



23RD ANNUAL REPORT 2023-24



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





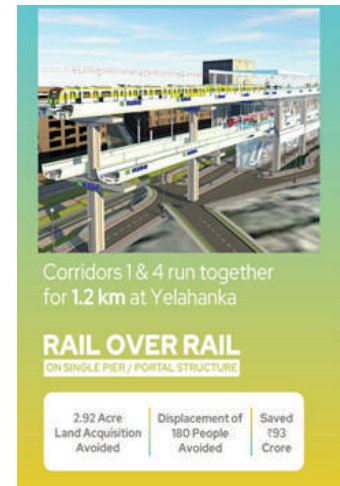
Innovative Methodology

- ▶ Elimination of level crossings by lifting of Indian Railway track without changing the existing road level. A total 10 Level Crossings of BSRP are being eliminated in congested city areas with this methodology. By adopting the same, Land Acquisition is avoided and water stagnation issues are eliminated. This is a first in the country.



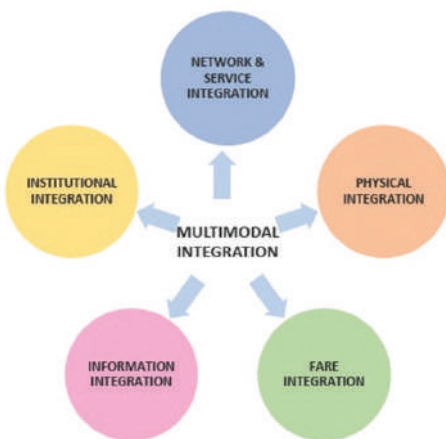
Sharing Alignment Between Suburban Rail & Metro Rail 0.50 Km At Benniganahalli

- ▶ This proposal involves no change in the existing BMRCL's alignment or levels. BSRP's proposal has been modified accordingly. This proposal is made only to avoid costly and complex acquisition of property in this high-end residential area.



Rail Over Rail

- ▶ This is an innovative concept and one of its kind RAIL OVER RAIL-on single pier/portal structure. This is at Yelhanka BSRP station where Corridor 1 & 4 merge at Yelhanka for 1.2 KM



Multi Modal Integration (MMI) Plans for BSRP

- ▶ These are Five key areas or Pillars of Multimodal integration which help achieve seamless travel.
- ▶ To create the necessary enabling eco-system which will allow a greater number of citizens to benefit from Mass Transit Infrastructure while also increase the ridership of the system, K- RIDE has taken steps towards route Physical, Infrastructure and Institutional integration.



Transit Oriented Development (TOD) Plans for BSRP

- ▶ K-RIDE aims for enhanced convenience by focusing on promoting sustainable transport in highly dense mixed - use development around the BSRP stations in order to comprehend Bengaluru's TOD policy.
- ▶ K-RIDE has explored ways to increase the public transport mode share in Bengaluru through station integration and collaboration between BSRP and BMRCL, DULT & other stake holders.





RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED

23RD ANNUAL REPORT - 2023-24

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Registered Office:

Samparka Soudha, 1st Floor, Survey No. 8, (B.E.P. Premises)
Opp. Orion Mall Dr. Rajkumar Road, Rajajingar, 1st Block, Bengaluru - 560010

www.kride.in



CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr. Shalini Rajneesh , IAS	Chairperson
Shri. Umashankar S R , IAS	Nominee Director
Dr. Manjula N , IAS	Managing Director
Dr. Vishal Ravi , IAS	Nominee Director
Shri. Dhananjaya Singh , IRSE	Nominee Director
Smt. Deepa Kotnis , IRAS	Nominee Director
Shri. Ashutosh Mathur , IRSE	Nominee Director
Shri. Rajesh Kumar Singh , IRSE	Director
Shri. Awadhesh Mehta , CA, ICWA, CPA	Director

KEY MANAGERIAL PERSONNEL

Smt. Archana M Kulkarni Company Secretary	Shri. Awadhesh Mehta Chief Financial Officer
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AUDITORS

Statutory Auditors Prakash S.D & Co. Chartered Accountants Bengaluru	Internal Auditors SVA & Associates Chartered Accountants Bengaluru	Secretarial Auditors Swayambhu Viswanathan Practising Company Secretaries Bengaluru
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BOARD COMMITTEES

Audit Committee	Nomination and Remuneration Committee	Management Committee
Shri. Umashankar S R , IAS Chairman	Shri. Umashankar S R , IAS Chairman	Shri. Umashankar S R , IAS Chairman
Dr. Manjula N , IAS Spl. Invitee	Dr. Manjula N , IAS Member	Dr. Manjula N , IAS Member
Dr. Vishal Ravi , IAS Member	Shri. Ashutosh Mathur , IRSE Member	Dr. Vishal Ravi , IAS Member
Shri. Ashutosh Mathur , IRSE Member	Shri. Awadhesh Mehta Member	Shri. Ashutosh Mathur , IRSE Member
Smt. Deepa Kotnis , IRAS Member		Smt. Deepa Kotnis , IRAS Member

RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the **23rd Annual General Meeting** (AGM) of the M/s. Rail Infrastructure Development Company (Karnataka) Limited will be held on **17th December, 2024 (Tuesday) at 4 PM through Video Conference ("VC") / Other Audio Visual Means (OAVM)** through Registered Office, Bengaluru, Karnataka to transact the following businesses:

ORDINARY BUSINESS

- 1. Adoption of Financial Statements:** Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2024 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.
- To fix the remuneration of the statutory auditors to be appointed by the C&AG of India for the Financial year 2024-25 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 2024-25 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 : Bengaluru
 Date : 17-12-2024

Sd/-
Archana M Kulkarni
 Company Secretary

NOTES:

- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote at the meeting instead of himself and the proxy need not be a member of the Company. The enclosed proxy form should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the AGM.
- 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.
- Route Map is enclosed.
- 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.

ATTENDANCE SLIP

23RD ANNUAL GENERAL MEETING HELD ON 17th DECEMBER 2024

Name:

Address:

I Certify that I am a registered shareholder/proxy for the registered shareholder of M/s. Rail Infrastructure Development Company (Karnataka) Limited (K-RIDE) hereby records my presence at the 23rd Annual General Meeting of the Company, held on **17th December, 2024 (Tuesday) at 4 PM through Video Conference** ("VC") / Other Audio Visual Means (OAVM) through Registered Office, Bengaluru, Karnataka.

First/Sole Hoder/Proxy

Second Holder/Proxy

Note: Please complete the name, address and sign this attendance slip and hand it over at the entrance of the hall.

Form No. MGT-11

Proxy form

*[Pursuant to section 105(6) of the Companies Act, 2013
and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

CIN: U60100KA2000SGC028171

Name of the Company : Rail Infrastructure Development Company (Karnataka) Limited

Registered Office : Samparka Soudha, 1st Floor, Survey No.8, (B.E.P. Premises), Opp. Orion Mall,
Dr. Rajkumar Road, Rajajinagar 1st Block, Bangalore – 560 010

Name of the member(s)	:
Registered address	:
E- mail Id	:
Folio No./ Client Id	:
DP ID	:

I, being the member of ____ equity share of the above named company, hereby appoint

1. Name :
Address :
E-mail Id :

Signature:....., or failing him

2. Name :
Address :
E-mail Id :

Signature:....., or failing him

3. Name :
Address :
E-mail Id :

Signature:....., or failing him

as my proxy to attend and vote (on a poll) for me and on my behalf at the 23rd Annual General Meeting of the Company, to be held on **17th December, 2024 (Tuesday) at 4 PM through Video Conference ("VC") / Other Audio Visual Means (OAVM)** through Registered Office, Bengaluru, Karnataka and at any adjournment thereof in respect of such resolutions as are indicated below:

**Affix
Revenue
Stamp**

Resolution No. **1 to 2**

Signed this..... day of..... 20....

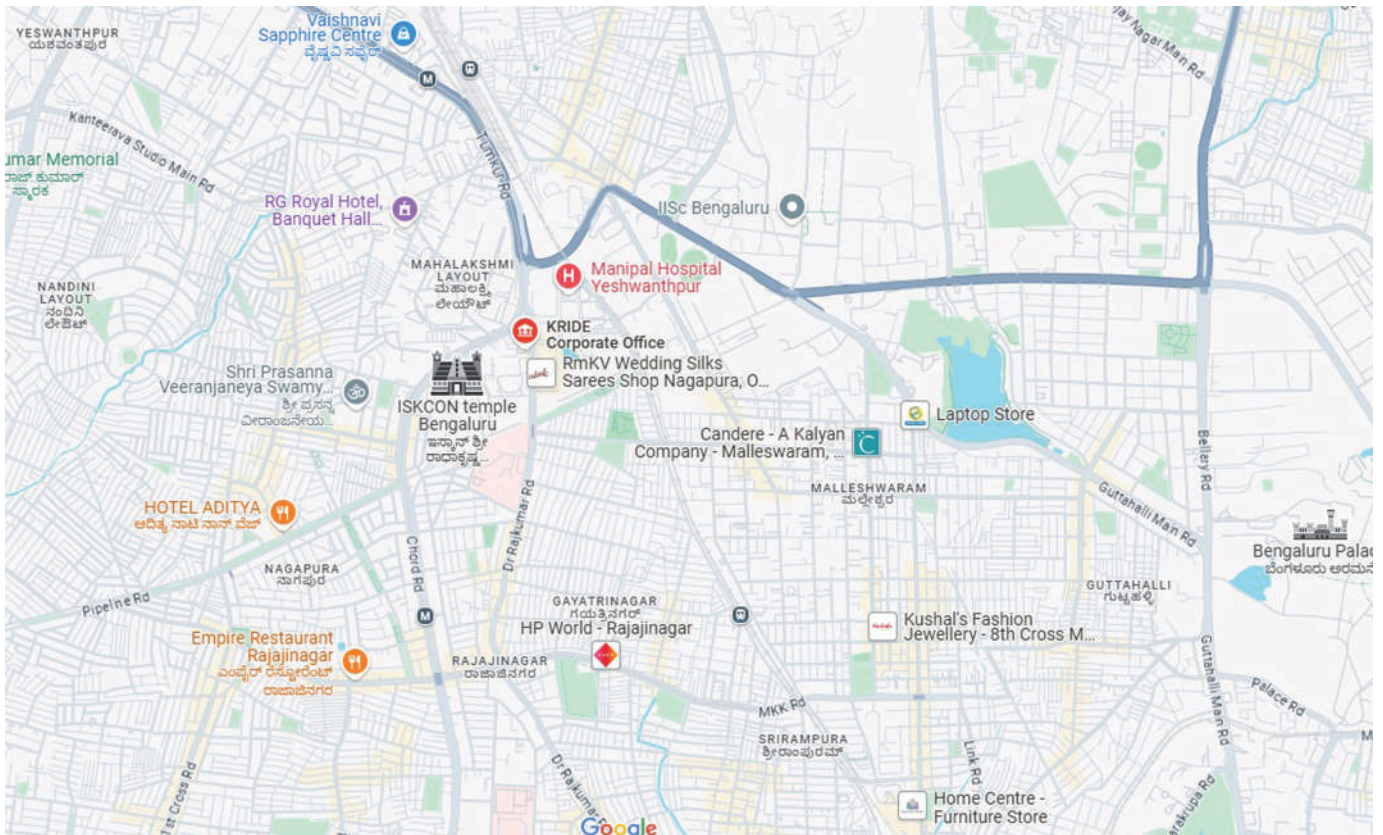
Signature of shareholder

Signature of Proxy holder(s)

Note:

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before.

ROUTE MAP TO THE VENUE OF THE MEETING



Address:

No. 8, 1st Floor, Samparka Soudha, Dr. Rajkumar Road, Bengaluru, Karnataka - 560010.

Landmark: Opposite to Orian Mall



RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED



To,
The Members



DIRECTORS REPORT

[Pursuant to Section 134 of the Companies Act 2013 read with Companies (Accounts) Rules 2014]

Your directors have pleasure in presenting their Twenty- Third Annual Report along with the audited statement for the year ended 31st March 2024, Balance Sheet as on that date and Cash Flow Statement, together with Auditors' Report thereon.

1. PRELIMINARY:

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

2. FINANCIAL HIGHLIGHTS:

The financial results for the year ended March 31, 2024 are summarised below.

(₹ In Lakhs)

Particulars	Standalone		Consolidated	
	Current Year 31.03.2024	Previous Year 31.03.2023	Current Year 31.03.2024	Previous Year 31.03.2023
Income from Operations	18,855.36	8631.75	18,855.36	8,631.75
Other Income:				
Interest from Bank Deposits	3,451.04	512.17	3451.04	512.17
Interest on Income Tax Refund	32.86	0.27	32.86	0.27
Other Miscellaneous Income	23.75	531.92	23.75	531.92
Total Income	22,363.00	9676.11	22,363.00	9,676.11
Less: Total Expenses : Prior period items	19,239.71 -	10,000.92	19,241.10 -	10,002.40 -
Profit before Tax	3,123.30	(324.81)	3121.91	(326.29)
Less: Tax Expenses	(193.61)	-	(193.61)	-
Profit / (Loss) after Tax	3,316.91	(324.81)	3315.52	(326.29)
Add: Profit brought forward	743.54	1068.35	741.37	1067.66
Add: Prior period adjustments	-	-	-	-
Profit carried to the Balance Sheet	4060.45	743.54	4056.89	741.37

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.

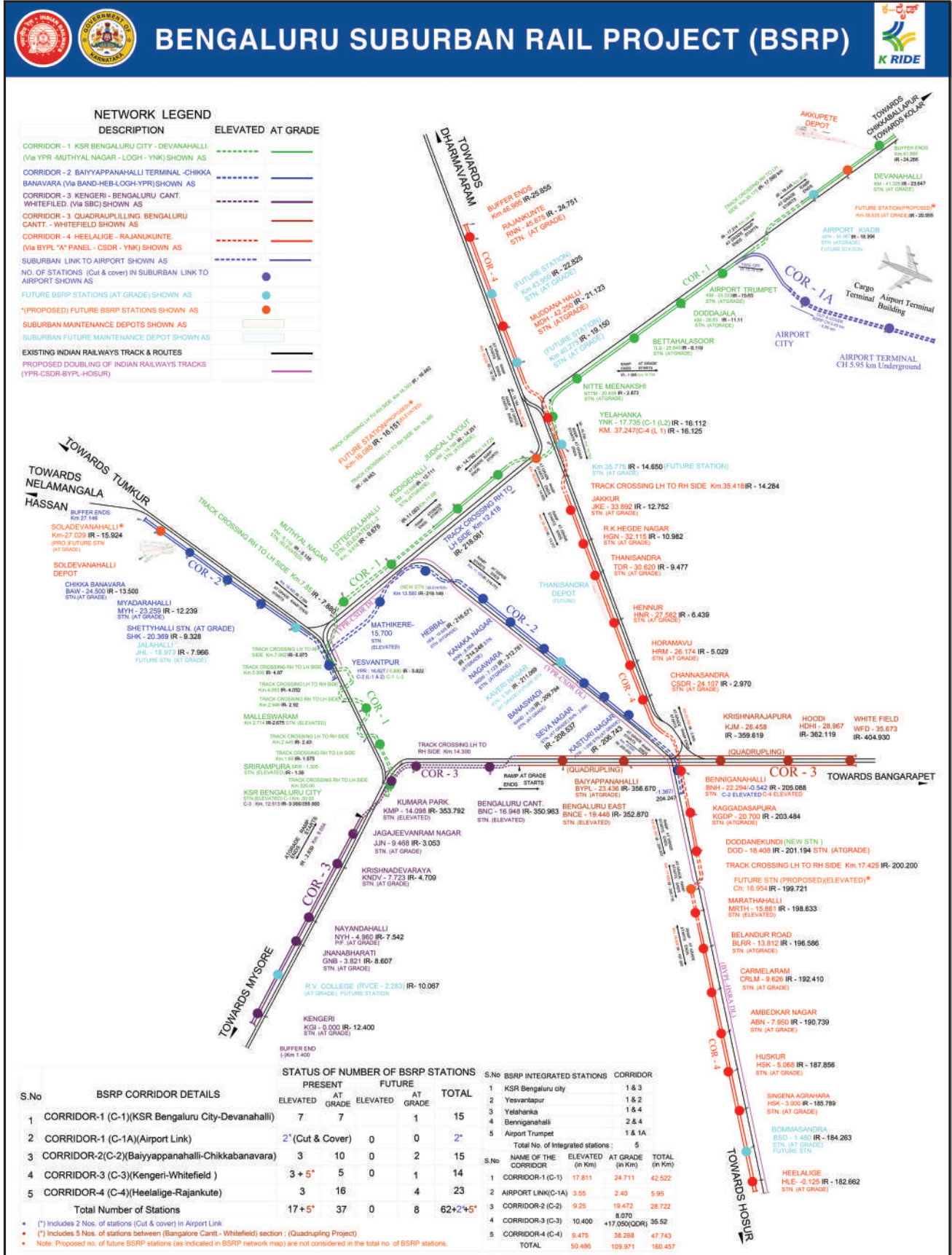
3. STATE OF COMPANY'S AFFAIRS:

Following **Projects** have been assigned to K-RIDE for execution.

1. Bengaluru Suburban Rail Project (BSRP) -148.17 Km

TWO Railway Doubling Projects

- 1. Baiyyappanahalli – Hosur (48 Km)
- 2. Yesvantpur- Channasandra (21.7Km)



BSRP aims to connect Bengaluru city to its suburbs and satellite townships and will carry about 9.84 lakhs passengers per day upon completion thus, decongesting the road traffic of Bengaluru city.

Foundation Stone for BSRP project laid by Hon'ble Prime Minister on 20th June 2022, with an assurance to complete the project in 40 months. K-RIDE is country's most integrated, state -of-the-art, suburban rail initiative and also the first under the National Suburban Rail Policy -2018. KRIDE is working hard to meet this challenge.

1. **Length:** BSRP project envisages 4 corridors with a total route length of 148.17 Kms with 57 nos of Stations and 2 Maintenance depots.

Corridors	Section	Length (in Kms)
1	Bengaluru - Devanahalli + Airport Connectivity.	41.40
2	Baiyyappanahalli – Chikkabanavara	25.01
3	Kengeri – Whitefield	35.52
4	Heelalige – Rajanukunte	46.24
	Total	148.17

2. **Project inclusion** : Bengaluru Sub urban Rail project has been sanctioned by Govt of India through Ministry of Railways on 21.10.2020
3. **Original Cost** : ₹15,767 Cr + additional cost for Rolling stock (on PPP)
4. **Cumulative amount released for BSRP** : ₹665.42 Cr (GoK) + ₹500Cr (MoR) = Total: ₹1165.42 Cr.
5. **Physical Progress** : 8.12%
6. **Financial Progress** : 4.79 % and cumulative expenditure ₹754.67Cr. (as on 31.03.2024)
7. **Status of Land acquisition** : Land requirement as per DFR (Area in Acres)

Corridors	Railway Land	Private land	State Govt Land	Total land
Corridor – 1	115.59	12.09	17.99	145.67
Corridors – 2	53.60	28.56	9.44	91.6
Corridors – 3	42.12	20.71	2.55	65.38
Corridors – 4	115.50	40.29	4.77	160.56
Depots	–	–	118.26	118.26
Total in acres	326.81	101.70	153.029	581.5

What's in a Name ?

The 4 BSRP corridors are named after 4 regional flowers



Corridor - 1

SAMPIGE
(Champa)



Corridor - 2

MALLIGE
(Chameli)



Corridor - 3

PARIJAATA
(Prajakta)



Corridor - 4

KANAKA
(Priyadarsha)

And we called it

SA-M-PAR-KA

Meaning 'Connectivity' in Kannada

a) Corridor-2: Land acquisition details is as below:

Railway land: Railway land requirement was further reduced to 85.707 Acre and *leased on 02.04.2024*. Existing 122 nos encroachments within the Railway land are to be removed by Railways. 10 nos removed and rest under progress.

Sl. No.	Type of Land	Total required in acres	Acquired in acres	Yet to be acquired in acres	Remarks
1	Railway Land	85.707	85.707	NIL	Revised Land to be leased
2	Private Land	5.45	5.45	NIL	
3	Defence Land	7.38	7.38	NIL	
4	Govt. Land	9.25	7.99	1.26	
	Total Land	107.787	106.527	1.26	98.85% land available

**b) Corridor-4: Railway land: Railway land of about 115.472 acres leased on 02.04.2024.
Land acquisition (Govt and Private land)**

Sl. No.	Stretch	Area	Status
1	Rajanukunte - Channasandra	4.44 acres	28(4) Final notifications issued on 22.11.23, price fixation completed, payment to be done.
2	Channasandra - Yelahanka:	1.92 acres	28(4) notifications under process with KIADB.
3	Heelalige -Silk farm:	6.05 acres	proposal for 28(1) notifications published on 21.02.24.
4	Silk farm - Bellandur		proposal submitted for final notification to KIADB on 16.06.24.
5	Bellandur - Channasandra:		Proposal for Final Notification submitted to KIADB on 12.06.24.

c) Corridor-1: Request submitted to SBC Division on 25.11.23 for 94.79 acres (DPR: 115.59 acres)

d) Depot -1: (Devanahalli Depot - 51 Acres) - Govt. land - 5 Acre, OM issued on 30.11.22. Forest land - 46 Acres, Status: acquisition is in progress)..

e) Depot-2: (Soladevanahalli Depot - 50 Acres): Final notification 28(4) issued on 01.12.2023. KIADB initiated award process.

8. Rolling Stock Procurement: As per the Sanction of BSRP by Cabinet Committee of Economic Affairs the procurement of rolling stock was kept on PPP mode. During Request for Qualification (RFQ), for the procurement of 306 coaches, three firms BEML, BHEL, and CAF participated and all were technically qualified.



A Request for Proposal (RFP) was invited with a extended submission deadline of August 22, 2024. However, no bids was received. The proposal to procure rolling stock on equity mode on 50:50 cost-sharing basis between the Government of Karnataka (GoK) and the Ministry of Railways (MoR) is under process of approval of GoK and Railway Board.

9. Progress:

(a) **Technical-** "Schedule of Dimension" (SOD) and "Design Basis Reports" approved by Ministry of Railways, which are basic documents for all designs.

(b) **Alignment plans.**

- Corridor - 2: Approved by SWR (South Western Railways)/HQ on 19.06.23.
- Corridor - 4: Approved by SWR/HQ on 23.01.24.
- Corridor - 1 : Finalized and submitted to SBC division on 05.07.22. SWR observations dated 22.09.2022 replied on 22.11.2022. K-RIDE has divided the Sampige Line into two packages:
 - Package 1A: Majestic to Yelahanka (17.63 km)
 - Package 1B: Yelahanka to Devanahalli (23 km)
- C-1 will connect the city center with KIA. Tender already invited for C1A and is opening on 09.10.2024. For C1B, documents are under preparation.

Corridor-3: The alignment plan for Corridor-3, which includes one track on either side from Kengeri to Bengaluru Cantonment, is currently awaiting approval from South Western Railway (SWR)

(c) "Compensation and Resettlement Policy" (C&R) policy approved by GoK on **31.10.2023**

(d) **Physical work progress:**

CORRIDOR - 2 (Priority-1) Chikkabanavara - Baiyyappanahalli (25.01 Km):

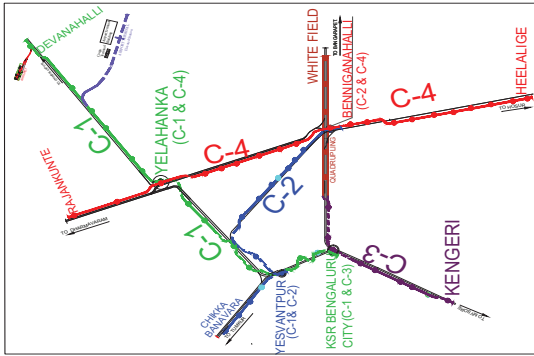
Civil works tender was awarded to M/S L&T Limited on 26.08.2022 at a cost of ₹859.97 Cr, the 25 Km Corridor -2 consists of 8.027 km of elevated sections and 17.551 km of at-grade section, Completion period- 27 months.

Sl. No.	DESCRIPTION OF WORK	STATUS/ KEY MILESTONES ACHIEVED
1	SWR approval	Alignment approved on 19.06.23, Railway land leased on 20.12.22.
2	Shifting of high-tension line 220/66 kV at 4 locations	Deposit work being done through KPTCL.
3	S&T Utility shifting work	100% completed.
4	Electrical utility shifting	75% completed. Work orders received from BESCO, tender awarded, shifting in progress.
	Work front available	74% (20.6 Km available, 4.79 km utility to be shifted)
5	At grade (17.551 km)	Completed Minor Bridges- 25 /44 , RUB - 4 /20, ERS - 2.79 /12.45 km
6	Elimination of Level Crossing (7 No)	Work in progress -5/7
7	Viaduct (8.027 Km)	Completed- Piles- 157/1888, Pile caps- 12 /355, Pier- 6/271. 2 piling rigs mobilised. 728 Nos of labourers mobilised.
8	Casting Yard	Casting yard commissioned. U-girder: 12/465 nos completed. In addition to 2 nos. of batching plant at casting yard another 2 nos. of batching plants has been set up & commissioned by the contracting agency near the corridor alignment (1 no. at Yeshwantpur & 1 no. at Hebbal).
9	Progress	Physical: 20 % ; Financial: 18 %
10	Other miscellaneous works	Necessary permissions for tree felling of 2098 nos. and transplantation of 178 nos. have been obtained from the Tree Authority (OM1 to OM3) and the work is in progress in accordance with due norms. 65% of tree felling work completed and 45% of tree translocation completed in Corridor - 2. OM-4: Permission for Tree-felling of 699 nos. & transplantation of 89 nos. received on 29.05.2024. Subsequently, PIL filed against the tree permission and the matter is in the High Court of Karnataka. 10 times tree is being planted by BBMP the cost deposited by K-RIDE. Design & drawings for various structures have been approved by the proof consultant (IIT Madras).

