are not held in the name of company as disclosed in note no.11 of Notes to accounts.

- b) The company has taken land on lease from SWR- extent 157.07 acres for BSRP at a nominal lease charge of Rs.1/acre per annum for which registration and other formalities of lease agreement are pending as disclosed in Note no.11 of Notes to Accounts.
- c) The company has forfeited Performance Bank Guarantee and security deposit amounting to Rs. 529.38 Lakh by terminating contracts of doubling projects and has accounted for as income during the year pending confirmation/acceptance from the contractors as disclosed in note no.18 of Notes toAccounts.
- d) The company has reduced interest income earned out of funds received for execution of Bengaluru Suburban Railway Project (BSRP) amounting to Rs.3060.79 Lakh from the Capital Work in Progress of Rail corridor and will be netted off against the borrowing costs at the time of capitalisation of the asset as disclosed in note no. 12 of Notes to Accounts.
- e) The company has paid advance to KIADB amounting to Rs.20384.30 lakh towards acquisition of land. KIADB has notified land extent 15787.77 sq.mts for which valuation is under process and the value of land will be adjusted against the advance amount as disclosed in note no .11 of Notes to accounts.
- f) The Doubling projects of SWR are funded by the Government of Karnataka (GoK) and Ministry of Railways (MoR) in the ratio of 50:50. However, the company has raised contract revenue invoices (100%) on IRFC/SWR (MoR) instead of on GoK and SWR/IRFC (MoR) in proportion of funding by GoK and MoR as disclosed in note no. 2.4.C of Notes toAccounts.
- g) The company has classified amount of Rs.66000 Lakhs received from GoK as interest free subordinate debt as per the approved financing pattern in line with Government order as disclosed in note no.6 of Notes to Accounts. However, GOK released fund to the extent of Rs.660 crores for the project in the form of grants vide sanction order. The company has requested GOK to re - establish the funds received from GOK to the company with respect to BSRP amounting to Rs.660 crores as subordinate debt in tune with the Government order sanctioning the project. The matter is under correspondence with GOK.

Our opinion is not modified in respect of the above matters.

Information other than Financial Statements and Auditor's Report there on

The Company's Board of Directors is 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 the 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.

Our opinion is not modified in respect of these matters.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance 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 the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the 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 Standards on Auditing (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 Standards on Auditing (SAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matters

1. Trade Payables, advances and balances of similar nature are pending confirmation.
2. GST on Reverse charge mechanism amounting to Rs.34.39 lakh on fees paid to ROC on the increase of authorised capital is not disclosed under contingent liabilities. The company is of the opinion that GST is not applicable in respect of the above matter and there are no pending proceedings.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order, 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 Auditor 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, the 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) Being a Government Company pursuant to the Notification No GSR 463 (E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of section 164 of the Companies Act, 2013, are not applicable to the company.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
 - 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 and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No.22.1 to the financial statements.
 - 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 amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Date:09.08.2023

Place: Bangalore

UDIN: 23201103BGYVYF6049

For M.S.Reddy & Associates

Chartered Accountants

FRN: 007992S

M. Sridhar Reddy

Partner

Mem.No.201103

Annexure - A to Auditors Report

Rail Infrastructure Development Company (Karnataka) Limited.

Referred to in paragraph 1 under the heading Report on other Legal & Regulatory Requirements of our report of even date

- (i) (a) (A) According to the information and explanations given to us, the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 (B) As explained to us, the company is maintaining proper records showing full particulars of intangible assets.
- (b) As explained to us, all the Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) As explained to us, the title deeds of the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are not held in the name of the company are

Details of Property	Gross Carrying Value (Rs. In Lakhs)	Held in name of	Whether Promoter, director or their relative or employee	Period held indicate range, where appropriate (Held since)	Reason for not being held in name of company
Land KIADB	69.1	Refer Note below	NA	17.06.2021	Refer Note below
Land KIADB	2454.96	Refer Note below	NA	21.01.2022	Refer Note below
Land KIADB	1455.2	Refer Note below	NA	23.05.2022	Refer Note below
Land KIADB	616.8	Refer Note below	NA	23.05.2022	Refer Note below
Land KIADB	1258.13	Refer Note below	NA	27.10.2022	Refer Note below
Land-BWSSB	86.67	BWSSB	NA	10.11.2022	Registration is under Process.
Land-LIDKAR	361.63	LIDKAR	NA	21.01.2022	Registration is under Process.
Lease hold Land (Right to use)	0.06	Southwestern Railways	NA	22.12.2022	Registration of Lease agreement is under process.

Note: Lands are acquired through KIADB (under compulsory acquisition).

- (d) As explained to us, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) According to the information and explanations given to us, the physical verification of inventory has been conducted only at the year end. In our opinion, the periodicity of physical verification is to be increased and the coverage and procedure of such verification shall be strengthened. The company has not updated records of inventory properly. The inventory was accounted based on physical verification of inventory as on the year end. We are unable to ascertain the discrepancies noticed and whether they have been properly dealt with in books of accounts.
- (b) According to the information and explanations given to us, the company has not been sanctioned any working capital limits from banks or financial institutions on the basis of security of current assets.
- (iii) According to the information and explanations given to us, during the year the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, provisions of clause 3(iii)(a) to 3(iii)(f) are not applicable to the company.
- (iv) According to the information and explanations given to us during the year, the company has not made any loans, investments, guarantees, and security. Accordingly, the provisions of clause 3(iv) of the Order not applicable to the company.
- (v) According to the information and explanations given to us, company has not accepted any deposits or amounts which are deemed to be deposits, the directives issued by the Reserve Bank of India. Accordingly, the Paragraph 3(v) of the order is not applicable to company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed for the maintenance of cost records under section 148(1) the Companies Act, 2013.
- (vii) (a) According to the information and explanations given to us, the company is regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax and cess. Sales tax, service tax, duty of customs, duty of excise, value added tax are not applicable to the company. No undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 for a period of more than six

months from the date on when they become payable.

- (b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, there are no such transactions which are not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961),
- (ix) (a) According to the information and explanations given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
 (b) According to the information and explanations given to us, the company is not declared as wilful defaulter by any bank or financial institution or other lender.
 (c) According to the information and explanations given to us, the company has not taken any term loans.
 (d) According to the information and explanations given to us, funds raised on short term basis have not been utilized for the long term.
 (e) According to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures.
 (f) According to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) Based upon the audit procedures performed and information and explanations given by management, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable to the Company and hence not commented upon.
 (b) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year. Accordingly, the provisions of clause 3(x)(b) of the Order are not applicable to the company and hence not commented upon.
- (xi) (a) Based upon the audit procedures performed and information and explanations given by management, we report that no fraud by the company or any fraud on the company has been noticed or reported during the year. Accordingly, the provisions of clause 3(xi)(a) & 3(xi)(b) of the Order are not applicable.
 (b) According to the information and explanations given to us, there are no whistle-blower complaints received during the year by the company.
- (xii) According to the information and explanations given to us, the company is not a Nidhi Company. Therefore, the provisions of clause 3(xii)(a), 3(xii)(b) & 3(xii)(c) are not applicable.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act where applicable and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the company does not have an internal audit system commensurate with the size and nature of its business.
- (xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected to them.
- (xvi) According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).
 (b) According to the information and explanations given to us, the company has not conducted any Non-Banking Financial or Housing Finance activities.
 (c) In our opinion, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the provisions of clause 3(xvi)(c) & 3(xvi)(d) are not applicable.
- (xvii) According to the information and explanations given to us, the company has incurred cash losses in the financial year. The company not incurred cash losses in the immediately preceding financial year. The details of cash losses are as mentioned below.

Financial Year	Amount of cash losses (Rs.in Lakhs)
2022-23	RS. 318.11

- (xviii) There has been no resignation of the statutory auditors during the year, hence this clause is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, in our knowledge of the Board of Directors and management plans, we are of the opinion that, there is no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) According to the information and explanations given to us, the provisions of section 135 of the Companies Act are not applicable to the company.
- (xxi) In our opinion, the clause 3(xxi) is not applicable to standalone financial statements.

Date:09.08.2023

Place: Bangalore

UDIN: 23201103BGYVYF6049

For M.S.Reddy & Associates

Chartered Accountants

FRN: 007992S

M. Sridhar Reddy

Partner

Mem.No.201103

“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 2023.

a. Directions under section 143(5) of Companies Act 2013

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	According to the information and explanations given to us, the transactions in Tally Software, including corrections if any, are made with the prior approval of the authorized signatory. User wise login are created to ensure accountability and trail of entries 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. Whether such cases are properly accounted for? (In case lender is a Government company, then this direction is also applicable for statutory auditor of lender company)	We have not come across any restructuring of any loan or cases of waiver/write off to debts/loans/ interest etc., made by a lender to the company.
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.	The company has classified amount of Rs.66000 Lakhs received from GoK as interest free subordinate debt pending confirmation from GoK as disclosed in note no.6 of Notes to Accounts. During the course of our audit, we have not come across any instances of deviation in utilization as per terms and conditions of the funds received for specific projects from Central/State agencies.

b. **Additional Sub-Directions:**

- i. All items with regard to Cash and Bank balances as per Annexure-I shall be verified and the cases of specific non-compliances to be reported. Details of unexplained balances/balances operated under suspense head may also be examined.

Comments: Reported in Annexure-I.

- ii. Whether system for monitoring the execution of works vis-a-vis the milestones stipulated in the agreement is in existence and the impact of cost escalation, if any, revenues/ losses from contracts, etc., have been properly accounted for in the books.

Comments: According to the information and explanations given to us, system for monitoring the execution of works vis-a-vis the milestones stipulated in the agreement is in existence. The company is executing two doubling projects of Southwestern Railways (SWR). The percentage of completion is calculated based on original estimated cost as agreed in Memorandum of understanding (MOU) dated 14/07/2022 between Rail Infrastructure Development Company Karnataka Limited (KRIDE) and SWR. The increase in estimated contract costs due to escalation costs and change in GST rates are not considered in recognition of reduction in the profits/ increase in losses. Doubling work funded by GoK & MoR in the ratio of 50:50. As per MOU dated 14.07.2022 between K-RIDE & SWR any change in the DPR and the detailed estimate shall be sanctioned by SWR, as per the extant procedures within a reasonable period of time of submission of complete papers and costing details by K-RIDE. Currently revenue is recognized based on earlier approved estimate. We are unable to quantify the impact on profit/loss due to above change in estimation.

- iii. **Comment** on the confirmation of balances of trade receivables, trade payables, advances and balances of a similar nature

Comments: Creditors confirmation is obtained only from few parties. Trade Payables, advances and balances of similar nature are pending confirmation.

- iv. Whether the Company has a system of ensuring that the cost on abandoned projects has been identified and provided for/written off?

Comments: We have not come across such entries

For M.S.Reddy & Associates
Chartered Accountants
FRN: 007992S

M. Sridhar Reddy
Partner
Mem.No.201103

Date:09.08.2023

Place: Bangalore

UDIN: 23201103BGYVYF6049

ANNEXURE - 1

Sl.No	Items in Check list	Remarks
1	Whether all Banks Accounts/Fixed Deposits have been opened with banks/ proper authorization and approvals as per the aforesaid delegation of powers?	Yes
2	Whether there was a periodical system of preparation of Bank reconciliation statement and whether they were produced for verification to audit?	Yes
3	Whether Bank reconciliation of the Main account and all subsidiary bank accounts were done?	Yes
4	Was the authorisation to operate the bank accounts were given to a single signatory?	Authourisation to operate the bank account was given to Joint signatories.
5	Whether the interest for the entire duration of Fixed Deposits was accounted in the books of accounts?	Yes
6	Whether physical verification of cash has taken place periodically?	The company officers had verified on following dates 30.06.2022, 30.09.2022, 31.12.2022 & 31.03.2023.
7	Whether the cash in hand as shown in the Balance Sheet tallies with the certificate of physical verification of cash?	Yes
8	Is there a register of Fixed Deposits showing amounts, maturity dates, rates of interest and dates for payment of interest?	Yes
9	Is there a follow-up system to ensure that interest on Fixed Deposits is received on due dates?	Yes
10	Is there a follow-up system to ensure that transfer of matured amount of Fixed Deposits is done without any delay?	Yes
11	Whether bank confirmation statements are obtained periodically from the banks for all accounts: SB accounts, CurrentAccounts and Fixed deposits?	Latest confirmation Statements are obtained at the end of the year as on 31.03.2023.
12	Whether confirmations of balances in respect of all bank balances tally with the Bank statements?	Yes
13	Whether Fixed Deposits and interests as per Fixed Deposits Register tally with the confirmation/certificate issued by the bank?	Yes
14	Whether the confirmation statements received from banks are authenticated and in the letter head by the bank?	Confirmations received on letter heads of respective Banks.
15	In case of any difference observed in the above check, whether the same was adjusted in the subsequent year?	No such cases
16	Whether external confirmations were obtained from Banks in the test checked cases, if so details thereof with.	Yes
17	Whether any of the aforesaid lapses were brought out in the Report of the Internal Financial controls by the Statutory Auditor, if not, whether Audit Enquiry was issued?	Not applicable

"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")****Qualified Opinion**

We have audited the internal financial controls over financial reporting of Rail Infrastructure Development Company (Karnataka) Limited, ('the Company') as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, except for the effects/possible effects of the material weaknesses described below on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2023, 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.

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31st March, 2023:

1. Inadequate internal controls system for maintenance of inventory records for stores and spares.
2. Inadequate internal control system for physical verification of inventory and reconciliation with books of accounts.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, 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. 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 were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (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

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.

Date: 09.08.2023

Place: Bangalore

UDIN: 23201103BGYVYF6049

For M.S.Reddy & Associates

Chartered Accountants

FRN: 007992S

M. Sridhar Reddy

Partner

Mem.No.201103

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 2023.

The preparation of financial statements of **Rail Infrastructure Development Company (Karnataka) Limited, Bengaluru** for the year ended **31 March 2023** 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 Revised Audit Report dated **09th August 2023** which supersedes their earlier Audit Report dated **10th July 2023**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the of the financial statements of **Rail Infrastructure Development Company (Karnataka) Limited, Bengaluru** for the year ended **31 March 2023** under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

In view of the revision made in the statutory '**Auditors Report**', to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

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

**(VIMALENDRA ANAND PATWARDHAN)
PRINCIPAL ACCOUNTANT GENERAL (AUDIT- II)
KARNATAKA, BENGALURU**

**BENGALURU
Date: 22.08.2023**

**Management's Replies to the Observations of the Statutory Auditor
on the Standalone Financial Statement of K-RIDE for the year ended 31-March-2023**

1.	The company is executing two doubling projects of South Western Railways (SWR). The percentage of completion is calculated based on original estimated cost as agreed in Memorandum of understanding (MOU) dated 14/07/2022 between Rail infrastructure development company Karnataka limited (KRIDE) and SWR. The increase in estimated contract costs due to escalation costs and change in GST rates are not considered in recognition of reduction in the profits/ increase in losses. Doubling work funded by Government of Karnataka (GoK) & MoR in the ratio of 50:50. As per MOU dated 14.07.2022 between K-RIDE & SWR any change in the DPR and the detailed estimate shall be sanctioned by SWR, as per the extant procedures within a reasonable period of time of submission of complete papers and costing details by K-RIDE. Currently revenue is recognized based on earlier approved estimate. We are unable to quantify the impact on profit/loss due to above change in estimation.	Revenue is recognized based on the approved sanctioned estimate/DPR (MOU signed on 14.07.2022 i.e.. FY 2022-23) & the same has been disclosed in notes to accounts. However, K-RIDE's Executive section is working out the revised estimate considering escalation costs and change in GST rate which will be submitted to SWR & GoK in due course for approval and the same will be considered accordingly.
2.	The company has not updated records of inventory properly. The inventory is accounted based on physical verification of inventory as on the year end. We are unable to quantify the impact on profit/loss.	Noted. K-RIDE will ensure proper system of recording of Inventory. K-RIDE is also in the process of implementing SAP to have a better control of the system.
3.	Contract Revenue is determined by adding the aggregate cost-plus proportionate margin (Direction & General Charges) based on the fixed percentage as agreed upon as per Note no: 2.4.b of notes to accounts. In our opinion and according to information and explanations given to us, the closing stock as physically verified is undervalued by Rs.46,86,125. We are unable to determine the consequent impact of the undervaluation of stock on the contract revenue and on the Profit/ Loss.	Since, Inventories are being reconciled for ensuring proper compliances, the effects of the same if any will be considered during next year financials. However, as observed by the Auditor, the increase in closing stock to the tune of ₹ 46.86 lakh will affect the decrease in revenue to the tune of ₹ 49.15 lakh, thereby the net impact on the statement of profit / loss is ₹ 2.29 lakh (loss) which is not material & insignificant.
4.	The Company has not accounted for provision related to price variation of a contract work in respect of Doubling Project amounting to Rs.34.69 lakh. Non-creation of liability towards the above provision has resulted in understatement of loss and provisions by Rs.34.69 lakh.	The Company is following consistently the practice to create liability/ make provision in the books only when the bills are certified by the Engineer as per the terms of contract similar to the practice in other Metros. Since the said bills were scrutinized & certified during the financial year 2023-24, the said price variation has been considered during the financial year 2023-24.
5.	The input tax on common expenditure allocated to doubling projects of SWR was not claimed and was debited to profit and loss account. We are unable to quantify the impact on profit/ loss.	K-RIDE has claimed GST input specifically related to Doubling project and inputs related to BSRP project are not claimed since the same is blocked u/s 17(5) of CGST Act, 2017. Inputs related to BSRP projects along with the expenses has been included in the Capital WIP for which depreciation will be claimed as per provisions of section 16(3) of CGST Act, 2017 as and when the asset is ready for its intended use. As per the suggestions made by the Statutory auditors during finalisation of Audit for FY 2020-21, with regards to the claiming of GST input on common expenses, proportionate input on doubling project was not claimed in order to avoid litigation under GST which may be disallowed by department (further interest may be charged by the GST department). In addition, majority of Common GST input is related to rent paid & approximately 70% of floor space is occupied by employees working on BSRP project, with respect to which ITC is blocked & cannot be claimed. However, as suggested by the Statutory Auditor for the year under audit the input tax on common expenditure allocated to doubling project will be claimed from the FY 2023-24 after taking expert opinion.
6.	An amount of Rs.38.15 crores (₹ 8.85 crore during the year 2021-22 and ₹ 29.30 crore for 2022-23) was earned as interest on unspent subordinate debt, which is pending confirmation from GOK as mentioned in point (g) of Emphasis of Matters, parked in fixed deposits. The same was reduced from Capital work-in-progress as disclosed in note no.12 of Notes to Accounts. Since the matter is under correspondence with Gok as to whether the fund received from Gok is Subordinate debt or Grant, we are unable to ascertain the impact of accounting treatment of the interest on the unspent fund.	As per the approved Financing pattern with respect to Bengaluru Suburban Rail Project (BSRP) in line with Government Order from GoK vide GO No. UDD 27 PRJ 2020, Bengaluru dated 07.07.2020 and Sanction order from Ministry of Railways (Railway Board) vide OM no.2019/JV Cell/KRIDE/BSTP/EBR/07 dated 21.10.2020, the cost of the Land and R&R for BSRP has to be borne by GoK through Sub-ordinate Debt. KRIDE has received the Funds to the tune of Rs.660 Crore on account of Land Acquisition, the same has been accounted in KRIDE's Books of account as Sub-ordinate debt (Long Term Borrowings) based on the sanctioned funding pattern. However, the wordings mentioned in the Government Order (GO) at the time of releasing the funds has been mentioned as "Grant" as against "Subordinate Debt". Hence, K-RIDE has taken up the matter with GoK to re-establish the funds received as subordinate debt insted of grant. The matter is under active consideration of the GoK and the company is expecting suitable corrigendum from GoK shortly. Thus, entire amount released for land acquisition is treated as Sub-debt & interest earned out of sub-debt funds are transferred to CWIP as per Accounting Standard (AS-16) - Borrowing Cost & the same has been disclosed accordingly in the financials.