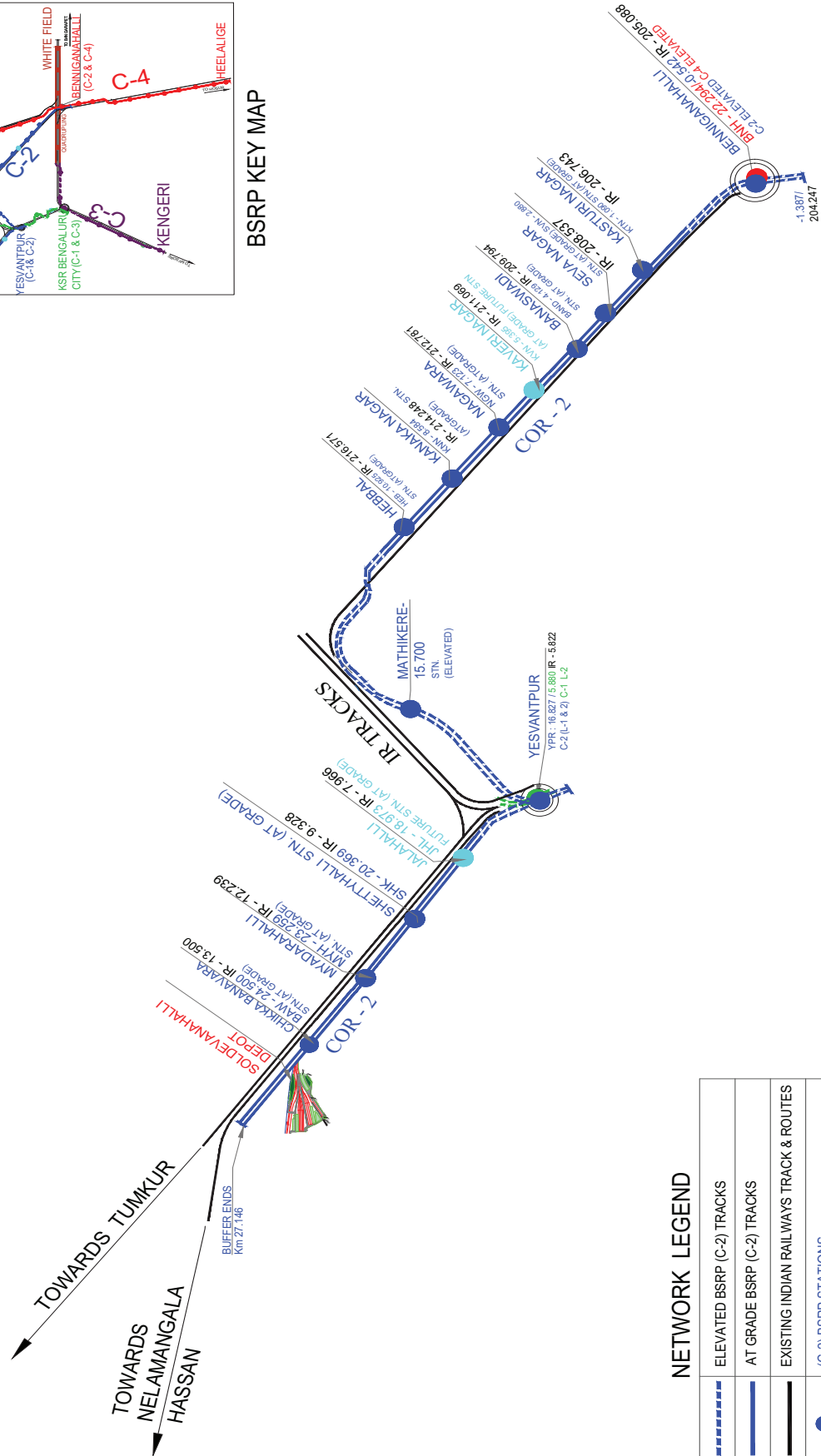


Bengaluru Suburban Rail Project (BSRP)

CORRIDOR-2(C-2)(Baiyyappanahalli-Chikkabanavara)



BSRP KEY MAP



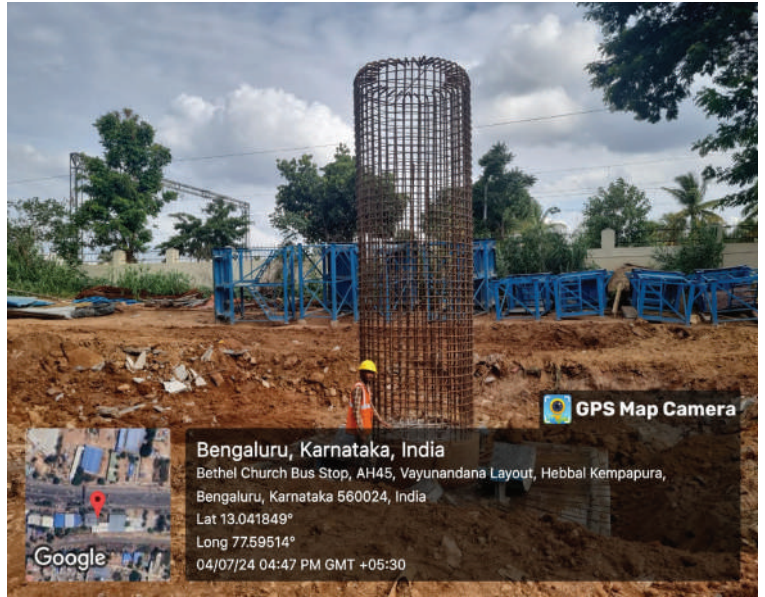
NETWORK LEGEND

	ELEVATED BSRP (C-2) TRACKS
	AT GRADE BSRP (C-2) TRACKS
	EXISTING INDIAN RAILWAYS TRACK & ROUTES
	(C-2) BSRP STATIONS
	FUTURE (AT GRADE) BSRP STATIONS

Progress – Piling Works



BH-177 (ROB 408B) test pile bore in progress



Pier reinforcement work at Hebbal

Progress – Viaduct Sub structure Works



UP216 pier at YPR



YPR UP208 Pier starter concrete

Progress - boundary wall work at Jallahalli



533-meter-long Air force boundary wall work at Jalahalli

Progress – Minor bridge Retaining wall



MIB-405 Top slab pouring completed between station of Myderahalli-Shettyhalli

Progress – Retaining wall work & BWSSB utility Diversion

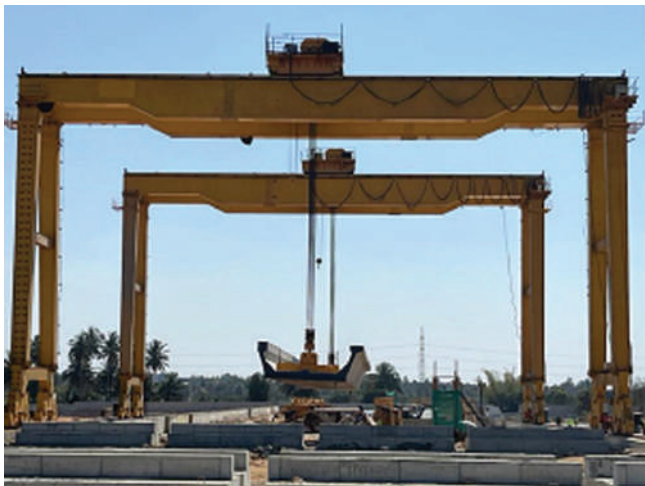


ERS work at kanaka Nagar



BWSSB: Diversion in progress

Casting Yard Progress - U Girders – 31m span



Gollahalli casting yard: U -girder bed line no-2 stressing end thrust wall reinforcement tying work



I girder work in progress

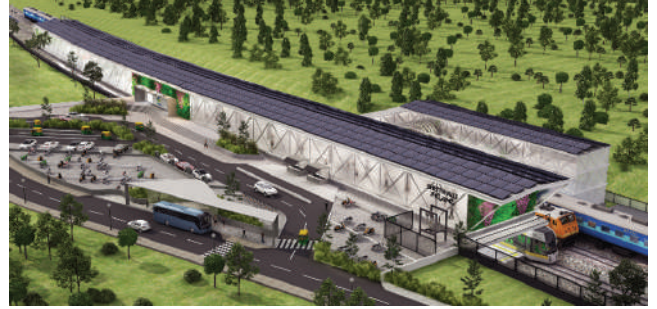


Precast Pier Cap in progress

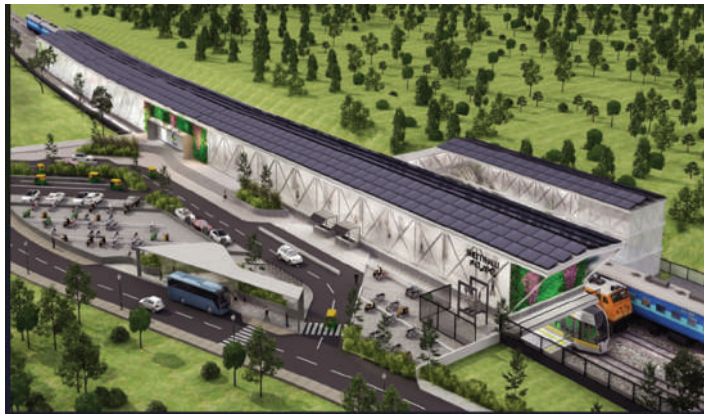
MEDARAHALLI STATION



SHETTYHALLI STATION



AERIAL VIEW OF TYPICAL BSRP STATION



Conceptual MMI Plans for BSRP Stations



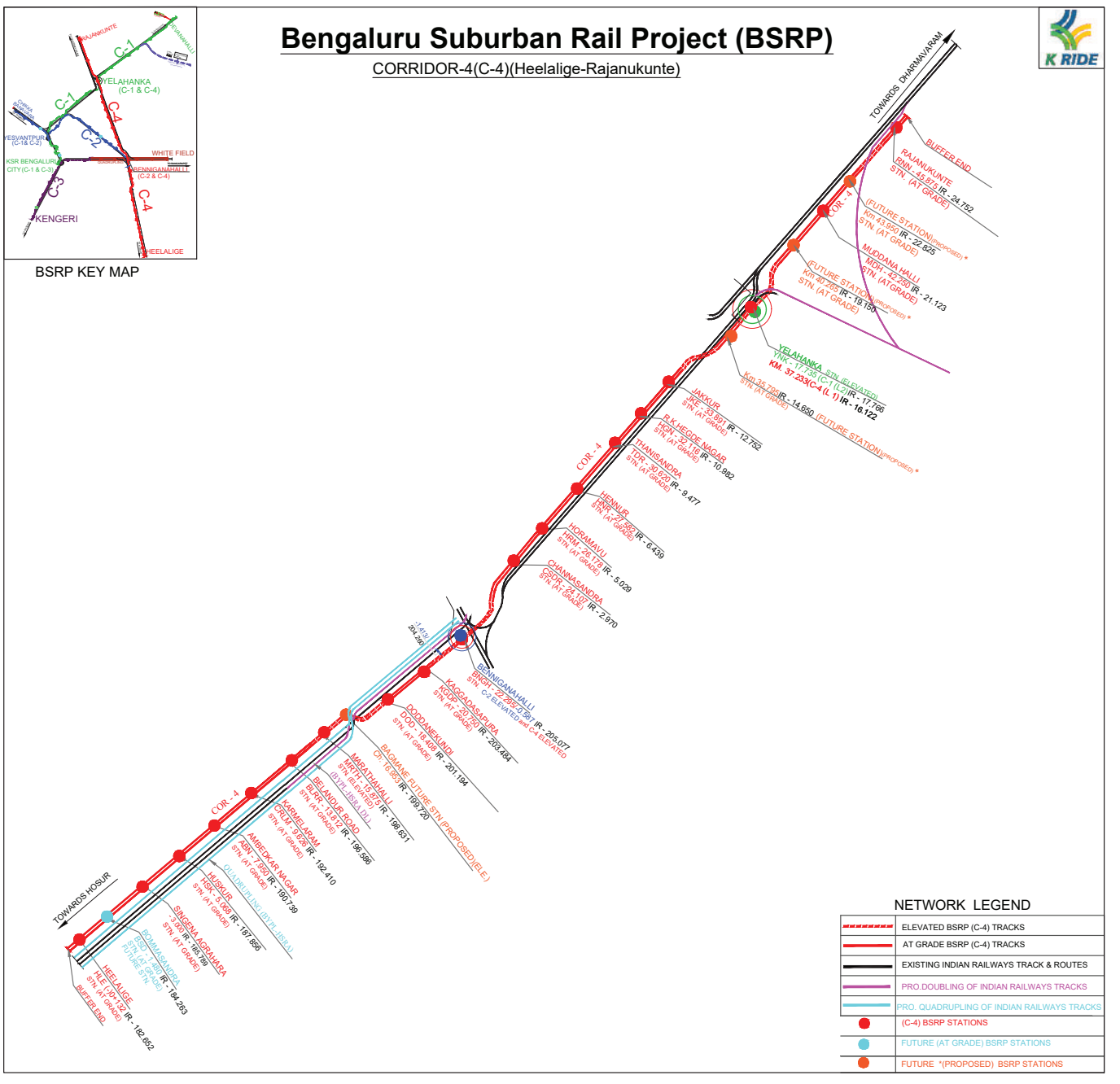
Chikkabanavara Station

Corridor -4 Heelalige to Rajankunte:

The civil works tender awarded, LoA issued on 30.12.23. The 46.88 Km Corridor 4 consists of 8.96 km of elevated section and 37.92 Km At-Grade level section. Tender awarded to M/s L&T Ltd. on 30/12/2023 infra cost of Rs. 1040.51 completion period 30 months.

SL. NO.	DESCRIPTION OF WORK	STATUS
1	SWR approval	Alignment approved on 23.12.2023
2	Railway Land Leasing	Planned to be leased in June 2024
3	Work front available	30%

4	S&T Utility shifting work	62 % completed
	Electrical Utility shifting	Tenders awarded; work started
5	Preconstruction activities	Pre-construction activities such as topo survey, GPR survey, Soil Geo-Investigations, identification of utilities under progress. Geo-technical Investigations, Tree felling, Utility shifting and Design and Structure works are under progress. 170 nos of labourers are mobilized.
6	Other miscellaneous works:	Necessary permissions for tree felling of 2439 nos. in BBMP limits and transplantation of 296 nos. are under progress from the Tree Authority and the work is in progress in accordance with due norms. 22% of tree felling work completed and land for tree translocation identification is under progress. - Afforestation in the ratio of 1:10 is being planted by BBMP, and the cost for the same is deposited by K-RIDE to BBMP.



Progress – Preconstruction activities



GTI work is in progress



Tree cutting work is in progress at Heelalige station

Progress – Preconstruction activities



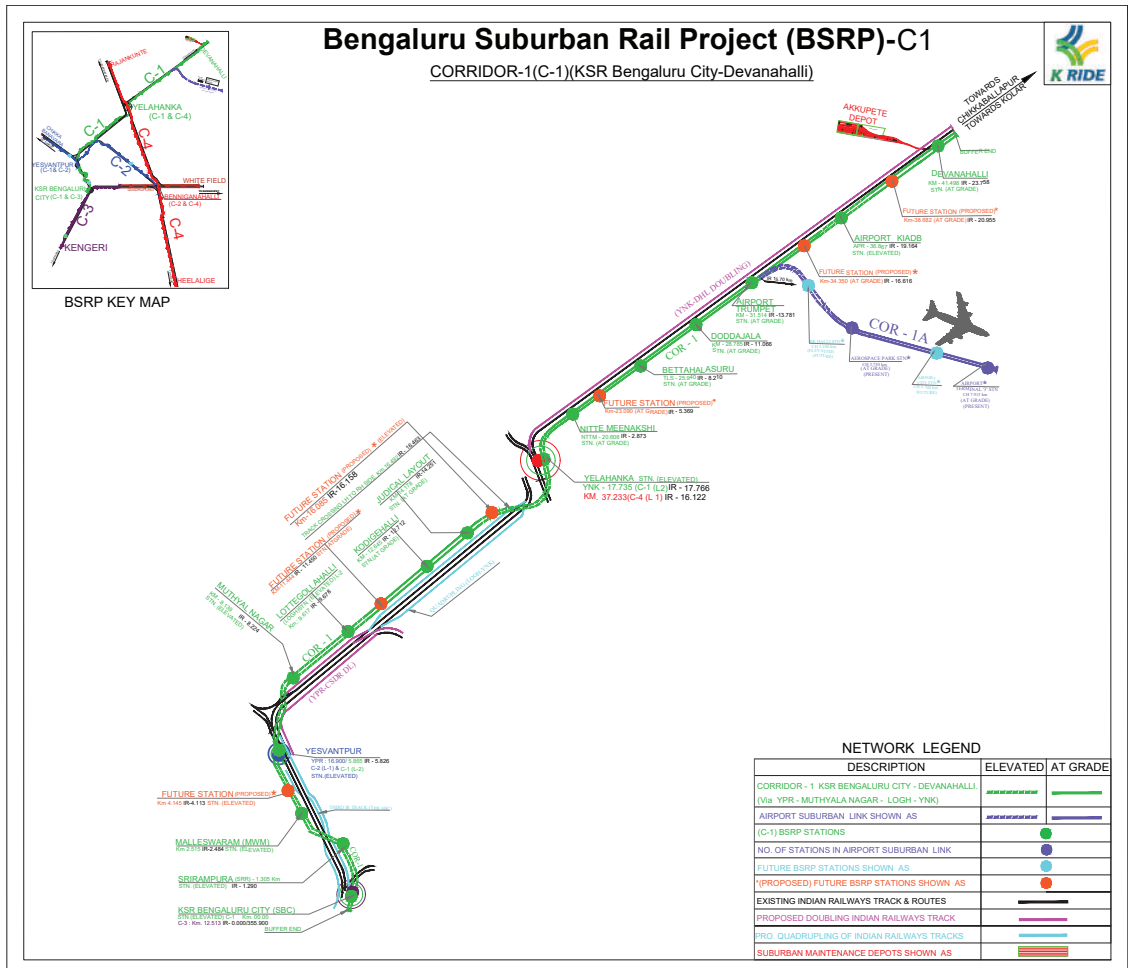
Manual trenching in progress at MIB 509, BSRP CH-41+461 Section 4

Work Progress



Bottom raft concreting progress for MIB -526

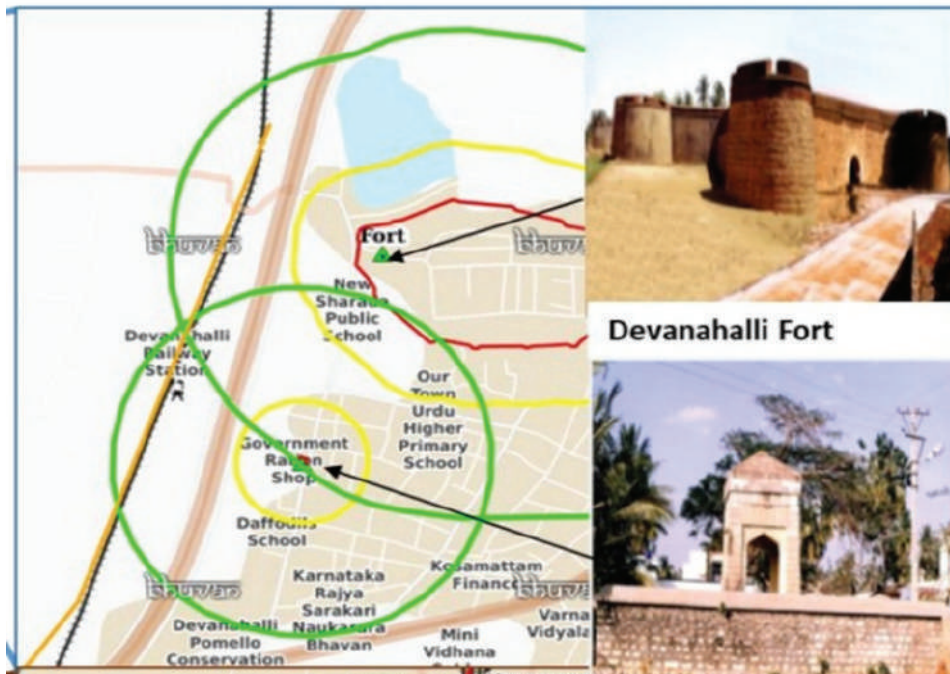
**CORRIDOR -1:
Bengaluru -
Devanahalli
with Airport link.
(41.4 Km)**



SL. NO.	DESCRIPTION OF WORK	STATUS/ KEY MILESTONES ACHIEVED
1	Alignment approval from SBC/SWR	Alignment plan submitted to South Western Railways for approval.
2	Railway Land Leasing (DPR: 115.59 acres)	Request submitted to SBC Division on 25.11.23 for 94.79 acres
3	S&T Utility shifting work	20% completed
4	Civil Tender for construction	Tender document on EPC mode. C1A: Tender invited (SBC to Yelahanka) incl 7 nos of Stations under finalization. C2B: (Yelahanka – Devanahalli and Airport) incl Stations Tender document under preparation. Consent for closing of LC-09 and LC-02 elimination has been submitted to DC/Bengaluru Urban.

NoC received from National Monument Authority for construction of Suburban Track and stations for Corridor-1 in the vicinity of two nationally protected monuments in Aug 24.

Nationally Protected Monuments falling in BSRP Corridor-1

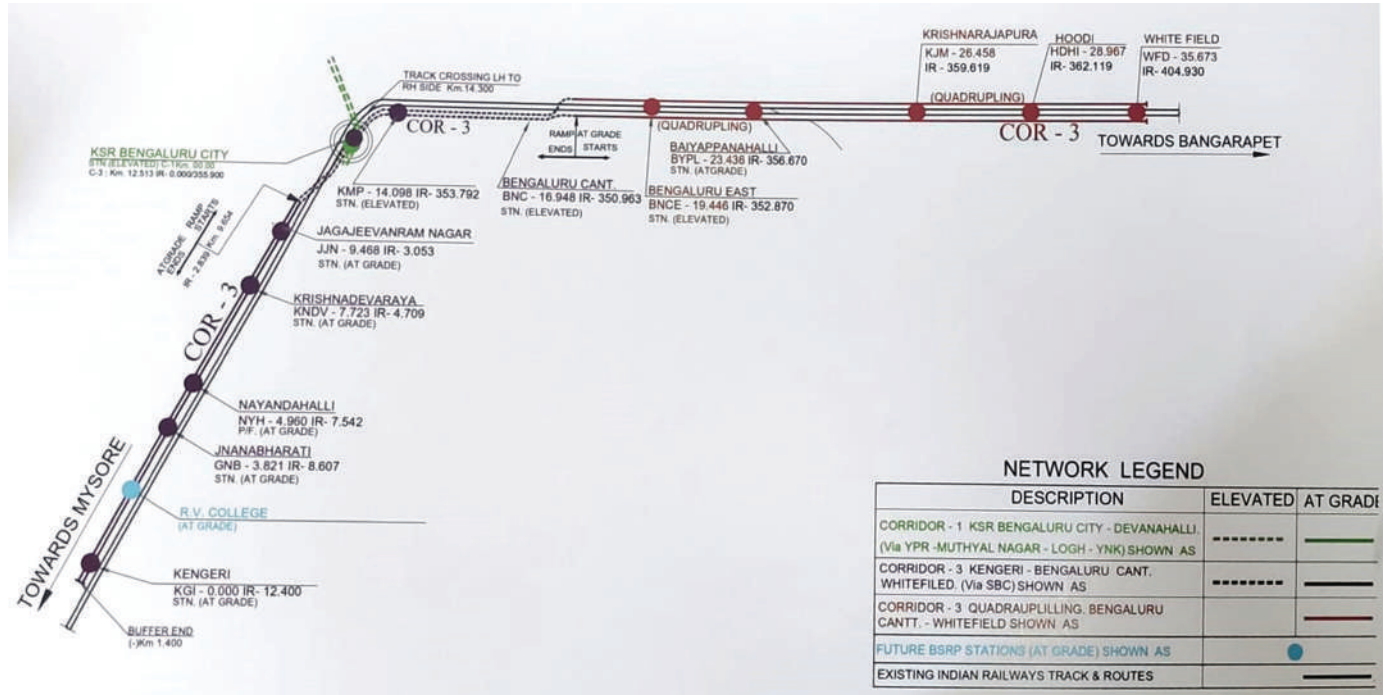


Corridor -3 Kengeri to Whitefield

SL. NO.	DESCRIPTION OF WORK	STATUS
1	Alignment approval from SBC/SWR	
2	Kengeri - Bangalore Cantonment	Alignment plan submitted to SBC/Division including provision of Quadrupling.

Bengaluru Suburban Rail Project (BSRP)

CORRIDOR-3(C-3)(Kengeri-Whitefield)



10. Key Milestones achieved:

- **MoU between Ministry of Railways, Govt of Karnataka and KRIDE (Tripartite Agreement)** was signed on **15th Nov-23**
- Loan agreement signed with **KfW, Germany for €500 million (4348 Cr)** on 15th Dec-23. EIB, Luxembourg for €300 million on **14th June-24**
- **31 metre long, single span U-girder**, has been successfully cast for the first time in the country for BSRP Project on **6th January 2024**
- **C-4 Kanaka line civil works tender** awarded to M/S Larsen & Toubro on **30.12.2023**



In a major milestone, K-RIDE inks loan agreement with KfW development bank



Shared alignment (common Right of way) between BMRC & BSRP at Benniganahalli (500m)



Rail over Rail on single pier / Portal structure: Integrated Alignment of BSRP in Corridor 1 & 4 at Yelahanka

11. Funds: The total cost of the BSRP project is Rs.15767 Crore.

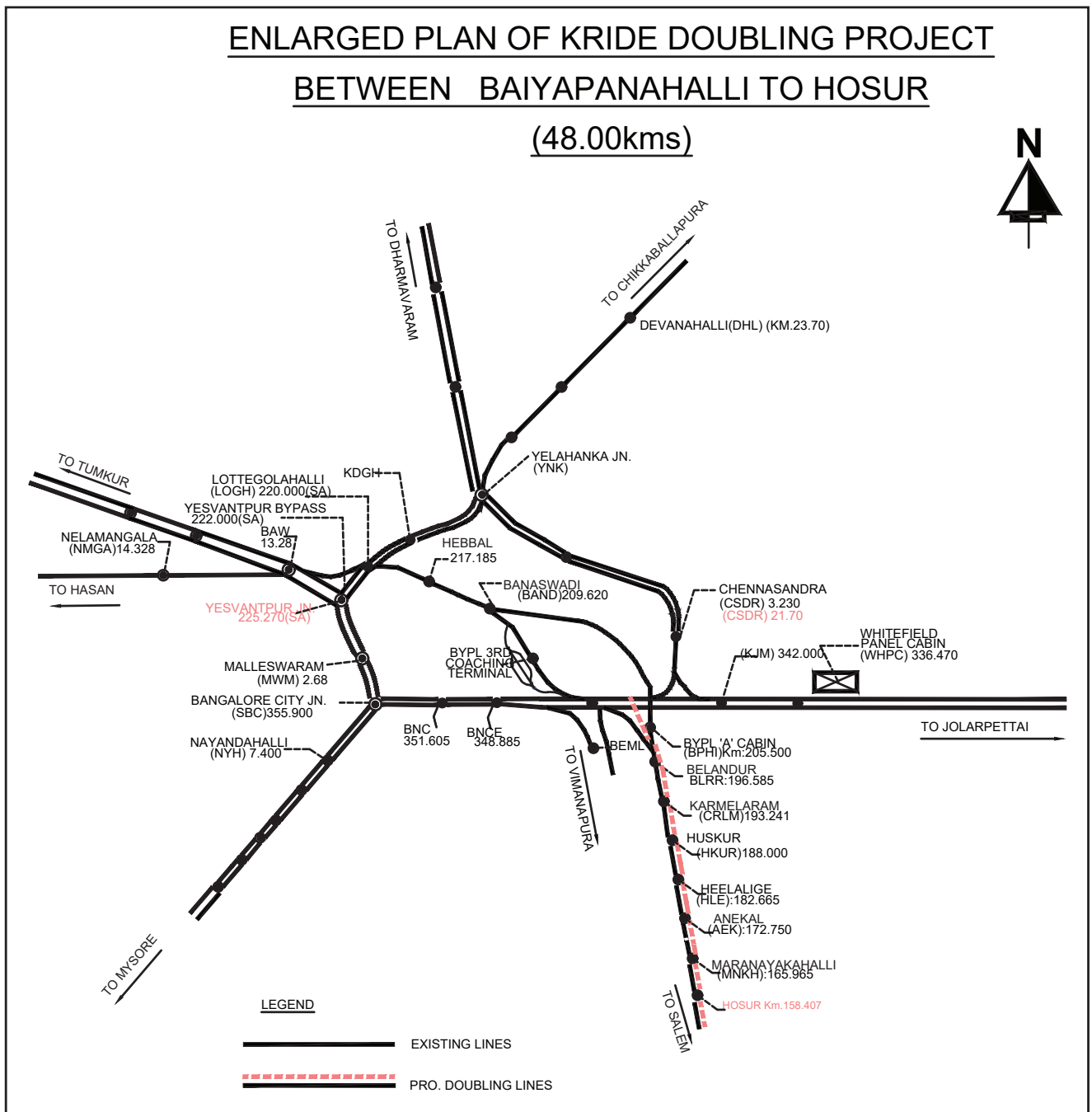
Equity to JV: (Amount in ₹)

Sl. No.	Items	State Govt. (GoK)	MoR	Total
1	Equity released upto 31.03.2023 (previous FY)	15,30,00,000/-	14,70,00,000/-	30,00,00,000/-
2	Equity released during (2023--24)	5,00,00,00,000/-	4,80,39,21,570/-	9,90,39,21,570/-
	Total Equity Received	5,15,30,00,000/-	4,95,09,21,570/-	10,10,39,21,570/-

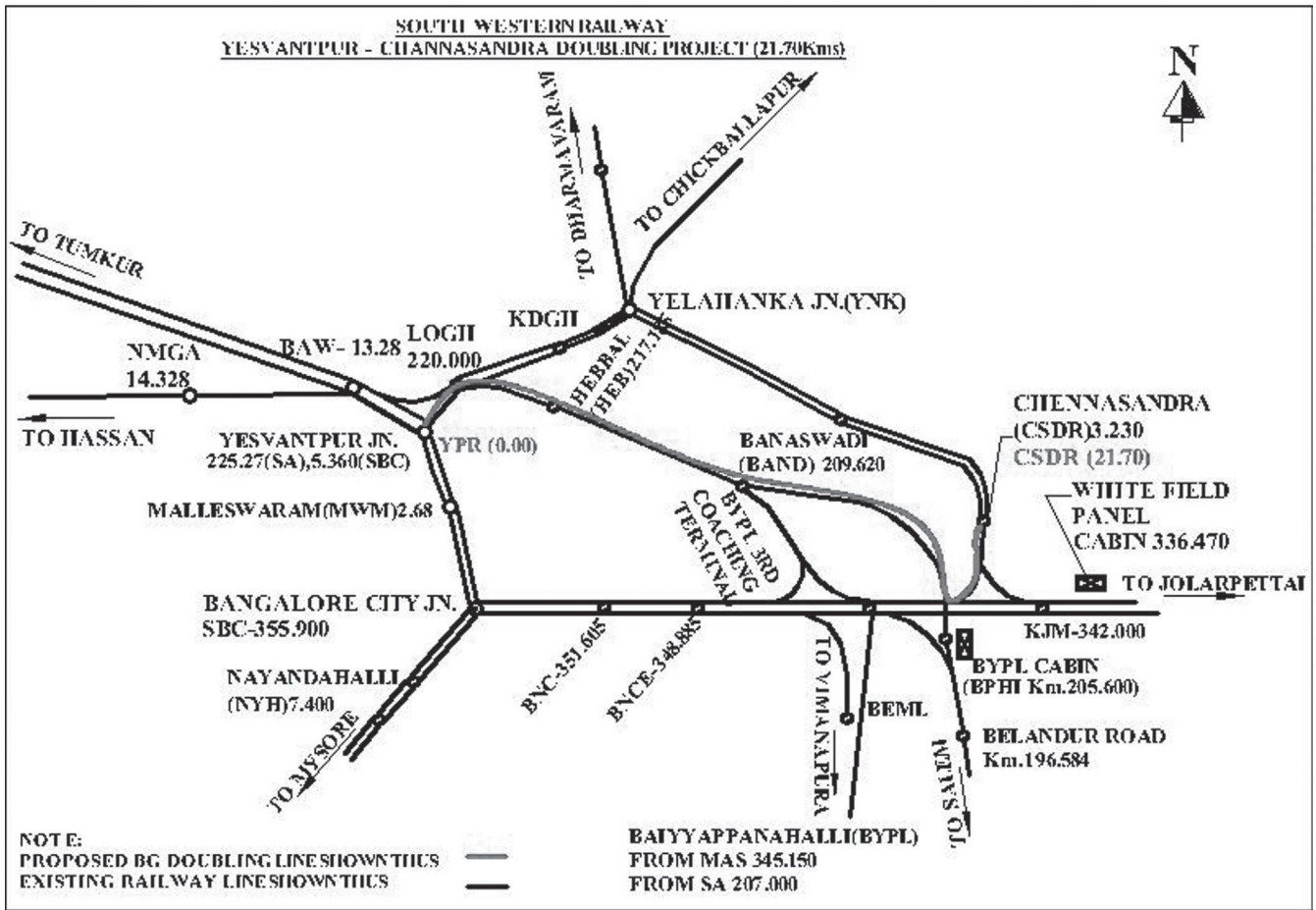
Note: Railway equity of Rs 19,60,78,430/ - under BSRP treated as Grant to maintain shareholding pattern of 51:49 ratio between MoR & GoK.