7.	Transportation cost for the displaced families amounting to Rs.75.50 lakh in respect of properties acquired by KIADB for BSRP is not disclosed under contingent liabilities pending approval of compensation and Resettlement Package by GOK.	The Land required for the Bangalore suburban railway project (BSRP) is being acquired under Karnataka Industrial Areas Development Act 1966 (KIAD Act,1966) through KIADB. The Compensation and Resettlement Package (CRP) policy is under approval by the GoK, since the land compensations are met by GoK through Sub-debt. Therefore, the disclosure under contingent liability will be made in the next year financials after the approval of CRP policy by GoK.																																			
8.	The disclosure of "Trade Payables" ageing schedule and "Security Deposit" classification in the notes to accounts are not in accordance with the Revised Schedule III.	The Trade Payable ageing schedule classification as per revised Schedule-III is disclosed as under : <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left;">Trade Payables ageing schedule</th> <th colspan="3" style="text-align: right;">(₹ in Lakhs)</th> </tr> <tr> <th colspan="2" style="text-align: left;">Particulars</th> <th colspan="3" style="text-align: center;">Outstanding for following periods from due date of payment</th> </tr> <tr> <th colspan="2"></th> <th style="text-align: center;">Less than 1 year</th> <th style="text-align: center;">1-2 years</th> <th style="text-align: center;">2-3 years</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">As on 31 March 2023</td> <td style="text-align: left;">(i) MSME</td> <td style="text-align: right;">476.23</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td></td> <td style="text-align: left;">(ii) Others</td> <td style="text-align: right;">378.16</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td style="text-align: left;">As on 31 March 2022</td> <td style="text-align: left;">(i) MSME</td> <td style="text-align: right;">23.47</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td></td> <td style="text-align: left;">(ii) Others</td> <td style="text-align: right;">697.84</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> </tbody> </table> <p>As regards to Security Deposit classification, the same shall be disclosed under 'Other Non-Current Assets' during next year financials.</p>	Trade Payables ageing schedule		(₹ in Lakhs)			Particulars		Outstanding for following periods from due date of payment					Less than 1 year	1-2 years	2-3 years	As on 31 March 2023	(i) MSME	476.23	-	-		(ii) Others	378.16	-	-	As on 31 March 2022	(i) MSME	23.47	-	-		(ii) Others	697.84	-	-
Trade Payables ageing schedule		(₹ in Lakhs)																																			
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As on 31 March 2022	(i) MSME	23.47	-	-																																	
	(ii) Others	697.84	-	-																																	

Management's Replies to the Emphasis of Matters as disclosed in the Audit Report by the Statutory Auditor on the Standalone Financial Statement of K-RIDE for the year ended 31-March-2023

Sl.no.	Emphasis of Matters	Management Replies
a	The title deeds in respect of lands acquired through KIADB amounting to Rs. 5854.70 Lakh and land acquired from BWSSB amounting to Rs. 86.67 lakh and land acquired from LIDKAR amounting to Rs.361.63 lakhs are not held in the name of company as disclosed in note no. 11 of Notes to accounts.	Lands are acquired through KIADB (under compulsory acquisition). The title of land is deemed to have been transferred to K-RIDE once the final notification is published in the Gazette by KIADB. Registration & Katha transfer of lands acquired from BWSSB, LIDKAR & KIADB are under process.
b	The company has taken land on lease from SWR- extent 157.07 acres for BSRP at a nominal lease charge of Rs.1/acre per annum for which registration and other formalities of lease agreement are pending as disclosed in Note no. 11 of Notes to Accounts.	Registration of lease agreement is under process.
c	The company has forfeited Performance Bank Guarantee and security deposit amounting to Rs. 529.38 Lakh by terminating contracts of doubling projects and has accounted for as income during the year pending confirmation/ acceptance from the contractors as disclosed in note no. 18 of Notes to Accounts.	The forfeiture is done as per the contract condition after providing reasonable period of 14 days to make good the progress, failing which the action will be taken as per the contract agreement to the concerned contractors. Hence, further confirmation/ acceptance from the contractors may not be required in pursuance of the contract agreements/terms.
d	The company has reduced interest income earned out of funds received for execution of Bengaluru Suburban Railway Project (BSRP) amounting to Rs.3060.79 Lakh from the Capital Work in Progress of Rail corridor and will be netted off against the borrowing costs at the time of capitalisation of the asset as disclosed in note no. 12 of Notes to Accounts.	As per Accounting Standard (AS) - 16 "Borrowing Cost" Interest Income ₹ 3,060.79 Lakh has been transferred to CWIP during the year and will be netted off against the borrowing costs at the time of capitalization of the asset.
e	The company has paid advance to KIADB amounting to Rs.20384.30 lakh towards acquisition of land. KIADB has notified land extent 15787.77 sq.mts for which valuation is under process and the value of land will be adjusted against the advance amount as disclosed in note no. 11 of Notes to accounts.	Lands are acquired through KIADB. The title of land is deemed to have been transferred to K-RIDE once the final notification is published in the Gazette by KIADB. The amount has been capitalised based on utilisation certificate received from KIADB for 63 properties (6286.23 sq m.) as on 31.03.2023. The valuation for the balance 113 properties (15787.77 sq m.) is under process & the advance amount of ₹ 20384.30 Lakh with KIADB will be adjusted against the balance properties under valuation.
f	"The Doubling projects of SWR are funded by the Government of Karnataka (GoK) and Ministry of Railways (MoR) in the ratio of 50:50. However, the company has raised contract revenue invoices (100%) on IRFC/SWR (MoR) instead of on GoK and SWR/IRFC (MoR) in proportion of funding by GoK and MoR as disclosed in note no. 2.4.C of Notes to Accounts."	As per the terms of MOU between SWR & K-RIDE under the head "Commissioning and taking over of assets", All assets will be deemed to be taken over by the Railways immediately after commissioning for maintenance. Thus, entire Doubling project assets belongs to Railways as per the MOU & Novation agreement and invoices are being raised on Railways/IRFC accordingly.
g	The company has classified amount of Rs.66000 Lakhs received from GoK as interest free subordinate debt as per the approved financing pattern in line with Government order as disclosed in note no.6 of Notes to Accounts. However, GOK released fund to the extent of Rs.660 crores for the project in the form of grants vide sanction order. The company has requested GOK to re - establish the funds received from GOK to the company with respect to BSRP amounting to Rs.660 crores as subordinate debt in tune with the Government order sanctioning the project. The matter is under correspondence with GOK.	As per the approved Financing pattern with respect to Bengaluru Suburban Rail Project (BSRP) in line with Government Order from GoK vide GO No. UDD 27 PRJ 2020, Bengaluru dated 07.07.2020 and Sanction order from Ministry of Railways (Railway Board) vide OM no.2019/JV Cell/KRIDE/BSTP/EBR/07 dated 21.10.2020, the cost of the Land and R&R for BSRP has to be borne by GoK through Sub-ordinate Debt. KRIDE has received the Funds to the tune of Rs.660 Crore on account of Land Acquisition, the same has been accounted in KRIDE's Books of account as Sub-ordinate debt (Long Term Borrowings) based on the sanctioned funding pattern. However, the wordings mentioned in the Government Order (GO) at the time of releasing the funds has been mentioned as "Grant" as against "Subordinate Debt". Hence, K-RIDE has taken up the matter with GoK to re-establish the funds received as subordinate debt instead of grant. The matter is under active consideration of the GoK and the company is expecting suitable corrigendum from GoK shortly.

Management's Replies to the Other Matters as disclosed in the Audit Report by the Statutory Auditor on the Standalone Financial Statement of K-RIDE for the year ended 31-March-2023

Sl.no.	Other Matters	Management Replies
1	Trade Payables, advances and balances of similar nature are pending confirmation.	Letter for confirmation of balances has been sent to all creditors with a note stating that "if the communication is not received within one week from the receipt of this letter/e-mail, then KRIDE would treat the balance as stated is a deemed confirmation".
2	GST on Reverse charge mechanism amounting to Rs.34.39 lakh on fees paid to ROC on the increase of authorised capital is not disclosed under contingent liabilities. The company is of the opinion that GST is not applicable in respect of the above matter and there are no pending proceedings.	<p>Section 7(2) of CGST Act,2017 provides for activities or transactions which shall be neither treated as a supply of goods nor as supply of services. As per Section 7(2)(b) such activities or transactions undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities, as may be notified by the Government on the recommendations of the Council, shall be treated neither as a supply of goods nor a supply of services. It was held in the case between CHIEF CONSERVATOR OF FORESTS & ANOTHER, ETC. VERSUS JAGANNATH M 1995 (12) TMI 341 - SUPREME COURT] that Sovereign functions can only be discharged by the State and not by a private person.</p> <p>It is clear that functions performed by Registrar of Companies for which fee is charged from companies are nothing but statutory functions undertaken by the Central Government in which it is engaged as public authorities</p> <p>The duties and function performed by Registrar of Companies is mandated under the Companies Act, 2013 and cannot be substituted by any private person, it is a statutory & sovereign function of the Government. Thus, the functions performed by ROC, being sovereign function of the Government, not subject to GST. The company has not received any query from GST authorities on this matter. Since the above issue is not a settled matter in the court of law, the company has a right to contest also in case of any notice/ demand by the GST department, the company has not disclosed under contingent liabilities.</p>

Management's Replies to the Observations of the Statutory Auditor's in the report on the Internal Financial Controls over Financial Reporting on the Standalone Financial Statement of K-RIDE for the year ended 31-March-2023

Sl.no.	Basis of Qualified Opinion	Management Replies
1	Inadequate internal controls system for maintenance of inventory records for Raw materials, stores and spares.	Noted. K-RIDE will ensure proper system of recording of Inventory. K-RIDE is also in the process of implementing SAP to have a better control of the system.
2	Inadequate internal control system for physical verification of inventory and reconciliation with books of accounts.	Noted. K-RIDE will ensure proper system of recording of Inventory. K-RIDE is also in the process of implementing SAP to have a better control of the system.

RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED

BALANCE SHEET AS AT 31st MARCH 2023

(₹ in Lakhs)

Particulars	Notes No.	As at 31 March 2023 ₹	As at 31 March 2022 ₹
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	3,000.00	3,000.00
(b) Reserves and Surplus	4	743.54	1,068.35
(2) Share Application Money pending allotment	5	5,000.00	-
(3) Non - Current Liabilities			
(a) Long term Borrowings	6	66,000.00	66,000.00
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long - term liabilities		-	-
(d) Long-term provisions	7	83.39	40.62
(4) Current Liabilities			
(a) Trade payables			
Total outstanding dues of micro, small & medium enterprises	8	476.23	23.47
Total outstanding dues of creditors other than micro, small & medium enterprises		378.16	697.84
(b) Other Current Liabilities	9	25,384.31	14,584.15
(c) Short-term provisions	10	1,085.97	126.00
TOTAL		1,02,151.60	85,540.42
II. ASSETS			
(1) Non - Current Assets			
(a) Property, Plant and Equipment and Intangible Assets			
(i) Property, Plant and Equipment	11(i)	6,568.62	349.27
(ii) Intangible Assets	11(ii)	6.53	17.71
(iii) Capital work-in-progress	12	4,910.51	3,756.27
(b) Non-Current investments	13	210.00	210.00
(c) Long - term loans and advances		-	-
(d) Other non - current assets		-	-
(2) Current Assets			
(a) Current investments		-	-
(b) Trade receivables		-	-
(c) Inventories	14	1,804.93	-
(d) Cash and Cash Equivalents	15	14,531.69	8,570.54
(e) Short - term loans and advances		-	-
(f) Other Current Assets	16	74,119.31	72,636.63
TOTAL		1,02,151.60	85,540.42
The accompanying Notes are an integral part of the financial statements.	01-30		

In terms of our report attached
For M.S. Reddy & Associates,
Chartered Accountants
Firm Reg. No. 007992S

CA M.Sridhar Reddy
Partner
M.No.: 201103

Place : Bangalore
Date : 10.07.2023
UDIN No. : 23201103BGYYD9433

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

Gaurav Gupta
Managing Director
DIN: 02184763

Awadhesh Mehta
Director
DIN: 09564884

Awadhesh Mehta
CFO

S.N. Srinivasa
Company Secretary
FCS: 2197

Place : Bangalore
Date : 27.06.2023

RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED
STATEMENT OF PROFIT AND LOSS THE YEAR ENDED 31st MARCH 2023

(₹ in Lakhs)

Sl. No.	Particulars	Notes No.	For the year ended on 31st March 2023 ₹	For the year ended on 31st March 2022 (₹)
I	Revenue from Operations	17	8,631.75	5,571.96
II	Other Income	18	1,044.36	773.87
III	Total Income (I+II)		9,676.11	6,345.83
IV	Expenses:			
	Operating Expenses	19	8,047.67	5,303.05
	Cost of materials consumed	14	159.89	-
	Employee benefit expenses	20	702.64	612.39
	Financial Costs		-	-
	Depreciation and amortisation expenses	11	6.70	9.18
	Other Expenses	21	1,084.01	331.93
	Total Expenses		10,000.92	6,256.56
V	Profit before exceptional and extraordinary items and tax (III - IV)		(324.81)	89.27
VI	Exceptional Items - Prior Period Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		(324.81)	89.27
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		(324.81)	89.27
X	Tax Expenses:			
	(1) Current Tax		-	-
	(2) Deferred Tax		-	-
XI	Profit (Loss) for the year from continuing operations (IX-X)		(324.81)	89.27
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)		(324.81)	89.27
XVI	Earning per equity share	23.30		
	(1) Basic		(1.08)	0.30
	(2) Diluted		(1.08)	0.30
	The accompanying Notes are an integral part of the financial statements.	01-30		

In terms of our report attached
For M.S. Reddy & Associates,
Chartered Accountants
Firm Reg. No. 007992S

CA M.Sridhar Reddy
Partner
M.No.: 201103

Place : Bangalore
Date : 10.07.2023
UDIN No. : 23201103BGYYVD9433

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

Gaurav Gupta
Managing Director
DIN: 02184763

Awadhesh Mehta
CFO

Awadhesh Mehta
Director
DIN: 09564884

S.N. Srinivasa
Company Secretary
FCS: 2197

Place : Bangalore
Date : 27.06.2023

K-RIDE

RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED CASH FLOW STATEMENT (INDIRECT METHOD) FOR THE YEAR ENDED 31st MARCH 2023

(₹ in Lakhs)

Particulars	For the Year Ended on 31 March 2023 ₹	For the Year Ended on 31 March 2022 ₹						
A. CASH FLOW FROM OPERATING ACTIVITIES								
Net profit/(loss) before tax	(324.81)	89.27						
-Amount written back	-	-						
Adjustments for Non- Operating matters:								
-Depreciation/ Amortisation	6.70	9.18						
-Interest Income	(512.17)	(768.62)						
-Loss/(Profit) on Sale of fixed assets	-	-						
Operating profit before working capital changes	(830.27)	(670.16)						
Adjustments for :								
- Decrease/ (increase) in Inventories	(1,804.93)	-						
- Decrease/ (increase) in Other Current Assets	(1,482.68)	(59,779.83)						
-(Decrease) / increase in Trade Payables	133.09	115.03						
-(Decrease) / increase in Other Current Liabilities	10,800.16	5,313.02						
-(Decrease) / increase in Short-Term Provisions	959.97	30.25						
-(Decrease) / increase in Other Non Current Liabilities	42.78	40.62						
Cash generated from operations	7,818.09	(54,951.08)						
-Direct taxes paid	-	-						
Net cash from/(used in) operating activities (A)	7,818.09	(54,951.08)						
B. CASH FLOW FROM INVESTING ACTIVITIES								
Capital expenditure on fixed assets including CWIP and capital advances (Net)	(7,371.26)	(2,421.22)						
Sale of fixed assets	2.15	0.60						
Investment in Subsidiary company	-	-						
Interest received on fixed deposits and Current Account	512.17	768.62						
Net cash from/(used in) investing activities (B)	(6,856.94)	(1,652.00)						
C. CASH FLOW FROM FINANCING ACTIVITIES								
Share Application Money pending allotment	5,000.00	-						
Proceeds From Long-Term Borrowings & Grant	-	26,000.00						
Net cash from/(used in) financing activities (C)	5,000.00	26,000.00						
Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)	5,961.15	(30,603.08)						
Cash and cash equivalents (opening balance)	8,570.54	39,173.62						
Cash and cash equivalents (closing balance)	14,531.69	8,570.54						
Components of Cash and Cash Equivalents								
a) Cash on Hand	0.53	0.18						
b) Balances with Banks:								
In Current Account & Savings Accounts	14,531.17	8,570.36						
In Deposit Account	-	-						
Cheques/Draft in Hand -	-	-						
	14,531.69	8,570.54						
<p>In terms of our report attached For M.S. Reddy & Associates, Chartered Accountants Firm Reg. No. 007992S</p> <p>CA M.Sridhar Reddy Partner M.No.: 201103</p> <p>Place : Bangalore Date : 10.07.2023 UDIN No. : 23201103BGVYVD9433</p>	<p>For and on Behalf of Board of Directors of Rail Infrastructure Development Company (Karnataka) Limited</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <p>Gaurav Gupta Managing Director DIN: 02184763</p> </td> <td style="width: 33%; vertical-align: top;"> <p>Awadhesh Mehta Director DIN: 09564884</p> </td> <td style="width: 33%; vertical-align: top;"> <p>S.N. Srinivasa Company Secretary FCS: 2197</p> </td> </tr> <tr> <td style="vertical-align: top;"> <p>Awadhesh Mehta CFO</p> </td> <td colspan="2" style="vertical-align: top;"> <p>Place : Bangalore Date : 27.06.2023</p> </td> </tr> </table>		<p>Gaurav Gupta Managing Director DIN: 02184763</p>	<p>Awadhesh Mehta Director DIN: 09564884</p>	<p>S.N. Srinivasa Company Secretary FCS: 2197</p>	<p>Awadhesh Mehta CFO</p>	<p>Place : Bangalore Date : 27.06.2023</p>	
<p>Gaurav Gupta Managing Director DIN: 02184763</p>	<p>Awadhesh Mehta Director DIN: 09564884</p>	<p>S.N. Srinivasa Company Secretary FCS: 2197</p>						
<p>Awadhesh Mehta CFO</p>	<p>Place : Bangalore Date : 27.06.2023</p>							

RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

(₹ in Lakhs)

Note No.	Particulars	For the year ended on 31st March 2023 (₹)	For the year ended on 31st March 2022 (₹)
3	Share Capital		
	(A) Authorised : 5,00,00,00,000 Equity Shares of Rs.10 each (31st March 2022 - 10,00,00,000 Equity Shares of Rs.10 each)	5,00,000.00	10,000.00
	Issued and Subscribed : 3,00,00,000 Equity shares of Rs.10/- each (31st March 2022 - 3,00,00,000 Equity Shares of Rs.10 each)	3,000.00	3,000.00
	Paid up : 3,00,00,000 Equity shares of Rs.10/- each (31st March 2022 - 3,00,00,000 Equity Shares of Rs.10 each)	3,000.00	3,000.00
	(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	3,00,00,000.00	3,00,00,000.00
	Add:- Number of Right shares allotted during the year	-	-
	Less:- Number of shares bought back during the year	-	-
	Number of equity shares with voting rights at the end of the year	3,00,00,000.00	3,00,00,000.00
	(C) Rights, preferences and restrictions attaching to various classes of shares:	-	-
	(D) Shareholding in the company of the holding company ultimate Holding company and their subsidiaries / associates:	-	-
(E) The details of Shareholders holding more than 5% of shares:			
Equity Shares with Voting Rights:			
1. <u>Governor of Karnataka / Govt of Karnataka (GOK)*:</u>			
No.of Shares	1,53,00,000.00	1,53,00,000.00	
Percentage of Holding	51%	51%	
2. <u>Ministry of Railways/President of India (GOI):</u>			
No.of Shares	1,47,00,000.00	1,47,00,000.00	
Percentage of Holding	49%	49%	
Shares held by promoters at the end of the year			

Sl.No	Promoter name	No. of Shares at the end of the year	%of total shares	No. of Shares at the beginning of the year	% Change during the year
1	Governor of Karnataka / Govt of Karnataka*	1,53,00,000	51.00%	1,53,00,000	0.00%
2	Ministry of Railways/President of India	1,47,00,000	49.00%	1,47,00,000	0.00%
	Total	3,00,00,000	100.00%	3,00,00,000	

The Company has only one class of shares i.e. equity shares having face value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company the holders of equity shares would be entitled to receive remaining assets of the Company, after the distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders/Promoters.

*Note : As per records of the Company, including its Register of Shareholders/ Members, the above shareholding pattern represent legal ownership of shares as at balance sheet date, including that of nominees of GoK.

4	Reserves and Surplus		
	<u>Surplus in Statement of Profit and Loss</u>		
	Opening Balance	1,068.35	979.07
	Add : Profit for the Current Year	(324.81)	89.27
	Closing balance	743.54	1,068.35
5	Share Application Money pending allotment		
	Share Application Money from MOR - GOI (Shares shall be issued on receipt of matching contribution from GOI & GOK)	5,000.00	0.00
		5,000.00	0.00
6	Long term Borrowings		
	Interest Free Subordinate Debt from GOK		
	Advance from GoK BSRP Project-Land Acquisition (Classified under Subordinate Debt as per the approved financing pattern in line with GO no. UDD 27 PRJ 2020 Bengaluru Dt.07.07.2020)	66,000.00	66,000.00
		66,000.00	66,000.00
7	Long-term provisions		
	Provision for employee benefits	83.39	40.62
		83.39	40.62
8	Trade payables		
	Total outstanding dues of micro, small & medium enterprises	476.23	23.47
	Total outstanding dues of creditors other than micro, small & medium enterprises	378.16	697.84
		854.39	721.31

K-RIDE

RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

(₹ in Lakhs)

<u>Trade Payables ageing schedule</u>			
<u>As on 31 March 2023:</u>			
Particulars	Outstanding for following periods from due date of payment		
	Less than 6 months	6 months -1 year	1-2 years
(i) MSME	476.23	-	-
(ii) Others	378.16	-	-
<u>As on 31 March 2022:</u>			
Particulars	Outstanding for following periods from due date of payment		
	Less than 6 months	6 months -1 year	1-2 years
(i) MSME	23.47	-	-
(ii) Others	697.84	-	-
9 Other Current Liabilities			
Other Financial Liabilities			
EMD		12.44	18.49
Employee Related Payables		17.00	19.63
Retention Payable		70.22	16.20
Security Deposit		1,225.80	534.13
Advance for Doubling Projects		23,130.49	13,234.89
Davangere-Harihar UDA Payable		37.09	37.09
Withheld Amounts		129.16	76.43
Other Payables:			
<u>Statutory Remittances:</u>			
TDS Payable		107.58	80.25
GST Payable		495.09	413.76
GST TDS Payable		58.94	50.84
Labour Cess		28.76	24.33
Others		71.72	78.11
		25,384.31	14,584.15
10 Short-term provisions			
Provision for employee benefits		81.67	57.31
Provision for Contract payment		1,004.30	68.69
		1,085.97	126.00
13 Non-Current investments			
<u>Investments in Equity Instruments of Associate Companies:</u>			
(a) Hassan Mangalore Rail Development Company [20,00,000 Equity Shares of Rs.10/- each (Previous Year 20,00,000 Equity Shares of Rs.10/- each)]		200.00	200.00
(b) Bi-RIDE (100% Subsidiary of K-Ride) [1,00,000 Equity Shares of Rs.10/- each]		10.00	10.00
		210.00	210.00
14 Cost of materials consumed			
Stock of Stores & Spares:			
Opening Stock		-	-
Purchases during the year		1,964.83	-
Less: Cost of Materials Consumed		159.89	-
Closing Stock		1,804.93	-
15 Cash and Cash Equivalents			
<u>Balances with Scheduled Banks:</u>			
-In Current account		14,531.17	8,570.36
-In Deposit accounts (Maturity Less than 3 months)		-	-
Cash on Hand		0.53	0.18
		14,531.69	8,570.54

RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

(₹ in Lakhs)

Note No.	Particulars	As at 31st March 2023 ₹	As at 31st March 2022 ₹
16	Other Current Assets		
	<u>Loans & Advances (Asset)</u>		
	Accrued Interest - on Bank deposits	1,264.42	657.91
	Accrued Interest - on Mobilization Advance	97.92	-
	Recoverable from SWR - Dharward Belagam New Line Project*	36.51	36.51
	Deposit - DCW - BWSSB	65.00	-
	Deposit - DCW -KPTCL	663.59	-
	Deposit - DCW - LIDKAR	74.30	-
	Deposit - DCW - TEGDC	11.24	11.24
	Deposit - Arbitration Centre Karnataka	5.54	-
	Deposit - Tree Officer & DCF BBMP Bangalore	94.00	-
	GST Paid on Advance	882.57	346.59
	Income Tax - Refundable	613.24	156.25
	TDS Credit C/f - SWR / IRFC	168.93	71.57
	Material Advance	1,717.86	1,836.67
	Prepaid Expenses	10.14	3.47
	Receivable From MoR - Doubling Project	6,500.00	-
	Rent Deposit	105.09	105.09
	Royalty Paid - Advance	-	2.05
	Security Deposits	0.23	0.23
	Unclaimed GST Input	182.00	138.09
	Other Receivable	42.86	31.96
	Capital Advances		
	Advance to KIADB	20,384.31	6,239.00
	Advance to BDA Land	642.99	-
	Mobilization Advance	2,556.59	-
	Fixed Deposit with Banks	38,000.00	63,000.00
		74,119.31	72,636.63

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

(₹ in Lakhs)

Note No.	Particulars	As at 31st March 2023 ₹	As at 31st March 2022 ₹
17	Revenue from Operations		
	Construction Revenue - Doubling	8,631.75	5,571.96
	Total	8,631.75	5,571.96
18	Other Income		
	a) Interest Income		
	Bank Deposits	512.17	768.62
	b) Other Non-Operating Income		
	Interest on Income Tax Refund	0.27	0.45
	Miscellaneous Income (includes Rs.529.38 Lakhs of PBG & SD forfeited amount with respect to terminated contracts)	531.92	4.80
	Total	1,044.36	773.87
19	Operating Expenses		
	Construction expenses - Doubling	8,047.67	5,303.05
	Total	8,047.67	5,303.05
20	Employee benefit expenses		
	Salaries, wages and allowances	654.13	585.29
	Contribution to PF/NPS, Gratuity and other funds	41.63	21.08
	Staff welfare expenses	6.89	6.01
	Total	702.64	612.39
21	Other Expenses:		
	Audit Fees	2.52	0.25
	Advertisement	49.82	14.13
	Bank Charges	0.06	0.00
	Books & Periodicals	0.52	0.23
	CRS Inspection-HLG-Carmelaram Sec-BYL-HSRA	9.73	-

Note No.	Particulars	"For the year ended on" 31st March 2023 ₹	For the year ended on 31st March 2022 (₹)
	Directors Sitting Fees	1.23	0.66
	Electricity Charges	7.35	3.96
	Foundation Stone Laying Ceremony-BSRP	345.43	-
	Insurance Charges	14.48	5.94
	Membership Fees paid	0.01	6.55
	Office Maintenance Expenses	65.66	23.65
	Printing & Stationery	15.06	5.17
	Professional and Consultancy Services	3.41	2.20
	Rates and Taxes	50.27	4.42
	Rent & Common Area Maintenance	84.96	43.34
	Retainer Fee	55.60	34.75
	ROC Filing Fees	173.84	0.01
	Software Expenses	0.06	0.47
	Telephone & Internet Charges	11.94	4.42
	Travel and Conveyance Expenses	192.08	181.78
	Total	1,084.01	331.93

a. Expenditure pertaining to projects (ie. Doubling & BSRP) have been allocated on the following basis during the FY 2022-23 :

- 1) Expenditure directly relating to particular project is fully allocated to that particular project.
- 2) Expenditures pertaining to employees (like Salary, Reimbursement of expenditures to employees, Retirement benefits etc.) have been bifurcated based on number of employees deputed to that particular project & whereas Director(P&P)'s expenditure have been bifurcated in the ratio of 47:53 (ie. 47% for BSRP & 53% for Doubling - based on the expenditure incurred for particular project during the year). Expenditure pertaining to support departments such as Finance, HR, IT, Admin & general overhead expenses are charged to P&L account.
- 3) Expenditures pertaining to the project like Depreciation, Asset insurance & Software license have been bifurcated in the ratio of 95:05 (i.e. 95% for BSRP & 5% for Doubling – being total project cost for particular project).
- 4) Expenditures like Rent & common area maintenance, Electricity charges, Employee insurance, Telephone & Internet charges, etc. not covered above have been bifurcated in the ratio of 50:30:20 being employee ratio (i.e. 50% for BSRP, 30% for Doubling and 20% for Common).
- 5) All the expenses pertaining to BSRP including apportioned cost have been transferred to capital work in progress whereas, Doubling/ Admin & general overhead expenses are charged to P&L account.

Expenditure pertaining to projects (ie. Doubling & BSRP) have been allocated on the following basis during the FY 2021-22 :

- 1) Expenditure directly relating to particular project is fully allocated to that particular project.
- 2) Expenditures pertaining to employees (like Salary, Reimbursement of expenditures to employees, Leave encashment, vehicle hiring etc.) have been bifurcated based on number of employees deputed to that particular project & wherever number of employees pertaining to both the projects are concerned, expenditure pertaining to respective employees have been bifurcated in the ratio of 39% for BSRP & 61% for Doubling (i.e. based on the expenditure incurred for particular project).
- 3) Common expenditures pertaining to the project (like Advertisement & Depreciation) have been bifurcated in the ratio of 05:95 (i.e. 95% for BSRP & 5% for Doubling – being total project cost for particular project).
- 4) Common expenditures pertaining to the project (like Bank Charges, Professional fees, Board Meeting Expenses, Conference Expenses, etc.) have been bifurcated in the ratio of 39:61 (i.e. 39% for BSRP & 61% for Doubling – being expenditure incurred for particular project).
- 5) Other Common expenditures (like Rent, Electricity charges, Water charges, Office maintenance, House keeping etc.) not covered above have been bifurcated in the ratio of 28:71 being employee ratio (i.e. 28 for Doubling and 71 for BSRP).

b. Foundation Stone Laying Ceremony-BSRP:

Board of K-RIDE has approved the expenditure of Rs.3 Crore towards the Foundation Stone Laying Ceremony of BSRP inaugurated by Honourable Prime Minister of India Shri. Narendra Modi on 20.06.2022. Management of entire work was done by PWD GoK (Government Department) and expenses were shared by various government departments for inauguration of various projects in Bangalore. Out of Rs.3 Crore, Rs.2.99 Crore has been charged to Profit & Loss account based on utilisation certificate submitted by PWD.

c. Details of Doubling projects in progress as at the reporting date:

	(₹ in Lakhs)
(a) the aggregate amount of costs incurred;	Rs.14,385.89
(b) recognised profits (less recognised losses) upto the reporting date;	Rs.735.41
(c) the amount of advances received; and	Rs.23,130.49
(d) the amount of retentions.	Rs.59.96

RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

(₹ in Lakhs)

11. FIXED ASSETS

Note No.	Particulars	Gross Block				Depreciation (WDV)				Net Block	
		As at 01.04.2022	Additions during the year	Sale/ deletions	As at 31.03.2023	As at 01.04.2022	Accumulated Depreciation Reversed/ Adjusted	Depreciation for the Year *	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
(i)	Tangible Assets:										
	Land - Corridor 2										
	Land - KIADB	-	5,854.70	-	5,854.70	-	-	-	-	5,854.70	-
	Land - BWSSB	-	86.67	-	86.67	-	-	-	-	86.67	-
	Land - LIDKAR	-	361.63	-	361.63	-	-	-	-	361.63	-
	Land (Right to use)	-	0.06	-	0.06	-	-	0.00	0.00	0.06	-
	Office equipment	55.97	9.99	-	65.96	25.02	-	15.69	40.72	25.25	30.95
	Mobile	12.22	4.49	1.31	15.41	4.69	0.89	5.39	9.19	6.22	7.53
	Office Interiors	307.70	-	-	307.70	95.94	-	54.82	150.76	156.94	211.76
	Furniture & Fixtures	75.70	1.23	-	76.94	21.60	-	14.26	35.86	41.08	54.11
	Computers	84.39	25.61	3.42	106.59	49.90	1.68	28.60	76.83	29.76	34.49
	Servers and networks	16.62	-	-	16.62	6.18	-	4.10	10.29	6.33	10.44
	Total Tangible Assets	552.60	6,344.39	4.72	6,892.27	203.33	2.57	122.88	323.64	6,568.62	349.27
(ii)	Intangible Assets:										
	Computer Software	38.53	-	-	38.53	20.82	-	11.18	32.00	6.53	17.71
	Total Intangible Assets	38.53	-	-	38.53	20.82	-	11.18	32.00	6.53	17.71
	Grand Total (i)+(ii)	591.13	6,344.39	4.72	6,930.80	224.15	2.57	134.07	355.65	6,575.15	366.98
	Previous Year (2021-22)	483.58	109.11	1.56	591.13	41.47	0.96	183.63	224.15	366.98	442.11

Explanatory Notes :

a. Lands are acquired through KIADB. The title of land is deemed to have been transferred to K-RIDE once the final notification is published in the Gazette by KIADB. The amount has been capitalised based on utilisation certificate received from KIADB for 63 properties (6286.23 sq m.) as on 31.03.2023. The valuation for the balance 113 (15787.77 sq m.) properties is under process & the advance amount of Rs.203.84 Crore with KIADB will be adjusted against the balance properties under valuation.

Status of Properties acquired through KIADB (under compulsory acquisition) as on 31.03.2023 are as follows:

BSRP Project Corridors	Total Number of Properties acquired			Properties yet to be Registered in the name of the Company			No. of Properties for which Khata Registered in the name of the Company		
	Government	Private	Total	Government	Private	Total	Government	Private	Total
Corridor-2 (nos.)	7	169	176	7	169	176	0	0	0
Corridor-2 (sq m.)	371.76	21702.24	22074.00	371.76	21702.24	22074.00	0	0	0

b. Applicable stamp duty and registration fee will be recognised as and when registration of title in the name of the Company is completed.

c. Land - BWSSB (121.9 sq m.) & Land - LIDKAR (2,031.63 sq m.) have been handedover to K-RIDE. However, registration & Khata transfer is under process.

d. South Western Railways has transferred 157.07 acre of Railway Land for BSRP Corridor-2 to K-RIDE on Lease basis on 22.12.2022 at nominal lease charges of Re.1/- per acre per annum as per Railway Boards OM shown as Land (Right to use). Registration of Lease agreement is under process.

* Depreciation for the year has been apportioned on the basis of 05:95 (i.e. 5% for Doubling & 95% for BSRP – being total project cost for particular project). Thus 5% of Rs.1,34,06,606 being Rs.6,70,330 has been charged to Statement of Profit & Loss and Balance 95% of Rs.1,34,06,606 being Rs.1,27,36,276 has been shown under capital work-in-progress.

e. Title deeds of Immovable Property not held in name of the Company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter /director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Land - Corridor 2						
KIADB notification number:						
No:CI 10 SPQ(E) 2021	Land - KIADB	69.61	Refer Note below	NA	17.06.2021	Refer Note below
No:CI 10 SPQ(E) 2021		2,454.96			21.01.2022	
No:CI 196 SPQ(E) 2021		1,455.20			23.05.2022	
No:CI 214 SPQ(E) 2021		616.80			23.05.2022	
No:CI 185 SPQ(E) 2021		1,258.13			27.10.2022	
Land - Corridor 2	Land - BWSSB	86.67	BWSSB		10.11.2022	Registration is under process
Land - Corridor 2	Land - LIDKAR	361.63	LIDKAR		21.11.2022	Registration is under process

Note : Lands are acquired through KIADB (under compulsory acquisition) . The title of land is deemed to have been transferred to K-RIDE once the final notification is published in the Gazette by KIADB.

12. Capital work in progress

	Particulars	As at 01.04.2022	Additions during the year	Transfers/ deletions	Capitalised during the year	As at 31.03.2023
	Capital Work in Progress:					
	Rail Corridor:					
	Bangalore Suburban Projects					
	General Charges & Contingencies	2,670.63	2,134.10	-	-	4,804.73
	Land R&R	19.72	24.75	-	-	44.47
	Station Buildings	1,037.84	182.60	-	-	1,220.44
	Utilities & Road Works	778.18	1,785.78	-	-	2,563.96
	Traction & Power Supply incl. OHE, ASS etc	6.14	0.12	-	-	6.25
	Geotechnical Investigation & Civil Work	128.35	34.61	-	-	162.96
	Afforestation including Tree cutting & Replanting	-	6.94	-	-	6.94
	Interest Income - BSRP	(884.59)	(3,060.79)	-	-	(3,945.38)
	Rolling Stock	-	46.13	-	-	46.13
	Total	3,756.27	1,154.24	-	-	4,910.51

CWIP ageing schedule		As at 31.03.2023				Total
Sl.No.	CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	
1	Projects in progress					
	Bangalore Suburban Projects	1,154.24	2,486.56	1,269.71	-	4,910.51
2	Projects temporarily suspended	-	-	-	-	-
		1,154.24	2,486.56	1,269.71	-	4,910.51

Explanatory Notes :

As per Accounting Standard (AS) - 16 "Borrowing Cost" Interest Income ₹ 3,060.79 lakhs (P.Y. ₹ 866.79 lakhs) has been transferred to CWIP during the year and will be netted off against the borrowing costs at the time of capitalisation of the asset.

RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Note 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.

Note 2 : Significant Accounting Policies:**2.1 Functional and Presentation Currency:**

The Financial Statements are presented in Indian Rupees (INR), which is the Company's functional currency.

2.2 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.

Current v/s Non-Current classification: All Assets and Liabilities have been classified as Current or Non-Current as per Company's normal operating cycle and other criteria set out in Schedule III to The Companies Act, 2013. The company has ascertained its operating cycle as 12 months for the purpose of classification of assets/liabilities into current and non-current.

2.3 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.

2.4 Revenue Recognition:

Revenue from external project work is recognized as follows:

- a. Revenue from contracts, where performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, recognized as per the percentage-of-completion method.
- b. Contract revenue is determined by adding the aggregate cost plus proportionate margin (Direction & General Charges) based on fixed percentage as agreed upon.
- c. Doubling work funded by GoK & MoR in the ratio of 50:50. As per MOU dated 14.07.2022 between K-RIDE & SWR any change in the DPR and the detailed estimate shall be sanctioned by SWR, as per the extant procedures within a reasonable period of time of submission of complete papers and costing details by K-RIDE. Currently revenue is recognized based on earlier approved estimate.
As per the terms of MOU under the head "Commissioning and taking over of assets", All assets will be deemed to be taken over by the Railways immediately after commissioning for maintenance. Thus, entire Doubling project assets belongs to Railways and invoices are being raised on Railways/ IRFC accordingly.
- d. Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- e. Other income is recognised when such income accrues to the Company.

2.5 Cash and Cash Equivalents:

Cash and cash equivalents include cash in hand, bank balances and deposits with original maturities of three months or less and that are readily convertible to known amount of cash and cash equivalents and which are subject to an insignificant risk of changes in value.

2.6 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.