Two Doubling Projects

- Baiyapanahalli - Hosur (48 km)



● Yeshwanthpura- Channasandra (21.70 KM)



1. Length and the Original sanction cost: The overview for the two doubling projects are as follows:

Sl. No.	Doubling Projects	Kms	Total Sanctioned Cost (in July/Oct'18) in Cr	Total Cost in Cr.
1	Baiyappanahalli- Hosur	48.00	498.73	812.83
2	Yeshwanthpura- Channasandra	21.70	314.10	

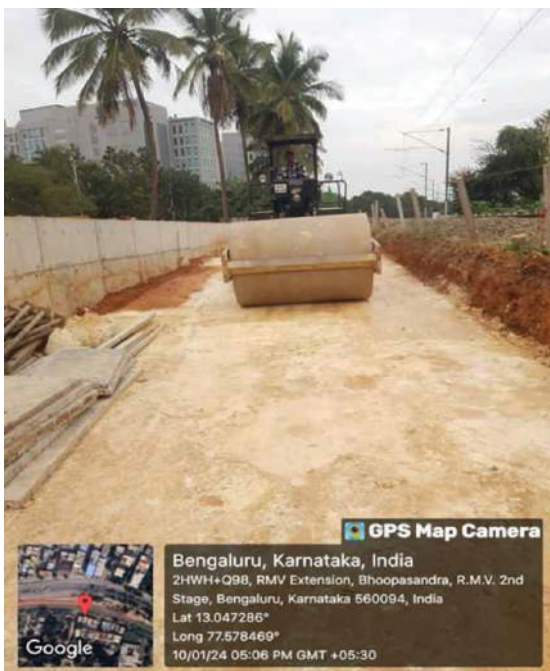
Cost of doubling projects is funded on cost sharing basis between GoK and MoR in the ratio of 50:50

- 1. **Year of inclusion:** : 2018 (transferred from Railway to KRIDE in June' 2020)
- 2. **Cumulative Expenditure** : ₹374.07 Cr. as on 30th March 2024
- 3. **Cumulative amount received** : ₹435.02 Cr (₹100 Cr. by GoK and ₹335.02 Cr. by MoR)
- 4. **Land Acquisition** : Completed (2.28 Acres near Hebbal)
- 5. **Status of Tenders** : K-RIDE has invited all the requisite tenders on date in respect of two doubling Railway projects.
- 6. **Physical Progress** : BYPL -Hosur : 63% ; YPR-CSDR : 28%
- 7. **Financial Progress** : BYPL-Hosur : 60.21% ; YPR-CSDR : 23.49 %

9. Work status of Doubling Projects

Sl. No.	PROJECT DESCRIPTION	CURRENT STATUS	ACTION PLAN
1.	Doubling of track between Yeshwanthpura - Channasandra (21.70 KM) PH 15 (DL) TDC: June-25	1) All yard plans have been approved by SWR. 2) Two contracts pertaining to earthwork, minor bridges, station building etc. have been terminated due to failure of the contractor to execute the works. Tender has been recalled and awarded on 03.02.2023. Work in progress. 3) Agency for track works, Station building, OHE, electrical utility shifting works, S&T works are available. Work is in progress	Progress is monitored regularly. 2024-25: (i) Yeswanthpura-Hebbal (8.1 km)- Feb-25 (ii) 4 th line YPR bypass to Lottegollhalli- (2.3 km)- Feb-25 2025-26 (i) Hebbal - Banaswadi (3.5km) -June-25 (ii) Banaswadi-Baiyyapanahalli A panel - Jun-25.
2	Doubling of track between Baiyyappanahalli - Hosur (48Km) / PH15 (DL) TDC: June-25	1) Due to contractual failure, five contracts have been terminated and new tenders had been called. All tenders now awarded. 2) <u>Karmelaram - Heelalige (10.5 km) Doubling (with Electrification) commissioned on 20th Feb-2023.</u> 3) Agency available for formation between Baiyyappanahalli - Karmelaram, ballast, Track linking, OHE (between Anekal - Bellandur road), Utility Shifting, Major Bridges between Baiyyappanahalli- Bellandur Road, Blanketing and Minor bridges in Bellandur and Huskur yards etc. Work is in progress	TDC: 2022-23 Karmelaram - Heelalige (10.5 km) - Commissioned 2024-25: (i) Bellandur - Karmelaram, (3.5 Km) - Dec-24 (ii) Anekal road to Maranayakanahalli - 6.9 km) - Dec-24 (i) Maranayakanahalli to Hosur (7.6 Km) - Jan-25 (ii) Baiyyappanahalli - Bellandur (9 Km) road- Feb-25. 2025-26: (i) Heelalige - Anekal road (10.3 km) - June-25

Work Progress between YPR - HEB



Earthwork at 218/000 to 218/200



Blanketing work at Ch. 221/200



Lottegollahalli station Building work at YPR – Hebbal



Minor bridge no 566 Top slab. Concrete work (YPR-HEB Block section)

Work Progress between HEB – BPHI



Retaining wall at Ch 206/950



Retaining wall Cum Drain work



Bridge 456 work



Bridge 470 work

4. DIVIDEND: No dividend has been recommended by the Board of Directors

5. RESERVES: The Company has not transferred any amount to General Reserve Account for the financial year ended 31st March 2024.

6. CAPITAL STRUCTURE:

a. Share Capital

The Authorised Share Capital of the Company as of 31st March 2024 is Rs.5000 Crore (Rupees Five Thousand crores only) comprising of 500 crore Equity shares of Rs.10 each. During the Financial year under reporting, the company has allotted shares on Rights basis. Hence, the issued, Subscribed and paid-up share capital of the company as on 31st March 2024 was Rs. 1,010.39 Crores (Rupees One thousand ten point thirty -nine crores) comprising of 101,03,92,157 shares of Rs.10 each.

b. Disclosure regarding Issue of Equity Shares with Differential Rights

The company has not issued any Equity shares with differential rights during the financial year.

c. Disclosure regarding issue of Employee Stock Options

During the financial year, the company has not issued any shares under the Employees Stock Option Scheme

d. Disclosure regarding the issue of Sweat Equity Shares

The company has not issued any sweat equity shares during the financial year.

7. CHANGE IN THE NATURE OF BUSINESS:

There has been no change in the nature of business of the Company during the financial year ended 31st March 2024.

8. DEPOSITS:

The Company has neither accepted nor renewed any deposits during the financial year under reporting.

9. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL:

No significant and material orders have been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

10. ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Company has an internal financial control system designed to provide high degree of assurance regarding optimization and safeguarding of resources, quality and reliability of financial and operational information.

11. ANNUAL RETURN:

Pursuant to provisions of Section 134 read with Section 92(3) of the Companies Act, 2013, as amended; copies of annual returns are available at the website of the Company viz. <https://kride.in/k-ride-annual-report-2023-24> and the Annual Return for the financial year 2023-24 will be uploaded on the website of the Company after filing with MCA.

12. DIRECTORS AND MEETINGS:

a. Number and dates of Board Meetings and Committee Meetings and number of meetings attended by each director

In 2023-24, there were total Four (04) Board Meetings held on 27.06.2023, 16.10.2023, 29.12.2023 and 02.03.2024, The details of attendance of each director is as under:

Sl. No.	Name of Director	Total Number of Board Meetings entitled to attend	Total number of meetings attended
1	Dr. Rajneesh Goel	2	2
2	Smt. Vandita Sharma	2	2
3	Shri. I.S.N. Prasad	1	0
4	Shri. Rakesh Singh	4	3
5	Shri. Gaurav Gupta	2	2
6	Shri. Ajith Kumar Jha	1	1
7	Shri. Ashutosh Mathur	4	4
8	Smt. Deepa Kotnis	3	3
9	Shri. R.K. Singh	4	4
10	Shri. Awadhesh Mehta	4	4
11	Dr. Vishal R	3	3
12	Shri. Dhananjaya Singh	3	3
13	Shri. Anand Bharti	1	1
14	Dr. Manjula N	2	2

The number of meetings entitled to attend by each Director is considered from 1st April 2023 to 31st March 2024 or up to the date of cessation, as the case may be.

b. Appointment of KMP

Smt. Archana M Kulkarni has been appointed as whole -time Company Secretary with effect from 01.07.2024. Subject to above, during the year under reporting, no other person had been appointed as the KMP.

c. 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.

d. Directors Declaration

During the year, notices of all the Board Meetings have been duly served to all the Directors of the Company.

The Board Meetings have been duly convened and held and minutes of Board Meetings have been prepared and maintained as per the provisions of the Companies Act, 2013.

The Company has maintained all applicable registers/records and made entries therein within the prescribed time as per the provisions of the Companies Act, 2013.

13. SECRETARIAL STANDARDS

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

14. MEMBERS' MEETING

The 22nd Annual General Meeting of the Company was held on 29th September 2023.

15. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, your directors confirm that:

- a. in the preparation of the annual accounts for the financial year ended 31st March, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors have prepared the annual accounts on a going concern basis; and
- e. the Company being unlisted company, sub clause (e) of section 134(5) of the Act pertaining to laying down internal financial controls is not applicable; and
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186

During the year, there were no loans, guarantees or investments made under section 186. Hence particulars under the said section are not provided.

17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year, there were no contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013.

18. MATERIAL CHANGES, IF ANY BETWEEN DATE OF THE BALANCE SHEET AND DATE OF THE DIRECTORS' REPORT

No material change affecting the financial position of the Company has occurred between the end of the financial year and the date of this report.

19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND 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.

20. 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.

21. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE AND ITS POLICY

During the year under review, the net worth of the Company has crossed Rs. 500 Crores, thereby provisions of Corporate Social Responsibility is applicable to the Company under Section 135 of the Companies Act, 2013, Hence the CSR Committee has been dully constituted as under:

1. Dr. Manjula .N , IAS- Chairman	2. Dr. Vishal .R , IAS-Member	3. Shri. Ashuthosh Mathur , IRSE- Member
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However, the provisions of sub section (5) of Section 135 of the Companies Act, 2013 relating to spending of at least two percent of the average net profits of the Company made during the three immediately preceding financial years in pursuance of Corporate Social Responsibility Policy is not applicable in view of the average net profits during the three immediately preceding financial years being negative as detailed below:

(Rs.in lakhs)

Description	FY 2020-21	FY 2021-22	FY 2022-23	Total
Profit Before Tax	12.45	89.27	- 324.81	- 223.09
Average N/P		- 74.36		
2% of Average N/P		- 1.49		

22. DISCLOSURE ON ESTABLISHMENT OF A VIGIL MECHANISM

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

23. AUDITORS AND THEIR REPORT

a. **Statutory Auditors**

Being a Government Company under section 139(5) of Companies Act, 2013, the Comptroller and Auditor General of India has appointed M/S. Prakash SD&Co. Chartered Accountants, Bengaluru (FRN: 008511S) has been appointed as Independent statutory auditors of the company for the F.Y 2023-24

Auditors' Report:

The qualifications in the Auditors Report under "Basis for qualified opinion" for the financial year ended 31.03.2024 have been suitably replied by the management as under:

Management's Replies to the Observations of the Statutory Auditor on the Standalone Financial Statement of K-RIDE for the year ended 31-March-2024

Sl. No.	Basis of Qualified Opinion	Management Replies
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 the Company and SWR. As per MOU dated 14.07.2022 between the Company and SWR any change in the DPR and the detailed estimate shall be sanctioned by SWR. Till date revised estimated cost is not approved by SWR. Currently revenue is recognized based on approved MOU dated 14.07.2022 only. In the absence of revised estimated cost, we are unable to quantify the impact on profit.	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	In the original cost estimate relating to doubling project, there are mistakes in estimates relating to individual type of work like Electrical, Signalling & Telecommunication and OHE. The net differences of Rs. 269.92 lakhs have been added to total estimated cost. However, no changes have been affected on Direction & General charges on account of these additions to or deductions from the estimated cost. The exact amount of Direction & General charges mentioned in estimates relating to individual type of work like Electrical, Signalling & Telecommunication and OHE are only considered for recognizing the revenue. In connection with this matter, we are unable to quantify the impact on profit.	Since the original sanctioned estimate is already been approved with the D&G component, Revenue is recognized based on the approved sanctioned estimate/DPR. However, the revised / corrected Direction & General charges (Departmental charges) will be considered in the revised estimate which is under process for approval.
3	The Company has not ascertained the liability for Property Tax under The Bruhat Bengaluru Mahanagara Palike Act, 2020 on lands acquired by the Company. During the year no provision for property tax is made by the Company. We are unable to quantify the impact on profit.	Land section is in the process of Katha transfer & identifying the property tax payable with respect to all properties acquired. Necessary provisions will be made during the FY 2024-25 after assessing the property tax liability by the land department.

4	<p>The Company has short collected the security deposit and performance guarantee by Rs. 227.67 lakhs and Rs.136.60 lakhs respectively based on the revised contract value of L&T Ltd (LOA No: K-RIDE/BSRP/10/2021/Corridor-2/Via-At-grade/LOI/645 dt.26.08.2022). This has resulted in understatement of current assets and current liabilities by Rs.364.27 lakhs.</p>	<p>The Company has collected initial security deposit and performance guarantee respectively as per the contract conditions. Increase in contract value from Rs.85,997.00 lakh to probably Rs.90,550.41 lakh on account of increase in GST rate from 12% to 18% is an amendment to the contract. Every amendment shall come into force only upon getting approval of the competent authority. Since the matter of increase in contract value on account of GST rate increase from 12% to 18%, is not yet finalised & not yet got approval of the competent authority, collecting security deposit and performance guarantee by Rs. 227.67 lakhs and Rs.136.60 lakhs respectively will not be in line with contractual arrangement. Further demanding security deposit and performance guarantee of potential differential amount before the matter approved / accepted by the competent authority, may lead to presumed acceptance of KRIDE to the contractor entire claim passively, without having any authority to collect the same. Thus there is no understatement of current assets and current liabilities by Rs.364.27 lakhs.</p>
5	<p>The Company is availing GST input tax credit in respect of direct expenditure relating to doubling project. However, the input tax credit on common expenditure allocated to doubling projects is not claimed and the same is debited to Profit and Loss statement. We are unable to quantify the impact on profit.</p>	<p>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 have 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.</p> <p>K-RIDE has not claimed GST inputs on common expenditure allocated to doubling project based on the expert opinion taken from the Tax Consultant of K-RIDE.</p>
6	<p>The Company had treated the grant received of Rs.66,000 lakhs from GOK as subordinate debt till the end of the previous financial year (i.e.upto 31.03.2023). During the current year, Rs.50,000 lakhs transferred to Share Capital out of the aforesaid balance (as per the approval given by the GOK). Further, during the current year a sum of Rs.541.82 lakh has been received from GOK for land acquisition. Thus, the Company has shown the balance of Rs.16,541.82 Lakhs (net of transfer to share capital) as Interest Free Subordinate Debt from GOK (Advance from GOK - BSRP Project-Land Acquisition). In our opinion the aforesaid amount of Rs.16,541.82 Lakhs relating to Advance from GOK for Land Acquisition shall be shown as Government Grants for Capital Expenditure (as per relevant Proceedings of Government of Karnataka) under 'Deferred Government Grants' as per clause 8.4 of AS-12 relating to Accounting for Government Grants. This has resulted in understatement of Deferred Government Grants and overstatement of Long-Term Borrowings by Rs.16,541.82 Lakhs and also resulted in non-compliance to Division I of Schedule III to the Companies Act,2013.</p>	<p>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. Out of the Funds received from GOK for land acquisition Rs.500 Crore has been classified as Equity for allotment of shares as per GOK order no.UDD 158 PRJ 2020 Dated 21.07.2023 & UDD 158 PRJ 2020 P1 Dated 8.11.2023. K-RIDE has given a reply vide letter no. KRIDE/F&A/Release of Funds/BSRP/24-25/02 dated 23.05.2024 to FD observations vide note no. FD 523 EXP-9 dated 08.05.2024 regarding Re-appropriation / release of Funds to K-RIDE. (copy enclosed). Thus, the matter is under active consideration of the GoK and the company is expecting suitable corrigendum from GoK shortly.</p>
7	<p>Till the end of the previous financial year (i.e.upto 31.03.2023), the Company has received Rs.5,000 lakhs from MoR towards Share Application Money. During the current year the Company has received Rs.45,000 lakhs additional amount towards share of equity. Out of the aggregate amount of Rs.50,000 lakhs, the Company has transferred Rs.48,039.22 lakhs to Share Capital during the current year and the balance of Rs.1,960.79 Lakhs has been shown as Grant from MoR - BSRP under Long Term Borrowings.</p> <p>In our opinion, the aforesaid balance of Rs.1,960.79 Lakhs shall be shown as Share Application Money pending allotment. This has resulted in understatement of Share Application Money pending allotment and overstatement of Long-Term Borrowings by Rs. 1,960.79 Lakhs and also resulted in non-compliance to Division I of Schedule III to the Companies Act,2013.</p>	<p>In the 97th Board Meeting it was resolved that the allotment of shares for equity investments under BSRP by GOK & MOR in K-RIDE shall be in ratio of 51:49 as per the stipulations contained in the AOA of K-RIDE & to avoid disproportionate shareholding for equity under BSRP. It was also resolved that the GOK's 50% share of equity under BSRP released from time to time under BSRP shall be treated as 51% equity and the proportionate 49% of MOR's equity will be worked out from the 50% share of MOR's equity under BSRP released from time to time and the balance excess amount of equity received from MOR under BSRP from time to time shall be treated as Grant's from MOR. Hence, it has been shown under Long Term Borrowings.</p>
8	<p>The unspent amount of funds received from GOK and MoR have been invested by the Company in the form of Fixed Deposit in Banks. Interest earned to the extent of Rs.5504.13 lakhs (net amount) on such fixed deposits till 31.03.2024 has been reduced from Capital work-in-progress as disclosed in Note No.14(i) of Notes to Accounts. The accounting treatment of grant as subordinate debt is not yet approved by GOK. Further, as per the decision of 97th Board meeting the balance of share application money received from MoR is treated as grants and the same is not yet approved by the MoR. Therefore, in the absence of correct nature of the funds, we are unable to ascertain the impact of accounting treatment of the interest income which has been reduced from Capital work-in-progress.</p>	<p>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. However, KRIDE has received ₹ 200 Crore vide GO No. UDD 158 PRJ 2020, Bengaluru dated 17.03.2021 towards Land Acquisition under the head of account 4217-60-800-0-04 (032) Grants for creation of Capital Assets. Further, ₹ 200 Crore received vide GO No. UDD 158 PRJ 2020, Bengaluru dated 26.03.2021 & ₹ 260 Crore received vide GO No. UDD 158 PRJ 2020, Bengaluru dated 25.03.2022 under the same head of account towards the Land Acquisition for BSRP. Since, KRIDE has received the Funds 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. Request letter has also been submitted to the parent department IDD, GoK with a copy to Finance Department GoK to re-establish the funds received to K-RIDE from GoK with respect to BSRP as subordinate debt in tune with the Government order sanctioning the project. The matter is under active consideration of the GoK and the company is expecting suitable corrigendum from GoK shortly. Thus, entire amount 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. However, interest income earned on the unspent MoR funds are shown as "Other Income" in the Statement of Profit & Loss and not transferred to CWIP.</p>

9	<p>One of the Officers, Special Deputy Collector, who joined the Company on deputation on 13.09.2023 as per Government Notification No. 323, dated 12.09.2023, claimed salary and allowances for the waiting periods and the Company paid him gross salary of Rs.18.32 lakhs against his claim. As the terms and conditions of deputation did not include payment of salary and allowances for the waiting period, the amount paid and charged to Profit and Loss Statement has resulted in understatement of Profit and Current Assets by Rs.18.32 lakhs.</p>	<p>As per pay intimation letter from PAG (A&E) letter no:GER1016678 dated 08/01/2024. The officer was drawing pay of Rs.76300 in the GoK pay scale of 74400-109600 with normal increment on first July every year as per the normal deputation, with pay intimation letter no no:GER1016678 dated 08/01/2024 of PAG (A&E), it was the responsibility of KRIDE to disburse the salary from 13/09/2023, the date of commencement of deputation in KRIDE. Since the deputation officer had not been paid salary for a long time (Approx. 600 days) and since the deputation service is in public interest, and as is the procedure in GoK usually, KRIDE regularized the salary for the entire Compulsory Waiting Period (CWP) amounting to Rs.18.32 lakhs.</p> <p>Considering the above, expenditure has been charged to Statement of Profit & Loss. However, necessary suitable action will be taken during current FY 2024-25 and will be considered in books accordingly.</p>
10	<p>The Company has acquired Land from Karnataka Veterinary, Animal & Fisheries Science University (KVAFSU) for Rs.27,36,17,300/- (Amount paid on 13/04/2023 and Possession was taken on 04/05/2023). As per Sl.No.54 of Office Note, the Company is required to ensure the construction of Compound wall. The Company has not ascertained the liability for construction cost of Compound wall and no provision for the same is made by the Company. Therefore, we are unable to quantify the impact on cost of the land capitalized.</p>	<p>The liability for construction cost of compound wall can be ascertained only after the construction work at particular said alignment work starts and based on the requirement at site, length of the compound wall requirement can be ascertained. Thus the provision will be created on confirmation of the same from the Engineering department during the FY 2024-25.</p>
11	<p>As at 31st March,2024, a sum of Rs.570.41 lakhs is included as security deposit recovered from the contractor M/s RMNIL & BIDPL (JV), Hyderabad under "Other Current Liabilities" as per Note No.11 to Notes on Accounts. The Company has terminated the contract given to the aforesaid contractor on 01.10.2022. The aggregate amount of security deposit collected from running bills of Rs.43.11lakhs has been forfeited and credited to the Statement of Profit and Loss during the previous financial year 2022-23. During the current year, the Company has worked out Rs.613.53 lakhs as the total security deposit to be collected based on the entire contract value. Out of the said total security deposit an amount of Rs.43.11 lakhs being actual security deposit collected is deducted and the balance amount of Rs.570.41 lakhs is shown as security deposit collected from the contractor. As per the Policy of the Company, in case of termination of contract, the security deposit will be forfeited and considered as income of the Company. However, in the present case the Company has not forfeited the security deposit as the same is not actually recovered from the contractor. In our opinion, the security deposit of Rs.570.41 lakhs is not actually recovered from the contractor and therefore, both the Current liabilities and Current Assets are overstated by Rs. Rs.570.41 lakhs.</p>	<p>Total 5 number of Contracts pertaining to M/s. RMNIL-BIDPL JV's, awarded vide different LOA's in FY 2020-21 have been terminated by K-RIDE due to poor progress of works in the FY 2022-23.</p> <p>Accordingly, Full performance guarantee pertaining to the respective Contracts have been encashed & Security Deposit recovered from running bills pertaining to respective Contracts have been forfeited with immediate effect and the same have been accounted for in Financials of K-RIDE for the FY 2022-23.</p> <p>Though the final bills values have not been finalised for the above said contracts, an approximate value of the final bills pertaining to M/s. RMNIL- BIDPL (JV) have been worked out by the Executive department concerned in FY 2023-24, which comes to Rs. 205.46 lakh. The same has been provided for in the books of account.</p> <p>The provision provided as detailed above have been adjusted against the remaining Security deposit to be collected on contract value works out to be Rs.570.41 lakh pertaining to M/s. RMNIL- BIDPL (JV). The net recoverable Security Deposits have been accounted in books as recoverable under Current Assets and the same are not forfeited in books of account.</p>
12	<p>As at 31st March,2024, a sum of Rs.299.54 lakhs is included as Recovery-RMNIL-BIDPL(JV)* under "Other Current Assets" as per Note No.21 to Notes on Accounts. This amount is recoverable from the contractor M/s RMNIL & BIDPL (JV), Hyderabad. This balance of Rs.299.54 lakhs is as a result of various additions and deductions to the balance security deposit of Rs.570.41 lakhs which is explained in our above qualification No.11. The Company has stated that this amount is unsecured and considered doubtful. However, the Company has not made any provision for the said amount. Therefore, the current assets and Profits are overstated by Rs. Rs.299.54 lakhs.</p>	
13	<p>As at 31st March,2024, a sum of Rs.74.28 lakhs is included as security deposit recovered from the contractor M/s Bava Infrastructure Developers Pvt. Ltd., Mangalore under "Other Current Liabilities" as per Note No.11 to Notes on Accounts. The Company has terminated the contract given to the aforesaid contractor on 01.10.2022. The aggregate amount of security deposit collected from running bills of Rs.45.98 lakhs has been forfeited and credited to the Statement of Profit and Loss during the previous financial year 2022-23. During the current year, the Company has worked out Rs.120.26 lakhs as the total security deposit to be collected based on the entire contract value. Out of the said total security deposit an amount of Rs. 45.98 lakhs being actual security deposit collected is deducted and the balance amount of Rs.74.28 lakhs is shown as security deposit collected from the contractor. As per the Policy of the Company, in case of termination of contract, the security deposit will be forfeited and considered as income of the Company. However, in the present case the Company has not forfeited the security deposit as the same is not actually recovered from the contractor. In our opinion, the security deposit of Rs.74.28 lakhs is not actually recovered from the contractor and therefore, both the Current liabilities and Current Assets are overstated by Rs. 74.28 lakhs.</p>	<p>Total 2 number of Contracts pertaining to M/s Bava Infrastructure Developers Pvt. Ltd., awarded vide different LOA's in FY 2020-21 have been terminated by K-RIDE due to poor progress of works in the FY 2022-23.</p> <p>Accordingly, Full performance guarantee pertaining to the respective Contracts have been encashed & Security Deposit recovered from running bills pertaining to respective Contracts have been forfeited with immediate effect and the same have been accounted for in Financials of K-RIDE for the FY 2022-23.</p> <p>Though the final bills values have not been finalised for the above said contracts, an approximate value of the final bills pertaining to M/s Bava Infrastructure Developers Pvt. Ltd. have been worked out by the Executive department concerned in FY 2023-24, which comes to Rs.93.42 lakh. The same has been provided for in the books of account.</p> <p>The provision provided as detailed above have been adjusted against the remaining Security deposit to be collected on contract value works out to be Rs.74.28 lakh and additional PBG of Rs.18.30 lakh pertaining to M/s Bava Infrastructure Developers Pvt. Ltd.</p>
14	<p>And as at 31st March,2024, a sum of Rs.18.30 lakhs in respect of PBG has been included in Security Deposit recovered from the contractor M/s Bava Infrastructure Developers Pvt. Ltd., Mangalore under "Other Current Liabilities" as per Note No.11 to Notes on Accounts. As per the Policy of the Company, in case of termination of contract, the PBG will be forfeited and considered as income of the Company. However, in the present case the Company has not forfeited the PBG as the same has not been recovered from the contractor and therefore both the Current liabilities and Current Assets are overstated by Rs. 18.30 lakhs.</p>	<p>The net recoverable Security Deposits & additional PBG have been accounted in books as recoverable under Current Assets and the same are not forfeited in books of account.</p>

15	M/s.Larsen&TourboLtd., (L & T) is the contractor for the BSRP project . The L & T has not adhere to the milestone dates stipulated in the agreement. Further the Company has not ascertained the penalty to be imposed for delay, As the Company has not ascertained the quantum of penalty to be levied, we are unable to quantify the impact on CWIP. Further, the failure of the contractor (L & T) to deploy qualified hands in key positions, was reported by the consultant with recommendation to impose a penalty of Rs.2 lakhs. The Company, however, passed the RA bills without deducting these penalties, which resulted in over-statement of CWIP and Current Liabilities by Rs.2 lakhs.	Imposition of penalty for non-achievement progress on account of the contractor as per milestone stipulated, it is to state that contractor's request for deferment /non-imposition of impose milestone penalties, was under consideration of the competent authority. Hence the penalty for not achieving milestone was withheld while processing RA Bill-7 & kept on hold, till the decision of the competent authority on the contractors' requests of contractor is finalized.																					
16	The Net Profit for the reporting period is Rs.3,316.91 lakhs which includes Bank Interest income of Rs.3,451.04 lakhs. Thus, it indicates that the Company is incurring operating loss which is mainly due to revenue recognition based on the cost of estimate as agreed in Memorandum of understanding (MOU) dated 14.07.2022 between the Company and SWR as per MOU dated 14.07.2022, in respect of doubling project. which is yet to be revised.	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.																					
17	<p>We are unable to ascertain the impact on the financial statements, of the following balances which have not been confirmed by the Parties to whom the letters requesting direct confirmations of balances have been sent.</p> <p style="text-align: right;">(Rs. in Lakhs)</p> <table border="1" data-bbox="165 696 837 936"> <thead> <tr> <th>Description of Account</th> <th>Amount covered in the Letters sent for confirmation</th> <th>Amount for which confirmation has been received</th> <th>Amount for which confirmation has not been received</th> </tr> </thead> <tbody> <tr> <td>Trade payable</td> <td>720.99</td> <td>494.94</td> <td>226.05</td> </tr> <tr> <td>Mobilization Advances</td> <td>4893</td> <td>4486.34</td> <td>406.66</td> </tr> <tr> <td>Trade receivables</td> <td>9555.93</td> <td>---</td> <td>9555.93</td> </tr> <tr> <td>Other Current Assets</td> <td>1183.2</td> <td>691.32</td> <td>491.88</td> </tr> </tbody> </table>	Description of Account	Amount covered in the Letters sent for confirmation	Amount for which confirmation has been received	Amount for which confirmation has not been received	Trade payable	720.99	494.94	226.05	Mobilization Advances	4893	4486.34	406.66	Trade receivables	9555.93	---	9555.93	Other Current Assets	1183.2	691.32	491.88	Letter for confirmation of balances for balances as on 31.03.2024 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".	
Description of Account	Amount covered in the Letters sent for confirmation	Amount for which confirmation has been received	Amount for which confirmation has not been received																				
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18	Cash & cash equivalents disclosed in Note No. 21 are not in line with the disclosure requirements as per AS 3- Cash Flow Statement. Hence the presentation of financial statements is not in compliance to AS 3- Cash Flow Statement.	<p>The AS-3 explains that an investment normally qualifies as a cash equivalent only when it has a short maturity of three months or less from the date of acquisition. Hence, normally, deposits with original maturity of three months or less only should be classified as cash equivalents. Accordingly, Balances with Banks in Deposits account with Maturity period of less than 3 months has been shown separately. As per Schedule III, bank deposits with more than 12 months maturity shall be shown separately. As the Company is not having bank deposits with more than 12 months maturity, Balances with Banks in Deposits account with Maturity period of more than 3 months but less than 12 months has been shown as a separate line item in order to give clarity to the users of the financial statements.</p> <p>The purpose of disclosure and the compliance to AS-3 by considering the Balances with Banks in Deposits account with Maturity period of less than 3 months separately are taken care in addition to giving clarity of each type of balances under Cash and Cash Equivalents.</p> <p>The observation will be considered in the next year's financial statements as this will not affect the current year's financial statements.</p>																					
19	The Company has disclosed the entire amount of Rs. 141.61 lakh payable under "Later than one year but not later than five years" instead of allocating the amount between "Not later than one year" and "Later than one year but not later than five years" in Notes Forming Part of the Financial Statements: 2.18 Leases (AS-19). Hence, the disclosure regarding operating leases is not in compliance with AS 19-Leases.	<p>The Current year's Statutory Auditors informed KRIDE to comply with the AS- 19 (Leases) on receipt of Draft financial Statements. Accordingly, KRIDE has accounted the lease transactions as per AS-19 from current financial year but disclosure of the future minimum lease payments under non-cancellable leases is made inadvertently under "Later than one year but not later than five years" instead of disclosing the same as under:</p> <table border="1" data-bbox="847 1592 1497 1912"> <thead> <tr> <th colspan="3">Disclosure in case of Operating Lease (As per AS 19 : Leases):</th> </tr> <tr> <th colspan="3" style="text-align: right;">(Rs. in Lakhs)</th> </tr> <tr> <th>Particulars</th> <th>As at 31st March 2024 (Rs.)</th> <th>As at 31st March 2023 (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Not later than one year</td> <td>130.72</td> <td>Nil</td> </tr> <tr> <td>Later than one year but not later than five years</td> <td>10.89</td> <td>Nil</td> </tr> <tr> <td>Later than five years</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Total</td> <td>141.61</td> <td>Nil</td> </tr> </tbody> </table> <p>The above disclosure will be incorporated in the next year financial statements as this will not materially affect the current year financial statements.</p>	Disclosure in case of Operating Lease (As per AS 19 : Leases):			(Rs. in Lakhs)			Particulars	As at 31st March 2024 (Rs.)	As at 31st March 2023 (Rs.)	Not later than one year	130.72	Nil	Later than one year but not later than five years	10.89	Nil	Later than five years	Nil	Nil	Total	141.61	Nil
Disclosure in case of Operating Lease (As per AS 19 : Leases):																							
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Not later than one year	130.72	Nil																					
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Later than five years	Nil	Nil																					
Total	141.61	Nil																					

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-2024

Sl. No.	Basis of Qualified Opinion	Management Replies
1	In respect of Electrical Work (YPR-CHN) & Signalling Work (BYPL-HSR) of doubling project, actual expenses are more than the Estimated cost by Rs.195.21 lakhs and Rs. 1,063.05 lakhs respectively. The approval for the excess expenditure has not been obtained from the SWR. Further, no revised estimated cost has been obtained soon after the change in the GST rate from 12% to 18% vide GOI Notification No.03/2022 dt. 13.07.2022. This has resulted in the inadequate internal control system in getting revised estimated cost on time.	As per the approved sanctioned estimate/DPR, MOU was signed on 14.07.2022 i.e. FY 2022-23. However, Doubling work was transferred to K-RIDE based on the the above approved estimate which was prepared by Railways during the year 2018. Currently, 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	As per Sl. No.6 of MOU dated 14th July 2022 relating Doubling Project, the Project shall be completed within 36 months from July,2020. To date, the project is not yet completed. There is no mutual consent in writing for having agreed for extension of period. This has resulted in the inadequate internal control system in getting the extension for completion of the project.	As per "Terms of Agreement" (Sl No.1) of MOU for Doubling, this MOU shall be valid till both the projects are completed in all aspect including the defect liability period / maintenance period and completion report is duly prepared and agreed by the parties. In view of the above, the MOU is still valid. However, mutual consent of both the parties for extension of period will be obtained in the due course of time.
3	As per Sl. No.14 of MOU dated 14th July 2022 relating to Doubling Project, the details of requirement of land to Railways after Final Location Survey are to be submitted. Details of land requirement for the two doubling projects have not been submitted. This may result in delay in completion of the project.	Final Location Survey has been done by Railways. There is no major land acquisition involved in the doubling projects. However, if need for any land acquisition is arising, same is being processed on case-to-case basis.
4	The Company has no proper control system to obtain balance confirmation from the parties on regular interval basis.	Letter for confirmation of balances for balances as on 31.03.2024 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".

Management's Replies to the Observations of the Statutory Auditor on the Consolidated Financial Statement of K-RIDE for the year ended 31- March -2024

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 the Company and SWR. As per MOU dated 14.07.2022 between the Company and SWR any change in the DPR and the detailed estimate shall be sanctioned by SWR. Till date revised estimated cost is not approved by SWR. Currently revenue is recognized based on approved MOU dated 14.07.2022 only. In the absence of revised estimated cost, we are unable to quantify the impact on profit.	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	In the original cost estimate relating to doubling project undertaken by the Holding Company, there are mistakes in estimates relating to individual type of work like Electrical, Signalling & Telecommunication and OHE. The net differences of Rs. 269.92 lakhs have been added to total estimated cost. However, no changes have been effected on Direction & General charges on account of these additions to or deductions from the estimated cost. The exact amount of Direction & General charges mentioned in estimates relating to individual type of work like Electrical, Signalling & Telecommunication and OHE are only considered for recognizing the revenue. In connection with this matter, we are unable to quantify the impact on profit.	Since the original sanctioned estimate is already been approved with the D&G component, Revenue is recognized based on the approved sanctioned estimate/DPR. However, the revised / corrected Direction & General charges (Departmental charges) will be considered in the revised estimate which is under process for approval.
3	The Holding Company has not ascertained the liability for Property Tax under The Bruhat Bengaluru MahanagaraPalike Act, 2020 on lands acquired by the Company. During the year no provision for property tax is made by the Holding Company. We are unable to quantify the impact on profit.	Land section is in the process of Katha transfer & identifying the property tax payable with respect to all properties acquired. Necessary provisions will be made during the FY 2024-25 after assessing the property tax liability by the land department.
4	The Holding Company has short collected the security deposit and performance guarantee by Rs. 227.67 lakhs and Rs.136.60 lakhs respectively based on the revised contract value of L&T Ltd (LOA No: K-RIDE/BSRP/10/2021/Corridor-2/Via-At-grade/LOI/645dt.26.08.2022). This has resulted in understatement of current assets and current liabilities by Rs.364.27 lakhs.	The Holding Company has collected initial security deposit and performance guarantee respectively as per the contract conditions. Increase in contract value from Rs.85,997.00 lakh to probably Rs.90,550.41 lakh on account of increase in GST rate from 12% to 18% is an amendment to the contract. Every amendment shall come into force only upon getting approval of the competent authority. Since the matter of increase in contract value on account of GST rate increase from 12% to 18%, is not yet finalised & not yet got approval of the competent authority, collecting security deposit and performance guarantee by Rs. 227.67 lakhs and Rs.136.60 lakhs respectively will not be in line with contractual arrangement. Further demanding security deposit and performance guarantee of potential differential amount before the matter approved / accepted by the competent authority, may lead to presumed acceptance of KRIDE to the contractor entire claim passively, without having any authority to collect the same. Thus there is no understatement of current assets and current liabilities by Rs.364.27 lakhs.

5	<p>The Holding Company is availing GST input tax credit in respect of direct expenditure relating to doubling project. However, the input tax credit on common expenditure allocated to doubling projects is not claimed and the same is debited to Profit and Loss statement. We are unable to quantify the impact on profit.</p>	<p>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 have 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.</p> <p>K-RIDE has not claimed GST inputs on common expenditure allocated to doubling project based on the expert opinion taken from the Tax Consultant of K-RIDE.</p>
6	<p>The Holding Company had treated the grant received of Rs.66,000 lakhs from GOK as subordinate debt till the end of the previous financial year (i.e.upto 31.03.2023). During the current year, Rs.50,000 lakhs transferred to Share Capital out of the aforesaid balance (as per the approval given by the GOK). Further, during the current year a sum of Rs.541.82 lakh has been received from GOK for land acquisition. Thus, the Holding Company has shown the balance of Rs.16,541.82 Lakhs (net of transfer to share capital) as Interest Free Subordinate Debt from GOK (Advance from GOK - BSRP Project-Land Acquisition). In our opinion the aforesaid amount of Rs.16,541.82 Lakhs relating to Advance from GOK for Land Acquisition shall be shown as Government Grants for Capital Expenditure (as per relevant Proceedings of Government of Karnataka) under 'Deferred Government Grants' as per clause 8.4 of AS-12 relating to Accounting for Government Grants. This has resulted in understatement of Deferred Government Grants and overstatement of Long-Term Borrowings by Rs.16,541.82 Lakhs and also resulted in non-compliance to Division I of Schedule III to the Companies Act,2013.</p>	<p>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. Out of the Funds received from GOK for land acquisition Rs.500 Crore has been classified as Equity for allotment of shares as per GOK order no.UDD 158 PRJ 2020 Dated 21.07.2023 & UDD 158 PRJ 2020 P1 Dated 8.11.2023.KRIDE has given a reply vide letter no. KRIDE/F&A/Release of Funds/BSRP/24-25/02 dated 23.05.2024 to FD observations vide note no. FD 523 EXP-9 dated 08.05.2024 regarding Re-appropriation / release of Funds to K-RIDE. (copy enclosed). Thus the matter is under active consideration of the GoK and the company is expecting suitable corrigendum from GoK shortly.</p>
7	<p>Till the end of the previous financial year (i.e.upto 31.03.2023), the Holding Company has received Rs.5,000 lakhs from MoR towards Share Application Money. During the current year the Holding Company has received Rs.45,000 lakhs additional amount towards share of equity. Out of the aggregate amount of Rs.50,000 lakhs, the Holding Company has transferred Rs.48,039.22 lakhs to Share Capital during the current year and the balance of Rs.1,960.79 Lakhs has been shown as Grant from MoR – BSRP under Long Term Borrowings.</p> <p>In our opinion, the aforesaid balance of Rs.1,960.79 Lakhs shall be shown as Share Application Money pending allotment. This has resulted in understatement of Share Application Money pending allotment and overstatement of Long-Term Borrowings by Rs. 1,960.79 Lakhs and also resulted in non-compliance to Division I of Schedule III to the Companies Act,2013.</p>	<p>In the 97th Board Meeting it was resolved that the allotment of shares for equity investments under BSRP by GOK & MOR in K-RIDE shall be in ratio of 51:49 as per the stipulations contained in the AOA of K-RIDE & to avoid disproportionate shareholding for equity under BSRP. It was also resolved that the GOK's 50% share of equity under BSRP released from time to time under BSRP shall be treated as 51% equity and the proportionate 49% of MOR's equity will be worked out from the 50% share of MOR's equity under BSRP released from time to time and the balance excess amount of equity received from MOR under BSRP from time to time shall be treated as Grant's from MOR. Hence, it has been shown under Long Term Borrowings.</p>
8	<p>The unspent amount of funds received from GOK and MoR have been invested by the Holding Company in the form of Fixed Deposit in Banks. Interest earned to the extent of Rs.5504.13 lakhs (net amount) on such fixed deposits till 31.03.2024 has been reduced from Capital work-in-progress as disclosed in Note No.14(i) of Notes to Accounts. The accounting treatment of grant as subordinate debt is not yet approved by GOK. Further, as per the decision of 97th Board meeting the balance of share application money received from MoR is treated as grants and the same is not yet approved by the MoR. Therefore, in the absence of correct nature of the funds, we are unable to ascertain the impact of accounting treatment of the interest income which has been reduced from Capital work-in-progress.</p>	<p>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. However, KRIDE has received 200 Crore vide GO No. UDD 158 PRJ 2020, Bengaluru dated 17.03.2021 towards Land Acquisition under the head of account 4217-60-800-0-04 (032) Grants for creation of Capital Assets. Further, 200 Crore received vide GO No. UDD 158 PRJ 2020, Bengaluru dated 26.03.2021 & Rs.260 Crore received vide GO No. UDD 158 PRJ 2020, Bengaluru dated 25.03.2022 under the same head of account towards the Land Acquisition for BSRP. Since, KRIDE has received the Funds 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. Request letter has also been submitted to the parent department IDD, GoK with a copy to Finance Department GoK to re-establish the funds received to K-RIDE from GoK with respect to BSRP as subordinate debt in tune with the Government order sanctioning the project. The matter is under active consideration of the GoK and the company is expecting suitable corrigendum from GoK shortly. Thus, entire amount 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. However, interest income earned on the unspent MoR funds are shown as "Other Income" in the Statement of Profit & Loss and not transferred to CWIP.</p>
9	<p>One of the Officers, Special Deputy Collector, who joined the Holding Company on deputation on 13.09.2023 as per Government Notification No. 323, dated 12.09.2023, claimed salary and allowances for the waiting periods and the Holding Company paid him gross salary of Rs.18.32 lakhs against his claim. As the terms and conditions of deputation did not include payment of salary and allowances for the waiting period, the amount paid and charged to Profit and Loss Statement has resulted in understatement of Profit and Current Assets by Rs.18.32 lakhs.</p>	<p>As per pay intimation letter from PAG (A&E) letter no:GER1016678 dated 08/01/2024. The officer was drawing pay of Rs.76300 in the GoK pay scale of 74400-109600 with normal increment on first July every year as per the normal deputation, with pay intimation letter no:GER1016678 dated 08/01/2024 of PAG (A&E), it was the responsibility of KRIDE to disburse the salary from 13/09/2023, the date of commencement of deputation in KRIDE. Since the deputation officer had not been paid salary for a long time (Approx. 600 days) and since the deputation service is in public interest, and as is the procedure in GoK usually, KRIDE regularized the salary for the entire Compulsory Waiting Period (CWP) amounting to Rs.18.32 lakhs.</p> <p>Considering the above, expenditure has been charged to Statement of Profit & Loss. However, necessary suitable action will be taken during current FY 2024-25 and will be considered in books accordingly.</p>

10	<p>The Holding Company has acquired Land from Karnataka Veterinary, Animal & Fisheries Science University (KVAFSU) for Rs.27,36,17,300/- (Amount paid on 13/04/2023 and Possession was taken on 04/05/2023). As per SI.No.54 of Office Note, the Holding Company is required to ensure the construction of Compound wall. The Holding Company has not ascertained the liability for construction cost of Compound wall and no provision for the same is made by the Holding Company. Therefore, we are unable to quantify the impact on cost of the land capitalized.</p>	<p>The liability for construction cost of compound wall can be ascertained only after the construction work at particular said alignment work starts and based on the requirement at site, length of the compound wall requirement can be ascertained. Thus, the provision will be created on confirmation of the same from the Engineering department during the FY 2024-25.</p>
11	<p>As at 31st March, 2024, a sum of Rs.570.41 lakhs is included as security deposit recovered from the contractor M/s RMNIL & BIDPL (JV), Hyderabad under "Other Current Liabilities" as per Note No.11 to Notes on Accounts. The Holding Company has terminated the contract given to the aforesaid contractor on 01.10.2022. The aggregate amount of security deposit collected from running bills of Rs.43.11 lakhs has been forfeited and credited to the Statement of Profit and Loss during the previous financial year 2022-23. During the current year, the Holding Company has worked out Rs.613.53 lakhs as the total security deposit to be collected based on the entire contract value. Out of the said total security deposit an amount of Rs.43.11 lakhs being actual security deposit collected is deducted and the balance amount of Rs.570.41 lakhs is shown as security deposit collected from the contractor. As per the Policy of the Company, in case of termination of contract, the security deposit will be forfeited and considered as income of the Holding Company. However, in the present case the Holding Company has not forfeited the security deposit as the same is not actually recovered from the contractor. In our opinion, the security deposit of Rs.570.41 lakhs is not actually recovered from the contractor and therefore, both the Current liabilities and Current Assets are overstated by Rs. Rs.570.41 lakhs.</p>	<p>Total 5 number of Contracts pertaining to M/s.RMNIL-BIDPL JV's, awarded vide different LOA's in FY 2020-21 have been terminated by K-RIDE due to poor progress of works in the FY 2022-23. Accordingly, Full performance guarantee pertaining to the respective Contracts have been encashed & Security Deposit recovered from running bills pertaining to respective Contracts have been forfeited with immediate effect and the same have been accounted for in Financials of K-RIDE for the FY 2022-23. Though the final bills values have not been finalised for the above said contracts, an approximate value of the final bills pertaining to M/s. RMNIL- BIDPL (JV) have been worked out by the Executive department concerned in FY 2023-24, which comes to Rs. 205.46 lakh. The same has been provided for in the books of account. The provision provided as detailed above have been adjusted against the remaining Security deposit to be collected on contract value works out to be Rs.570.41 lakh pertaining to M/s. RMNIL-BIDPL (JV). The net recoverable Security Deposits have been accounted in books as recoverable under Current Assets and the same are not forfeited in books of account.</p>
12	<p>As at 31st March, 2024, a sum of Rs.299.54 lakhs is included as Recovery-RMNIL-BIDPL(JV)* under "Other Current Assets" as per Note No.21 to Notes on Accounts. This amount is recoverable from the contractor M/s RMNIL & BIDPL (JV), Hyderabad. This balance of Rs.299.54 lakhs is as a result of various additions and deductions to the balance security deposit of Rs.570.41 lakhs which is explained in our above qualification No.11. The Holding Company has stated that this amount is unsecured and considered doubtful. However, the Holding Company has not made any provision for the said amount. Therefore, the current assets and Profits are overstated by Rs. Rs.299.54 lakhs.</p>	
13	<p>As at 31st March, 2024, a sum of Rs.74.28 lakhs is included as security deposit recovered from the contractor M/s Bava Infrastructure Developers Pvt. Ltd., Mangalore under "Other Current Liabilities" as per Note No.11 to Notes on Accounts. The Holding Company has terminated the contract given to the aforesaid contractor on 01.10.2022. The aggregate amount of security deposit collected from running bills of Rs.45.98 lakhs has been forfeited and credited to the Statement of Profit and Loss during the previous financial year 2022-23. During the current year, the Holding Company has worked out Rs.120.26 lakhs as the total security deposit to be collected based on the entire contract value. Out of the said total security deposit an amount of Rs. 45.98 lakhs being actual security deposit collected is deducted and the balance amount of Rs.74.28 lakhs is shown as security deposit collected from the contractor. As per the Policy of the Holding Company, in case of termination of contract, the security deposit will be forfeited and considered as income of the Holding Company. However, in the present case the Holding Company has not forfeited the security deposit as the same is not actually recovered from the contractor. In our opinion, the security deposit of Rs.74.28 lakhs is not actually recovered from the contractor and therefore, both the Current liabilities and Current Assets are overstated by Rs. 74.28 lakhs.</p>	<p>Total 2 number of Contracts pertaining to M/s Bava Infrastructure Developers Pvt. Ltd., awarded vide different LOA's in FY 2020-21 have been terminated by K-RIDE due to poor progress of works in the FY 2022-23. Accordingly, Full performance guarantee pertaining to the respective Contracts have been encashed & Security Deposit recovered from running bills pertaining to respective Contracts have been forfeited with immediate effect and the same have been accounted for in Financials of K-RIDE for the FY 2022-23. Though the final bills values have not been finalised for the above said contracts, an approximate value of the final bills pertaining to M/s Bava Infrastructure Developers Pvt. Ltd. have been worked out by the Executive department concerned in FY 2023-24, which comes to Rs.93.42 lakh. The same has been provided for in the books of account. The provision provided as detailed above have been adjusted against the remaining Security deposit to be collected on contract value works out to be Rs.74.28 lakh and additional PBG of Rs.18.30 lakh pertaining to M/s Bava Infrastructure Developers Pvt. Ltd. The net recoverable Security Deposits & additional PBG have been accounted in books as recoverable under Current Assets and the same are not forfeited in books of account.</p>
14	<p>And as at 31st March, 2024, a sum of Rs.18.30 lakhs in respect of PBG has been included in Security Deposit recovered from the contractor M/s Bava Infrastructure Developers Pvt. Ltd., Mangalore under "Other Current Liabilities" as per Note No.11 to Notes on Accounts. As per the Policy of the Holding Company, in case of termination of contract, the PBG will be forfeited and considered as income of the Holding Company. However, in the present case the Holding Company has not forfeited the PBG as the same has not been recovered from the contractor and therefore both the Current liabilities and Current Assets are overstated by Rs. 18.30 lakhs.</p>	
15	<p>M/s. Larsen & Tourbo Ltd., (L & T) is the contractor for the BSRP project. The L & T has not adhere to the milestone dates stipulated in the agreement. Further the Holding Company has not ascertained the penalty to be imposed for delay, As the Holding Company has not ascertained the quantum of penalty to be levied, we are unable to quantify the impact on CWIP. Further, the failure of the contractor (L & T) to deploy qualified hands in key positions, was reported by the consultant with recommendation to impose a penalty of Rs.2 lakhs. The Holding Company, however, passed the RA bills without deducting these penalties, which resulted in over-statement of CWIP and Current Liabilities by Rs.2 lakhs.</p>	<p>Imposition of penalty for non-achievement progress on account of the contractor as per milestone stipulated, it is to state that contractor's request for deferment /non-imposition of impose milestone penalties, was under consideration of the competent authority. Hence the penalty for not achieving milestone was withheld while processing RA Bill-7 & kept on hold, till the decision of the competent authority on the contractors' requests of contractor is finalized.</p>

16	<p>The Net Profit for the reporting period is Rs.3,315.42 lakhs which includes Bank Interest income of Rs.3,451.04 lakhs. Thus, it indicates that the Company is incurring operating loss which is mainly due to revenue recognition based on the cost of estimate as agreed in Memorandum of understanding (MOU) dated 14.07.2022 between the Holding Company and SWR as per MOU dated 14.07.2022, in respect of doubling project which is yet to be revised.</p>	<p>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.</p>																					
17	<p>We are unable to ascertain the impact on the financial statements, of the following balances which have not been confirmed by the Parties to whom the letters requesting direct confirmations of balances have been sent.</p> <p style="text-align: right;">(Rs. in Lakhs)</p> <table border="1" data-bbox="159 448 829 683"> <thead> <tr> <th>Description of Account</th> <th>Amount covered in the Letters sent for confirmation</th> <th>Amount for which confirmation has been received</th> <th>Amount for which confirmation has not been received</th> </tr> </thead> <tbody> <tr> <td>Trade payable</td> <td>720.99</td> <td>494.94</td> <td>226.05</td> </tr> <tr> <td>Mobilization Advances</td> <td>4893</td> <td>4486.34</td> <td>406.66</td> </tr> <tr> <td>Trade receivables</td> <td>9555.93</td> <td>---</td> <td>9555.93</td> </tr> <tr> <td>Other Current Assets</td> <td>1183.2</td> <td>691.32</td> <td>491.88</td> </tr> </tbody> </table>	Description of Account	Amount covered in the Letters sent for confirmation	Amount for which confirmation has been received	Amount for which confirmation has not been received	Trade payable	720.99	494.94	226.05	Mobilization Advances	4893	4486.34	406.66	Trade receivables	9555.93	---	9555.93	Other Current Assets	1183.2	691.32	491.88	<p>Letter for confirmation of balances for balances as on 31.03.2024 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".</p>	
Description of Account	Amount covered in the Letters sent for confirmation	Amount for which confirmation has been received	Amount for which confirmation has not been received																				
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18	<p>Cash & cash equivalents disclosed in Note No.21 are not in line with the disclosure requirements as per AS 3-Cash Flow Statement. Hence the presentation of consolidated financial statements is not in compliance to AS 3- Cash Flow Statement.</p>	<p>The AS-3 explains that an investment normally qualifies as a cash equivalent only when it has a short maturity of three months or less from the date of acquisition. Hence, normally, deposits with original maturity of three months or less only should be classified as cash equivalents. Accordingly, Balances with Banks in Deposits account with Maturity period of less than 3 months has been shown separately. As per Schedule III, bank deposits with more than 12 months maturity shall be shown separately. As the Company is not having bank deposits with more than 12 months maturity, Balances with Banks in Deposits account with Maturity period of more than 3 months but less than 12 months has been shown as a separate line item in order to give clarity to the users of the financial statements.</p> <p>The purpose of disclosure and the compliance to AS-3 by considering the Balances with Banks in Deposits account with Maturity period of less than 3 months separately are taken care in addition to giving clarity of each type of balances under Cash and Cash Equivalents.</p> <p>The observation will be considered in the next year's financial statements as this will not affect the current year's financial statements.</p>																					
19	<p>The Company has disclosed the entire amount of Rs.141.61 lakh payable under "Later than one year but not later than five years" instead of allocating the amount between "Not later than one year" and "Later than one year but not later than five years" in Notes Forming Part of the Financial Statements: 2.18 Leases (AS-19).Hence, the disclosure regarding operating leases is not in compliance with AS 19-Leases.</p>	<p>The Current year's Statutory Auditors informed KRIDE to comply with the AS-19 (Leases) on receipt of Draft financial Statements. Accordingly, KRIDE has accounted the lease transactions as per AS-19 from current financial year but disclosure of the future minimum lease payments under non-cancellable leases is made inadvertently under "Later than one year but not later than five years" instead of disclosing the same as under:</p> <table border="1" data-bbox="845 1344 1500 1668"> <thead> <tr> <th colspan="3">Disclosure in case of Operating Lease (As per AS 19 : Leases):</th> </tr> <tr> <th colspan="3" style="text-align: right;">(Rs. in Lakhs)</th> </tr> <tr> <th>Particulars</th> <th>As at 31st March 2024 (Rs.)</th> <th>As at 31st March 2023 (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Not later than one year</td> <td>130.72</td> <td>Nil</td> </tr> <tr> <td>Later than one year but not later than five years</td> <td>10.89</td> <td>Nil</td> </tr> <tr> <td>Later than five years</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Total</td> <td>141.61</td> <td>Nil</td> </tr> </tbody> </table> <p>The above disclosure will be incorporated in the next year financial statements as this will not affect the current year financial statements.</p>	Disclosure in case of Operating Lease (As per AS 19 : Leases):			(Rs. in Lakhs)			Particulars	As at 31st March 2024 (Rs.)	As at 31st March 2023 (Rs.)	Not later than one year	130.72	Nil	Later than one year but not later than five years	10.89	Nil	Later than five years	Nil	Nil	Total	141.61	Nil
Disclosure in case of Operating Lease (As per AS 19 : Leases):																							
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Not later than one year	130.72	Nil																					
Later than one year but not later than five years	10.89	Nil																					
Later than five years	Nil	Nil																					
Total	141.61	Nil																					