2.7 Property, Plant and Equipment:

Property, Plant and Equipments are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at

the purchase price. Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing item of Property, Plant and Equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts are charged to the statement of profit and loss for the period during which such expenses are incurred.

An item of Property, Plant and Equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on de-recognition is recognised in the Statement of Profit and Loss.

2.8 Depreciation and Amortization:

Depreciation on Property, Plant and Equipment is provided to the extent of depreciable amount on the Written Down Value (WDV) Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Further in cases where the depreciation on the assets have been fully written off, the residual value of 5% or the value continued in the books are carried forward without applying further depreciation on the same.

Depreciation on individual assets acquired for a value less than (or) equal to Rs.5,000/- is depreciated at the rate of 100% taking into consideration the commercial life in the year of purchase itself & not capitalised. Mobile handsets to employees are depreciated over a period of 3 years as per company's policy.

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
Office Interiors	10
Employee Mobile handset costing more than Rs.5,000/-	3

2.9 Intangible assets:

Intangible assets (Computer Software) acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized over their estimated useful life on written down value method as follows:

Asset Description	No. of years
Computer Software	3

2.10 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.

2.11 Capital Work-in-Progress:

- a) Expenditure directly pertaining to Bengaluru Suburban Rail Project (BSRP) are accounted under the head Capital Work-in-Progress.
- b) Interest Income from BSRP funds are reduced from the value of Capital Work-in-Progress.
- c) Common expenditures pertaining to both the projects (BSRP & Doubling) have been bifurcated and the basis have been detailed under notes to Profit & Loss account.

2.12 Inventories:

Inventories are valued at the lower of cost and the net realizable value after providing for obsolescence and other losses, if any by following FIFO method. The cost of inventories includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

2.13 Foreign Currency Transactions:

- (i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of transaction.
- (ii) Monetary items denominated in foreign currencies are translated at exchange rates as at the reporting date.
- (iii) Exchange differences arising on the settlement or translation of monetary items are recognized in Statement of Profit & Loss in the year in which these arise.

2.14 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.

Borrowing costs eligible for capitalization on that asset are determined as the actual borrowing costs incurred on that borrowing during the period less any income on the temporary investment of those borrowings.

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

2.15 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.

- ♦ Current Investments are carried at lower of cost and fair value determined on an individual investment basis.
- ♦ 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.

2.16 Investment in Subsidiary/ JV/ Associate Company:

- ♦ The Company has incorporated Bengaluru Integrated Rail Infrastructure Development Enterprises Limited (B-RIDE) on 6th January, 2021 as a wholly – owned subsidiary with an initial investment in the paid-up share capital of Rs.10,00,000 (Rupees Ten Lakh Only) divided into 1,00,000 equity share of Rs.10/- each, to undertake Bengaluru Sub-Urban Rail Project.
- ♦ The Company has invested Rs.2 Crores in the paid up capital of M/s. Hassan Mangalore Rail Development Company Limited (1.786% of paid up capital) being Special Purpose Vehicle (Joint Venture of Ministry of Railways & Government of Karnataka).

2.17 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.

2.18 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.

2.19 Provisions and Contingencies:

A provision is recognized 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 recognized and, if any, are adequately disclosed in the notes to accounts.

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

2.20 Employee Benefits:

A) Defined Contribution plans:

Contribution paid/ payable to defined contribution plan comprising of Provident Fund is recognized as expense and charged to Statement of Profit and Loss on accrual basis. The Company has no obligation, other than the contribution payable to such Funds.

B) Defined Benefits plans:

❖ Leave Encashment:

In case of deputationists, leave salary contribution is remitted to the concerned Parent Department as per the terms of deputation. In case of contract employees, earned leave encashable at the rate of 15 days in a calendar year and/or earned leave at credit at the time of termination of the contract being eligible for encashment, as per the contract terms, is provided for based on the actuarial valuation as per the Projected Unit Credit Method, carried out by an independent actuary.

❖ Gratuity:

The company has a defined benefit plan. Every regular employee who has rendered continuous service of five years or more is entitled for gratuity @ 15 days salary (15/26 x last drawn basic pay plus dearness pay/dearness allowance) for each completed year of service on superannuation, resignation, termination and disablement or on death.

Employees on direct Contract basis with K-RIDE and who have rendered continuous service of 5 years or more are entitled for gratuity @ 70% of Consolidated pay x 15/26 for each completed year of service.

The disclosure of information as required under AS 15 (Employee Benefits) have been made in accordance with the actuarial valuation done by an independent actuary as per the Projected Unit Credit Method.

❖ Deputed Employees:

Retirement benefits to employees on deputation from the Government/other organizations are governed by the service rules of the respective parent organization and amount accrued towards retirement benefit contribution, is recognized based on the terms and conditions of deputation.

The summarized position of various benefits recognised in the Statement of Profit & Loss and balance sheet & other disclosures are as under:

Table I: Assumptions

Assumptions	(₹ in Lakhs)			
	Gratuity		Earned Leave	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Method Used	Projected Unit Credit (PUC) Actuarial Method		Projected Unit Credit (PUC) Actuarial Method	
Discount Rate	7.48% p.a.	NA	7.48% p.a.	7.29% p.a.
Rate of increase in Compensation levels	6.00% p.a.	NA	6.00% p.a.	6.00% p.a.
Withdrawal Rate	2.00% p.a.	NA	2.00% p.a.	2.00% p.a.
Rate of Return on Plan Assets	NA	NA	NA	NA
Mortality Rate	100% of IALM 2012-14	NA	100% of IALM 2012-14	
Average future service (in Years)	24.96 Years	NA	24.96 Years	4.08 Years

Table II: Change in Present Value of Obligations

All Figures in INR	Gratuity		Earned Leave	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Present Value of Obligation as at the beginning of the year	0	NA	41.61	0
Liability Transfer In/(Out)	0	NA	0	0
Interest Cost	0	NA	3.03	0
Past Service Cost	12.12	NA	0	17.76
Current Service Cost	14.43	NA	22.08	23.84
Curtaiment Cost / (Credit)	0	NA	0	0
Settlement Cost / (Credit)	0	NA	0	0
Benefits paid	0	NA	(26.73)	0
Actuarial (gain)/ loss on obligations	0	NA	24.06	0
Present Value of Obligation as at the end of the year	26.55	NA	64.06	41.61

Table III: Change in Fair Value of Plan Assets

All Figures in INR	Gratuity		Earned Leave	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Fair value of plan asset at the beginning of year	0	NA	0	0
Asset Transfer In/ (Out)	0	NA	0	0
Expected Return on Plan Assets	0	NA	0	0
Employers' Contributions	0	NA	26.73	0
Benefit Paid	0	NA	(26.73)	0
Actuarial Gain / (loss) on Plan Assets	0	NA	0	0
Fair value of plan assets at the end of year	0	NA	0	0

Table IV: Fair Value of Plan Assets

All Figures in INR	Gratuity		Earned Leave	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Fair value of plan asset at the beginning of year	0	NA	0	0
Asset Transfer In/ (Out)	0	NA	0	0
Actual return on plan assets	0	NA	0	0
Employers' Contributions	0	NA	26.73	0
Benefits Paid	0	NA	(26.73)	0
Fair value of plan assets at the end of year	0	NA	0	0
Funded Status	(26.55)	NA	(64.06)	(41.61)
Excess of actual over estimated return on plan assets	0	NA	0	0

Table V: Actuarial Gain/Loss Recognised

All Figures in INR	Gratuity		Earned Leave	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Actuarial gain/(loss) for the year - Obligation	NA	NA	(24.06)	0
Actuarial (gain)/loss for the year - Plan Assets	NA	NA	0	0
Total (gain) / loss for the year	NA	NA	(24.06)	0
Actuarial (gain) / loss recognized in the year	NA	NA	(24.06)	0
Unrecognized actuarial (gains)/losses at the end of the year	NA	NA	0	0

Table VI: The amount to be recognized in Balance Sheet and Statements of Profit and Loss

All Figures in INR	Gratuity		Earned Leave	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Present Value of Obligation as at the end of the year	26.55	NA	64.06	41.61
Fair Value of Plan Assets as at the end of the year	0	NA	0	0
Funded Status	(26.55)	NA	(64.06)	(41.61)
Unrecognized Actuarial (gains) / losses	0	NA	0	0
Net Asset / (Liability) Recognized in Balance Sheet	(26.55)	NA	(64.06)	(41.61)

Table VII: Expense Recognized in Statement of Profit and Loss

All Figures in INR	Gratuity		Earned Leave	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Current Service Cost	14.43	NA	22.08	23.84
Past Service Cost	12.12	NA	0	17.77
Interest Cost	0	NA	3.03	0
Expected Return on Plan Assets	0	NA	0	0
Curtailment Cost / (Credit)	0	NA	0	0
Settlement Cost / (Credit)	0	NA	0	0
Net actuarial (gain)/ loss recognized in the year	0	NA	24.06	0
Expenses Recognized in the statement of Profit & Loss	26.55	NA	49.17	41.61

RECONCILIATION OF EXPENSE IN PROFIT AND LOSS STATEMENT

All Figures in INR	Gratuity		Earned Leave	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Present Value of Obligation as at the end of the year	26.55	NA	64.06	41.61
Present Value of Obligation as at the beginning of the year	0	NA	(41.61)	0
Benefit Paid	0	NA	26.73	0
Actual Return on Assets	0	NA	0	0
Liability Transfer (In)/Out	0	NA	0	0
Expenses Recognised in the Statement of Profit and Loss	26.55	NA	49.17	41.61

Reconciliation of Liability in Balance Sheet

All Figures in INR	Gratuity		Earned Leave	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Opening Net Liability	0	NA	(41.61)	0
Expenses as above	(26.55)	NA	(49.17)	(41.61)
Employer Contribution	0	NA	26.73	0
Liability Transferred (In) / Out - Net	0	NA	0	0
Closing Net Liability	(26.55)	NA	(64.06)	(41.61)

22. Additional Information to the Financial Statements:

22.1 Contingent Liabilities and Commitments (to the extent not provided for):

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
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 (issue under arbitration – Provision for the same is not provided for as the proceedings are still at the initial stage & claims are not accepted by the management)	1,018.30	Nil
Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for:		
a. Tangible Assets (awarded contracts only)	1,06,024.58	21,830.00
b. Intangible Assets	Nil	Nil
Other commitments (Estimated amount of contracts remaining to be executed on account of works contract and not provided for) (Awarded contracts only)	30,988.71	45,200.99

22.2 Information in respect of Micro, Small and Medium Enterprises:

(₹ in Lakhs)

Sl No.	Particulars	2022-23	2021-22
1	Amount remaining unpaid to any supplier: a) Principal Amount b) Interest due there on	Rs. 476.23 Nil	Rs. 23.47 Nil
2	Amount of Interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount paid to the supplier beyond the appointed day.	Nil	Nil
3	Amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
4	Amount of Interest accrued and remaining unpaid.	Nil	Nil
5	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

22.3 Activity in Foreign Currency [on Accrual Basis]:

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

23. Disclosures under Accounting Standards:

23.1 Segment Reporting

The Company is an Infrastructure Project Development Company and currently, acting as a Nodal Agency between the Government of Karnataka (GoK) and Ministry of Railways (MoR). The company's principal business is to implement Bengaluru Sub-Urban Rail Project through SPV in Bengaluru. K-RIDE also acts as an implementing agency to SWR on account of two Doubling Projects viz, (i) Baiyappanahalli – Hosur (48 Kms) & (ii) Yeshwanthpur – Channasandra (21.7 Kms), which have been transferred from SWR to K-RIDE for execution on cost sharing basis (50% from GoK & 50% from MoR).

The company operates within India and does not have operations / projects in economic environments with different risks & return. Hence it is considered operating in single geographical segment and operating segment.

Accordingly, the amounts appearing in the financial statements are related to the company's single business segment.

23.2 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 Bengaluru Integrated Rail Infrastructure Development Enterprises Limited (B-RIDE)	Wholly Owned Subsidiary Company	100.00%
Investment in Hassan Mangalore Rail Development Company Limited	Special Purpose Vehicle [Group Entity]	1.786%

B. Key Managerial Personnel:

Key Managerial Personnel	Designation
Shri. Gaurav Gupta (from 11-Aug-2022)	Managing Director
Shri. Amit Garg (upto 03-Aug-2022)	Managing Director
Shri. Awadhesh Mehta (Director from 20-Jan-2023)	Director (BD&F) & Chief Financial Officer
Shri. Harendra Pandey (upto 08-Apr-2022)	Director (BD&F)
Shri. Rajesh K Singh (from 21-Sep-2022)	Director (P&P)
Shri. S.N.Srinivasa	Company Secretary

I. Remuneration to Directors & Key Managerial Personnel:

(₹ in Lakhs)

SI No	Particulars of Remuneration	Name of Managing Director / Whole time Director				
		Amit Garg (upto 03-Aug-2022)	Awadhesh Mehta (Director & CFO from 20-Jan-2023)	Harendra Pandey (upto 08-Apr-2022)	Rajesh K Singh (from 21-Sep-2022)	Neeraj Agrawal (upto 31-Dec-2021)
1	FY 2022-23					
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	16.56	16.57	1.10	21.98	-
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-	-	-
2	FY 2021-22					
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	47.81	-	46.82	-	38.59
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-	-	-

II. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD:

(₹ in Lakhs)

Particulars of Remuneration		FY 2022-23	FY 2021-22
Fees for attending board/ committee meetings:			
Shri. Gaurav Gupta	Director	0.24	-
Shri. Ajit Kumar Jha	Director	0.08	-
Shri. Ashuthosh Mathur	Director	0.24	-
Smt. Bhuvaneshwari K	Director	0.04	-
Smt. Deepa Kotnis	Director	0.12	-
Shri. T.M. Vijay Bhaskar	Director	-	-
Shri. B.H. Anil Kumar	Director	-	0.06
Shri. I.S.N Prasad	Director	0.16	0.12
Shri. Kapil Mohan	Director	-	0.06
Shri. Rakesh Singh	Director	0.16	0.08
Shri. P.S. Gupta	Director	-	0.02
Shri. O.P Singh	Director	-	-
Shri. A.K. Singhal	Director	-	-
Shri. R K Singh	Director	-	0.14
Shri. Gul Ashfaque Mohammed	Director	-	0.08
Total		1.04	0.56

III. Remuneration to Key Managerial Personnel Other than MD/WTD: (₹ in Lakhs)

SI No.	Particulars of Remuneration	Key Managerial Personnel	
		Awadhesh Mehta (CFO upto 19-Jan-2023)	S.N.Srinivasa (CS)
	Gross Salary:		
1	FY 2022-23		
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	26.95	38.97
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-
2	FY 2021-22		
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	24.56	36.76
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-

23.3 Computation of Earnings Per Equity Share [EPS] as required by AS-20: (₹ in Lakhs)

Particulars	2022-23	2021-22
Net Profit for the Year	(324.81)	89.27
Less: Preference share dividend	-	-
Amount available for equity shareholders	(324.81)	89.27
Weighted average number of shares	3,00,00,000	3,00,00,000
Earnings per Share – Basic & Diluted	(1.08)	0.30
Face value per equity share	10	10

23.4 Insurance Claims:

Insurance claims are accounted for based on acceptance of claims by Insurance Company.

23.5 Prior period Expenses and Income:

Income / Expenditure relating to a prior period which does not exceed 0.5% of the total turnover are treated as income / expenditure of current year.

23.6 Prepaid Items:

Individual items of prepaid expenses over Rs.5,000/- each are recognized.

23.7 Subordinate Debt:

Interest Free Subordinate Debts (SD) received from GoK/MoR have been recognized as long-term borrowings. The subordinate debts are interest free.

In the EGM held on Dt.19th February 2022, the Shareholders have approved the increase in borrowing limit upto Rs.10,809 Crores which is beyond the paid up capital & free reserves of the company.

23.8 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 is 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.

24. Business Implications due to Covid-19:

Significant disruptions have taken place nationwide due to Covid-19 pandemic outbreak. The company has implemented all the guideline and protocols issued by the various Government authorities with regard to Covid-19 from time to time. Company's operations have not been impacted as Company is still in early stage of commencing its construction activities.

25. Events occurring after the date of Balance Sheet:

Material adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Non-adjusting events (that are indicative of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represent material change and commitment affecting the financial position are disclosed.

26. Deferred Tax Asset 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 recognized.

27. Dividend:

The Company has not declared any dividend for the financial year ended 2022-23.

Note: 28

Ratio Analysis:

		<u>2022-23</u>	<u>%</u>	<u>2021-22</u>	<u>%</u>
(a) Current Ratio,	Current Assets	90,455.94	3.31	81,207.17	5.26
	Current Liabilities	27,324.67		15,431.46	
(b) Debt-Equity Ratio,	Total Debt	66,000.00	22.00	66,000.00	22.00
	Shareholders Equity	3,000.00		3,000.00	
(c) Debt Service Coverage Ratio,	EBITDA - Capex	(318.10)	(0.00)	98.46	0.00
	Interest + Principal	66,000.00		66,000.00	

K-RIDE

(d) Return on Equity Ratio, (ROE)	<u>Net Income</u>	<u>(324.81)</u>	(0.11)	<u>89.27</u>	0.03
	Average Shareholders' Equity	3,000.00		3,000.00	
(e) Inventory turnover ratio,	<u>COGS</u>	<u>159.89</u>	0.18	<u>-</u>	-
	Avg Inventory	902.47		-	
(f) Trade Receivables turnover ratio,	<u>Net Credit Sales</u>	<u>8,631.75</u>	-	<u>5,571.96</u>	-
	Average Accounts Receivable	-		-	
(g) Trade payables turnover ratio,	<u>Net Credit Purchases</u>	<u>10,012.50</u>	12.71	<u>5,303.05</u>	7.24
	Average Accounts Payable	787.85		732.47	
(h) Net capital turnover ratio,	<u>Net Sales</u>	<u>8,631.75</u>	0.13	<u>5,571.96</u>	0.10
	Average working capital	64,453.49		53,916.48	
(i) Net profit ratio,	<u>Net Profit</u>	<u>(324.81)</u>	(0.04)	<u>89.27</u>	0.02
	Sales	8,631.75		5,576.75	
(j) Return on Capital employed,	<u>EBIT</u>	<u>(324.81)</u>	(0.00)	<u>89.27</u>	0.00
	Capital Employed	69,743.54		70,068.35	
(k) Return on investment.	<u>Return (Benefit)</u>	<u>(324.81)</u>	(0.11)	<u>89.27</u>	0.03
	Investment (Cost)	3,000.00		3,000.00	

Ratio

Explanation for change in ratio by more than 25% as compared to the preceding year:

(a) Current Ratio,	Due to material amount of advance received for Doubling project during the year end there is a substantial increase in current liabilities resulted in reduction in current ratio .
(c) Debt Service Coverage Ratio,	Due to non recurring nature of expenses like ROC fees for increase in Authorised Share Capital & Stamp duty thereon (Rs.2.23 Cr) & Foundation Stone Laying Ceremony-BSRP (Rs.3.45 Cr).
(d) Return on Equity Ratio, (ROE)	Due to non recurring nature of expenses like ROC fees for increase in Authorised Share Capital & Stamp duty thereon (Rs.2.23 Cr) & Foundation Stone Laying Ceremony-BSRP (Rs.3.45 Cr).
(e) Inventory turnover ratio,	Due to purchases of Stores & Spares items during the year.
(g) Trade payables turnover ratio,	During the FY 2022-23, there is substantial increase in the Credit purchases so as to achieve the targets for completion of the doubling project which inturn affected the Trade payable turnover ratio.
(h) Net capital turnover ratio,	Due to increase in project revenue & material amount of advance received for Doubling project during the year.
(i) Net profit ratio,	Due to non recurring nature of expenses like ROC fees for increase in Authorised Share Capital & Stamp duty thereon (Rs.2.23 Cr) & Foundation Stone Laying Ceremony-BSRP (Rs.3.45 Cr).
(j) Return on Capital employed,	Due to non recurring nature of expenses like ROC fees for increase in Authorised Share Capital & Stamp duty thereon (Rs.2.23 Cr) & Foundation Stone Laying Ceremony-BSRP (Rs.3.45 Cr).
(k) Return on investment.	Due to non recurring nature of expenses like ROC fees for increase in Authorised Share Capital & Stamp duty thereon (Rs.2.23 Cr) & Foundation Stone Laying Ceremony-BSRP (Rs.3.45 Cr).