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-2024

Sl. No.	Basis of Qualified Opinion	Management Replies
1	In respect of Electrical Work (YPR-CHN) & Signalling Work (BYPL-HSR) of doubling project undertaken by the Holding Company, actual expenses are more than the Estimated cost by Rs.195.21 lakhs and Rs. 1,063.05 lakhs respectively. The approval for the excess expenditure has not been obtained from the SWR. Further, no revised estimated cost has been obtained soon after the change in the GST rate from 12% to 18% vide GOI Notification No.03/2022 dt. 13.07.2022. This has resulted in the inadequate internal control system in getting revised estimated cost on time.	As per the approved sanctioned estimate/DPR, MOU was signed on 14.07.2022 i.e. FY 2022-23. However, Doubling work was transferred to K-RIDE based on the the above approved estimate which was prepared by Railways during the year 2018. Currently, 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	As per Sl. No.6 of MOU dated 14th July 2022 relating Doubling Project undertaken by the Holding Company, the Project shall be completed within 36 months from July,2020. To date, the project is not yet completed. There is no mutual consent in writing for having agreed for extension of period. This has resulted in the inadequate internal control system in getting the extension for completion of the project.	As per "Terms of Agreement" (Sl No.1) of MOU for Doubling, this MOU shall be valid till both the projects are completed in all aspect including the defect liability period / maintenance period and completion report is duly prepared and agreed by the parties. In view of the above, the MOU is still valid. However, mutual consent of both the parties for extension of period will be obtained in the due course of time.
3	As per Sl. No.14 of MOU dated 14th July 2022 relating to Doubling Project undertaken by the Holding Company, the details of requirement of land to Railways after Final Location Survey are to be submitted. Details of land requirement for the two doubling projects have not been submitted. This may result in delay in completion of the project.	Final Location Survey has been done by Railways. There is no major land acquisition involved in the doubling projects. However, if need for any land acquisition is arising, same is being processed on case-to-case basis.
4	The Holding Company has no proper control system to obtain balance confirmation from the parties on regular interval basis.	Letter for confirmation of balances for balances as on 31.03.2024 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".

b. Comptroller and Auditor General of India

In terms of applicable provisions of Companies Act 2013, the Company is required take the comments on the financial statements of the Company issued by the Comptroller and Auditor General (C&AG) of India to every financial statement to be laid before the company in Annual General Meeting. After the completion of the Supplementary Audit, C&AG has issued its comments and also NIL report as required under Section 143(6) (b) to the Company and it is placed at the 23rd Annual General Meeting of the company for kind noting of the members of the company. Copy of the Supplementary Audit Report of CAG has been attached as **ANNEXURE - 1**.

c. Maintenance of Cost Records and Cost Audit

Considering the business activities of the Company and based on the turnover of the immediately preceding financial year, the provisions of Section 148 are not applicable to the Company. Hence details are not offered.

d. Secretarial Auditor

As the Company is falling within the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of Companies (Appointment and Remuneration and Managerial Personnel) Rules, 2014, with the approval of the Competent Authority Shri. S. Vishwanathan, PCS was appointed as Secretarial Auditor for the financial year 2023-24 and he has issued Secretarial Audit report for the financial year 2023-24 in Form No. MR 3 Copy of the same Secretarial Audit Report has been attached as **ANNEXURE - 2**.

Management's Replies to the Observations of the Secretarial Auditor for the year ended 31.03.2024

Qualified Opinion	Management Reply																				
As per Article 24(2) of the Articles of Association of K-RIDE, the Managing Director will be selected by committee comprising of representatives of MOR and GOK in equal Numbers or by mutual consent of GOK and MOR and the person so selected shall be appointed as the Managing Director of the Company, as per the provisions of the Act. However, it is noted that, the Govt of Karnataka has nominated MD on in charge basis till the regular Managing Director is selected.	The Managing Director is appointed by GoK and MoR by issue of notification.																				
During the year under review, the net worth of the Company has crossed Rs. 500 Crores, thereby provisions of Corporate Social Responsibility is applicable to the Company under Section 135 of the Companies Act, 2013.	<p>A CSR Committee was constituted with the approval of the Board at the 103rd Board Meeting held on 31.08.2024 consisting of the following Directors:</p> <ol style="list-style-type: none"> Dr. Manjula N, IAS – Chairman Dr. Vishal R, IAS - Member Shri. Ashuthosh Mathur, IRSE – Member <p>However, the provisions of sub section (5) of Section 135 of the Companies Act, 2013 relating to spending of at least two percent of the average net profits of the Company made during the three immediately preceding financial years in pursuance of Corporate Social Responsibility Policy is not applicable in view of the average net profits during the three immediately preceding financial years being negative as detailed below:</p> <p style="text-align: right;">(Rs. in lakhs)</p> <table border="1"> <thead> <tr> <th>Description</th> <th>FY 2020-21</th> <th>FY 2021-22</th> <th>FY 2022-23</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Profit Before Tax</td> <td>12.45</td> <td>89.27</td> <td>- 324.81</td> <td>-223.09</td> </tr> <tr> <td>Average N/P</td> <td></td> <td></td> <td>- 74.36</td> <td></td> </tr> <tr> <td>2% of Average N/P</td> <td></td> <td></td> <td>- 1.49</td> <td></td> </tr> </tbody> </table>	Description	FY 2020-21	FY 2021-22	FY 2022-23	Total	Profit Before Tax	12.45	89.27	- 324.81	-223.09	Average N/P			- 74.36		2% of Average N/P			- 1.49	
Description	FY 2020-21	FY 2021-22	FY 2022-23	Total																	
Profit Before Tax	12.45	89.27	- 324.81	-223.09																	
Average N/P			- 74.36																		
2% of Average N/P			- 1.49																		

e. Frauds reported by auditor

Pursuant to sub-section (12) of section 143 of the Act, auditor has not reported any frauds during financial year.

24. COMPOSITION OF AUDIT COMMITTEE, NOMINATION AND REMUNERATION COMMITTEE AND MANAGEMENT COMMITTEE
A) AUDIT COMMITTEE

The Audit Committee was reconstituted on 31.07.2023, 23.08.2023, 05.09.2023, 22.11.2023 and 29.12.2023. The Audit Committee consists of the following Directors.

1. Shri. Rakesh Singh - Chairman of the Committee	4. Smt. Deepa Kotnis - Member of the Committee
2. Dr. Vishal R - Member of the Committee	5. Dr. Manjula N - Spl. Invitee
3. Shri. Ashutosh Mathur - Member of the Committee	

The Audit Committee met three times during the financial year 2023-24 on the following dates:

- 23.06.2023
- 20.09.2023
- 09.02.2024

The details of attendance of members are as follows:

Name	Status	Category	No. of meeting held during the year 2023-24	
			Held	Attended
Shri. Gaurav Gupta	Chairman	Non-Executive & Nominee Director	2	2
Shri. I.S.N. Prasad	Member	Non-Executive & Nominee Director	1	0
Shri. Ashutosh Mathur	Member	Non-Executive & Nominee Director	3	3
Smt. Deepa Kotnis	Member	Non-Executive & Nominee Director	2	2
Dr. Vishal R	Member	Non-Executive & Nominee Director	2	2
Shri. Rakesh Singh	Chairman	Non-Executive & Nominee Director	1	1
Dr. Manjula N	Spl. Invitee	Non-Executive & Nominee Director	1	1
Shri. Anand Bharati	Member	Non-Executive & Nominee Director	1	0

B) NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was reconstituted on 23.08.2023 and 22.11.2023, the N&R committee consists of the following Directors:

1. Shri. Rakesh Singh - Chairman of the Committee	3. Shri. Ashutosh Mathur - Member of the Committee
2. Dr. Manjula N - Member of the Committee	4. Shri. Awadhesh Mehta - Member of the Committee

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

- 21.06.2022

Name	Status	Category	No. of meeting held during the year 2023-24	
			Held	Attended
Shri. Rakesh Singh	Chairman	Non-Executive & Nominee Director	1	1
Shri. Gaurav Gupta	Member	Non-Executive & Nominee Director	1	1
Shri. Ashutosh Mathur	Member	Non-Executive & Nominee Director	1	1

C) MANAGEMENT COMMITTEE

The Management Committee was reconstituted on 31.07.2023, 23.08.2023, 05.09.2023, 11.09.2023, 22.11.2023 and 29.12.2023, the Management committee consists of the following Directors:

1. Shri. Rakesh Singh - Chairman of the Committee	4. Smt. Deepa Kotnis - Member of the Committee
2. Dr. Manjula N - Member of the Committee	5. Dr. Vishal R - Member of the Committee
3. Shri. Ashutosh Mathur - Member of the Committee	

The Management Committee met 2 times during the financial year on the following dates:

- 09.05.2023

- 19.01.2024

Name	Status	Category	No. of meeting held during the year 2023-24	
			Held	Attended
Shri. I.S.N. Prasad	Chairman	Non-Executive & Nominee Director	1	1
Shri. Rakesh Singh	Chairman	Non-Executive & Nominee Director	2	2
Shri. Gaurav Gupta	Member	Non-Executive & Nominee Director	1	1
Shri. Ashutosh Mathur	Member	Non-Executive & Nominee Director	2	2
Smt. Deepa Kotnis	Member	Non-Executive & Nominee Director	2	2
Dr. Manjula N	Member	Non-Executive & Nominee Director	1	1
Dr. Vishal R	Member	Non-Executive & Nominee Director	1	1

25. PARTICULARS OF EMPLOYEES

There were no employees of the Company who received remuneration in excess of the limits prescribed under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

26. DETAILS OF SUBSIDIARIES //JOINT VENTURES/ASSOCIATE COMPANIES

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 - 3**.

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

As per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Section 4 (1) says “every employer of a workplace shall, by an order in writing constitute a committee to be known as the “Internal Complaints Committee”. The Company fully respects the Vishakha Guidelines in spirit and practice the same. There were no complaint filed during the Financial Year ending 31st March, 2024.

28. ACKNOWLEDGMENT

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.,**

Sd/-
Dr. Shalini Rajneesh
Chairperson

Place: Bengaluru
Date: 17.12.2024

ANNEXURE - 3

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
1. The date since when subsidiary was acquired	6-Jan-2021
2. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA
4. Share capital	1000
5. Reserves and surplus	(356.23)
6. Total assets	825.60
7. Total Liabilities	825.60
8. Investments	Nil
9. Turnover	Nil
10. Profit before taxation	(138.95)
11. Provision for taxation	Nil
12. Profit after taxation	(138.95)
13. Proposed Dividend	Nil
14. 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	
1. Name of Associates or Joint Ventures	Information is Nil, as there are no Associates and Joint Ventures of K-RIDE during the year 2023-24
2. Latest audited Balance Sheet Date	
3. Shares of Associate or Joint Ventures held by the company on the year end 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 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	

INDEPENDENT AUDITORS' 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 2024, 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.

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 for 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, 2024, and profit, and its cash flows for the year ended on that date. This report supersedes our Independent Auditor's Report dated 10 September 2024, on the financial statements of the Company for the year ended 31 March 2024, which has been revised in the light of observations arising from the audit by Comptroller & Auditor General of India.

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 (ICAI) 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 ICAI's 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 the Company and SWR. As per MOU dated 14.07.2022 between the Company and SWR any change in the DPR and the detailed estimate shall be sanctioned by SWR. Till date revised estimated cost is not approved by SWR. Currently revenue is recognized based on approved MOU dated 14.07.2022 only. In the absence of revised estimated cost, we are unable to quantify the impact on profit.
2. In the original cost estimate relating to doubling project, there are mistakes in estimates relating to individual type of work like Electrical, Signaling & Telecommunication and OHE. The net differences of Rs. 269.92 lakhs have been added to total estimated cost. However, no changes have been effected on Direction & General charges on account of these additions to or deductions from the estimated cost. The exact amount of Direction & General charges mentioned in estimates relating to individual types of work like Electrical, Signaling & Telecommunication and OHE are only considered for recognizing the revenue. In connection with this matter, we are unable to quantify the impact on profit.
3. The Company has not ascertained the liability for Property Tax under The Bruhat Bengaluru Mahanagara Palike Act, 2020 on lands acquired by the Company. During the year no provision for property tax is made by the Company. We are unable to quantify the impact on profit.
4. The Company has short collected the security deposit and performance guarantee by Rs. 227.67 lakhs and Rs.136.60 lakhs respectively based on the revised contract value of L&T Ltd (LOA No: K-RIDE/BSRP/10/2021/Corridor-2/Via-At-grade/LOI/645 dt.26.08.2022). This has resulted in understatement of current assets and current liabilities by Rs.364.27 lakhs.
5. The Company is availing GST input tax credit in respect of direct expenditure relating to doubling project. However, the input tax credit on common expenditure allocated to doubling projects is not claimed and the same is debited to Profit and Loss statement. We are unable to quantify the impact on profit.
6. The Company had treated the grant received of Rs.66,000 lakhs from GOK as subordinate debt till the end of the previous financial year (i.e. upto 31.03.2023). During the current year, Rs.50,000 lakhs transferred to Share Capital out of the aforesaid balance (as per the approval given by the GOK). Further, during the current year a sum of Rs.541.82 lakh has been received from GOK for land acquisition. Thus, the Company has shown the balance of Rs.16,541.82 Lakhs (net of transfer to share capital) as Interest Free Subordinate Debt from GOK (Advance from GOK - BSRP Project-Land Acquisition).

In our opinion the aforesaid amount of Rs.16,541.82 Lakhs relating to Advance from GOK for Land Acquisition shall be shown as Government Grants for Capital Expenditure (as per relevant Proceedings of Government of Karnataka) under `Deferred Government Grants` as per clause 8.4 of AS-12 relating to Accounting for Government Grants. This has resulted in understatement of Deferred Government Grants and overstatement of Long-Term Borrowings by Rs.16,541.82 Lakhs and also resulted in non-compliance to Division I of Schedule III to the Companies Act,2013.

7. Till the end of the previous financial year (i.e. up to 31.03.2023), the Company has received Rs.5,000 lakhs from MoR towards Share Application Money. During the current year the Company has received Rs.45,000 lakhs additional amount towards share of equity. Out of the aggregate amount of Rs.50,000 lakhs, the Company has transferred Rs.48,039.22 lakhs to Share Capital during the current year and the balance of Rs.1,960.79 Lakhs has been shown as Grant from MoR – BSRP under Long Term Borrowings.

In our opinion, the aforesaid balance of Rs.1,960.79 Lakhs shall be shown as Share Application Money pending allotment. This has resulted in understatement of Share Application Money pending allotment and overstatement of Long-Term Borrowings by Rs. 1,960.79 Lakhs and also resulted in non-compliance to Division I of Schedule III to the Companies Act,2013.

8. The unspent amount of funds received from GOK and MoR have been invested by the Company in the form of Fixed Deposit in Banks. Interest earned to the extent of Rs.5504.13 lakhs (net amount) on such fixed deposits till 31.03.2024 has been reduced from Capital work-in-progress as disclosed in Note No.14(i) of Notes to Accounts.

The accounting treatment of grant as subordinate debt is not yet approved by GOK. Further, as per the decision of 97th Board meeting the balance of share application money received from MoR is treated as grants and the same is not yet approved by the MoR. Therefore, in the absence of correct nature of the funds, we are unable to ascertain the impact of accounting treatment of the interest income which has been reduced from Capital work-in-progress.

9. One of the Officers, Special Deputy Collector, who joined the Company on deputation on 13.09.2023 as per Government Notification No. 323, dated 12.09.2023, claimed salary and allowances for the waiting periods and the Company paid him gross salary of Rs.18.32 lakhs against his claim. As the terms and conditions of deputation did not include payment of salary and allowances for the waiting period, the amount paid and charged to the Profit and Loss Statement has resulted in understatement of Profit and Current Assets by Rs.18.32 lakhs.
10. The Company has acquired Land from Karnataka Veterinary, Animal & Fisheries Science University (KVAFSU) for Rs.27,36,17,300/- (Amount paid on 13/04/2023 and Possession was taken on 04/05/2023). As per SI.No.54 of Office Note, the Company is required to ensure the construction of Compound wall. The Company has not ascertained the liability for the construction cost of Compound wall and no provision for the same is made by the Company. Therefore, we are unable to quantify the impact on the cost of the land capitalized.
11. As at 31st March,2024, a sum of Rs.570.41 lakhs is included as security deposit recovered from the contractor M/s RMNIL & BIDPL (JV), Hyderabad under `Other Current Liabilities` as per Note No.11 to Notes on Accounts. The Company has terminated the contract given to the aforesaid contractor on 01.10.2022. The aggregate amount of security deposit collected from running bills of Rs.43.11 lakhs has been forfeited and credited to the Statement of Profit and Loss during the previous financial year 2022-23. During the current year, the Company has worked out Rs.613.53 lakhs as the total security deposit to be collected based on the entire contract value. Out of the said total security deposit an amount of Rs.43.11 lakhs being actual security deposit collected is deducted and the balance amount of Rs.570.41 lakhs is shown as security deposit collected from the contractor. As per the Policy of the Company, in case of termination of contract, the security deposit will be forfeited and considered as income of the Company. However, in the present case the Company has not forfeited the security deposit as the same is not actually recovered from the contractor. In our opinion, the security deposit of Rs.570.41 lakhs is not actually recovered from the contractor and therefore, both the Current liabilities and Current Assets are overstated by Rs.570.41 lakhs.
12. As at 31st March,2024, a sum of Rs.299.54 lakhs is included as Recovery-RMNIL-BIDPL(JV)* under `Other Current Assets` as per Note No.23 to Notes on Accounts. This amount is recoverable from the contractor M/s RMNIL & BIDPL (JV), Hyderabad. This balance of Rs.299.54 lakhs is as a result of various additions and deductions to the balance security deposit of Rs.570.41 lakhs which is explained in our above qualification No.11. The Company has stated that this amount is unsecured and considered doubtful. However, the Company has not made any provision for the said amount. Therefore, the current assets and Profits are overstated by Rs.299.54 lakhs.
13. As at 31st March,2024, a sum of Rs.74.28 lakhs is included as security deposit recovered from the contractor M/s Bava Infrastructure Developers Pvt. Ltd., Mangalore under `Other Current Liabilities` as per Note No.11 to Notes on Accounts. The Company has terminated the contract given to the aforesaid contractor on 01.10.2022. The aggregate amount of security deposit collected from running bills of Rs.45.98 lakhs has been forfeited and credited to the Statement of Profit and Loss during the previous financial year 2022-23. During the current year, the Company has worked out Rs.120.26 lakhs as the total security deposit to be collected based on the entire contract value. Out of the said total security

deposit an amount of Rs. 45.98 lakhs being actual security deposit collected is deducted and the balance amount of Rs.74.28 lakhs is shown as security deposit collected from the contractor. As per the Policy of the Company, in case of termination of contract, the security deposit will be forfeited and considered as income of the Company. However, in the present case the Company has not forfeited the security deposit as the same is not actually recovered from the contractor. In our opinion, the security deposit of Rs.74.28 lakhs is not actually recovered from the contractor and therefore, both the Current liabilities and Current Assets are overstated by Rs. 74.28 lakhs.

14. And as at 31st March,2024, a sum of Rs.18.30 lakhs in respect of PBG has been included in Security Deposit recovered from the contractor M/s Bava Infrastructure Developers Pvt. Ltd., Mangalore under `Other Current Liabilities` as per Note No.11 to Notes on Accounts. As per the Policy of the Company, in case of termination of contract, the PBG will be forfeited and considered as income of the Company. However, in the present case the Company has not forfeited the PBG as the same has not been recovered from the contractor and therefore both the Current liabilities and Current Assets are overstated by Rs. 18.30 lakhs.
15. M/s.Larsen & Turbo Ltd.,(L & T) is the contractor for the BSRP project . The L& T has not adhered to the milestone dates stipulated in the agreement. Further the Company has not ascertained the penalty to be imposed for delay, As the Company has not ascertained the quantum of penalty to be levied, we are unable to quantify the impact on CWIP. Further, the failure of the contractor (L & T) to deploy qualified hands in key positions was reported by the consultant with the recommendation to impose a penalty of Rs.2 lakhs. The Company, however, passed the RA bills without deducting these penalties, which resulted in over-statement of CWIP and Current Liabilities by Rs.2 lakhs.
16. The Net Profit for the reporting period is Rs.3,316.91 lakhs which includes Bank Interest income of Rs.3,451.04 lakhs. Thus, it indicates that the Company is incurring operating loss which is mainly due to revenue recognition based on the cost of estimate as agreed in Memorandum of understanding (MOU) dated 14.07.2022 between the Company and SWR as per MOU dated 14.07.2022, in respect of doubling project. which is yet to be revised.
17. We are unable to ascertain the impact on the financial statements, of the following balances which have not been confirmed by the Parties to whom the letters requesting direct confirmations of balances have been sent.

(Rs. in lakhs)

Description of account	Amount covered in the Letters sent for confirmation	Amount for which confirmation has been received	Amount for which confirmation has not been received
Trade payables	720.99	494.94	226.05
Mobilization Advances	4893.00	4486.34	406.66
Trade receivables	9555.93	-	9555.93
Other Current Assets	1183.20	691.32	491.88

18. Cash & cash equivalents disclosed in Note No. 21 are not in line with the disclosure requirements as per As 3 - Cash Flow Statement. Hence the presentation of financial statements is not in compliance to AS 3 - Cash Flow Statement.
19. The Company has disclosed the entire amount of Rs.141.61 lakh payable under "Later than one year but not later than five years" instead of allocating the amount between "Not later than one year" and "Later than one year but not later than five years" in Notes Forming Part of the Financial Statements: 2.18 Leases (AS-19). Hence, the disclosure regarding operating leases is not in compliance with AS 19-Leases.

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. 28,277.43Lakhs, land acquired from BDA amounting to Rs. 642.99 lakhs, land acquired from BWSSB amounting to Rs. 86.67 lakhs, land acquired from LIDKAR amounting to Rs.361.63 lakhs and land acquired from KVAFSU amounting to Rs. 2,736.17 lakhs are not held in the name of company as disclosed in Note No.13(j) of Notes to accounts.
- b. The company has taken land on lease for a period of 35 years from SWR to the extent of 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.13(e) of Notes to Accounts.
- c. The company has been making advance payments to KIADB for acquisition of land. As at the end of the current year there is a balance in advance amount to the extent of Rs. 3,393.44 lakhs. KIADB has notified total land to the extent of 22,074 sq.mts out of which, KIADB has issued utilization certificate for 21,330.28 sq.mts and the same is capitalized as at 31.03.2024. For the balance of 743.72 sq.mts and the valuation is under process and the value of land will be adjusted

against the aforesaid advance amount as disclosed in Note No .13(a) of Notes to accounts. Further, out of lands acquired from private parties through KIADB (under compulsory acquisition) as on 31.03.2024 to the extent of 19242.72 sq mts which are yet to be registered in the name of the Company, lands measuring 3562.59 sq mts are under dispute.

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

Key Audit Matters

Reporting of key audit matters as per SA 701 is applicable to the Listed Companies. As the Company is an Unlisted Company, reporting of Key Audit Matters is not applicable to this Company.

Information other than Financial Statements and Auditor's Report thereon

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 statements 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 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 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 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 with reference to stand alone financial statements 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.

Other Matters

1. The Financial Statements of the previous year have been audited by M/s M S Reddy & Associates. They have issued an original audit report on 10th July, 2023. Subsequently, they have revised and issued the modified opinion in their audit report dt.9th August, 2023 in the light of the observations of the Comptroller and Auditor General of India. We have considered their qualified opinions, while framing our audit report.

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. 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 with reference to financial statements in place and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
 - 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.30.1 to the financial statements.
 - ii. As mentioned in our Basis for Qualified Opinion section of our audit report, we are of the opinion that there will be material foreseeable losses on long-term contracts if the Company does not get the revised estimated cost of the project from SWR. The Company has not entered into any derivative contracts.
 - iii. As per the books of accounts and according to the information and explanations given to us, there are no dues are required to be transferred, to the Investor Education and Protection Fund by the Company as at the balance sheet date.

- iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused them to believe that the representations under sub-clause (a) and (b) above, contain any material mis-statement.
- v. The company has not declared any dividend nor recommended any dividend during the year. Therefore, the provisions of Section 123 of the Act is not applicable to this Company.
- h) As required under Section 143(5) of the Act, based on such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in "**Annexure C**" a statement on the directions and sub-directions issued by the Comptroller & Auditor General of India.
3. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
Sec 197 of Companies Act, 2013, refers to overall maximum managerial remuneration payable to directors by public limited companies. Pursuant to the Notification No GSR 463 (E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions Section 197(16) of the Companies Act, 2013, are not applicable this Company.
4. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
5. Secretarial Audit Report in Form MR-3 dated 31/05/2024 states that "as per Article 24(2) of the Articles of Association of K-RIDE, the Managing Director will be selected by Committee comprising of representatives of MoR and GoK in equal Numbers or by mutual consent of GoK and MoR and the person so selected shall be appointed as the Managing Director of the Company, as per the provisions of the Act. However, it is noticed that the Govt of Karnataka has nominated MD on in charge basis till the regular Managing Director is selected," Hence the Company is required to comply with the provisions of the Act in this regard.

For **PRAKASH S D & Co.,**
Chartered Accountants
FRN: 008511S

Sd/-
(PRAKASH S DANDUR)
Partner

M.No.208719
UDIN: 24208719BKESVW2917

Date: 08/11/2024
Place: Bengaluru

ANNEXURE - A TO INDEPENDENT AUDITOR'S 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) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 (B) The company has maintained proper records showing full particulars, of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. 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 areas under:

Description of property	Gross carrying value (Rs. in lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held (since which date)	Reason for not being held in the name of the company
Land - KIADB	69.61	KIADB	Yes - GOK	17.06.2021	Registration is under process *
	4,310.13		Yes - GOK	21.01.2022	
	2,605.54		Yes - GOK	23.05.2022	
	16,378.51		Yes - GOK	23.05.2022	
	4,685.52		Yes - GOK	27.10.2022	
	228.12		Yes - GOK		
Land - BDA	642.99	BDA	Yes - GOK	31.01.2024	Registration is under process
Land - BWSSB	86.67	BWSSB	Yes - GOK	10.11.2022	Registration is under process
Land - LIDKAR	361.63	LIDKAR	Yes - GOK	21.11.2022	Registration is under process
Land - KVAFSU	2,736.17	KVAFSU	Yes - GOK	04.05.2023	Registration is under process
Land Right to use	0.06	Southwestern Railways	Yes-MoR	22.12.2022	Registration of Lease Agreement is under process

*Out of lands acquired from private parties through KIADB (under compulsory acquisition) as on 31.03.2024 to the extent of 19242.72 sq mts which are yet to be registered in the name of the Company, lands measuring 3562.59 sq mts are under dispute.