29. 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.

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

For M.S. Reddy & Associates,
Chartered Accountants
Firm Reg. No. 007992S

Gaurav Gupta
Managing Director
DIN: 02184763

Awadhesh Mehta
Director
DIN: 09564884

CA M.Sridhar Reddy
Partner
M.No.: 201103

Awadhesh Mehta
CFO

S.N. Srinivasa
Company Secretary
FCS: 2197

Place : Bangalore
Date : 10.07.2023

Place : Bangalore
Date : 27.06.2023

RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED
INDEPENDENT AUDITORS' REPORT**INDEPENDENT AUDITOR'S REPORT**

To the Members of Rail Infrastructure Development Company (Karnataka) Limited
Report on the audit of Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of **Rail Infrastructure Development Company (Karnataka) Limited** ("the Holding company") and its subsidiary (the Holding Company and its subsidiaries together referred as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2023, the Consolidated Statement of Profit and Loss, Consolidated statement of cash flows for the year then ended and notes to the Consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements"). On completion of Audit of Accounts of the Company, we have rendered our Audit Report on 10th July 2023. Subsequently, the audit report has gone revision in the light of the observations of the Comptroller and Auditor General of India. This supersedes our earlier audit report dated 10th July 2023.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis of Qualified Opinion section of our report, the aforesaid consolidated 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, of the state of affairs of the Group as at March 31, 2023, and profit/loss, and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified opinion on the Consolidated Financial Statements.

Matters giving rise to Qualified Opinion

1. The Holding company is executing two doubling projects of Southwestern Railways (SWR). The percentage of completion is calculated based on original estimated cost as agreed in Memorandum of understanding (MOU) dated 14/07/2022 between Rail infrastructure development company Karnataka limited (KRIDE) and SWR. The increase in estimated contract costs due to escalation costs and change in GST rates are not considered in recognition of reduction in the profits/increase in losses. Doubling work funded by GoK&MoR in the ratio of 50:50. As per MOU dated 14.07.2022 between K-RIDE & SWR any change in the DPR and the detailed estimate shall be sanctioned by SWR, as per the extant procedures within a reasonable period of time of submission of complete papers and costing details by K-RIDE. Currently revenue is recognized based on earlier approved estimate. We are unable to quantify the impact on profit/loss due to above change in estimation.
2. The Holding company has not updated records of inventory properly. The inventory is accounted based on physical verification of inventory as on the year end. We are unable to quantify the impact on profit/loss.
3. The Contract Revenue of Holding Company is determined by adding the aggregate cost-plus proportionate margin (Direction & General Charges) based on the fixed percentage as agreed upon as per Note no: 2.4.b of notes to accounts. In our opinion and according to information and explanations given to us, the closing stock as physically verified is undervalued by Rs.46,86,125. We are unable to determine the consequent impact of the undervaluation of stock on the contract revenue and on the Profit/ Loss.
4. The Holding company has not accounted for provision related to price variation of a contract work in respect of Doubling Project amounting to Rs.34.69 lakh. Non-creation of liability towards the above provision has resulted in understatement of loss and provisions by Rs.34.69 lakh.
5. The input tax on common expenditure allocated to doubling projects of SWR was not claimed and was debited to profit and loss account by the Holding company. We are unable to quantify the impact on profit/ loss.
6. An amount of Rs.38.15 crores (₹ 8.85 crore during the year 2021-22 and ₹ 29.30 crore for 2022-23) was earned as interest on unspent subordinate debt by the Holding company, which is pending confirmation from GOK as mentioned in point (g) of Emphasis of Matters, parked in fixed deposits. The same was reduced from Capital work-in-progress as disclosed in note no.12 of Notes to Accounts. Since the matter is under correspondence with Gok as to whether the fund received from Gok is Subordinate debt or Grant, we are unable to ascertain the impact of accounting treatment of the interest on the unspent fund.
7. Transportation cost for the displaced families amounting to Rs.75.50 lakh in respect of properties acquired by KIADB for BSRP is not disclosed under contingent liabilities by the Holding company pending approval of compensation and Resettlement Package by GOK.
8. The disclosure of "Trade Payables" ageing schedule and "Security Deposit" classification in the notes to accounts of the Holding company are not in accordance with the Revised Schedule III.

Key Audit Matters

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

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

Emphasis of Matters

We draw attention to the following matters in notes to the consolidated financial statements:

- a) The title deeds in respect of lands acquired through KIADB amounting to Rs.5854.70 Lakh and land acquired from BWSSB amounting to Rs. 86.67 lakh and land acquired from LIDKAR amounting to Rs.361.63 lakhs are not held in the name of Holding company as disclosed in note no.11 of Notes to accounts.
- b) The Holding company has taken land on lease from SWR- extent 157.07 acres for BSRP at a nominal lease charge of Rs.1/acre per annum for which registration and other formalities of lease agreement are pending as disclosed in Note no.11 of Notes to Accounts.

- c) The Holding company has forfeited Performance Bank Guarantee and security deposit amounting to Rs. 529.38 Lakh by terminating contracts of doubling projects and has accounted for as income during the year pending confirmation/acceptance from the contractors as disclosed in note no.18 of Notes to Accounts.
- d) The Holding company has reduced interest income earned out of funds received for execution of Bengaluru Suburban Railway Project (BSRP) amounting to Rs.3060.79 Lakh from the Capital Work in Progress of Rail corridor and will be netted off against the borrowing costs at the time of capitalisation of the asset as disclosed in note no.12 of Notes to Accounts.
- e) The Holding company has paid advance to KIADB amounting to Rs.20384.30 lakh towards acquisition of land. KIADB has notified land extent 15787.77 sq.mts for which valuation is under process and the value of land will be adjusted against the advance amount as disclosed in note no.11 of Notes to accounts.
- f) The Doubling projects of SWR of the Holding company are funded by the Government of Karnataka (GoK) and Ministry of Railways (MoR) in the ratio of 50:50. However, the company has raised contract revenue invoices (100%) on IRFC/SWR (MoR) instead of on GoK and SWR/IRFC (MoR) in proportion of funding by GoK and MoR as disclosed in note no. 2.4.C of Notes to Accounts.
- g) The Holding company has classified amount of Rs.66000 Lakhs received from GoK as interest free subordinate debt as per the approved financing pattern in line with Government order as disclosed in note no.6 of Notes to Accounts. However, GOK released fund to the extent of Rs.660 crores for the project in the form of grants vide sanction order. The Holding company has requested GOK to re - establish the funds received from GOK to the Holding company with respect to BSRP amounting to Rs.660 crores as subordinate debt in tune with the Government order sanctioning the project. The matter is under correspondence with GOK.

Our opinion is not modified in respect of the above matters.

Information other than Consolidated Financial Statements and Auditor's Report thereon

The Holding 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 Consolidated Financial Statements and our Auditor's report thereon.

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge 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 are 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.

Our opinion is not modified in respect of these matters.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the matters 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 consolidated state of affairs, consolidated loss and consolidated cash flows of the group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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 Holding 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective managements of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of directors of the Companies include in the Group are responsible for overseeing the financial reporting process of each Company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with Standards on Auditing (SAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Review of the audit financial statements of the subsidiaries not audited by us and communicating with the respective statutory auditor of such subsidiary as per the framework of provisions of SA 600, "Using the work of another Auditor"
- 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. Trade Payables, advances and balances of similar nature of the Holding company are pending confirmation.
2. GST on Reverse charge mechanism amounting to Rs.34.39 lakh on fees paid to ROC on the increase of authorised capital is not disclosed under contingent liabilities. The Holding company is of the opinion that GST is not applicable in respect of the above matter and there are no pending proceedings.
3. We did not audit the financial statements / financial information of Bengaluru Integrated Rail Infrastructure Development Enterprise Limited, subsidiary whose financial statements / financial information reflect total assets of Rs. 8.26 lakhs as at 31st March, 2023, total revenues of Nil and net cash flows amounting to `Rs. -1.31 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the share of net loss of Rs. -1.48 lakhs for the year ended 31st March, 2023, as considered in the consolidated financial statements, in respect of Bengaluru Integrated Rail Infrastructure Development Enterprise Limited, a subsidiary, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated 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) Being a Government Company pursuant to the Notification No GSR 463 (E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of section 164 of the Companies Act, 2013, are not applicable to the Holding company. On the basis of reports of the statutory auditor of its subsidiary company, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report which is based on the Auditor's Report of the Holding Company and its subsidiary.
 - 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 and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No.22.1 to the Consolidated Financial Statements.
 - ii. The Group did not have any material for eseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding company and its subsidiary.

For M.S.Reddy & Associates
Chartered Accountants
FRN: 007992S

M. Sridhar Reddy
Partner
Mem.No.201103

Date:09.08.2023
Place: Bangalore
UDIN: 23201103BGVYVG1915

Annexure-A to Auditors Report

Annexure A to the Independent Auditors Report on the Consolidated Financial Statement of Rail Infrastructure Development Company (Karnataka) Limited for the year ended 31st March, 2023.

In our opinion and according to the information and explanations given to us the following companies incorporated in India and included in the Consolidated financial statements, have unfavorable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO).

Sl.No	Name	CIN	Holding Company/ Subsidiary/Associate/ Joint venture	Clasenumber of the CARO report which is qualified or adverse
1	RailInfrastructure Development Company (Karnataka) Limited	U60100KA2000SGC028171	Holding Company	(i)(c), (ii), (xiv), (xvii)

Date:09.08.2023
Place: Bangalore
UDIN: 23201103BGYVYG1915

For M.S.Reddy& Associates
Chartered Accountants
FRN: 007992S

M. Sridhar Reddy
Partner
Mem.No.201103

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED FOR THE YEAR ENDED 31ST MARCH 2023.

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

Qualified Opinion

We have audited the internal financial controls with reference to Consolidated Financial Statements of Rail Infrastructure Development Company (Karnataka) Limited, ('the Company') and its subsidiary company, as of March 31, 2023, in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

In our opinion, except for the effects/possible effects of the material weaknesses described below on the achievement of the objectives of the control criteria, the Holding company and its subsidiary have maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2023, based on the internal financial controls with reference to Consolidated Financial Statements criteria established by the Holding 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(the "Guidance Note")

According to the information and explanations given to us and based on our audit, the following material weaknesses in respect of the Holding Company have been identified as at 31st March, 2023:

1. Inadequate internal controls system for maintenance of inventory records for stores and spares.
2. Inadequate internal control system for physical verification of inventory and reconciliation with books of accounts.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls, 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Consolidated Financial Statements 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 Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

For M.S.Reddy& Associates
Chartered Accountants
FRN: 007992S

Date:09.08.2023
Place: Bangalore
UDIN: 23201103BGVYVG1915

M. Sridhar Reddy
Partner
Mem.No.201103

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED, BENGALURU FOR THE YEAR ENDED 31 MARCH 2023.

The preparation of financial statements of **Rail Infrastructure Development Company (Karnataka) Limited, Bengaluru** for the year ended **31 March 2023** 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) read with section 129 (4) 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 Revised Audit Report **dated 09th August 2023** which supersedes their earlier Audit Report **dated 10th July 2023**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the of the Consolidated financial statements of **Rail Infrastructure Development Company (Karnataka) Limited, Bengaluru** for the year ended **31 March 2023** under section 143(6)(a) read with 129(4) of the Act. We have conducted a supplementary audit of the financial statements of Subsidiary- Bengaluru Rail Infrastructure Development Enterprise Limited for the year ended 31st March 2023. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

In view of the revision made in the statutory '**Auditors Report**', to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

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

BENGALURU

Date: 22.08.2023

**(VIMALENDRA ANAND PATWARDHAN)
PRINCIPAL ACCOUNTANT GENERAL (AUDIT- II)
KARNATAKA, BENGALURU**

**Management's Replies to the Observations of the Statutory Auditor
on the Consolidated Financial Statement of K-RIDE for the year ended 31-March-2023**

Sl.no.	Basis of Qualified Opinion	Management Replies
1.	The Holding company is executing two doubling projects of South Western Railways (SWR). The percentage of completion is calculated based on original estimated cost as agreed in Memorandum of understanding (MOU) dated 14/07/2022 between Rail infrastructure development company Karnataka limited (KRIDE) and SWR. The increase in estimated contract costs due to escalation costs and change in GST rates are not considered in recognition of reduction in the profits/ increase in losses. Doubling work funded by Government of Karnataka (GoK) & MoR in the ratio of 50:50. As per MOU dated 14.07.2022 between K-RIDE & SWR any change in the DPR and the detailed estimate shall be sanctioned by SWR, as per the extant procedures within a reasonable period of time of submission of complete papers and costing details by K-RIDE. Currently revenue is recognized based on earlier approved estimate. We are unable to quantify the impact on profit/loss due to above change in estimation.	Revenue is recognized based on the approved sanctioned estimate/DPR (MOU signed on 14.07.2022 i.e.. FY 2022-23) & the same has been disclosed in notes to accounts. However, K-RIDE's Executive section is working out the revised estimate considering escalation costs and change in GST rate which will be submitted to SWR & GoK in due course for approval and the same will be considered accordingly.
2.	The Holding company has not updated records of inventory properly. The inventory is accounted based on physical verification of inventory as on the year end. We are unable to quantify the impact on profit/loss.	Noted. K-RIDE will ensure proper system of recording of Inventory. K-RIDE is also in the process of implementing SAP to have a better control of the system.
	The Contract Revenue of Holding Company is determined by adding the aggregate cost-plus proportionate margin (Direction & General Charges) based on the fixed percentage as agreed upon as per Note no: 2.4.b of notes to accounts. In our opinion and according to information and explanations given to us, the closing stock as physically verified is undervalued by Rs.46,86,125. We are unable to determine the consequent impact of the undervaluation of stock on the contract revenue and on the Profit/ Loss.	Since, Inventories are being reconciled for ensuring proper compliances, the effects of the same if any will be considered during next year financials. However, as observed by the Auditor, the increase in closing stock to the tune of Rs. 46.86 lakh will affect the decrease in revenue to the tune of Rs. 49.15 lakh, thereby the net impact on the statement of profit / loss is Rs. 2.29 lakh (loss) which is not material & insignificant.
4.	The Holding Company has not accounted for provision related to price variation of a contract work in respect of Doubling Project amounting to Rs.34.69 lakh. Non-creation of liability towards the above provision has resulted in understatement of loss and provisions by Rs.34.69 lakh.	The Company is following consistently the practice to create liability/ make provision in the books only when the bills are certified by the Engineer as per the terms of contract similar to the practice in other Metros. Since the said bills were scrutinized & certified during the financial year 2023-24, the said price variation has been considered during the financial year 2023-24.
5.	The input tax on common expenditure allocated to doubling projects of SWR was not claimed and was debited to profit and loss account by the Holding company . We are unable to quantify the impact on profit/ loss.	K-RIDE has claimed GST input specifically related to Doubling project and inputs related to BSRP project are not claimed since the same is blocked u/s 17(5) of CGST Act, 2017. Inputs related to BSRP projects along with the expenses has been included in the Capital WIP for which depreciation will be claimed as per provisions of section 16(3) of CGST Act, 2017 as and when the asset is ready for its intended use. As per the suggestions made by the Statutory auditors during finalisation of Audit for FY 2020-21, with regards to the claiming of GST input on common expenses, proportionate input on doubling project was not claimed in order to avoid litigation under GST which may be disallowed by department (further interest may be charged by the GST department). In addition, majority of Common GST input is related to rent paid & approximately 70% of floor space is occupied by employees working on BSRP project, with respect to which ITC is blocked & cannot be claimed. However, as suggested by the Statutory Auditor for the year under audit the input tax on common expenditure allocated to doubling project will be claimed from the FY 2023-24 after taking expert opinion.
6.	An amount of Rs.38.15 crores (Rs 8.85 crore during the year 2021-22 and Rs. 29.30 crore for 2022-23) was earned as interest on unspent subordinate debt by the Holding company, which is pending confirmation from GOK as mentioned in point (g) of Emphasis of Matters, parked in fixed deposits. The same was reduced from Capital work-in-progress as disclosed in note no.12 of Notes to Accounts. Since the matter is under correspondence with Gok as to whether the fund received from Gok is Subordinate debt or Grant, we are unable to ascertain the impact of accounting treatment of the interest on the unspent fund.	As per the approved Financing pattern with respect to Bengaluru Suburban Rail Project (BSRP) in line with Government Order from GoK vide GO No. UDD 27 PRJ 2020, Bengaluru dated 07.07.2020 and Sanction order from Ministry of Railways (Railway Board) vide OM no.2019/JV Cell/KRIDE/BSTP/EBR/07 dated 21.10.2020, the cost of the Land and R&R for BSRP has to be borne by GoK through Sub-ordinate Debt. KRIDE has received the Funds to the tune of Rs.660 Crore on account of Land Acquisition, the same has been accounted in KRIDE's Books of account as Sub-ordinate debt (Long Term Borrowings) based on the sanctioned funding pattern. However,

		the wordings mentioned in the Government Order (GO) at the time of releasing the funds has been mentioned as "Grant" as against "Subordinate Debt". Hence, K-RIDE has taken up the matter with GoK to re-establish the funds received as subordinate debt instead of grant. The matter is under active consideration of the GoK and the company is expecting suitable corrigendum from GoK shortly. Thus, entire amount released for land acquisition is treated as Sub-debt & interest earned out of sub-debt funds are transferred to CWIP as per Accounting Standard (AS-16) - Borrowing Cost & the same has been disclosed accordingly in the financials.																																			
7.	Transportation cost for the displaced families amounting to Rs.75.50 lakh in respect of properties acquired by KIADB for BSRP is not disclosed under contingent liabilities by the Holding company pending approval of compensation and Resettlement Package by GOK.	The Land required for the Bangalore suburban railway project (BSRP) is being acquired under Karnataka Industrial Areas Development Act 1966 (KIAD Act,1966) through KIADB. The Compensation and Resettlement Package (CRP) policy is under approval by the GoK, since the land compensations are met by GoK through Sub-debt. Therefore, the disclosure under contingent liability will be made in the next year financials after the approval of CRP policy by GoK.																																			
8.	The disclosure of "Trade Payables" ageing schedule and "Security Deposit" classification in the notes to accounts of the Holding company are not in accordance with the Revised Schedule III.	<p>The Trade Payable ageing schedule classification as per revised Schedule-III is disclosed as under :</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left;">Trade Payables ageing schedule</th> <th colspan="3" style="text-align: right;">(₹ in Lakhs)</th> </tr> <tr> <th colspan="2" style="text-align: left;">Particulars</th> <th colspan="3" style="text-align: center;">Outstanding for following periods from due date of payment</th> </tr> <tr> <th colspan="2"></th> <th style="text-align: center;">Less than 1 year</th> <th style="text-align: center;">1-2 years</th> <th style="text-align: center;">2-3 years</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">As on 31 March 2023</td> <td style="text-align: left;">(i) MSME</td> <td style="text-align: right;">476.23</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td></td> <td style="text-align: left;">(ii) Others</td> <td style="text-align: right;">378.16</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td style="text-align: left;">As on 31 March 2022</td> <td style="text-align: left;">(i) MSME</td> <td style="text-align: right;">23.47</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td></td> <td style="text-align: left;">(ii) Others</td> <td style="text-align: right;">697.84</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> </tbody> </table> <p>As regards to Security Deposit classification, the same shall be disclosed under 'Other Non-Current Assets' during next year financials.</p>	Trade Payables ageing schedule		(₹ in Lakhs)			Particulars		Outstanding for following periods from due date of payment					Less than 1 year	1-2 years	2-3 years	As on 31 March 2023	(i) MSME	476.23	-	-		(ii) Others	378.16	-	-	As on 31 March 2022	(i) MSME	23.47	-	-		(ii) Others	697.84	-	-
Trade Payables ageing schedule		(₹ in Lakhs)																																			
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	(ii) Others	697.84	-	-																																	