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.

- (d) 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) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable having regard to size and nature of operations of the company. The coverage and procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The discrepancies noticed on verification between the physical stocks and the book records are not 10% or more in the aggregate for each class of inventory.
- (a) The company has not been sanctioned working capital limits in excess of Rs five crore at any point of time during the year, in aggregate, from banks or financial institutions on the basis of security of current assets. Hence the reporting on whether the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company as per clause 3 (ii)(b) of the Order does not arise.

- (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) As explained to us, the company has not granted any loans, nor made any investments nor given any guarantees/ security, hence the question of compliance to the provisions of Sections 185 and 186 of the Act as per clause 3 (iv) of the Order does not arise.
- (v) In our opinion the company has not accepted any deposits from public; hence the question of compliance with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder as per clause 3 (v) of the Order does not arise.
- (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. Accordingly, provisions of clause 3(vi) is not applicable to the Company.
- (vii) (a) As per our selective verification of records and according to the information and explanations given to us, the company is regular in depositing undisputed statutory dues including Goods & Service Tax, Provident Fund, Employees State Insurance, Income tax, Sales Tax, Service Tax, Duty of Customs, Duty of excise, value added tax, Cess and other statutory dues with the appropriate authorities to the extent applicable to it. No undisputed amounts payable in respect of the above were in arrears as at March 31, 2024 for a period of more than six months from the date on when they become payable.
- (a) 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 a willful 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 long-term purposes.
- (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 money by way of an 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 allotted shares to the existing shareholders on a rights basis and complied with the provisions of Section 62 of the Act. The compliance to the provisions of Section 42 of the Act is not applicable as the company has not issued any shares on Private Placement basis.
- (xi) (a) According to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) According to the information and explanations given to us, there are no whistle-blower complaints received during the year by the company.

- (xii) 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)(a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
(b) We have considered the internal audit reports for the year under audit.
- (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)a) 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 not incurred cash losses in the financial year. The company incurred cash losses of Rs.318.11 lakhs in the immediately preceding financial year i.e., 2022-23.
- (xviii) There has been no resignation of the statutory auditors during the year, hence this clause is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, the provisions of sec 135 of the Companies Act, 2013 (the provisions of Corporate Social Responsibility) are not applicable to this company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- (xxi) In our opinion, clause 3(xxi) is not applicable to standalone financial statements.

For **PRAKASH S D & Co.,**
Chartered Accountants
FRN: 008511S

Sd/-
(PRAKASH S DANDUR)

Partner
M.No.208719
UDIN: 24208719BKESVW2917

Date: 08/11/2024
Place: Bengaluru

“ANNEXURE - B” TO THE INDEPENDENT AUDITOR’S REPORT

Report on the Internal Financial Controls with reference to Financial Statements 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 Financial Statements of Rail Infrastructure Development Company (Karnataka) Limited, (‘the Company’) as at March 31, 2024 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, 2024, 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, 2024:

1. In respect of Electrical Work (YPR-CHN) & Signaling Work (BYPL-HSR) of doubling project, actual expenses are more than the Estimated cost by Rs.195.21 lakhs and Rs. 1,063.05 lakhs respectively. The approval for the excess expenditure has not been obtained from the SWR. Further, no revised estimated cost has been obtained soon after the change in the GST rate from 12% to 18% vide GOI Notification No.03/2022 dt. 13.07.2022. This has resulted in the inadequate internal control system in getting revised estimated cost on time.
2. As per Sl. No.6 of MOU dated 14th July 2022 relating Doubling Project, the Project shall be completed within 36 months from July,2020. To date, the project is not yet completed. There is no mutual consent in writing for having agreed for extension of period. This has resulted in the inadequate internal control system in getting the extension for completion of the project.
3. As per Sl. No.14 of MOU dated 14th July 2022 relating to Doubling Project, the details of requirement of land to Railways after Final Location Survey are to be submitted. Details of land requirement for the two doubling projects have not been submitted. This may result in a delay in the completion of the project.
4. The Company has no proper control system to obtain balance confirmation from the parties on a regular interval basis.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) issued by the Institute of Chartered Accountants of India 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, and both issued by ICAI. 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 if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 authorizations of management and directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **PRAKASH S D & Co.,**
Chartered Accountants
FRN: 008511S

Sd/-
(PRAKASH S DANDUR)
Partner
M.No.208719
UDIN: 24208719BKESVW2917

Date: 08/11/2024
Place: Bengaluru

"ANNEXURE - C" TO THE INDEPENDENT AUDITOR'S 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 2024.

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 log in are created to ensure accountability and trail of entries in Tally software. In our opinion quantitative details of inventory are to be maintained in the accounting software itself in order to make the valuation of inventories accurately based on the method of stock valuation followed
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)	As per the information and explanations given to us, there was no restructuring of an existing loan or cases of waiver/write off debts/loans/interest, etc., made by a lender to the Company due to the Company's inability to repay the loan or to pay the interest.

3	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or it's agencies were properly accounted for/ utilized as per its terms and conditions? List the case of deviation.	<p>In respect of accounting of funds:</p> <p>1) The Company had treated the grant received of Rs.66,000 lakhs from GOK as subordinate debt upto 31.03.2023. During the current year, Rs.50,000 lakhs transferred to Share Capital out of the aforesaid balance (as per the approval given by the GOK). Further, during the current year a sum of Rs.541.82 lakh has been received from GOK for land acquisition. Thus, the Company has shown the balance of Rs.16,541.82 Lakhs (net of transfer to share capital) as Interest Free Subordinate Debt from GOK (Advance from GOK - BSRP Project-Land Acquisition).</p> <p>In our opinion, the aforesaid amount of Rs.16,541.82 Lakhs relating to Advance from GOK for Land Acquisition shall be shown as Government Grants for Capital Expenditure (as per relevant Proceedings of Government of Karnataka) under `Deferred Government Grants' as per clause 8.4 of AS-12 relating to Accounting for Government Grants.</p> <p>2) Upto 31.03.2023, the Company has received Rs.5,000 lakhs from MoR towards Share Application Money. During the year the Company has received Rs.45,000 lakhs additional amount towards share of equity. Out of the aggregate amount of Rs.50,000 lakhs, the Company has transferred Rs.48,039.22 lakh to Share Capital during the current year and the balance of Rs.1,960.79 Lakhs has been shown as Grant from MoR – BSRP under Long Term Borrowings.</p> <p>In our opinion the aforesaid balance of Rs.1,960.79 Lakhs shall be shown as Share Application Money pending allotment.</p> <p>In respect of utilisation of funds</p> <p>We have not come across any deviations in respect of amount utilized out of funds received.</p>
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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 the Company has an effective system to deal with misappropriation/fraud cases and whether the losses, if any, were properly accounted for in the books of account?

Comments: In our opinion, the Company has an effective system to deal with misappropriation/fraud cases. We have not come across cases of losses on account of misappropriation/fraud during the course of our audit.

- iii. Whether a 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, a system for monitoring the execution of works vis-a-vis the milestones stipulated in the agreement is in existence. Our comments in this respect are as under:

Comments on Doubling Project:

- 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 the Company and SWR. As per MOU dated 14.07.2022 between the Company and SWR any change in the DPR and the detailed estimate shall be sanctioned by SWR. Till date revised estimated cost is not approved by SWR. Currently revenue is recognized based on approved MOU dated 14.07.2022 only. In the absence of revised estimated cost, we are unable to quantify the impact on profit.
- In the original cost estimate relating to doubling project, there are mistakes in estimates relating to individual type of work

like Electrical, Signaling & Telecommunication and OHE. These differences have been added to or deducted from the total estimated cost, as the case may be. However, no changes have been effected on Direction & General charges on account of these additions to or deductions from the estimated cost. The exact amount of Direction & General charges mentioned in estimates relating to individual types of work like Electrical, Signaling & Telecommunication and OHE are only considered for recognizing the revenue. In connection with this matter, we are unable to quantify the impact on profit.

3. In respect of Electrical Work (YPR-CHN) & Signaling Work (BYPL-HSR) of doubling project, actual expenses are more than the Estimated cost by Rs.195.21 lakhs and Rs. 1,063.05 lakhs respectively. The approval for the excess expenditure has not been obtained from the SWR. In the absence of approval from SWR, we are unable to quantify the impact on profit.
4. For recognizing the revenue under Percentage completion method relating Doubling Project, GST rate @ 12% is deducted from the Total estimated cost (which includes GST component as per the original estimate) though the present GST rate is 18%. In the absence of revised estimated cost including GST @18%, we are unable to quantify the impact on profit.
5. As per Sl. No.6 of MOU dated 14th July 2022 relating Doubling Project, the Project shall be completed within 36 months from July,2020. To date, the project is not yet completed. There is no mutual consent in writing for having agreed for extension of period.
6. As per Sl. No.14 of MOU dated 14th July 2022 relating to Doubling Project, the details of requirement of land to Railways after Final Location Survey are to be submitted. Details of land requirement for the two doubling projects have not been submitted.

In view of the above, we are unable to quantify the impact on profit.

Comments on BSRP Project:

7. M/s.Larsen & Turbo Ltd.,(L & T) is the contractor for the BSRP project . The L&T has not adhere to the milestone dates stipulated in the agreement. The Company has not called for any explanation from the contractor for the delays in commencing the works and thus the reasons for the delays are not known. Further the Company has not ascertained the penalty to be imposed for delay, As the Company has not ascertained the quantum of penalty to be levied, we are unable to quantify the impact on profit.

Further, the failure of the contractor (L & T) to deploy qualified hands in key positions was reported by the consultant with the recommendation to impose a penalty of Rs.2 lakhs. The Company, however, passed the RA bills without deducting these penalties, which resulted in over-statement of CWIP and Current Liabilities by Rs.2 lakhs.

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

Comments: We are unable to ascertain the impact on the financial statements of the following balances which have not been confirmed by the Parties to whom the letters requesting direct confirmations of balances have been sent.

(Rs. in lakhs)

Description of account	Amount covered in the Letters sent for confirmation	Amount for which confirmation has been received	Amount for which confirmation has not been received
Trade payables	720.99	494.94	226.05
Mobilization Advances	4893.00	4486.34	406.66
Trade receivables	9555.93	-	9555.93
Other Current Assets	1183.20	691.32	491.88

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

Comments: The Company has not identified any projects as abandoned projects. Therefore, in our opinion, the provision/write off is not required.

For **PRAKASH S D & Co.,**
Chartered Accountants
FRN: 008511S

Sd/-
(PRAKASH S DANDUR)

Partner

M.No.208719

UDIN: 24208719BKESVW2917

Date: 08/11/2024

Place: Bengaluru

ANNEXURE-1

Sl. No.	Items in Checklist	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 authorization to operate the bank accounts were given to a single signatory?	Authorization 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 has taken place periodically?	The company officers had verified on following dates 30.06.2023, 30.09.2023, 31.12.2023& 31.03.2024.
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, Current Accounts and Fixed deposits?	Latest confirmation Statements are obtained at the end of the year as on 31.03.2024.
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 exist
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

For **PRAKASH S D & Co.,**
Chartered Accountants
FRN: 008511S

Sd/-
(PRAKASH S DANDUR)

Partner

M.No.208719

UDIN: 24208719BKESVW2917

Date: 08/11/2024

Place: Bengaluru

RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED BALANCE SHEET AS AT 31st MARCH 2024

(₹ in Lakhs)

Particulars	Note No.	As at 31st March 2024 (₹)	As at 31st March 2023 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	101,039.22	3,000.00
(b) Reserves and Surplus	4	4,060.45	743.54
(2) Share Application Money pending allotment	5	-	5,000.00
(3) Non - Current Liabilities			
(a) Long term Borrowings	6	18,502.61	66,000.00
(b) Other Long - term liabilities	7	1,739.05	1,225.80
(c) Long - term provisions	8	154.43	83.39
(4) Current Liabilities			
(a) Short - term borrowings	9	0.21	-
(b) Trade payables	10		
(i) Total outstanding dues of micro enterprises and small enterprises		385.48	175.97
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		509.18	678.42
(c) Other Current Liabilities	11	16,473.79	24,158.51
(d) Short - term provisions	12	1,567.85	1,085.97
TOTAL		144,432.27	102,151.60
II. ASSETS			
(1) Non - Current Assets			
(a) Property, Plant and Equipment and Intangible Assets			
(i) Property, Plant and Equipment	13(i)	35,831.56	6,568.62
(ii) Intangible Assets	13(ii)	3.02	6.53
(iii) Capital work-in-progress	14(i)	14,892.10	4,910.51
(iv) Intangible assets under development	14(ii)	306.79	-
(b) Non - Current investments	15	210.00	210.00
(c) Deferred tax assets (net)	16	193.61	-
(d) Long - term loans and advances	17	21,037.01	24,484.12
(e) Other non - current assets	18	0.23	0.23
(2) Current Assets			
(a) Current investments		-	-
(b) Inventories	19	1,743.40	1,804.93
(c) Trade receivables	20	9,555.93	-
(d) Cash and Cash Equivalents	21	55,801.16	52,531.69
(e) Short - term loans and advances	22	26.50	25.39
(f) Other Current Assets	23	4,830.96	11,609.58
TOTAL		144,432.27	102,151.60
The accompanying Notes are an integral part of the financial statements.	01-49		

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

Sd/-
Dr. Manjula N
Managing Director
DIN: 07508345

Sd/-
Awadhesh Mehta
CFO

Place : Bengaluru
Date : 31.08.2024

Sd/-
Rajesh Kumar Singh
Director
DIN: 08601529

Sd/-
Archana M Kulkarni
Company Secretary
ACS: A28063

As per our report of even date attached
For Prakash.S.D & Co.,
Chartered Accountants
Firm Reg. No. 0085115

Sd/-
CA Prakash S. Dandur
Partner
M.No.: 208719

Place : Bengaluru
Date : 10.09.2024
UDIN No. : 24208719BKESUV8327

RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2024

(₹ in Lakhs)

Sl. No.	Particulars	Note No.	As at 31st March 2024 (₹)	As at 31st March 2023 (₹)
	Income:			
I	Revenue from Operations	24	18,855.36	8,631.75
II	Other Income	25	3,507.65	1,044.36
III	Total Income (I+II)		22,363.00	9,676.11
IV	Expenses:			
	Operating Expenses	26	16,111.40	7,608.47
	Cost of materials consumed	27	1,427.66	159.89
	Employee benefit expenses	28	894.26	702.64
	Depreciation and amortisation expenses	13	5.28	6.70
	Other Expenses	29	801.10	1,523.21
	Total Expenses		19,239.71	10,000.92
V	Profit before exceptional and extraordinary items and tax (III - IV)		3,123.30	(324.81)
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		3,123.30	(324.81)
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		3,123.30	(324.81)
X	Tax Expenses:			
	(1) Current Tax		-	-
	(2) Deferred Tax	16	(193.61)	-
XI	Profit (Loss) for the year from continuing operations (IX-X)		3,316.91	(324.81)
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax Expenses of discontinuing operations		-	-
XIV	Profit/(Loss) from discontinuing operations (after tax) (XII - XIII)		-	-
XV	Profit/(Loss) for the year (XI + XIV)		3,316.91	(324.81)
XVI	Earning per equity share	31.3		
	(1) Basic		1.33	(1.08)
	(2) Diluted		1.33	(1.08)
	The accompanying Notes are an integral part of the financial statements.	01-49		

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

Sd/-
Dr. Manjula N
Managing Director
DIN: 07508345

Sd/-
Awadhesh Mehta
CFO

Place : Bengaluru
Date : 31.08.2024

Sd/-
Rajesh Kumar Singh
Director
DIN: 08601529

Sd/-
Archana M Kulkarni
Company Secretary
ACS: A28063

As per our report of even date attached
For Prakash.S.D & Co.,
Chartered Accountants
Firm Reg. No. 008511S

Sd/-
CA Prakash S. Dandur
Partner
M.No.: 208719

Place : Bengaluru
Date : 10.09.2024
UDIN No. : 24208719BKESUV8327

RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED

CASH FLOW STATEMENT (INDIRECT METHOD) FOR THE YEAR ENDED 31st MARCH 2024

(₹ in Lakhs)

Particulars	As at 31st March 2024 (₹)	As at 31st March 2023 (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax	3,123.30	(324.81)
Adjustments for Non- Operating matters:		
- Depreciation & Amortisation	5.28	6.70
- Interest Income	(3,451.04)	(512.17)
Operating profit before working capital changes	(322.46)	(830.27)
Adjustments for :		
- Decrease/ (increase) in trade receivable	(9,555.93)	-
- Decrease/ (increase) in Inventories	61.53	(1,804.93)
- Decrease/ (increase) in Short-term loans and advances	(1.10)	(23.52)
- Decrease/ (increase) in Other Current Assets	6,320.73	(8,311.39)
- Decrease/ (increase) in Deposit Account (Maturity more than 3 months)	17,900.00	25,000.00
- Decrease/ (increase) in Long-term loans and advances	3,447.11	(18,147.78)
- (Decrease) / increase in Short-term borrowings	0.21	-
- (Decrease) / increase in Trade Payables	40.27	133.09
- (Decrease) / increase in Other Current Liabilities	(7,684.72)	9,574.35
- (Decrease) / increase in Short-Term Provisions	481.88	959.97
- (Decrease) / increase in Other Long-term liabilities	513.25	1,225.80
- (Decrease) / increase in Long-term provisions	71.04	42.78
Cash generated from operations	11,271.81	7,818.09
- Direct taxes paid	-	-
Net cash from/(used in) operating activities (A)	11,271.81	7,818.09
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets including CWIP and capital advances (Net)	(39,650.70)	(7,371.26)
Sale of fixed assets	0.96	2.15
Interest Income	4,005.57	512.17
Net cash from/(used in) investing activities (B)	(35,644.17)	(6,856.94)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of Share Capital	98,039.22	-
Share Application Money pending allotment	(5,000.00)	5,000.00
Proceeds From Long-Term Borrowings & Grant	(47,497.39)	-
Net cash from/(used in) financing activities (C)	45,541.82	5,000.00
Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)	21,169.47	5,961.15
Cash and cash equivalents (opening balance)	14,531.69	8,570.54
Cash and cash equivalents (closing balance)	35,701.16	14,531.69
Components of Cash and Cash Equivalents		
a) Cash on Hand	0.12	0.53
b) Balances with Banks:		
In Current Account & Savings Accounts	32,701.04	14,531.17
In Deposit Account (Maturity Less than 3 months)	3,000.00	-
Cheques/Draft in Hand	-	-
	35,701.16	14,531.69

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

Sd/-
Dr. Manjula N
Managing Director
DIN: 07508345

Sd/-
Awadhesh Mehta
CFO

Place : Bengaluru
Date : 31.08.2024

Sd/-
Rajesh Kumar Singh
Director
DIN: 08601529

Sd/-
Archana M Kulkarni
Company Secretary
ACS: A28063

As per our report of even date attached
For Prakash.S.D & Co.,
Chartered Accountants
Firm Reg. No. 0085115

Sd/-
CA Prakash S. Dandur
Partner
M.No.: 208719

Place : Bengaluru
Date : 10.09.2024
UDIN No. : 24208719BKESUV8327

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.

Currently, the Company is mandated with the responsibility of executing the flagship Bengaluru Suburban Rail Project (BSRP) in Bengaluru and also acting as an implementing agency to South Western Railways to execute 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).

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 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;
- 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.

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 and all values are rounded off to the nearest "Lakhs" except when otherwise indicated.

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. Further, the Guidance Note/ Announcements issued by The Institute of Chartered Accountants of India (ICAI) are also considered wherever applicable, as adopted consistently by the Company.

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. 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.

Expenditures / Provisions are accounted in books of account only when the work done has been entered in measurement books and the same has been verified and certified by Engineer / nominated officers. Project expenditure & PVC amounts related to FY 2023-24 which are certified by concerned Engineers upto 30.04.2024 pertaining to the work done during April 2023 to March 2024 are considered for the recognition of expenditure & revenue for the FY 2023-24.

- c. Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- d. Other income / Penalties are 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 twelve 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:

(i) Land:

- a. The land parcels handed over by the landowners including various government bodies and departments and taken possession by the company have been capitalized at the time of taking the possession of the land by the company without waiting for the registration of title deeds in the name of the company.
- b. Enhanced compensation, if any, shall be booked and capitalised as and when the payment is due since the amount cannot be estimated.
- c. Land cost includes expenditure related to compensation, registration & other statutory and incidental charges related to title and resettlement/rehabilitation and interest, if any, up to the date of acquisition/possession, whichever is earlier.

(ii) Other than Land:

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 (AS 28):

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:

- Expenditure directly pertaining to Bengaluru Suburban Rail Project (BSRP) are accounted under the head Capital Work-in-Progress.
- Interest Income from BSRP funds & mobilization advances, Penalties recovered, Tender Document fees received are reduced from the value of Capital Work-in-Progress.
- Management fee payable towards ODA plus loan as per instructions of Aid Accounts & Audit Department of Economic Affairs, Ministry of Finance has been charged to Capital Work-in-Progress.
- Common expenditures pertaining to both the projects (BSRP & Doubling) have been bifurcated and the basis of allocation have been detailed under notes to Profit & Loss Statement.

2.12 Details of benami property held:

- The company does not hold any benami property.
- No proceedings have been initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

2.13 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.

2.14 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.

2.15 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.

2.16 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.

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 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.

2.18 Leases (AS 19):

Lease payments under an operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term. The company has entered into operating lease agreement with KRDL for renting of office premises. This arrangement is of non-cancellable in nature and range between one to five years. As at 31st March 2024, the future minimum lease payments under non-cancellable leases are given below:

Particulars	(₹ in Lakhs)	
	As at 31st March 2024	As at 31st March 2023
Not later than one year	Nil	Nil
Later than one year but not later than five years	141.61	Nil
Later than five years	Nil	Nil

2.19 Taxes on Income (AS 22):

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 is recognized using the balance sheet method, providing for temporary difference between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred tax is measured at the tax rates that are expected to apply when the temporary differences are either realized or settled, based on the laws that have been enacted or substantively enacted by the end of reporting period. Deferred tax asset is recognized to the extent that it

is probable that future taxable profit will be available against which the temporary difference can be utilized. Carrying amount of Deferred tax assets are reviewed at each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2.20 Earnings Per Share (AS 20):

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.

2.21 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 balance 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.

2.22 Employee Benefits (AS 15):

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, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Method Used	Projected Unit Credit (PUC) Actuarial Method		Projected Unit Credit (PUC) Actuarial Method	
Discount Rate	7.21% p.a.	7.48% p.a.	7.21% p.a.	7.48% p.a.
Rate of increase in Compensation levels	6.00% p.a.	6.00% p.a.	6.00% p.a.	6.00% p.a.
Withdrawal Rate	2.00% p.a.	2.00% p.a.	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	100% of IALM 2012-14	100% of IALM 2012-14	
Average future service (in Years)	24.07 Years	24.96 Years	24.07 Years	24.96 Years

Table II: Change in Present Value of Obligations

All Figures in INR	Gratuity		Earned Leave	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Present Value of Obligation as at the beginning of the year	26.55	0	64.06	41.61
Liability Transfer In/(Out)	0	0	0	0
Interest Cost	1.98	0	4.79	3.03
Past Service Cost	0	12.12	0	0
Current Service Cost	23.15	14.43	31.61	22.08
Curtailment Cost / (Credit)	0	0	0	0
Settlement Cost / (Credit)	0	0	0	0
Benefits paid	0	0	(19.36)	(26.73)
Actuarial (gain)/ loss on obligations	5.06	0	33.80	24.06
Present Value of Obligation as at the end of the year	56.74	26.55	114.90	64.06

Table III: Change in Fair Value of Plan Assets

All Figures in INR	Gratuity		Earned Leave	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Fair value of plan asset at the beginning of year	0	0	0	0
Asset Transfer In/ (Out)	0	0	0	0
Expected Return on Plan Assets	0	0	0	0
Employers' Contributions	0	0	19.36	26.73
Benefit Paid	0	0	(19.36)	(26.73)
Actuarial Gain /(loss) on Plan Assets	0	0	0	0
Fair value of plan assets at the end of year	0	0	0	0

Table IV: Fair Value of Plan Assets

All Figures in INR	Gratuity		Earned Leave	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Fair value of plan asset at the beginning of year	0	0	0	0
Asset Transfer In/ (Out)	0	0	0	0
Actual return on plan assets	0	0	0	0
Employers' Contributions	0	0	19.36	26.73
Benefits Paid	0	0	(19.36)	(26.73)
Fair value of plan assets at the end of year	0	0	0	0
Funded Status	(56.74)	(26.55)	(114.90)	(64.06)
Excess of actual over estimated return on plan assets	(56.74)	(26.55)	0	0

Table V: Actuarial Gain/Loss Recognised

All Figures in INR	Gratuity		Earned Leave	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Actuarial gain/(loss) for the year - Obligation	(5.06)	0	(33.80)	(24.06)
Actuarial (gain)/loss for the year - Plan Assets	0	0	0	0
Total (gain) / loss for the year	5.06	0	33.80	24.06
Actuarial (gain) / loss recognized in the year	5.06	0	33.80	24.06
Unrecognized actuarial (gains)/losses at the end of the year	0	0	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, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Present Value of Obligation as at the end of the year	56.74	26.55	114.90	64.06
Fair Value of Plan Assets as at the end of the year	0	0	0	0
Funded Status	(56.74)	(26.55)	(114.90)	(64.06)
Unrecognized Actuarial (gains) / losses	0	0	0	0
Net Asset / (Liability) Recognized in Balance Sheet	(56.74)	(26.55)	(114.90)	(64.06)

Table VII: Expense Recognized in Statement of Profit and Loss & C.WIP:

All Figures in INR	Gratuity		Earned Leave	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Current Service Cost	23.15	14.43	31.61	22.08
Past Service Cost	0	12.12	0	0
Interest Cost	1.98	0	4.79	3.03
Expected Return on Plan Assets	0	0	0	0
Curtailement Cost / (Credit)	0	0	0	0
Settlement Cost / (Credit)	0	0	0	0
Net actuarial (gain)/ loss recognized in the year	5.06	0	33.80	24.06
Total	30.19	26.55	70.20	49.17
Expenses Recognized in the statement of Profit & Loss	19.46	12.48	35.11	25.74
Expense transferred to CWIP	10.73	14.07	35.09	23.44

RECONCILIATION OF EXPENSE IN PROFIT AND LOSS STATEMENT

All Figures in INR	Gratuity		Earned Leave	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Present Value of Obligation as at the end of the year	56.74	26.55	114.90	64.06
Present Value of Obligation as at the beginning of the year	(26.55)	0	(64.06)	(41.61)
Benefit Paid	0	0	19.36	26.73
Actual Return on Assets	0	0	0	0
Liability Transfer (In)/Out	0	0	0	0
Total	30.19	26.55	70.20	49.17
Expenses Recognized in the statement of Profit & Loss	19.46	12.48	35.11	25.74
Expense transferred to CWIP	10.73	14.07	35.09	23.44

RECONCILIATION OF LIABILITY IN BALANCE SHEET

All Figures in INR	Gratuity		Earned Leave	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Opening Net Liability	(26.55)	0	(64.06)	(41.61)
Expenses as above	(30.19)	(26.55)	(70.20)	(49.17)
Employer Contribution	0	0	19.36	26.73
Liability Transferred (In) / Out - Net	0	0		0
Closing Net Liability	(56.74)	(26.55)	(114.90)	(64.06)

RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

(₹ in Lakhs)

Note No.	Particulars	As at 31st March 2024 (₹)	As at 31st March 2023 (₹)		
3	Share Capital				
	(A) Authorised :				
	5,00,00,00,000 Equity Shares of Rs.10 each (31st March 2023 - 500,00,00,000 Equity Shares of Rs.10 each)	500,000.00	500,000.00		
	Issued, Subscribed and Paid up :				
	1,01,03,92,157 Equity shares of Rs.10/- each (31st March 2023 - 3,00,00,00,000 Equity Shares of Rs.10 each)	101,039.22	3,000.00		
		101,039.22	3,000.00		
Note No.	Particulars	As at 31st March 2024 No.s	As at 31st March 2023 (₹)	As at 31st March 2024 No.s	As at 31st March 2023 (₹)
	(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	30,000,000	3,000.00	30,000,000	3,000.00
	Add:- Number of Right shares allotted during the year	980,392,157	98,039.22	-	-
	Less:- Number of shares bought back during the year	-	-	-	-
	Number of equity shares with voting rights at the end of the year	1,010,392,157	101,039.22	30,000,000	3,000.00
	(C) The details of Shareholders holding more than 5% of shares:				
	Equity Shares with Voting Rights:				
	1. Governor of Karnataka / Govt of Karnataka (GOK)*:				
	No.of Shares	515,300,000	51,530.00	15,300,000	1,530.00
	Percentage of Holding	51%	51%	51%	51%
	2. Ministry of Railways/President of India (GOI):				
	No.of Shares	495,092,157	49,509.22	14,700,000	1,470.00
	Percentage of Holding	49%	49%	49%	49%
	(D) Rights, preferences and restrictions attaching to various classes of shares:	-	-	-	-
	(E) Shareholding in the company of the holding company and ultimate Holding company and their subsidiaries / associates:	-	-	-	-
	(F) Shares held by promoters at the end of the year				
Sl. No.	Promoter name	No. of Equity Shares at the end of the year	% of total shares	No. of Equity Shares at the beginning of the year	% Change during the year
1	Governor of Karnataka / Govt of Karnataka*	515,300,000	51.00%	15,300,000	3267.97%
2	Ministry of Railways/President of India	495,092,157	49.00%	14,700,000	3267.97%
	TOTAL	1,010,392,157	100.00%	30,000,000	

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.

RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

(₹ in Lakhs)

Note No.	Particulars	As at 31st March 2024 (₹)	As at 31st March 2023 (₹)				
4	Reserves and Surplus						
	Surplus in Statement of Profit and Loss						
	Opening Balance	743.54	1,068.35				
	Add : Profit for the Current Year	3,316.91	(324.81)				
	Closing balance	4,060.45	743.54				
5	Share Application Money pending allotment						
	Share Application Money from MOR - GOI	-	5,000.00				
	(Shares shall be issued on receipt of matching contribution from GOI & GOK)	-	5,000.00				
6	Long term Borrowings						
	Long term Borrowings - Unsecured						
	Interest Free Subordinate Debt from GOK						
	Advance from GOK - BSRP Project-Land Acquisition	16,541.82	66,000.00				
	(Out of the Funds received from GOK for land acquisition Rs.500 Crore has been classified as Equity for allotment of shares as per GOK order no.UDD 158 PRJ 2020 Dated 21.07.2023 & UDD 158 PRJ 2020 P1 Dated 8.11.2023).						
	(Classified under Subordinate Debt as per the approved financing pattern in line with GO no. UDD 27 PRJ 2020 Bengaluru Dt.07.07.2020)						
	Grant From MoR - BSRP	1,960.78	-				
	(In the 97th Board Meeting it was resolved that the allotment of shares for equity investments under BSRP by GOK & MOR in K-RIDE shall be in ratio of 51:49 as per the stipulations contained in the AOA of K-RIDE & to avoid disproportionate shareholding for equity under BSRP. It was also resolved that the GOK's 50% share of equity under BSRP released from time to time under BSRP shall be treated as 51% equity and the proportionate 49% of MOR's equity will be worked out from the 50% share of MOR's equity under BSRP released from time to time and the balance excess amount of equity received from MOR under BSRP from time to time shall be treated as Grant's from MOR.)						
		18,502.61	66,000.00				
7	Other Long - term liabilities						
	Security Deposit	1,738.11	1,225.80				
	Lease Equilization	0.94	-				
		1,739.05	1,225.80				
8	Long-term provisions						
	Provision for employee benefits	154.43	83.39				
		154.43	83.39				
9	Short-term borrowings						
	Loans repayable on demand						
	Unsecured:						
	(a) from banks	0.21	-				
	(b) from other parties	-	-				
		0.21	-				
10	Trade payables						
	Total outstanding dues of micro enterprises and small enterprises	385.48	175.97				
	Total outstanding dues of creditors other than micro enterprises and small enterprises	509.18	678.42				
		894.66	854.39				
	Trade Payables ageing schedule						
	As on 31 March 2024:						
	Particulars	Outstanding for following periods from due date of payment					
		Not yet due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	(i) MSME	385.48	-	-	-	-	385.48
	(ii) Others	-	496.45	12.74	-	-	509.18
	(iii) Disputed dues - MSME	-	-	-	-	-	-
	(iv) Disputed dues - Others	-	-	-	-	-	-

As on 31 March 2023:						
Particulars	Outstanding for following periods from due date of payment					
	Not yet due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	175.97	-	-	-	-	175.97
(ii) Others	-	678.42	-	-	-	678.42
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Note No.	Particulars	As at 31st March 2024 (₹)		As at 31st March 2023 (₹)		
11	Other Current Liabilities					
	Other Financial Liabilities					
	EMD	13.11		12.44		
	Employee Related Payables	44.18		17.00		
	Retention Payable	87.80		70.22		
	Security Deposit	896.08		-		
	Advance for Doubling Projects	13,437.11		23,130.49		
	South Western Railway (SWR) - Materials	145.33		-		
	Davangere-Harihar UDA Payable	37.09		37.09		
	Withheld Amounts	512.69		129.16		
	Management fees payable on Borrowings from GOI					
	- KfW ODA Loan	294.47		-		
	Land R&R Compensation Payable	151.51		-		
	Lease Equilization	10.71		-		
	Other Payables:					
	Statutory Remittances:					
	TDS Payable	270.03		107.58		
	GST Payable	101.28		495.09		
	GST TDS Payable	185.79		58.94		
	Labour Cess	65.53		28.76		
	Royalty payable	62.79		-		
	Others	158.27		71.72		
		16,473.79		24,158.51		
12	Short-term provisions					
	Provision for employee benefits	87.42		81.67		
	Provision for Contract payment	1,455.43		1,004.30		
	Provision for Arbitration amount payable	25.00		-		
		1,567.85		1,085.97		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

(₹ in Lakhs)

Note No.	Particulars	Gross Block				Depreciation (WDV)			Net Block	
		As at 01.04.2023	Additions during the year	Sale/ deletions	As at 31.03.2024	As at 01.04.2023	Accumulated Depreciation Reversed/ Adjusted	Depreciation for the Year (refer note - h)	As at 31.03.2024	As at 31.03.2024
(i)	Tangible Assets:									
	Land - Corridor 2									
	Land - KIADB	5,854.70	25,940.17	-	31,794.86	-	-	-	31,794.86	5,854.70
	Land - BDA	-	642.99	-	642.99	-	-	-	642.99	-
	Land - BWSSB	86.67	-	-	86.67	-	-	-	86.67	86.67
	Land - LIDKAR	361.63	-	-	361.63	-	-	-	361.63	361.63
	Land - KVAFSU	-	2,736.17	-	2,736.17	-	-	-	2,736.17	-
	Land (Right to use)	0.06	-	-	0.06	0.00	-	0.01	0.06	0.06
	Office equipment	65.96	17.62	-	83.58	40.72	-	16.16	26.71	25.25
	Mobile	15.41	4.62	0.52	19.51	9.19	0.39	5.81	4.90	6.22
	Office Interiors	307.70	-	-	307.70	150.76	-	40.63	116.30	156.94
	Furniture & Fixtures	76.94	1.89	-	78.82	35.86	-	10.87	32.10	41.08
	Computers	106.59	21.28	1.50	126.36	76.83	0.67	25.53	24.68	29.76
	Servers and networks	16.62	0.66	-	17.28	10.29	-	2.51	4.48	6.33
	Total Tangible Assets	6,892.27	29,365.40	2.02	36,255.65	323.64	1.06	101.51	424.10	6,568.62
(ii)	Intangible Assets:									
	Computer Software	38.53	0.64	-	39.17	32.00	-	4.15	3.02	6.53
	Total Intangible Assets	38.53	0.64	-	39.17	32.00	-	4.15	3.02	6.53
	Grand Total (i)+(ii)	6,930.80	29,366.04	2.02	36,294.82	355.65	1.06	105.66	460.25	6,575.15
	Previous Year (2022-23)	591.13	6,344.39	4.72	6,930.80	224.15	2.57	134.07	355.65	366.98

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 151 Private properties (20958.52 sq m.) & 7 Government properties (371.76 sq m.) as on 31.03.2024. The payment for the balance 18 properties (743.72 sq m.) is under process & the advance amount of Rs.3,393 Lakh with KIADB will be adjusted against the balance properties.

Status of Properties acquired through KIADB (under compulsory acquisition) as on 31.03.2024 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	137	144	0	32	32
Corridor-2 (sq m.)	371.76	21702.24	22074.00	371.76	19242.72	19614.48	0	2459.52	2459.52

#Out of 176 properties (22,074 sq m.) acquired through KIADB (under compulsory acquisition), 30 properties (3,562.59 sq m.) are under dispute.

- 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. The Compensation and Resettlement Package (CRP) policy for Bangalore Suburban Railway Project is approved by the Govt of Karnataka in respect of land acquisitions by K-RIDE (the same is available in K-RIDE's website). Compensation and Resettlement process and payments are made as per the approved CRP policy & the same has been Capitalized as Land to the extent certified by Land Department upto 31.03.2024 with respect to the Land which are already capitalized in books.
- d. Land - BDA (1,100.71 sq m.), Land - BWSSB (121.9 sq m.) Land - LIDKAR (2,031.63 sq m.) & Land - KVAFSU (9,151 sq m./ 2.2613 acers) have been handed over to K-RIDE. However, registration & Khata transfer is under process.
- e. South Western Railways has transferred 157.07 acre of Railway Land for BSRP Corridor-2 to K-RIDE on Lease basis for a period of 35 years 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.
- f. Compound wall has to be constructed with respect to land purchased from KVAFSU as a part of purchase condition. However, at this junction K-RIDE is not in a position to estimate the value of construction of compound wall & will be capitalised accordingly as & when the same work is taken up & payment is made.
- g. The Company is not holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)
- h. 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.105.66 Lakh being Rs.5.28 Lakh has been charged to Statement of Profit & Loss and Balance 95% of Rs.105.66 lakh being Rs.100.38 Lakh has been shown under Capital work-in-progress.
- i. No PPE's including Rights to use assets and intangible assets are revalued during the year.
- j. 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	Property Details (In Sq m.)	Disputed property (in sq m.)
Land - Corridor 2								
KIADB notification number:								
No: CI 10 SPQ(E) 2021		69.61	Refer Note below	Yes - GOK	17.06.2021		792.70	792.70
No: CI 10 SPQ(E) 2021		4,310.13		Yes - GOK	21.01.2022		3,284.49	1,159.77
No: CI 196 SPQ(E) 2021	Land - KIADB	2,605.54		Yes - GOK	23.05.2022	Khata transfer is under process	3,300.12	1,481.29
No: CI 214 SPQ(E) 2021		16,378.51		Yes - GOK	23.05.2022		8,717.85	32.18
No: CI 185 SPQ(E) 2021		4,685.52		Yes - GOK	27.10.2022		3,147.56	96.65
R&R & Misc. expenses - Corridor 2		228.12		Yes - GOK				
Land - Corridor 2	Land - BDA	642.99	BDA	Yes - GOK	31.01.2024	Registration is under process	1,100.71	-
Land - Corridor 2	Land - BWSSB	86.67	BWSSB	Yes - GOK	10.11.2022	Registration is under process	121.90	-
Land - Corridor 2	Land - LIDKAR	361.63	LIDKAR	Yes - GOK	21.11.2022	Registration is under process	2,031.63	-
Land - Corridor 2	Land - KVAFSU	2,736.17	KVAFSU	Yes - GOK	04.05.2023	Registration is under process	9,151.00	-

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.

14 (i). Capital Work in Progress :
(₹ in Lakhs)

	Particulars	As at 01.04.2023	Additions during the year	Transfers/ deletions	Capitalised during the year	As at 31.03.2024
Capital Work in Progress:						
Rail Corridor:						
	Bangalore Suburban Projects					
	Alignment, Formation & Airport Connectivity	-	5,543.88	-	-	5,543.88
	General Charges & Contingencies	4,804.73	3,412.78	-	-	8,217.51
	Land R&R	44.47	13.02	26.12	-	31.37
	Station Buildings	1,220.44	-	-	-	1,220.44
	Traction & Power Supply incl. OHE, ASS etc	6.25	0.12	-	-	6.37
	Depot	-	38.62	-	-	38.62
	Misc., General Security & Staff Qtr		-			
	Utilities & Road Works	2,563.96	1,560.86	-	-	4,124.82
	Geotechnical Investigation & Civil Work	162.96	14.44	-	-	177.40
	Afforestation including Tree cutting & Replanting	6.94	953.96	-	-	960.90
	Interest Income - BSRP	(3,945.38)	(1,558.75)	-	-	(5,504.13)
	Rolling Stock	46.13	28.78	-	-	74.90
	Total	4,910.51	10,007.71	26.12	-	14,892.10

Sl. No.	CWIP ageing schedule: CWIP	As at 31.03.2024				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
1	Projects in progress					
	Bangalore Suburban Projects	9,981.59	1,154.24	2,486.56	1,269.71	14,892.10
2	Projects temporarily suspended	-	-	-	-	-
		9,981.59	1,154.24	2,486.56	1,269.71	14,892.10

Sl. No.	CWIP ageing schedule: CWIP	As at 31.03.2023				Total
		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 ₹ 1,558.75 lakhs (P.Y. ₹ 3,060.79 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.

14 (ii). Intangible assets under development:

(₹ in Lakhs)

	Particulars	As at 01.04.2023	Additions during the year	Transfers/ deletions	Capitalised during the year	As at 31.03.2024
	Intangible assets under development:					
	SAP Software	-	306.79	-	-	306.79
	Total	-	306.79	-	-	306.79

Explanatory Notes :

Cost incurred for the implementation of SAP software are shown as "Intangible assets under development" as the said software is under the development stage.

Sl. No.	Intangible assets under development aging schedule: CWIP	As at 31.03.2024				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
1	Projects in progress					
	SAP Software	306.79	-	-	-	306.79
2	Projects temporarily suspended	-	-	-	-	-
		306.79	-	-	-	306.79

Sl. No.	Intangible assets under development aging schedule: CWIP	As at 31.03.2023				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
1	Projects in progress					
	SAP Software	-	-	-	-	-
2	Projects temporarily suspended	-	-	-	-	-
		-	-	-	-	-

RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

(₹ in Lakhs)

Note No.	Particulars	As at 31st March 2024 (₹)	As at 31st March 2023 (₹)
15	Non-Current investments		
	Investments in Equity Instruments (Unquoted):		
	Trade Investment:		
	(a) Hassan Mangalore Rail Development Company		
	[20,00,000 Equity Shares of Rs.10/- each]	200.00	200.00
	(b) B-RIDE (100% Subsidiary of K-Ride)		
	[1,00,000 Equity Shares of Rs.10/- each]	10.00	10.00
		210.00	210.00
16	Calculation of Deferred Taxes:		
	Deferred tax asset / (liability)		
	Timing Difference arising due to fixed assets		
	WDV of asset as per Income-tax Act, 1961	400.96	-
	WDV of asset as per Companies Act, 2013	212.24	-
	Timing difference to be recognized	188.72	-
	Deferred tax asset/ (liability) to be recognized (at domestic tax rate - 25.168%)	47.50	-
	Other timing differences (at domestic tax rate - 25.168%)		
	Amounts inadmissible u/s 40(a) (ia) (2023-24)	93.09	-
	Amounts inadmissible u/s 40(a) (ia) (2022-23)	8.32	-
	Provision for gratuity under section 40A(7)	14.28	-
	Provision leave encashment disallowed under section 43B	28.92	-
	Lease Equilization disallowed under section 43B	1.50	-
	Deferred tax asset/ (liability)	193.61	-
	Total Deferred tax asset/(liability) already recognized	-	-
	Net Deferred tax	193.61	-
17	Long - term loans and advances		
	<i>Secured, considered good Capital Advances</i>		
	Mobilization Advance (Secured by bank guarantee)	4,893.01	2,556.59
	<i>Unsecured, considered good Capital Advances</i>		
	Advance to KIADB	3,393.44	20,384.31
	Advance to BDA Land	-	642.99
	Construction of Compound wall - LIDKAR (DCW)	74.30	74.30
	Construction of Compound wall - BWSSB (DCW)	65.00	65.00
	Deposit Contribution Work - BWSSB	1,588.94	-
	Deposit Contribution Work - KPTCL	663.59	663.59
	Advance for transfer of Defence Land to Cor-2-BSRP	10,261.40	-
	<i>Other loans & advances</i>		
	Rent Deposit	97.35	97.35
		21,037.01	24,484.12
18	Other non - current assets		
	Security Deposits	0.23	0.23
		0.23	0.23
19	Inventories		
	Stock of Stores & Spares:	1,743.40	1,804.93
	(Valued at lower of cost and net realisable value)	1,743.40	1,804.93
20	Trade receivables		
	Unsecured, considered good	9,555.93	-
		9,555.93	-

Trade Receivables ageing schedule						
As on 31 March 2024:						
Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	9,550.65	5.28	-	-	-	9,555.93
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
As on 31 March 2024:						
Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Note No.	Particulars	As at 31st March 2024 (₹)		As at 31st March 2023 (₹)		
21	Cash and Cash Equivalents					
	<i>Balances with Banks:</i>					
	- In Current Account & Savings Accounts	32,701.04		14,531.17		
	- In Deposit accounts (Maturity Period Less than 3 months)	3,000.00		-		
	- In Deposit accounts (Maturity Period of More than 3 months but less than 12 months)	20,100.00		38,000.00		
	(The amount in above deposit account are received from MOR & GOK earmarked for BSRP project.)					
	Cheques, drafts on hand	-		-		
	Cash on Hand	0.12		0.53		
		55,801.16		52,531.69		
22	Short - term loans and advances					
	<i>Unsecured, considered good</i>					
	<i>Others</i>					
	Rent Deposit	7.74		7.74		
	Other Advances	18.76		17.65		
		26.50		25.39		
23	Other Current Assets					
	<i>Loans & Advances (Asset)</i>					
	<i>Secured, considered good</i>					
	<i>Others</i>					
	Material Advance (Secured by indemnity bond)	1,134.25		1,717.86		
	<i>Unsecured, considered good</i>					
	<i>Others</i>					
	Deposit Contribution Work - TEGDC	11.24		11.24		
	Deposit Contribution Work - BBMP	1.22		-		
	Deposit - Arbitration Centre Karnataka	-		5.54		
	Deposit - Tree Officer & DCF BBMP Bangalore	-		94.00		
	Receivable From MoR - Doubling Project	-		6,500.00		
	Advance - Indian Oil Corporation Limited	2.54		-		

	Recoverable from SWR - Dharward Belagam New Line Project (towards Final Location Survey (FLS) and preparation of DPR by M/s. RITES Limited.)	36.51	36.51
	Other Receivable	7.22	25.21
	GST - Electronic Credit Ledger	1,036.25	-
	GST Paid on Advance	542.68	882.57
	Unclaimed GST Input	3.11	182.00
	Income Tax - Refundable	801.23	613.24
	TDS Credit C/f - SWR	79.99	168.93
	Prepaid Expenses	13.06	10.14
	Accrued Interest - on Bank deposits	853.17	1,264.42
	Accrued Interest - on Mobilization Advance	8.97	97.92
	<i>Unsecured, considered doubtful</i>		
	Recovery-RMNIL-BIDPL(JV)	299.54	-
		4,830.96	11,609.58
24	Revenue from Operations		
	Construction Revenue - Doubling project	18,855.36	8,631.75
	Total	18,855.36	8,631.75
25	Other Income		
	a) Interest Income		
	on Bank Deposits	3,451.04	512.17
	b) Other Non-Operating Income		
	Interest on Income Tax Refund	32.86	0.27
	Miscellaneous Income	23.75	531.92
	Total	3,507.65	1,044.36
26	Operating Expenses		
	Construction expenses - Doubling project	16,111.40	7,608.47
	Total	16,111.40	7,608.47
27	Cost of materials consumed		
	<i>Stores & Spares</i>		
	Opening Stock	1,804.93	-
	Purchases during the year	1,366.13	1,964.83
	Less: Closing Stock	1,743.40	1,804.93
	Cost of Materials Consumed	1,427.66	159.89
28	Employee benefit expenses		
	Salaries, wages and allowances	827.70	654.13
	Contribution to PF/NPS, Gratuity and other funds	61.35	41.63
	Staff welfare expenses	5.22	6.89
	Total	894.26	702.64
29	Other Expenses:		
	Audit Fees (Statutory Audit)	2.36	2.05
	Internal Audit Fees	2.00	-
	Tax Audit Fees	0.77	0.47
	Advertisement	15.41	49.82
	Arbitration amount	25.00	-
	Bank Charges	0.00	0.06
	Books & Periodicals	1.36	0.52
	CRS Inspection-HLG-Carmelaram Sec-BYL-HSRA	0.48	9.73
	Directors Sitting Fees	0.68	1.23
	Electricity Charges	9.16	7.35
	Foundation Stone Laying Ceremony-BSRP	-	345.43
	Insurance Charges	20.82	14.48
	Membership Fees paid	0.04	0.01
	Office Maintenance Expenses	56.05	65.66
	Printing & Stationery	28.05	15.06

	Professional and Consultancy Services	13.80	3.41
	Project Management Consultancy - Doubling	157.32	439.20
	Rates and Taxes	105.72	50.27
	Rent & Common Area Maintenance	95.02	84.96
	Retainer Fee	50.56	55.60
	ROC Filing Fees	0.38	173.84
	Security Charges - Stores	4.12	-
	Software Expenses	0.33	0.06
	Telephone & Internet Charges	11.28	11.94
	Travel and Conveyance Expenses	200.39	192.08
	Total	801.10	1,523.21
a	<p>“Expenditure pertaining to projects (ie. Doubling & BSRP) have been allocated on the following basis during the FY 2023-24 :</p> <ol style="list-style-type: none"> 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 69:31 (ie. 69% for BSRP & 31% 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 49:32:19 being employee ratio (i.e. 49% for BSRP, 32% for Doubling and 19% 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. 		
b	<p>“Expenditure pertaining to projects(ie. Doubling & BSRP) have been allocated on the following basis during the FY 2022-23 :</p> <ol style="list-style-type: none"> 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. 		

(₹ in Lakhs)

c	Details of Doubling projects in progress as at the reporting date:	As at 31st March 2024 (₹)	As at 31st March 2023 (₹)
	(a) the aggregate amount of costs incurred;	32,082.26	14,385.89
	(b) recognised profits (less recognised losses) upto the reporting date;	1,894.39	735.41
	(c) the amount of advances received; and	13,437.11	23,130.49
	(d) the amount of retentions.	77.29	59.96

30. Additional Information to the Financial Statements:
30.1 Contingent Liabilities and Commitments (to the extent not provided for):

(₹ in Lakhs)

Particulars	As at 31 st March 2024	As at 31 st March 2023
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/ Claims submitted by contractors – Provision for the same is not provided for as the claims are not accepted by the management).	1786.31	1,018.30
Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for:		
a. Tangible Assets (awarded contracts only)	2,06,492.07	1,06,024.58
b. Intangible Assets	388.24	Nil
Other commitments (Estimated amount of contracts remaining to be executed on account of works contract and not provided for) (Awards contracts only)	38,379.13	30,988.71

30.2 Disclosure as required by MSMED Act, 2006:
Information in respect of Micro and Small Enterprises:

(₹ in Lakhs)

Sl. No.	Particulars	2023-24	2022-23
1	Amount remaining unpaid to any supplier:		
	a) Principal Amount	Rs. 385.48	Rs. 175.97
	b) Interest due there on	Nil	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

31. Disclosures under Accounting Standards:
31.1 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.

31.2 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%

B. Key Managerial Personnel as at 31.03.2024 :

Key Managerial Personnel	Designation
Smt. Dr. Manjula N (from 22-Nov-2023)	Managing Director
Shri. Gaurav Gupta (up to 22-Nov-2023)	Managing Director
Shri. Awadhesh Mehta (Director from 20-Jan-2023)	Director (BD&F) & Chief Financial Officer
Shri. Rajesh K Singh (from 21-Sep-2022)	Director (P&P)
Smt. Archana M Kulkarni (from 01-Jul-2024)	Company Secretary
Shri. S.N.Srinivasa (upto 15-Jun-2024)	Company Secretary

I. Remuneration to Directors & Key Managerial Personnel:

(₹ in Lakhs)

SI No.	Particulars of Remuneration	Name of Managing Director / Whole time Director					
		Dr. Manjula N (From 22- Nov -2023)	Gaurav Guptha (Up to 21- Nov-2023)	Amit Garg (up to 03- Aug-2022)	Awadhesh Mehta (Director & CFO from 20- Jan-2023)	Harendra Pandey (up to 08-Apr-2022)	Rajesh K Singh (from 21- Sep-2022)
1	FY 2023-24						
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-	76.99	-	41.30
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	1.11 (Charge allowance)	2.59 (Charge allowance)	-	-	-	4.62
2	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	19.54
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	2.59 (Charge allowance)	-	-	-	2.44

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

Particulars of Remuneration		FY 2023-24	FY 2022-23
Fees for attending board/ committee meetings:			
Shri. Ajit Kumar Jha	Director	0.02	0.08
Shri. Ashuthosh Mathur	Director	0.20	0.24
Shri. Bhuvaneshwari K	Director	-	0.04
Smt. Deepa Kotnis	Director	0.14	0.12
Shri. I.S.N Prasad	Director	0.02	0.16
Shri. Rakesh Singh	Director	0.14	0.16
Shri. Anand Bharti	Director	0.02	-
Shri. Dhananjaya Singh	Director	0.06	-
Shri. Vishal R	Director	0.12	-
Total		0.72	1.04

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Awadhesh Mehta (CFO)	S.N. Srinivasa (CS)
	Gross Salary:		
1	FY 2023-24 a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 b) Value of perquisites u/s 17(2) Income Tax Act, 1961	- -	39.64 -
2	FY 2022-23 a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 b) Value of perquisites u/s 17(2) Income Tax Act, 1961	26.95 -	38.97 -

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

Particulars	2023-24	2022-23
Net Profit for the Year	3,316.91	(324.81)
Less: Preference share dividend	-	-
Amount available for equity shareholders	3,316.91	(324.81)
Weighted average number of shares	24,96,50,702	3,00,00,000
Earnings per Share – Basic & Diluted	1.33	(1.08)
Face value per equity share	10	10

31.4 Insurance Claims:

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

31.5 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.

31.6 Prepaid Items:

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

31.7 Disclosure in respect of Borrowings

a. Subordinate Debt:

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

Out of the SD Funds received from GOK for land acquisition Rs.50,000 Lakh have been transferred to Equity shares as per GOK order no.UDD 158 PRJ 2020 Dated 21.07.2023 & UDD 158 PRJ 2020 P1 Dated 8.11.2023.

In the EGM held on Dt.19th February 2022, the Shareholders have approved the increase in borrowing limit upto Rs.10,80,900 Lakh which is beyond the paid up capital & free reserves of the company.

b. External Funding:

- i. As per the BSRP sanctioned order, the project is funded by the loan component of 7438 crore (Euro 800 million approx.). On 15.12.2023 the loan from KfW Development Bank (KfW), Germany for Euro 500 million was signed and on 14.06.2024 the loan from European Development Bank (EIB), Luxembourg for Euro 300 million was signed. The agreements are signed between the lenders (KfW & EIB) and the Government of India (GoI). The flow of funds for both the loans will be Passed through Assistance (PTA) through the Ministry of Railways which is similar to being followed in other metro projects.
- ii. Apart from the above, an agreement for a Grant of Euro 4.5 million was also signed with KfW Development Bank on 15.12.2023.
- iii. During the current Financial Year, no funds have been received by the company.

31.8 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.

32. Business Implications due to Covid-19:

Significant disruptions had taken place nationwide due to Covid-19 pandemic outbreak. The company had implemented all the guideline and protocols issued by the various Government authorities with regard to Covid-19 from time to time. Company's operations had not been impacted as Company was still in early stage of commencing its construction activities. As the Covid pandemic has since ceased there is no adverse impact on work at present on this account.

33. 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.

34. Dividend:

The Company has not declared any dividend during the financial year ended 2023-24.

35. Registration of charges or satisfaction with Registrar of Companies (ROC):

There are no charges or satisfaction yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

36. Significant & material orders passed by the Regulators:

No orders have been passed by the Regulators or Courts or Tribunals against the company on any matter.

37. Activity in Foreign Currency:

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

38. Borrowing secured against current assets:

The company does not have any borrowings from banks on the basis of security of current assets.

39. Willful defaulter:

The Company has not been declared willful defaulter by any bank or financial institution or other lender.