Management's Replies to the Emphasis of Matters as disclosed in the Audit Report by the Statutory Auditor on the Consolidated Financial Statement of K-RIDE for the year ended 31-March-2023

Sl.no.	Emphasis of Matters	Management Replies
a	The title deeds in respect of lands acquired through KIADB amounting to Rs. 5854.70 Lakh and land acquired from BWSSB amounting to Rs. 86.67 lakh and land acquired from LIDKAR amounting to Rs.361.63 lakhs are not held in the name of Holding company as disclosed in note no.11 of Notes to accounts.	Lands are acquired through KIADB (under compulsory acquisition). The title of land is deemed to have been transferred to K-RIDE once the final notification is published in the Gazette by KIADB. Registration & Katha transfer of lands acquired from BWSSB, LIDKAR & KIADB are under process.
b	The Holding company has taken land on lease from SWR- extent 157.07 acres for BSRP at a nominal lease charge of Rs.1/acre per annum for which registration and other formalities of lease agreement are pending as disclosed in Note no.11 of Notes to Accounts.	Registration of lease agreement is under process.
c	The Holding company has forfeited Performance Bank Guarantee and security deposit amounting to Rs. 529.38 Lakh by terminating contracts of doubling projects and has accounted for as income during the year pending confirmation/ acceptance from the contractors as disclosed in note no.18 of Notes to Accounts.	The forfeiture is done as per the contract condition after providing reasonable period of 14 days to make good the progress, failing which the action will be taken as per the contract agreement to the concerned contractors. Hence, further confirmation/ acceptance from the contractors may not be required in pursuance of the contract agreements/terms.
d	The Holding company has reduced interest income earned out of funds received for execution of Bengaluru Suburban Railway Project (BSRP) amounting to Rs.3060.79 Lakh from the Capital Work in Progress of Rail corridor and will be netted off against the borrowing costs at the time of capitalisation of the asset as disclosed in note no. 12 of Notes to Accounts.	As per Accounting Standard (AS) - 16 "Borrowing Cost" Interest Income Rs. 3,060.79 Lakh has been transferred to CWIP during the year and will be netted off against the borrowing costs at the time of capitalization of the asset.
e	The Holding company has paid advance to KIADB amounting to Rs.20384.30 lakh towards acquisition of land. KIADB has notified land extent 15787.77 sq.mts for which valuation is under process and the value of land will be adjusted against the advance amount as disclosed in note no .11 of Notes to accounts.	Lands are acquired through KIADB. The title of land is deemed to have been transferred to K-RIDE once the final notification is published in the Gazette by KIADB. The amount has been capitalised based on utilisation certificate received from KIADB for 63 properties (6286.23 sq m.) as on 31.03.2023. The valuation for the balance 113 properties (15787.77 sq m.) is under process & the advance amount of Rs. 20384.30 Lakh with KIADB will be adjusted against the balance properties under valuation.

K-RIDE

Sl.no.	Emphasis of Matters	Management Replies
f	The Doubling projects of SWR of the Holding company are funded by the Government of Karnataka (GoK) and Ministry of Railways (MoR) in the ratio of 50:50. However, the company has raised contract revenue invoices (100%) on IRFC/SWR (MoR) instead of on GoK and SWR/IRFC (MoR) in proportion of funding by GoK and MoR as disclosed in note no. 2.4.C of Notes to Accounts.	As per the terms of MOU between SWR & K-RIDE under the head "Commissioning and taking over of assets", All assets will be deemed to be taken over by the Railways immediately after commissioning for maintenance. Thus, entire Doubling project assets belongs to Railways as per the MOU & Novation agreement and invoices are being raised on Railways/ IRFC accordingly.
g	The Holding company has classified amount of Rs.66000 Lakhs received from GoK as interest free subordinate debt as per the approved financing pattern in line with Government order as disclosed in note no.6 of Notes to Accounts. However, GOK released fund to the extent of Rs.660 crores for the project in the form of grants vide sanction order. The Holding company has requested GOK to re-establish the funds received from GOK to the Holding company with respect to BSRP amounting to Rs.660 crores as subordinate debt in tune with the Government order sanctioning the project. The matter is under correspondence with GOK.	As per the approved Financing pattern with respect to Bengaluru Suburban Rail Project (BSRP) in line with Government Order from GoK vide GO No. UDD 27 PRJ 2020, Bengaluru dated 07.07.2020 and Sanction order from Ministry of Railways (Railway Board) vide OM no.2019/JV Cell/KRIDE/BSTP/EBR/07 dated 21.10.2020, the cost of the Land and R&R for BSRP has to be borne by GoK through Sub-ordinate Debt. KRIDE has received the Funds to the tune of Rs.660 Crore on account of Land Acquisition, the same has been accounted in KRIDE's Books of account as Sub-ordinate debt (Long Term Borrowings) based on the sanctioned funding pattern. However, the wordings mentioned in the Government Order (GO) at the time of releasing the funds has been mentioned as "Grant" as against "Subordinate Debt". Hence, K-RIDE has taken up the matter with GoK to re-establish the funds received as subordinate debt insted of grant. The matter is under active consideration of the GoK and the company is expecting suitable corrigendum from GoK shortly.

Management's Replies to the Other Matters as disclosed in the Audit Report by the Statutory Auditor on the Consolidated Financial Statement of K-RIDE for the year ended 31-March-2023

Sl.no.	Other Matters	Management Replies
1	Trade Payables, advances and balances of similar nature of the Holding company are pending confirmation.	Letter for confirmation of balances has been sent to all creditors with a note stating that "if the communication is not received within one week from the receipt of this letter/e-mail, then KRIDE would treat the balance as stated is a deemed confirmation".
2	GST on Reverse charge mechanism amounting to Rs.34.39 lakh on fees paid to ROC on the increase of authorised capital is not disclosed under contingent liabilities. The Holding company is of the opinion that GST is not applicable in respect of the above matter and there are no pending proceedings.	Section 7(2) of CGST Act,2017 provides for activities or transactions which shall be neither treated as a supply of goods nor as supply of services. As per Section 7(2)(b) such activities or transactions undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities, as may be notified by the Government on the recommendations of the Council, shall be treated neither as a supply of goods nor a supply of services. It was held in the case between CHIEF CONSERVATOR OF FORESTS & ANOTHER, ETC. VERSUS JAGANNATH M 1995 (12) TMI 341 - SUPREME COURT] that Sovereign functions can only be discharged by the State and not by a private person. It is clear that functions performed by Registrar of Companies for which fee is charged from companies are nothing but statutory functions undertaken by the Central Government in which it is engaged as public authorities The duties and function performed by Registrar of Companies is mandated under the Companies Act, 2013 and cannot be substituted by any private person, it is a statutory & sovereign function of the Government. Thus, the functions performed by ROC, being sovereign function of the Government, not subject to GST. The company has not received any query from GST authorities on this matter. Since the above issue is not a settled matter in the court of law, the company has a right to contest also in case of any notice/ demand by the GST department, the company has not disclosed under contingent liabilities.

Management's Replies to the Observations of the Statutory Auditor's in the report on the Internal Financial Controls over Financial Reporting on the Consolidated Financial Statement of K-RIDE for the year ended 31-March-2023

Sl.no.	Basis of Qualified Opinion	Management Replies
1	Inadequate internal controls system for maintenance of inventory records for Raw materials, stores and spares.	Noted. K-RIDE will ensure proper system of recording of Inventory. K-RIDE is also in the process of implementing SAP to have a better control of the system.
2	Inadequate internal control system for physical verification of inventory and reconciliation with books of accounts.	Noted. K-RIDE will ensure proper system of recording of Inventory. K-RIDE is also in the process of implementing SAP to have a better control of the system.

K-RIDE

RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2023

(₹ in Lakhs)

Particulars	Notes No.	As at 31 March 2023 (₹)	As at 31 March 2022 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	3,000.00	3,000.00
(b) Reserves and Surplus	4	741.37	1,067.66
(2) Share Application Money pending allotment	5	5,000.00	-
(3) Non - Current Liabilities			
(a) Long term Borrowings	6	66,000.00	66,000.00
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long - term liabilities		-	-
(d) Long-term provisions	7	83.39	40.62
(4) Current Liabilities			
(a) Trade payables			
Total outstanding dues of micro, small & medium enterprises	8	476.41	23.47
Total outstanding dues of creditors other than micro, small & medium enterprises		378.16	697.84
(b) Other Current Liabilities	9	25,384.57	14,584.31
(c) Short-term provisions	10	1,085.97	126.00
TOTAL		1,02,149.86	85,539.89
II. ASSETS			
(1) Non - Current Assets			
(a) Property, Plant and Equipment and Intangible Assets			
(i) Property, Plant and Equipment	11(i)	6,568.62	349.27
(ii) Intangible Assets	11(ii)	6.53	17.71
(iii) Capital work-in-progress	12	4,910.51	3,756.27
(b) Non-Current investments	13	200.00	200.00
(c) Long - term loans and advances		-	-
(d) Other non - current assets		-	-
(2) Current Assets			
(a) Current investments		-	-
(b) Trade receivables		-	-
(c) Inventories	14	1,804.93	-
(d) Cash and Cash Equivalents	15	14,539.96	8,580.11
(e) Short - term loans and advances		-	-
(f) Other Current Assets	16	74,119.31	72,636.53
TOTAL		1,02,149.86	85,539.89
The accompanying Notes are an integral part of the financial statements.	01-30		

In terms of our report attached
For M.S. Reddy & Associates,
Chartered Accountants
Firm Reg. No. 007992S

CA M.Sridhar Reddy
Partner
M.No.: 201103

Place : Bangalore
Date : 10.07.2023
UDIN No. : 2320113BGVYVE3602

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

Gaurav Gupta
Managing Director
DIN: 02184763

Awadhesh Mehta
CFO

Awadhesh Mehta
Director
DIN: 09564884

S.N. Srinivasa
Company Secretary
FCS: 2197

Place : Bangalore
Date : 27.06.2023

RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS THE YEAR ENDED 31st MARCH 2023

(₹ in Lakhs)

Sl. No.	Particulars	Notes No.	For the year ended on 31st March 2023 (₹)	For the year ended on 31st March 2022 (₹)
I	Revenue from Operations	17	8,631.75	5,571.96
II	Other Income	18	1,044.36	773.87
III	Total Income (I+II)		9,676.11	6,345.83
IV	Expenses:			
	Operating Expenses	19	8,047.67	5,303.05
	Cost of materials consumed	14	159.89	-
	Employee benefit expenses	20	702.64	612.39
	Financial Costs		-	-
	Depreciation and amortisation expenses	11	6.70	9.18
	Other Expenses	21	1,085.50	332.62
	Total Expenses		10,002.40	6,257.24
V	Profit before exceptional and extraordinary items and tax (III - IV)		(326.29)	88.59
VI	Exceptional Items - Prior Period Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		(326.29)	88.59
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		(326.29)	88.59
X	Tax Expenses:			
	(1) Current Tax		-	-
	(2) Deferred Tax		-	-
XI	Profit (Loss) for the year from continuing operations (IX-X)		(326.29)	88.59
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)		(326.29)	88.59
XVI	Earning per equity share	23.30		
	(1) Basic		(1.09)	0.30
	(2) Diluted		(1.09)	0.30
	The accompanying Notes are an integral part of the financial statements.	01-30		

In terms of our report attached
For M.S. Reddy & Associates,
Chartered Accountants
Firm Reg. No. 007992S

CA M.Sridhar Reddy
Partner
M.No.: 201103
Place : Bangalore
Date : 10.07.2023
UDIN No. : 23201103BGVYVE3602

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

Gaurav Gupta
Managing Director
DIN: 02184763

Awadhesh Mehta
CFO

Awadhesh Mehta
Director
DIN: 09564884

S.N. Srinivasa
Company Secretary
FCS: 2197

Place : Bangalore
Date : 27.06.2023

RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED
CONSOLIDATED STATEMENT OF CASH FLOW (INDIRECT METHOD) FOR THE YEAR ENDED
31st MARCH 2023

(₹ in Lakhs)

Particulars	For the year ended on 31 March 2023 (₹)	For the year ended on 31 March 2022 (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax	(326.29)	88.59
-Amount written back	-	-
Adjustments for Non- Operating matters:		
-Depreciation/ Amortisation	6.70	9.18
-Interest Income	(512.17)	(768.62)
-Loss/(Profit) on Sale of fixed assets	-	-
Operating profit before working capital changes	(831.76)	(670.85)
Adjustments for :		
- Decrease/ (increase) in Inventories	(1,804.93)	-
- Decrease/ (increase) in Other Current Assets	(1,482.78)	(59,779.83)
-(Decrease) / increase in Trade Payables	133.26	115.03
-(Decrease) / increase in Other Current Liabilities	10,800.26	5,313.02
-(Decrease) / increase in Short-Term Provisions	959.97	30.25
-(Decrease) / increase in Other Non Current Liabilities	42.78	40.88
Cash generated from operations	7,816.79	(54,951.51)
-Direct taxes paid	-	-
Net cash from/(used in) operating activities (A)	7,816.79	(54,951.51)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets including CWIP and capital advances (Net)	(7,371.26)	(2,421.22)
Sale of fixed assets	2.15	0.60
Investment in Subsidiary company	-	-
Interest received on fixed deposits and Current Account	512.17	768.62
Net cash from/(used in) investing activities (B)	(6,856.94)	(1,652.00)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Application Money pending allotment	5,000.00	-
Proceeds From Long-Term Borrowings & Grant	-	26,000.00
Net cash from/(used in) financing activities (C)	5,000.00	26,000.00
Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)	5,959.84	(30,603.51)
Cash and cash equivalents (opening balance)	8,580.11	39,183.62
Cash and cash equivalents (closing balance)	14,539.96	8,580.11
Components of Cash and Cash Equivalents		
a) Cash on Hand	0.53	0.18
b) Balances with Banks:		
In Current Account & Savings Accounts	14,539.43	8,579.94
In Deposit Account	-	-
Cheques/Draft in Hand	-	-
	14,539.96	8,580.11
In terms of our report attached For M.S. Reddy & Associates, Chartered Accountants Firm Reg. No. 007992S	For and on Behalf of Board of Directors of Rail Infrastructure Development Company (Karnataka) Limited	
CA M.Sridhar Reddy Partner M.No.: 201103 Place : Bangalore Date : 10.07.2023 UDIN No. : 23201103BGYYE3602	Gaurav Gupta Managing Director DIN: 02184763	Awadhesh Mehta Director DIN: 09564884
	Awadhesh Mehta CFO	S.N. Srinivasa Company Secretary FCS: 2197 Place : Bangalore Date : 27.06.2023

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

(₹ in Lakhs)

Note No.	Particulars	As at 31st March 2023 (₹)	As at 31st March 2022 (₹)		
3	Share Capital				
	(A) Authorised :				
	5,00,00,00,000 Equity Shares of Rs.10 each (31st March 2022 - 10,00,00,000 Equity Shares of Rs.10 each)	5,00,000.00	10,000.00		
	Issued and Subscribed :				
	3,00,00,00,000 Equity shares of Rs.10/- each (31st March 2022 - 3,00,00,000 Equity Shares of Rs.10 each)	3,000.00	3,000.00		
	Paid up :				
	3,00,00,00,000 Equity shares of Rs.10/- each (31st March 2022 - 3,00,00,000 Equity Shares of Rs.10 each)	3,000.00	3,000.00		
	(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	3,00,00,000.00	3,00,00,000.00		
	Add:- Number of Right shares allotted during the year	-	-		
Less:- Number of shares bought back during the year	-	-			
Number of equity shares with voting rights at the end of the year	3,00,00,000.00	3,00,00,000.00			
(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. <u>Governor of Karnataka / Govt of Karnataka (GOK)*:</u>					
No.of Shares	1,53,00,000.00	1,53,00,000.00			
Percentage of Holding	51%	51%			
2. <u>Ministry of Railways/President of India (GOI):</u>					
No.of Shares	1,47,00,000.00	1,47,00,000.00			
Percentage of Holding	49%	49%			
Shares held by promoters at the end of the year					
SI.No	Promoter name	No. of Shares at the end of the year	%of total shares	No. of Shares at the beginning of the year	% Change during the year
1	Governor of Karnataka / Govt of Karnataka*	1,53,00,000	51.00%	1,53,00,000	0.00%
2	Ministry of Railways/President of India	1,47,00,000	49.00%	1,47,00,000	0.00%
	Total	3,00,00,000	100.00%	3,00,00,000	
<p>The Company has only one class of shares i.e. equity shares having face value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company the holders of equity shares would be entitled to receive remaining assets of the Company, after the distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders/Promoters.</p>					
<p>*Note : As per records of the Company, including its Register of Shareholders/ Members, the above shareholding pattern represent legal ownership of shares as at balance sheet date, including that of nominees of GoK.</p>					
4	Reserves and Surplus				
	<u>Surplus in Statement of Profit and Loss</u>				
	Opening Balance	1,067.66		979.07	
Add : Profit for the Current Year	(326.29)		88.59		
Closing balance	741.37		1,067.66		
5	Share Application Money pending allotment				
	Share Application Money from MOR - GOI (Shares shall be issued on receipt of matching contribution from GOI & GOK)	5,000.00		0.00	
6	Long term Borrowings				
	Interest Free Subordinate Debt from GOK				
	Advances from GoK BSRP Project-Land Acqisition (Classified under Subordinate Debt as per the approved financing pattern in line with GO no. UDD 27 PRJ 2020 Bengaluru Dt.07.07.2020)	66,000.00		66,000.00	
		66,000.00		66,000.00	

RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

(₹ in Lakhs)

Note No.	Particulars	As at 31st March 2023 (₹)	As at 31st March 2022 (₹)
7	Long-term provisions Provision for employee benefits	83.39	40.62
		83.39	40.62
8	Trade payables Total outstanding dues of micro, small & medium enterprises Total outstanding dues of creditors other than micro, small & medium enterprises	476.41	23.47
		378.16	697.84
		854.57	721.31
Trade Payables ageing schedule			
As on 31 March 2023:			
Particulars	Outstanding for following periods from due date of payment		
	Less than 6 months	6 months -1 year	1-2 years
(i) MSME	476.41	-	-
(ii) Others	378.16	-	-
As on 31 March 2022:			
Particulars	Outstanding for following periods from due date of payment		
	Less than 6 months	6 months -1 year	1-2 years
(i) MSME	23.47	-	-
(ii) Others	697.84	-	-
9	Other Current Liabilities Other Financial Liabilities EMD Employee Related Payables Retention Payable Security Deposit Advance for Doubling Projects Davangere-Harihar UDA Payable Withheld Amounts Other Payables: <u>Statutory Remittances:</u> TDS Payable GST Payable GST TDS Payable Labour Cess Others	12.44 17.00 70.22 1,225.80 23,130.49 37.09 129.16 107.60 495.11 58.94 28.76 71.95	18.49 19.63 16.20 534.13 13,234.89 37.09 76.43 80.26 413.78 50.84 24.33 78.25
		25,384.57	14,584.31
10	Short-term provisions Provision for employee benefits Provision for Contract payment	81.67 1,004.30	57.31 68.69
		1,085.97	126.00
13	Non-Current investments <u>Investments in Equity Instruments of Associate Companies:</u> (a) Hassan Mangalore Rail Development Company [20,00,000 Equity Shares of Rs.10/- each (Previous Year 20,00,000 Equity Shares of Rs.10/- each)]	 200.00	 200.00
		200.00	200.00

RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

(₹ in Lakhs)

Note No.	Particulars	As at 31st March 2023 (₹)	As at 31st March 2022 (₹)
14	Cost of materials consumed		
	Stock of Stores & Spares:		
	Opening Stock	-	-
	Purchases during the year	1,964.83	-
	Less: Cost of Materials Consumed	159.89	-
	Closing Stock	1,804.93	-
15	Cash and Cash Equivalents		
	<u>Balances with Scheduled Banks:</u>		
	-In Current account	14,539.43	8,579.94
	-In Deposit accounts (Maturity Less than 3 months)	-	-
	Cash on Hand	0.53	0.18
		14,539.96	8,580.11
16	Other Current Assets		
	<u>Loans & Advances (Asset)</u>		
	Accrued Interest - on Bank deposits	1,264.42	657.91
	Accrued Interest - on Mobilization Advance	97.92	-
	Recoverable from SWR - Dharward Belagam New Line Project*	36.51	36.51
	Deposit - DCW - BWSSB	65.00	-
	Deposit - DCW -KPTCL	663.59	-
	Deposit - DCW - LIDKAR	74.30	-
	Deposit - DCW - TEGDC	11.24	11.24
	Deposit - Arbitration Centre Karnataka	5.54	-
	Deposit - Tree Officer & DCF BBMP Bangalore	94.00	-
	GST Paid on Advance	882.57	346.59
	Income Tax - Refundable	613.24	156.25
	TDS Credit C/f - SWR / IRFC	168.93	71.57
	Material Advance	1,717.86	1,836.67
	Prepaid Expenses	10.14	3.47
	Receivable From MoR - Doubling Project	6,500.00	-
	Rent Deposit	105.09	105.09
	Royalty Paid - Advance	-	2.05
	Security Deposits	0.23	0.23
	Unclaimed GST Input	182.00	138.09
	Other Receivable	42.86	31.86
	<u>Capital Advances</u>		
	Advance to KIADB	20,384.31	6,239.00
	Advance to BDA Land	642.99	-
	Mobilization Advance	2,556.59	-
	Fixed Deposit with Banks	38,000.00	63,000.00
		74,119.31	72,636.53
<p>*The advance relating to Dharward Belagam New Line is towards Final Location Survey (FLS) and preparation of DPR by M/s. RITES Limited.</p>			
17	Revenue from Operations		
	Construction Revenue - Doubling	8,631.75	5,571.96
	Total	8,631.75	5,571.96
18	Other Income		
	a) Interest Income		
	Bank Deposits	512.17	768.62
	b) Other Non-Operating Income		
	Interest on Income Tax Refund	0.27	0.45
	Miscellaneous Income (includes Rs.529.38 Lakhs of PBG & SD forfeited amount with respect to terminated contracts)	531.92	4.80
	Total	1,044.36	773.87

RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

(₹ in Lakhs)

Note No.	Particulars	As at 31st March 2023 (₹)	As at 31st March 2022 (₹)
19	Operating Expenses		
	Construction expenses - Doubling	8,047.67	5,303.05
	Total	8,047.67	5,303.05
20	Employee benefit expenses		
	Salaries, wages and allowances	654.13	585.29
	Contribution to PF/NPS, Gratuity and other funds	41.63	21.08
	Staff welfare expenses	6.89	6.01
	Total	702.64	612.39
21	Other Expenses:		
	Audit Fees	2.64	0.37
	Advertisement	49.82	14.13
	Bank Charges	0.07	0.03
	Books & Periodicals	0.52	0.23
	CRS Inspection-HLG-Carmelaram Sec-BYL-HSRA	9.73	-
	Directors Sitting Fees	1.72	0.80
	Electricity Charges	7.35	3.96
	Foundation Stone Laying Ceremony-BSRP	345.43	-
	Insurance Charges	14.48	5.94
	Membership Fees paid	0.01	6.55
	Office Maintenance Expenses	65.66	23.65
	Printing & Stationery	15.60	5.17
	Professional and Consultancy Services	3.67	2.55
	Rates and Taxes	50.30	4.42
	Rent & Common Area Maintenance	84.96	43.34
	Retainer Fee	55.60	34.75
	ROC Filing Fees	173.88	0.06
	Software Expenses	0.06	0.47
	Telephone & Internet Charges	11.94	4.42
Travel and Conveyance Expenses	192.08	181.78	
	Total	1,085.50	332.62

a. Expenditure pertaining to projects (ie. Doubling & BSRP) have been allocated on the following basis during the FY 2022-23 :

- 1) Expenditure directly relating to particular project is fully allocated to that particular project.
- 2) Expenditures pertaining to employees (like Salary, Reimbursement of expenditures to employees, Retirement benefits etc.) have been bifurcated based on number of employees deputed to that particular project & whereas Director(P&P)'s expenditure have been bifurcated in the ratio of 47:53 (ie. 47% for BSRP & 53% for Doubling - based on the expenditure incurred for particular project during the year). Expenditure pertaining to support departments such as Finance, HR, IT, Admin & general overhead expenses are charged to P&L account.
- 3) Expenditures pertaining to the project like Depreciation, Asset insurance & Software license have been bifurcated in the ratio of 95:05 (i.e. 95% for BSRP & 5% for Doubling - being total project cost for particular project).
- 4) Expenditures like Rent & common area maintenance, Electricity charges, Employee insurance, Telephone & Internet charges, etc. not covered above have been bifurcated in the ratio of 50:30:20 being employee ratio (i.e. 50% for BSRP, 30% for Doubling and 20% for Common).
- 5) All the expenses pertaining to BSRP including apportioned cost have been transferred to capital work in progress whereas, Doubling/ Admin & general overhead expenses are charged to P&L account.

Expenditure pertaining to projects (ie. Doubling & BSRP) have been allocated on the following basis during the FY 2021-22 :

- 1) Expenditure directly relating to particular project is fully allocated to that particular project.
- 2) Expenditures pertaining to employees (like Salary, Reimbursement of expenditures to employees, Leave encashment, vehicle hiring etc.) have been bifurcated based on number of employees deputed to that particular project & wherever number of employees pertaining to both the projects are concerned, expenditure pertaining to respective employees have been bifurcated in the ratio of 39% for BSRP & 61% for Doubling (i.e. based on the expenditure incurred for particular project).
- 3) Common expenditures pertaining to the project (like Advertisement & Depreciation) have been bifurcated in the ratio of 05:95 (i.e. 95% for BSRP & 5% for Doubling - being total project cost for particular project).
- 4) Common expenditures pertaining to the project (like Bank Charges, Professional fees, Board Meeting Expenses, Conference Expenses, etc.) have been bifurcated in the ratio of 39:61 (i.e. 39% for BSRP & 61% for Doubling - being expenditure incurred for particular project).
- 5) Other Common expenditures (like Rent, Electricity charges, Water charges, Office maintenance, House keeping etc.) not covered above have been bifurcated in the ratio of 28:71 being employee ratio (i.e. 28 for Doubling and 71 for BSRP).

b. **Foundation Stone Laying Ceremony-BSRP:**

Board of K-RIDE has approved the expenditure of Rs.3 Crore towards the Foundation Stone Laying Ceremony of BSRP inaugurated by Honourable Prime Minister of India Shri. Narendra Modi on 20.06.2022. Management of entire work was done by PWD GoK (Government Department) and expenses were shared by various government departments for inauguration of various projects in Bangalore. Out of Rs.3 Crore, Rs.2.99 Crore has been charged to Profit & Loss account based on utilisation certificate submitted by PWD.

c. **Details of Doubling projects in progress as at the reporting date:**

	(₹ in Lakhs)
(a) the aggregate amount of costs incurred;	Rs.14,385.89
(b) recognised profits (less recognised losses) upto the reporting date;	Rs.735.41
(c) the amount of advances received; and	Rs.23,130.49
(d) the amount of retentions.	Rs.59.96

RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

11. FIXED ASSETS

(₹ in Lakhs)

Note No.	Particulars	Gross Block				Depreciation (WDV)				Net Block	
		As at 01.04.2022	Additions during the year	Sale/ deletions	As at 31.03.2023	As at 01.04.2022	Accumulated Depreciation Reversed/ Adjusted	Depreciation for the Year *	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
(i)	Tangible Assets:										
	Land - Corridor 2	-	5,854.70	-	5,854.70	-	-	-	-	5,854.70	-
	Land - KIADB	-	86.67	-	86.67	-	-	-	-	86.67	-
	Land - BWSSB	-	361.63	-	361.63	-	-	-	-	361.63	-
	Land - LIDKAR	-	0.06	-	0.06	-	-	0.00	0.00	0.06	-
	Land (Right to use)	55.97	9.99	-	65.96	25.02	-	15.69	40.72	25.25	30.95
	Office equipment	12.22	4.49	1.31	15.41	4.69	0.89	5.39	9.19	6.22	7.53
	Mobile	307.70	-	-	307.70	95.94	-	54.82	150.76	156.94	211.76
	Office Interiors	75.70	1.23	-	76.94	21.60	-	14.26	35.86	41.08	54.11
	Furniture & Fixtures	84.39	25.61	3.42	106.59	49.90	1.68	28.60	76.83	29.76	34.49
	Computers	16.62	-	-	16.62	6.18	-	4.10	10.29	6.33	10.44
	Servers and networks										
	Total Tangible Assets	552.60	6,344.39	4.72	6,892.27	203.33	2.57	122.88	323.64	6,568.62	349.27
(ii)	Intangible Assets:										
	Computer Software	38.53	-	-	38.53	20.82	-	11.18	32.00	6.53	17.71
	Total Intangible Assets	38.53	-	-	38.53	20.82	-	11.18	32.00	6.53	17.71
	Grand Total (i)+(ii)	591.13	6,344.39	4.72	6,930.80	224.15	2.57	134.07	355.65	6,575.15	366.98
	Previous Year (2021-22)	483.58	109.11	1.56	591.13	41.47	0.96	183.63	224.15	366.98	442.11

Explanatory Notes :

a. Lands are acquired through KIADB. The title of land is deemed to have been transferred to K-RIDE once the final notification is published in the Gazette by KIADB. The amount has been capitalised based on utilisation certificate received from KIADB for 63 properties (6286.23 sq m.) as on 31.03.2023. The valuation for the balance 113 (15787.77 sq m.) properties is under process & the advance amount of Rs.203.84 Crore with KIADB will be adjusted against the balance properties under valuation.

Status of Properties acquired through KIADB (under compulsory acquisition) as on 31.03.2023 are as follows:

BSRP Project Corridors	Total Number of Properties acquired			Properties yet to be Registered in the name of the Company			No. of Properties for which Khata Registered in the name of the Company		
	Government	Private	Total	Government	Private	Total	Government	Private	Total
Corridor-2 (nos.)	7	169	176	7	169	176	0	0	0
Corridor-2 (sq m.)	371.76	21702.24	22074.00	371.76	21702.24	22074.00	0	0	0

- b. Applicable stamp duty and registration fee will be recognised as and when registration of title in the name of the Company is completed.
- c. Land - BWSSB (121.9 sq m.) & Land - LIDKAR (2,031.63 sq m.) have been handedover to K-RIDE. However, registration & Khata transfer is under process.
- d. South Western Railways has transferred 157.07 acre of Railway Land for BSRP Corridor-2 to K-RIDE on Lease basis on 22.12.2022 at nominal lease charges of Re. 1/- per acre per annum as per Railway Boards OM shown as Land (Right to use). Registration of Lease agreement is under process.

* Depreciation for the year has been apportioned on the basis of 05:95 (i.e. 5% for Doubling & 95% for BSRP – being total project cost for particular project). Thus 5% of Rs.1,34,06,606 being Rs.6,70,330 has been charged to Statement of Profit & Loss and Balance 95% of Rs.1,34,06,606 being Rs.1,27,36,276 has been shown under Capital work-in-progress.

e. Title deeds of Immovable Property not held in name of the Company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter /director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Land - Corridor 2						
KIADB notification number:						
No:CI 10 SPQ(E) 2021	Land - KIADB	69.61	Refer Note below	NA	17.06.2021	Refer Note below
No:CI 10 SPQ(E) 2021		2,454.96			21.01.2022	
No:CI 196 SPQ(E) 2021		1,455.20			23.05.2022	
No:CI 214 SPQ(E) 2021		616.80			23.05.2022	
No:CI 185 SPQ(E) 2021		1,258.13			27.10.2022	
Land - Corridor 2	Land - BWSSB	86.67	BWSSB		10.11.2022	Registration is under process
Land - Corridor 2	Land - LIDKAR	361.63	LIDKAR		21.11.2022	Registration is under process

Note : Lands are acquired through KIADB (under compulsory acquisition) . The title of land is deemed to have been transferred to K-RIDE once the final notification is published in the Gazette by KIADB.

12. Capital work in progress

	Particulars	As at 01.04.2022	Additions during the year	Transfers/ deletions	Capitalised during the year	As at 31.03.2023
	Capital Work in Progress:					
	Rail Corridor:					
	Bangalore Suburban Projects					
	General Charges & Contingencies	2,670.63	2,134.10	-	-	4,804.73
	Land R&R	19.72	24.75	-	-	44.47
	Station Buildings	1,037.84	182.60	-	-	1,220.44
	Utilities & Road Works	778.18	1,785.78	-	-	2,563.96
	Traction & Power Supply incl. OHE, ASS etc	6.14	0.12	-	-	6.25
	Geotechnical Investigation & Civil Work	128.35	34.61	-	-	162.96
	Afforestation including Tree cutting & Replanting	-	6.94	-	-	6.94
	Interest Income - BSRP	(884.59)	(3,060.79)	-	-	(3,945.38)
	Rolling Stock	-	46.13	-	-	46.13
	Total	3,756.27	1,154.24	-	-	4,910.51

CWIP aging schedule		As at 31.03.2023				Total
SI.No.	CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	
1	Projects in progress					
	Bangalore Suburban Projects	1,154.24	2,486.56	1,269.71	-	4,910.51
2	Projects temporarily suspended	-	-	-	-	-
		1,154.24	2,486.56	1,269.71	-	4,910.51

Explanatory Notes :

As per Accounting Standard (AS) - 16 "Borrowing Cost" Interest Income ₹ 3,060.79 lakhs (P.Y. ₹ 866.79 lakhs) has been transferred to CWIP during the year and will be netted off against the borrowing costs at the time of capitalisation of the asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED**31st MARCH, 2023****Note 1 : Corporate Information:**

The Consolidated Financial Statements comprise of "Rail Infrastructure Development Company (Karnataka) Limited" (referred to as "the Holding Company" or "the Company" or "K-RIDE") & its Subsidiary Bengaluru Integrated Rail Infrastructure Development Enterprise Limited (referred to as "the Subsidiary Company" or "B-RIDE") for the year ended 31st March 2023.

The Holding Company is incorporated under the Companies Act, 1956, in the State of Karnataka, India (CIN No. U60100KA2000SGC028171). The registered office of the Company is situated in Bangalore. The Holding Company is 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.

The Subsidiary Company is incorporated under the Companies Act, 2013, in the State of Karnataka, India (CIN No. U60230KA2021SGC142876). The registered office of the Company is situated in Bangalore. The Company is a wholly – owned subsidiary of "Rail Infrastructure Development Company (Karnataka) Limited - K-RIDE". The Company is formed as SPV by K-RIDE (Nodal Agency) to undertake Bengaluru Sub-urban Rail Project in Bangalore, Karnataka.

Note 2 : Significant Accounting Policies:**2.1 Functional and Presentation Currency:**

The Consolidated Financial Statements are presented in Indian Rupees (INR), which is the Company's functional currency.

2.2 Basis of Accounting and Preparation of Consolidated Financial Statements:

The Consolidated 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 and Accounting Standards (AS) 21 on Consolidated Financial Statement. The Consolidated Financial Statements are prepared on going concern basis. The Consolidated Financial Statements of previous year ended on 31st March 2022 includes subsidiary company's financials for a period from 06th Jan 2021 to 31st March 2022, being first year of incorporation and includes expenses of Rs.42,112 for the period from 06th Jan 2021 to 31st March 2021.

Principles of Consolidation:

The consolidated financial statements relate to K-RIDE and its wholly owned subsidiary company B-RIDE. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses.
- All inter-company assets, liabilities, income, expenses and unrealized profits/ losses on inter-company transactions are eliminated on consolidation in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements".
- Elimination of carrying amount of the parent's investment in subsidiary and the parent's portion of equity of each subsidiary.
- The results of subsidiary are included in the consolidated financial statements from the effective date of acquisition.
- The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's Standalone Financial Statements.

Current v/s Non-Current classification: All Assets and Liabilities have been classified as Current or Non-Current as per Company's normal operating cycle and other criteria set out in Schedule III to The Companies Act, 2013. The company has ascertained its operating cycle as 12 months for the purpose of classification of assets/liabilities into current and non-current.

2.3 Use of Estimates:

The preparation of the Consolidated 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.

2.4 Revenue Recognition:

Revenue from external project work is recognized as follows:

- Revenue from contracts, where performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, recognized as per the percentage-of-completion method.
- Contract revenue is determined by adding the aggregate cost-plus proportionate margin (Direction & General Charges) based on fixed percentage as agreed upon.
- Doubling work funded by GoK & MoR in the ratio of 50:50. As per MOU dated 14.07.2022 between K-RIDE & SWR any change in the DPR and the detailed estimate shall be sanctioned by SWR, as per the extant procedures within a reasonable period of time of submission of complete papers and costing details by K-RIDE. Currently revenue is recognized based on earlier approved estimate.
As per the terms of MOU under the head "Commissioning and taking over of assets", All assets will be deemed to be taken over by the Railways immediately after commissioning for maintenance. Thus, entire Doubling project assets belongs to Railways and invoices are being raised on Railways/ IRFC accordingly.
- Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- Other income is recognised when such income accrues to the Company.

2.5 Cash and Cash Equivalents:

Cash and cash equivalents include cash in hand, bank balances and deposits with original maturities of three months or less and that are readily convertible to known amount of cash and cash equivalents and which are subject to an insignificant risk of changes in value.

2.6 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.

2.7 Property, Plant and Equipment:

Property, Plant and Equipments are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing item of Property, Plant and Equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts are charged to the statement of profit and loss for the period during which such expenses are incurred.

An item of Property, Plant and Equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on de-recognition is recognised in the Statement of Profit and Loss.

2.8 Depreciation and Amortization:

Depreciation on Property, Plant and Equipment is provided to the extent of depreciable amount on the Written Down Value (WDV) Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Further in cases where the depreciation on the assets have been fully written off, the residual value of 5% or the value continued in the books are carried forward without applying further depreciation on the same.

Depreciation on individual assets acquired for a value less than (or) equal to Rs.5,000/- is depreciated at the rate of 100% taking into consideration the commercial life in the year of purchase itself & not capitalised. Mobile handsets to employees are depreciated over a period of 3 years as per company's policy.

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
Office Interiors	10
Employee Mobile handset costing more than Rs.5,000/-	3

2.9 Intangible assets:

Intangible assets (Computer Software) acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized over their estimated useful life on written down value method as follows:

Asset Description	No. of years
Computer Software	3

2.10 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.

2.11 Capital Work-in-Progress:

- a) Expenditure directly pertaining to BSRP projects are accounted under the head Capital Work-in-Progress.
- b) Interest Income from BSRP funds are reduced from the value of Capital Work-in-Progress.
- c) Common expenditures pertaining to both the projects (BSRP & Doubling) have been bifurcated and the basis have been detailed under notes to Profit & Loss account.

2.12 Inventories:

Inventories are valued at the lower of cost and the net realizable value after providing for obsolescence and other losses, if any by following FIFO method. The cost of inventories includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

2.13 Foreign Currency Transactions:

- (i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of transaction.
- (ii) Monetary items denominated in foreign currencies are translated at exchange rates as at the reporting date.
- (iii) Exchange differences arising on the settlement or translation of monetary items are recognized in Statement of Profit & Loss in the year in which these arise.

2.14 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.

Borrowing costs eligible for capitalization on that asset are determined as the actual borrowing costs incurred on that borrowing during the period less any income on the temporary investment of those borrowings.

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

2.15 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.

- ♦ Current Investments are carried at lower of cost and fair value determined on an individual investment basis.
- ♦ 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.

2.16 Investment in Subsidiary/ JV/ Associate Company:

- ♦ The Company has incorporated Bengaluru Integrated Rail Infrastructure Development Enterprises Limited (B-RIDE) on 6th January, 2021 as a wholly – owned subsidiary with an initial investment in the paid-up share capital of Rs.10,00,000 (Rupees Ten Lakh Only) divided into 1,00,000 equity share of Rs.10/- each, to undertake Bengaluru Sub-urban Rail Project.

- ◆ The Company has invested Rs.2 Crores in the paid up capital of M/s. Hassan Mangalore Rail Development Company Limited (1.786% of paid up capital) being Special Purpose Vehicle (Joint Venture of Ministry of Railways & Government of Karnataka).

2.17 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.

2.18 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.

2.19 Provisions and Contingencies:

A provision is recognized 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 recognized and, if any, are adequately disclosed in the notes to accounts.

Contingent Assets are neither recognized nor disclosed in the Consolidated Financial Statements.

2.20 Employee Benefits:

A) Defined Contribution plans:

Contribution paid/ payable to defined contribution plan comprising of Provident Fund is recognized as expense and charged to Statement of Profit and Loss on accrual basis. The Company has no obligation, other than the contribution payable to such Funds.

B) Defined Benefits plans:

❖ **Leave Encashment:**

In case of deputationists, leave salary contribution is remitted to the concerned Parent Department as per the terms of deputation. In case of contract employees, earned leave encashable at the rate of 15 days in a calendar year and/or earned leave at credit at the time of termination of the contract being eligible for encashment, as per the contract terms, is provided for based on the actuarial valuation as per the Projected Unit Credit Method, carried out by an independent actuary.

❖ **Gratuity:**

The company has a defined benefit plan. Every regular employee who has rendered continuous service of five years or more is entitled for gratuity @ 15 days salary (15/26 x last drawn basic pay plus dearness pay/dearness allowance) for each completed year of service on superannuation, resignation, termination and disablement or on death.

Employees on direct Contract basis with K-RIDE and who have rendered continuous service of 5 years or more are entitled for gratuity @ 70% of Consolidated pay x 15/26 for each completed year of service.

The disclosure of information as required under AS 15 (Employee Benefits) have been made in accordance with the actuarial valuation done by an independent actuary as per the Projected Unit Credit Method.

❖ **Deputed Employees:**

Retirement benefits to employees on deputation from the Government/other organizations are governed by the service rules of the respective parent organization and amount accrued towards retirement benefit contribution, is recognized based on the terms and conditions of deputation.

The summarized position of various benefits recognised in the Statement of Profit & Loss and balance sheet & other disclosures are as under:

Table I: Assumptions

(₹ in Lakhs)

Assumptions	Gratuity		Earned Leave	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Method Used	Projected Unit Credit (PUC) Actuarial Method		Projected Unit Credit (PUC) Actuarial Method	
Discount Rate	7.48% p.a.	NA	7.48% p.a.	7.29% p.a.
Rate of increase in Compensation levels	6.00% p.a.	NA	6.00% p.a.	6.00% p.a.
Withdrawal Rate	2.00% p.a.	NA	2.00% p.a.	2.00% p.a.
Rate of Return on Plan Assets	NA	NA	NA	NA
Mortality Rate	100% of IALM 2012-14	NA	100% of IALM 2012-14	
Average future service (in Years)	24.96 Years	NA	24.96 Years	4.08 Years

Table II: Change in Present Value of Obligations

All Figures in INR	Gratuity		Earned Leave	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Present Value of Obligation as at the beginning of the year	0	NA	41.61	0
Liability Transfer In/(Out)	0	NA	0	0
Interest Cost	0	NA	3.03	0
Past Service Cost	12.12	NA	0	17.76
Current Service Cost	14.43	NA	22.08	23.84
Curtailement Cost / (Credit)	0	NA	0	0
Settlement Cost / (Credit)	0	NA	0	0
Benefits paid	0	NA	(26.73)	0
Actuarial (gain)/ loss on obligations	0	NA	24.06	0
Present Value of Obligation as at the end of the year	26.55	NA	64.06	41.61

Table IV: Fair Value of Plan Assets

All Figures in INR	Gratuity		Earned Leave	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Fair value of plan asset at the beginning of year	0	NA	0	0
Asset Transfer In/ (Out)	0	NA	0	0
Actual return on plan assets	0	NA	0	0
Employers' Contributions	0	NA	26.73	0
Benefits Paid	0	NA	(26.73)	0
Fair value of plan assets at the end of year	0	NA	0	0
Funded Status	(26.55)	NA	(64.06)	(41.61)
Excess of actual over estimated return on plan assets	0	NA	0	0

Table III: Change in Fair Value of Plan Assets

All Figures in INR	Gratuity		Earned Leave	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Fair value of plan asset at the beginning of year	0	NA	0	0
Asset Transfer In/ (Out)	0	NA	0	0
Expected Return on Plan Assets	0	NA	0	0
Employers' Contributions	0	NA	26.73	0
Benefit Paid	0	NA	(26.73)	0
Actuarial Gain / (loss) on Plan Assets	0	NA	0	0
Fair value of plan assets at the end of year	0	NA	0	0

Table VI: The amount to be recognized in Balance Sheet and Statements of Profit and Loss

All Figures in INR	Gratuity		Earned Leave	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Present Value of Obligation as at the end of the year	26.55	NA	64.06	41.61
Fair Value of Plan Assets as at the end of the year	0	NA	0	0
Funded Status	(26.55)	NA	(64.06)	(41.61)
Unrecognized Actuarial (gains) / losses	0	NA	0	0
Net Asset / (Liability) Recognized in Balance Sheet	(26.55)	NA	(64.06)	(41.61)

Table V: Actuarial Gain/Loss Recognised

All Figures in INR	Gratuity		Earned Leave	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Actuarial gain/(loss) for the year - Obligation	NA	NA	(24.06)	0
Actuarial (gain)/loss for the year - Plan Assets	NA	NA	0	0
Total (gain) / loss for the year	NA	NA	(24.06)	0
Actuarial (gain) / loss recognized in the year	NA	NA	(24.06)	0
Unrecognized actuarial (gains)/losses at the end of the year	NA	NA	0	0

Table VII: Expense Recognized in Statement of Profit and Loss

All Figures in INR	Gratuity		Earned Leave	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Current Service Cost	14.43	NA	22.08	23.84
Past Service Cost	12.12	NA	0	17.77
Interest Cost	0	NA	3.03	0
Expected Return on Plan Assets	0	NA	0	0
Curtailment Cost / (Credit)	0	NA	0	0
Settlement Cost / (Credit)	0	NA	0	0
Net actuarial (gain)/ loss recognized in the year	0	NA	24.06	0
Expenses Recognized in the statement of Profit & Loss	26.55	NA	49.17	41.61

RECONCILIATION OF EXPENSE IN PROFIT AND LOSS STATEMENT

All Figures in INR	Gratuity		Earned Leave	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Present Value of Obligation as at the end of the year	26.55	NA	64.06	41.61
Present Value of Obligation as at the beginning of the year	0	NA	(41.61)	0
Benefit Paid	0	NA	26.73	0
Actual Return on Assets	0	NA	0	0
Liability Transfer (In)/Out	0	NA	0	0
Expenses Recognised in the Statement of Profit and Loss	26.55	NA	49.17	41.61

RECONCILIATION OF LIABILITY IN BALANCE SHEET

All Figures in INR	Gratuity		Earned Leave	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Opening Net Liability	0	NA	(41.61)	0
Expenses as above	(26.55)	NA	(49.17)	(41.61)
Employer Contribution	0	NA	26.73	0
Liability Transferred (In) / Out - Net	0	NA	0	0
Closing Net Liability	(26.55)	NA	(64.06)	(41.61)

22. Additional Information to the Consolidated Financial Statements:

22.1 Contingent Liabilities and Commitments (to the extent not provided for): (₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
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 (issue under arbitration – Provision for the same is not provided for as the proceedings are still at the initial stage & claims are not accepted by the management)	1,018.30	Nil
Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for:		
a. Tangible Assets (awarded contracts only)	1,06,024.58	21,830.00
b. Intangible Assets	Nil	Nil
Other commitments (Estimated amount of contracts remaining to be executed on account of works contract and not provided for) (Awarded contracts only)	30,988.71	45,200.99

22.2 Information in respect of Micro, Small and Medium Enterprises: : (₹ in Lakhs)

SI No.	Particulars	2022-23	2021-22
1	Amount remaining unpaid to any supplier: a) Principal Amount b) Interest due there on	Rs. 476.41 Nil	Rs. 23.47 Nil
2	Amount of Interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount paid to the supplier beyond the appointed day.	Nil	Nil
3	Amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
4	Amount of Interest accrued and remaining unpaid.	Nil	Nil
5	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

22.3 Activity in Foreign Currency [on Accrual Basis]:

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

23. Disclosures under Accounting Standards:

23.1 Segment Reporting

The company operates within India and does not have operations / projects in economic environments with different risks & return. Hence it is considered operating in single geographical segment and operating segment. Accordingly, the amounts appearing in the Consolidated Financial Statements are related to the company's single business segment.

23.2 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 Bengaluru Integrated Rail Infrastructure Development Enterprises Limited (B-RIDE)	Wholly Owned Subsidiary Company	100.00%
Investment in Hassan Mangalore Rail Development Company Limited	Special Purpose Vehicle [Group Entity]	1.786%

B. Key Managerial Personnel:

Key Managerial Personnel	Designation
Shri. Gaurav Gupta (from 11-Aug-2022)	Managing Director
Shri. Amit Garg (upto 03-Aug-2022)	Managing Director
Shri. Awadhesh Mehta (Director from 20-Jan-2023)	Director (BD&F) & Chief Financial Officer
Shri. Harendra Pandey (upto 08-Apr-2022)	Director (BD&F)
Shri. Rajesh K Singh (from 21-Sep-2022)	Director (P&P)
Shri. S.N.Srinivasa	Company Secretary

I. Remuneration to Directors & Key Managerial Personnel:

(₹ in Lakhs)

Sl No.	Particulars of Remuneration	Name of Managing Director / Whole time Director				
		Amit Garg (upto 03-Aug-2022)	Awadhesh Mehta (Director & CFO from 20-Jan-2023)	Harendra Pandey (upto 08-Apr-2022)	Rajesh K Singh (from 21-Sep-2022)	Neeraj Agrawal (upto 31-Dec-2021)
1	FY 2022-23					
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	16.56	16.57	1.10	21.98	-
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-	-	-
2	FY 2021-22					
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	47.81	-	46.82	-	38.59
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-	-	-

22.2a Additional information as required under Schedule III to the Companies Act, 2013 in case of Consolidated Financial Statements:

As at and for the year ended March 31, 2023

Sl.no.	Name of Entity	As at March 31, 2023		For the year ended March 31, 2023	
		Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit or Loss	
		As % of Consolidated Net Assets	Rs. In Lakhs	As % of Consolidated Profit & Loss	Rs. In Lakhs
1	Parent Rail Infrastructure Development Company (Karnataka) Limited	99.91%	8,733.54	99.54%	(324.80)
2	Subsidiary Bengaluru Integrated Rail Infrastructure Development Enterprise Limited	0.09%	7.83	0.46%	(1.49)
	Total	100.00%	8,741.37	100.00%	(326.29)

As at and for the year ended March 31, 2022

Sl.no.	Name of Entity	As at March 31, 2022		For the year ended March 31, 2022	
		Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit or Loss	
		As % of Consolidated Net Assets	Rs. In Lakhs	As % of Consolidated Profit & Loss	Rs. In Lakhs
1	Parent Rail Infrastructure Development Company (Karnataka) Limited	99.77%	4,058.35	100.78%	89.28
2	Subsidiary Bengaluru Integrated Rail Infrastructure Development Enterprise Limited	0.23%	9.31	-0.78%	(0.69)
	Total	100.00%	4,067.66	100.00%	88.59

II. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD: (₹ in Lakhs)

Particulars of Remuneration		FY 2022-23	FY 2021-22
Fees for attending board/ committee meetings:			
Shri. Gaurav Gupta	Director	0.32	-
Shri. Ajit Kumar Jha	Director	0.16	-
Shri. Ashuthosh Mathur	Director	0.32	-
Smt. Bhuvaneshwari K	Director	0.06	-
Smt. Deepa Kotnis	Director	0.18	-
Shri. T.M. Vijay Bhaskar	Director	-	-
Shri. B.H. Anil Kumar	Director	-	0.08
Shri. I.S.N Prasad	Director	0.16	0.12
Shri. Kapil Mohan	Director	-	0.06
Shri. Rakesh Singh	Director	0.16	0.08
Shri. P.S. Gupta	Director	-	0.04
Shri. O.P Singh	Director	-	-
Shri. R K Singh	Director	-	0.18
Shri. Gul Ashfaque Mohammed	Director	-	0.10
Shri. Anjum Parwez	Director	0.08	-
Shri. Mohammed Ikramulla Shariff	Director	0.02	-
Shri. Nitish K	Director	-	0.02
Total		1.46	0.68

III. Remuneration to Key Managerial Personnel Other than MD/WTD: (₹ in Lakhs)

SI No.	Particulars of Remuneration	Key Managerial Personnel	
		Awadhesh Mehta (CFO upto 19-Jan-2023)	S.N.Srinivasa (CS)
	Gross Salary:		
	FY 2022-23		
1	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	26.95	38.97
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-
	FY 2021-22		
2	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	24.56	36.76
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-

23.3 Computation of Earnings Per Equity Share [EPS] as required by AS-20: (₹ in Lakhs)

Particulars	2022-23	2021-22
Net Profit for the Year	(326.29)	88.59
Less: Preference share dividend	-	-
Amount available for equity shareholders	(326.29)	88.59
Weighted average number of shares	3,00,00,000	3,00,00,000
Earnings per Share – Basic & Diluted	(1.09)	0.30
Face value per equity share	10	10

23.4 Insurance Claims:

Insurance claims are accounted for based on acceptance of claims by Insurance Company.

23.5 Prior period Expenses and Income:

Income / Expenditure relating to a prior period which does not exceed 0.5% of the total turnover are treated as income / expenditure of current year.

23.6 Prepaid Items:

Individual items of prepaid expenses over Rs.5,000/- each are recognized.

23.7 Subordinate Debt:

Interest Free Subordinate Debts (SD) received from GoK/MoR have been recognized as long-term borrowings. The subordinate debts are interest free.

In the EGM held on Dt.19th February 2022, the Shareholders have approved the increase in borrowing limit upto Rs.10,809 Crores which is beyond the paid up capital & free reserves of the company.

23.8 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 is 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.

24. Business Implications due to Covid-19:

Significant disruptions have taken place nationwide due to Covid-19 pandemic outbreak. The company has implemented all the guideline and protocols issued by the various Government authorities with regard to Covid-19 from time to time. Company's operations have not been impacted as Company is still in early stage of commencing its construction activities.

25. Events occurring after the date of Balance Sheet:

Material adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Non-adjusting events (that are indicative of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represent material change and commitment affecting the financial position are disclosed.

26. Deferred Tax Asset 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 recognized.

27. Dividend:

The Company has not declared any dividend for the financial year ended 2022-23.

Note: 28

Ratio Analysis:

		2022-23	%	2021-22	%
(a) Current Ratio,	<u>Current Assets</u>	90,464.20	3.31	81,216.64	5.26
	Current Liabilities	27,325.10		15,431.62	
(b) Debt-Equity Ratio,	<u>Total Debt</u>	66,000.00	22.00	66,000.00	22.00
	Shareholders Equity	3,000.00		3,000.00	
(c) Debt Service Coverage Ratio,	<u>EBITDA - Capex</u>	(319.59)	(0.00)	97.77	0.00
	Interest + Principal	66,000.00		66,000.00	
(d) Return on Equity Ratio, (ROE)	<u>Net Income</u>	(326.29)	(0.11)	88.59	0.03
	Average Shareholders' Equity	3,000.00		3,000.00	
(e) Inventory turnover ratio,	<u>COGS</u>	159.89	0.18	-	-
	Avg Inventory	902.47		-	
(f) Trade Receivables turnover ratio,	<u>Net Credit Sales</u>	8,631.75	-	5,571.96	-
	Average Accounts Receivable	-		-	

K-RIDE

(g) Trade payables turnover ratio,	<u>Net Credit Purchases</u>	10,012.50	12.71	<u>5,303.05</u>	7.24
	Average Accounts Payable	787.94		732.47	
(h) Net capital turnover ratio,	<u>Net Sales</u>	8,631.75	0.13	<u>5,571.96</u>	0.10
	Average working capital	64,462.06		53,916.48	
(i) Net profit ratio,	<u>Net Profit</u>	(326.29)	(0.04)	<u>88.59</u>	0.02
	Sales	8,631.75		5,576.75	
(j) Return on Capital employed,	<u>EBIT</u>	(326.29)	(0.00)	<u>88.59</u>	0.00
	Capital Employed	69,741.37		70,067.66	
(k) Return on investment.	<u>Return (Benefit)</u>	(326.29)	(0.11)	<u>88.59</u>	0.03
	Investment (Cost)	3,000.00		3,000.00	

Ratio

(a) Current Ratio,

(c) Debt Service Coverage Ratio,

(d) Return on Equity Ratio, (ROE)

(e) Inventory turnover ratio,

(g) Trade payables turnover ratio,

(h) Net capital turnover ratio,

(i) Net profit ratio,

(j) Return on Capital employed,

(k) Return on investment.

Explanation for change in ratio by more than 25% as compared to the preceding year:

Due to material amount of advance received for Doubling project during the year end there is a substantial increase in current liabilities resulted in reduction in current ratio .

Due to non recurring nature of expenses like ROC fees for increase in Authorised Share Capital & Stamp duty thereon (Rs.2.23 Cr) & Foundation Stone Laying Ceremony-BSRP (Rs.3.45 Cr).

Due to non recurring nature of expenses like ROC fees for increase in Authorised Share Capital & Stamp duty thereon (Rs.2.23 Cr) & Foundation Stone Laying Ceremony-BSRP (Rs.3.45 Cr).

Due to purchases of Stores & Spares items during the year.

During the FY 2022-23, there is substantial increase in the Credit purchases so as to achieve the targets for completion of the doubling project which inturn affected the Trade payable turnover ratio.

Due to increase in project revenue & material amount of advance received for Doubling project during the year.

Due to non recurring nature of expenses like ROC fees for increase in Authorised Share Capital & Stamp duty thereon (Rs.2.23 Cr) & Foundation Stone Laying Ceremony-BSRP (Rs.3.45 Cr).

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Due to non recurring nature of expenses like ROC fees for increase in Authorised Share Capital & Stamp duty thereon (Rs.2.23 Cr) & Foundation Stone Laying Ceremony-BSRP (Rs.3.45 Cr).

29. 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.

30. 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 M.S.Reddy and Associates,

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

Chartered Accountants
Firm Reg.No. 007992S

CA M.Sridhar Reddy
Partner
M.No.: 201103

Gaurav Gupta
Managing Director
DIN: 02184763

Awadhesh Mehta
Director
DIN: 09564884

Awadhesh Mehta
CFO

S.N. Srinivasa
Company Secretary
FCS:2197

Place: Bangalore
Date: 10.07.2023

Place: Bangalore
Date: 27.06.2023

Proposed Bengaluru Suburban Rail Project



RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED

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

Registered Office : Samparka Soudha, 1st Floor, Survey No.8, (B.E.P. Premises) Opp. Orion Mall
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