40. Utilisation of borrowed funds and share premium:

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"),

with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

No funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

41. Compliance with approved scheme(s) of arrangements:

The Company has not entered into any Scheme of Arrangement.

42. Undisclosed Income:

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded previously in the books of account.

43. Details of Crypto currency or Virtual currency:

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

44. Relationship with struck off companies:

The Company has no transactions with the companies struck off under Section 248 of the Companies Act, 2013, or Section 560 of the Companies Act, 1956.

45.

Ratio Analysis:		2023-24	%	2022-23	%
(a) Current Ratio,	<u>Current Assets</u>	<u>71,957.95</u>	3.80	<u>65,971.60</u>	2.53
	Current Liabilities	18,936.51		26,098.87	
(b) Debt-Equity Ratio,	<u>Total Debt</u>	<u>18,502.61</u>	0.18	<u>66,000.00</u>	22.00
	Shareholders Equity	1,01,039.22		3,000.00	
(c) Debt Service Coverage Ratio,	<u>EBITDA - Capex</u>	<u>3,128.58</u>	0.17	<u>(318.10)</u>	(0.00)
	Interest + Principal	18,502.61		66,000.00	
(d) Return on Equity Ratio, (ROE)	<u>Net Income</u>	<u>3,316.91</u>	0.06	<u>(324.81)</u>	(0.11)
	Average Shareholders' Equity	52,019.61		3,000.00	
(e) Inventory turnover ratio,	<u>COGS</u>	<u>1,427.66</u>	0.80	<u>159.89</u>	0.18
	Avg Inventory	1,774.17		902.47	
(f) Trade Receivables turnover ratio,	<u>Net Credit Sales</u>	<u>18,855.36</u>	3.95	<u>8,631.75</u>	-
	Average Accounts Receivable	4,777.97		-	
(g) Trade payables turnover ratio,	<u>Net Credit Purchases</u>	<u>17,477.53</u>	19.99	<u>9,573.30</u>	12.15
	Average Accounts Payable	874.53		787.85	
(h) Net capital turnover ratio,	<u>Net Sales</u>	<u>18,855.36</u>	0.41	<u>8,631.75</u>	0.16
	Average working capital	46,447.09		52,824.22	
(i) Net profit ratio,	<u>Net Profit</u>	<u>3,316.91</u>	0.18	<u>(324.81)</u>	(0.04)
	Sales	18,855.36		8,631.75	
(j) Return on Capital employed,	<u>EBIT</u>	<u>3,123.30</u>	0.03	<u>(324.81)</u>	(0.00)
	Capital Employed	1,23,602.27		69,743.54	

(k) Return on investment.	Return (Benefit)	3,316.91	0.03	(324.81)	(0.11)
	Investment (Cost)	1,01,039.22		3,000.00	

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

(a) Current Ratio,	Usually funds will be received from MOR & GOK in advance. The same has not been received in the year 23-24 that has led to increase in trade receivables & decrease in other current liabilities.
(b) Debt-Equity Ratio,	Due to issue of additional Right shares during the year.
(c) Debt Service Coverage Ratio,	The conversion of sub-ordinate debt given by GoK to Equity has reduced the debt amount. Further, the increase of revenue as compared to last year has led the improvement of DSCR.
(d) Return on Equity Ratio, (ROE)	Increase of revenue as compared to last year has led to the improvement in ROE.
(e) Inventory turnover ratio,	Due to increase in consumption so as to achieve the targets for completion of the doubling project
(f) Trade Receivables turnover ratio,	Due to increase in project revenue & reduce in amount of advance received for Doubling project during the year.
(g) Trade payables turnover ratio,	Due to increase in credit purchases so as to achieve the targets for completion of the doubling project
(h) Net capital turnover ratio,	Due to increase in project revenue during the year.
(i) Net profit ratio,	Due to increase in project revenue during the year.
(j) Return on Capital employed,	Due to increase in project revenue during the year.
(k) Return on investment.	Due to increase in project revenue during the year.

46. 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.
47. Balances shown under Long Term Loans and advances and Short-Term Loans and Advances, liabilities shown under Trade Payables and Other Current liabilities are subject to confirmation from respective parties and reconciliation.
48. The MCA wide notification dated March 24, 2021 has amended Schedule III to the Companies Act, 2013, in respect of certain disclosures. The Company has incorporated appropriate changes in this financial statement.
49. 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 Prakash.S.D & Co.,
Chartered Accountants
Firm Reg. No. 0085115

Sd/-
Dr. Manjula N
Managing Director
DIN: 07508345

Sd/-
Rajesh Kumar Singh
Director
DIN: 08601529

Sd/-
CA Prakash S. Dandur
Partner
M.No.: 208719

Sd/-
Awadhesh Mehta
CFO

Sd/-
Archana M Kulkarni
Company Secretary
ACS: A28063

Place : Bengaluru
Date : 10.09.2024
UDIN No. : 24208719BKESUV8327

Place : Bengaluru
Date : 31.08.2024

INDEPENDENT AUDITORS' 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 subsidiary together referred as "the Group") which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss and the 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 (herein after referred to as "the consolidated financial statements"). This report supersedes our Independent Auditor's Report dated 10 September 2024 and 7th December 2024, on the Consolidated Financial Statements of the Company for the year ended 31 March, which has been revised in the light of observation arising from the audit by Comptroller & Auditor General of India.

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 for 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, 2024, and profit, 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 (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated 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 ICAI's 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 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 The Company and SWR. As per MOU dated 14.07.2022 between The Company and SWR any change in the DPR and the detailed estimate shall be sanctioned by SWR. Till date revised estimated cost is not approved by SWR. Currently revenue is recognized based on approved MOU dated 14.07.2022 only. In the absence of revised estimated cost, we are unable to quantify the impact on profit.
2. In the original cost estimate relating to doubling project undertaken by the Holding Company, there are mistakes in estimates relating to individual type of work like Electrical, Signaling & Telecommunication and OHE. The net differences of Rs. 269.92 lakhs have been added to total estimated cost. However, no changes have been effected on Direction & General charges on account of these additions to or deductions from the estimated cost. The exact amount of Direction & General charges mentioned in estimates relating to individual type of work like Electrical, Signaling & Telecommunication and OHE are only considered for recognizing the revenue. In connection with this matter, we are unable to quantify the impact on profit.
3. The Holding Company has not ascertained the liability for Property Tax under The Bruhat Bengaluru Mahanagara Palike Act, 2020 on lands acquired by the Holding Company. During the year no provision for property tax is made by the Holding Company. We are unable to quantify the impact on profit.
4. The Holding Company has short collected the security deposit and performance guarantee by Rs. 227.67 lakhs and Rs.136.60 lakhs respectively based on the revised contract value of L&T Ltd (LOA No: K-RIDE/BSRP/10/2021/Corridor-2/Via-At-grade/LOI/645 dt.26.08.2022). This has resulted in understatement of current assets and current liabilities by Rs.364.27 lakhs.
5. The Holding Company is availing GST input tax credit in respect of direct expenditure relating to doubling project. However, the input tax credit on common expenditure allocated to doubling projects is not claimed and the same is debited to Profit and Loss statement. We are unable to quantify the impact on profit.
6. The Holding Company had treated the grant received of Rs.66,000 lakhs from GOK as subordinate debt till the end of the previous financial year (i.e. upto 31.03.2023). During the current year, Rs.50,000 lakhs transferred to Share Capital out

of the aforesaid balance (as per the approval given by the GOK). Further, during the current year a sum of Rs.541.82 lakh has been received from GOK for land acquisition. Thus, The Holding Company has shown the balance of Rs.16,541.82 Lakhs (net of transfer to share capital) as Interest Free Subordinate Debt from GOK (Advance from GOK - BSRP Project-Land Acquisition).

In our opinion the aforesaid amount of Rs.16,541.82 Lakhs relating to Advance from GOK for Land Acquisition shall be shown as Government Grants for Capital Expenditure (as per relevant Proceedings of Government of Karnataka) under 'Deferred Government Grants' as per clause 8.4 of AS-12 relating to Accounting for Government Grants. This has resulted in understatement of Deferred Government Grants and overstatement of Long-Term Borrowings by Rs.16,541.82 Lakhs and also resulted in non-compliance to Division I of Schedule III to the Companies Act,2013.

7. Till the end of the previous financial year (i.e. up to 31.03.2023), The Holding Company has received Rs.5,000 lakhs from MoR towards Share Application Money. During the current year The Holding Company has received Rs.45,000 lakhs additional amount towards share of equity. Out of the aggregate amount of Rs.50,000 lakhs, The Holding Company has transferred Rs.48,039.22 lakhs to Share Capital during the current year and the balance of Rs.1,960.79 Lakhs has been shown as Grant from MoR – BSRP under Long Term Borrowings.

In our opinion, the aforesaid balance of Rs.1,960.79 Lakhs shall be shown as Share Application Money pending allotment. This has resulted in understatement of Share Application Money pending allotment and overstatement of Long-Term Borrowings by Rs. 1,960.79 Lakhs and also resulted in non-compliance to Division I of Schedule III to the Companies Act,2013.

8. The unspent amount of funds received from GOK and MoR have been invested by The Holding Company in the form of Fixed Deposit in Banks. Interest earned to the extent of Rs.5504.13 lakhs (net amount) on such fixed deposits till 31.03.2024 has been reduced from Capital work-in-progress as disclosed in Note No.14(i) of Notes to Accounts.

The accounting treatment of grant as subordinate debt is not yet approved by GOK. Further, as per the decision of 97th Board meeting the balance of share application money received from MoR is treated as grants and the same is not yet approved by the MoR. Therefore, in the absence of correct nature of the funds, we are unable to ascertain the impact of accounting treatment of the interest income which has been reduced from Capital work-in-progress.

9. One of the Officers, Special Deputy Collector, who joined the Holding Company on deputation on 13.09.2023 as per Government Notification No. 323, dated 12.09.2023, claimed salary and allowances for the waiting periods and the Holding Company paid him gross salary of Rs.18.32 lakhs against his claim. As the terms and conditions of deputation did not include payment of salary and allowances for the waiting period, the amount paid and charged to the Profit and Loss Statement has resulted in understatement of Profit and Current Assets by Rs.18.32 lakhs.
10. The Holding Company has acquired Land from Karnataka Veterinary, Animal & Fisheries Science University (KVAFSU) for Rs.27,36,17,300/- (Amount paid on 13/04/2023 and Possession was taken on 04/05/2023). As per Sl.No.54 of Office Note, The Holding Company is required to ensure the construction of Compound wall. The Holding Company has not ascertained the liability for the construction cost of Compound wall and no provision for the same is made by the Holding Company. Therefore, we are unable to quantify the impact on the cost of the land capitalized.
11. As at 31st March,2024, a sum of Rs.570.41 lakhs is included as security deposit recovered from the contractor M/s RMNIL & BIDPL (JV), Hyderabad under 'Other Current Liabilities' as per Note No.11 to Notes on Accounts. The Holding Company has terminated the contract given to the aforesaid contractor on 01.10.2022. The aggregate amount of security deposit collected from running bills of Rs.43.11lakhs has been forfeited and credited to the Statement of Profit and Loss during the previous financial year 2022-23. During the current year, the Holding Company has worked out Rs.613.53 lakhs as the total security deposit to be collected based on the entire contract value. Out of the said total security deposit an amount of Rs.43.11 lakhs being actual security deposit collected is deducted and the balance amount of Rs.570.41 lakhs is shown as security deposit collected from the contractor. As per the Policy of the Holding Company, in case of termination of contract, the security deposit will be forfeited and considered as income of the Holding Company. However, in the present case the Holding Company has not forfeited the security deposit as the same is not actually recovered from the contractor. In our opinion, the security deposit of Rs.570.41 lakhs is not actually recovered from the contractor and therefore, both the Current liabilities and Current Assets are overstated by Rs.570.41 lakhs.
12. As at 31st March,2024, a sum of Rs.299.54 lakhs is included as Recovery-RMNIL-BIDPL(JV)* under 'Other Current Assets' as per Note No.23 to Notes on Accounts. This amount is recoverable from the contractor M/s RMNIL & BIDPL (JV), Hyderabad. This balance of Rs.299.54 lakhs is as a result of various additions and deductions to the balance security deposit of Rs.570.41 lakhs which is explained in our above qualification No.11. The Holding Company has stated that this amount is unsecured and considered doubtful. However, the Holding Company has not made any provision for the said amount. Therefore, the current assets and Profits are overstated by Rs.299.54 lakhs.
13. As at 31st March,2024, a sum of Rs.74.28 lakhs is included as security deposit recovered from the contractor M/s Bava Infrastructure Developers Pvt.Ltd., Mangalore under 'Other Current Liabilities' as per Note No.11 to Notes on Accounts.

The Holding Company has terminated the contract given to the aforesaid contractor on 01.10.2022. The aggregate amount of security deposit collected from running bills of Rs.45.98 lakhs has been forfeited and credited to the Statement of Profit and Loss during the previous financial year 2022-23. During the current year, The Holding Company has worked out Rs.120.26 lakhs as the total security deposit to be collected based on the entire contract value. Out of the said total security deposit an amount of Rs. 45.98 lakhs being actual security deposit collected is deducted and the balance amount of Rs.74.28 lakhs is shown as security deposit collected from the contractor. As per the Policy of the Holding Company, in case of termination of contract, the security deposit will be forfeited and considered as income of the Holding Company. However, in the present case the Holding Company has not forfeited the security deposit as the same is not actually recovered from the contractor. In our opinion, the security deposit of Rs.74.28 lakhs is not actually recovered from the contractor and therefore, both the Current liabilities and Current Assets are overstated by Rs.74.28 lakhs.

14. And as at 31st March, 2024, a sum of Rs.18.30 lakhs in respect of PBG has been included in Security Deposit recovered from the contractor M/s Bava Infrastructure Developers Pvt. Ltd., Mangalore under `Other Current Liabilities` as per Note No.11 to Notes on Accounts. As per the Policy of the Holding Company, in case of termination of contract, the PBG will be forfeited and considered as income of the Holding Company. However, in the present case the Holding Company has not forfeited the PBG as the same has not been recovered from the contractor and therefore both the Current liabilities and Current Assets are overstated by Rs.18.30lakhs.
15. M/s.Larsen & Tourbo Ltd., (L & T) is the contractor for the BSRP project. The L&T has not adhere to the milestone dates stipulated in the agreement. Further the Holding Company has not ascertained the penalty to be imposed for delay, As the Holding Company has not ascertained the quantum of penalty to be levied, we are unable to quantify the impact on profit.

Further, the failure of the contractor (L & T) to deploy qualified hands in key positions was reported by the consultant with the recommendation to impose a penalty of Rs.2 lakhs. the Holding Company, however, passed the RA bills without deducting these penalties, which resulted in over-statement of CWIP and Current Liabilities by Rs.2 lakhs.

16. The Net Profit for the reporting period is Rs.3,315.52 lakhs, which includes Bank Interest income of Rs.3,451.04 lakhs. Thus, it indicates that the Company is incurring operating loss which is mainly due to revenue recognition based on the cost of estimate as agreed in Memorandum of understanding (MOU) dated 14.07.2022 between the Holding Company and SWR as per MOU dated 14.07.2022, in respect of doubling project. which is yet to be revised.
17. We are unable to ascertain the impact on the financial statements, of the following balances which have not been confirmed by the Parties to whom the letters requesting direct confirmations of balances have been sent.

(Rs. in lakhs)

Description of account	Amount covered in the Letters sent for confirmation	Amount for which confirmation has been received	Amount for which confirmation has not been received
Trade payables	720.99	494.94	226.05
Mobilization Advances	4893.00	4486.34	406.66
Trade receivables	9555.93	-	9555.93
Other Current Assets	1183.20	691.32	491.88

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. 28,277.43Lakhs, land acquired from BDA amounting to Rs. 642.99 lakhs, land acquired from BWSSB amounting to Rs. 86.67 lakhs, land acquired from LIDKAR amounting to Rs.361.63 lakhs and land acquired from KVAFSU amounting to Rs. 2,736.17 lakhs are not held in the name of company as disclosed in Note No. 13(j) of Notes to accounts
- b. The Holding Company has taken land on lease for a period of 35 years from SWR to the extent of 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. 13(e) of Notes to Accounts.

- c. The Holding Company has been making advance payments to KIADB for acquisition of land. As at the end of the current year there is a balance in advance amount to the extent of Rs. 3,393.44 lakhs. KIADB has notified total land to the extent of 22,074 sq. mts out of which, KIADB has issued utilization certificate for 21,330.28 sq. mts and the same is capitalized as at 31.03.2024. For the balance of 743.72 sq. mts land the valuation is under process and the value of land will be adjusted against the aforesaid advance amount as disclosed in Note No . 13(a) of Notes to accounts. Further, out of lands acquired from private parties through KIADB (under compulsory acquisition) as on 31.03.2024 to the extent of 19242.72 sq mts which are yet to be registered in the name of the Holding Company, lands measuring 3562.59 sq mts are under dispute.

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

Key Audit Matters

Reporting of key audit matters as per SA 701 is applicable to the Listed Companies. As the Group is an Unlisted Company, reporting of Key Audit Matters is not applicable.

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

The Holding 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 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 consolidated 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 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 is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for 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 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 the respective managements either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors included in the Group are responsible for overseeing financial reporting process of respective Company.

Auditor's Responsibilities for the Audit of the 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 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 with reference to consolidated financial statements 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 the respective management.
- ▶ Conclude on the appropriateness of respective 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Other Matters

1. The Consolidated Financial Statements of the previous year have been audited by M/s M S Reddy & Associates. They have issued an original audit report on Consolidated Financial Statements on 10th July, 2023. Subsequently, they have revised and issued the modified opinion in their audit report dt. 9th August, 2023 in the light of the observations of the Comptroller and Auditor General of India. We have considered their qualified opinions, while framing our audit report.

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. 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 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 account 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 the statutory auditor of its subsidiary company, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in term of section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls with reference to financial statements in place 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 Group has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No.30.1 to the consolidated financial statements.
 - ii. As mentioned in our Basis for Qualified Opinion section of our audit report, we are of the opinion that there will be material foreseeable losses on long-term contracts if the Holding Company does not get the revised estimated cost of the project from SWR. The Group has not entered into any derivative contracts.
 - iii. As per the books of accounts and according to the information and explanations given to us, there are no dues are required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary as at the balance sheet date.
 - iv. (a) The respective managements have represented that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(b) The respective managements have represented, that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Group from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
(c) Based on such audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused them to believe that the representations under sub-clause (a) and (b) above, contain any material mis-statement.
 - v. The Group has not declared any dividend nor recommended any dividend during the year. Therefore, the provisions of Section 123 of the Act is not applicable to the Group.
3. With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:
Sec 197 of Companies Act, 2013, refers to overall maximum managerial remuneration payable to directors by public limited companies. Pursuant to the Notification No GSR 463 (E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions Section 197(16) of the Companies Act, 2013, are not applicable the Group.
4. Based on our examination and the Auditor’s report of the Subsidiary, which included test checks, the Group has used accounting software for maintaining its books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
5. Secretarial Audit Report of the Holding Company in Form MR-3 dated 31/05/2024 states that “as per Article 24(2) of the Articles of Association of K-RIDE, the Managing Director will be selected by Committee comprising of representatives of MoR and GoK in equal Numbers or by mutual consent of GoK and MoR and the person so selected shall be appointed as the Managing Director of the Holding Company, as per the provisions of the Act. However, it is noticed that the Govt of Karnataka has nominated MD on in charge basis till the regular Managing Director is selected,” Hence the Holding Company is required to comply with the provisions of the Act in this regard.

For **PRAKASH S D & Co.,**
Chartered Accountants
FRN: 008511S

Sd/-
(PRAKASH S DANDUR)
Partner

M.No.208719
UDIN: 24208719BKESWD3163

Date: 12/12/2024
Place: Bengaluru

Annexure-A to Independent Auditors Report on the consolidated financial statements of 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.

There have been qualifications or adverse remarks by the auditors in the Companies (Auditor's report) Order (CARO) reports of the companies included in the consolidated financial statements. The details of the companies and the Clause numbers of the CARO report containing the qualifications or adverse remarks are as under:

Sl. No.	Name of the Company included in the consolidated financial statements	CIN	Holding Company/ Subsidiary/ Associate/Joint Venture	Clause numbers of the CARO report containing the qualifications or adverse remarks
1	Rail Infrastructure Development Company (Karnataka) Limited	U60100KA2000SGC02811	Holding Company	(i)(c)
2	Bengaluru Integrated Rail Infrastructure Development Enterprise Ltd.	U60230KA2021SGC142876	Subsidiary Company	(xvii)

For **PRAKASH S D & Co.,**
Chartered Accountants
FRN: 008511S

Sd/-
(PRAKASH S DANDUR)
Partner

M.No.208719
UDIN: 24208719BKESWD3163

Date:12/12/2024
Place: Bengaluru

“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Report on the Internal Financial Controls with reference to Financial Statements 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 Holding Company’) and its subsidiary as at March 31, 2024 in conjunction with our audit of the consolidated financial statements 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 respective companies 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, 2024, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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, 2024:

1. In respect of Electrical Work (YPR-CHN) & Signalling Work (BYPL-HSR) of doubling project undertaken by the Holding Company, actual expenses are more than the Estimated cost by Rs.195.21 lakhs and Rs. 1,063.05 lakhs respectively. The approval for the excess expenditure has not been obtained from the SWR. Further, no revised estimated cost has been obtained soon after the change in the GST rate from 12% to 18% vide GOI Notification No.03/2022 dt. 13.07.2022. This has resulted in the inadequate internal control system in getting revised estimated cost on time.
2. As per Sl. No.6 of MOU dated 14th July 2022 relating Doubling Project undertaken by the Holding Company, the Project shall be completed within 36 months from July,2020. To date, the project is not yet completed. There is no mutual consent in writing for having agreed for extension of period. This has resulted in the inadequate internal control system in getting the extension for completion of the project.
3. As per Sl. No.14 of MOU dated 14th July 2022 relating to Doubling Project undertaken by the Holding Company, the details of requirement of land to Railways after Final Location Survey are to be submitted. Details of land requirement for the two doubling projects have not been submitted. This may result in a delay in the completion of the project.
4. The Holding Company has no proper control system to obtain balance confirmation from the parties on a regular interval basis.

Management’s Responsibility for Internal Financial Controls

The respective Company’s managements are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“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 respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the respective Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) issued by the Institute of Chartered Accountants of India 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, and both issued by ICAI. 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 if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a

material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements

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 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 authorizations of management and directors of the Company; and
- (iii) provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **PRAKASH S D & Co.,**
Chartered Accountants
FRN: 008511S

Sd/-
(PRAKASH S DANDUR)
Partner

M.No.208719
UDIN: 24208719BKESWD3163

Date: 12/12/2024
Place: Bengaluru

RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2024

(₹ in Lakhs)

Particulars	Note No.	As at 31st March 2024 (₹)	As at 31st March 2023 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	101,039.22	3,000.00
(b) Reserves and Surplus	4	4,056.89	741.37
(2) Share Application Money pending allotment	5	-	5,000.00
(3) Non - Current Liabilities			
(a) Long term Borrowings	6	18,502.61	66,000.00
(b) Other Long - term liabilities	7	1,739.05	1,225.80
(c) Long - term provisions	8	154.43	83.39
(4) Current Liabilities			
(a) Short - term borrowings	9	0.21	-
(b) Trade payables	10		
(i) Total outstanding dues of micro enterprises and small enterprises		385.48	176.14
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		509.18	678.42
(c) Other Current Liabilities	11	16,474.02	24,158.76
(d) Short - term provisions	12	1,567.85	1,085.97
TOTAL		144,428.94	102,149.85
II. ASSETS			
(1) Non - Current Assets			
(a) Property, Plant and Equipment and Intangible Assets			
(i) Property, Plant and Equipment	13(i)	35,831.56	6,568.62
(ii) Intangible Assets	13(ii)	3.02	6.53
(iii) Capital work-in-progress	14(i)	14,892.10	4,910.51
(iv) Intangible assets under development	14(ii)	306.79	-
(b) Non - Current investments	15	200.00	200.00
(c) Deferred tax assets (net)	16	193.61	-
(d) Long - term loans and advances	17	21,037.01	24,484.12
(e) Other non - current assets	18	0.23	0.23
(2) Current Assets			
(a) Current investments		-	-
(b) Inventories	19	1,743.40	1,804.93
(c) Trade receivables	20	9,555.93	-
(d) Cash and Cash Equivalents	21	55,809.41	52,539.96
(e) Short - term loans and advances	22	26.50	25.39
(f) Other Current Assets	23	4,829.38	11,609.56
TOTAL		144,428.94	102,149.85
The accompanying Notes are an integral part of the financial statements.	01-49		

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

Sd/-
Dr. Manjula N
Managing Director
DIN: 07508345

Sd/-
Awadhesh Mehta
CFO

Place : Bengaluru
Date : 31.08.2024

Sd/-
Rajesh Kumar Singh
Director
DIN: 08601529

Sd/-
Archana M Kulkarni
Company Secretary
ACS: A28063

As per our report of even date attached
For Prakash.S.D & Co.,
Chartered Accountants
Firm Reg. No. 008511S

Sd/-
CA Prakash S. Dandur
Partner
M.No.: 208719

Place : Bengaluru
Date : 10.09.2024
UDIN No. : 24208719BKESUW4232

**RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS THE YEAR ENDED 31ST MARCH 2024**

(₹ in Lakhs)

Sl. No.	Particulars	Note No.	As at 31st March 2024 (₹)	As at 31st March 2023 (₹)
	Income:			
I	Revenue from Operations	24	18,855.36	8,631.75
II	Other Income	25	3,507.65	1,044.36
III	Total Income (I+II)		22,363.00	9,676.11
	Expenses:			
	Operating Expenses	26	16,111.40	7,608.47
	Cost of materials consumed	27	1,427.66	159.89
	Employee benefit expenses	28	894.26	702.64
	Depreciation and amortisation expenses	13	5.28	6.70
	Other Expenses	29	802.49	1,524.69
	Total Expenses		19,241.10	10,002.40
V	Profit before exceptional and extraordinary items and tax (III - IV)		3,121.91	(326.29)
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		3,121.91	(326.29)
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		3,121.91	(326.29)
X	Tax Expenses:			
	(1) Current Tax		-	-
	(2) Deferred Tax	16	(193.61)	-
XI	Profit (Loss) for the year from continuing operations (IX-X)		3,315.52	(326.29)
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax Expenses of discontinuing operations		-	-
XIV	Profit/(Loss) from discontinuing operations (after tax) (XII - XIII)		-	-
XV	Profit/(Loss) for the year (XI + XIV)		3,315.52	(326.29)
XVI	Earning per equity share	31.3		
	(1) Basic		1.33	(1.09)
	(2) Diluted		1.33	(1.09)
	The accompanying Notes are an integral part of the financial statements.	01-49		

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

Sd/-
Dr. Manjula N
Managing Director
DIN: 07508345

Sd/-
Awadhesh Mehta
CFO

Place : Bengaluru
Date : 31.08.2024

Sd/-
Rajesh Kumar Singh
Director
DIN: 08601529

Sd/-
Archana M Kulkarni
Company Secretary
ACS: A28063

As per our report of even date attached
For Prakash.S.D & Co.,
Chartered Accountants
Firm Reg. No. 008511S

Sd/-
CA Prakash S. Dandur
Partner
M.No.: 208719

Place : Bengaluru
Date : 10.09.2024
UDIN No. : 24208719BKESUW4232

RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED
CONSOLIDATED CASH FLOW STATEMENT (INDIRECT METHOD) FOR THE YEAR ENDED 31st MARCH 2024

(₹ in Lakhs)

Particulars	As at 31st March 2024 (₹)	As at 31st March 2023 (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax	3,121.91	(326.29)
Adjustments for Non- Operating matters:		
- Depreciation & Amortisation	5.28	6.70
- Interest Income	(3,451.04)	(512.17)
Operating profit before working capital changes	(323.85)	(831.76)
Adjustments for :		
- Decrease/ (increase) in trade receivable	(9,555.93)	-
- Decrease/ (increase) in Inventories	61.53	(1,804.93)
- Decrease/ (increase) in Short-term loans and advances	(1.10)	(25.39)
- Decrease/ (increase) in Other Current Assets	6,322.31	(8,309.62)
- Decrease/ (increase) in Deposit Account (Maturity more than 3 months)	17,900.00	25,000.00
- Decrease/ (increase) in Long-term loans and advances	3,447.11	(18,147.78)
- (Decrease) / increase in Short-term borrowings	0.21	-
- (Decrease) / increase in Trade Payables	40.10	133.26
- (Decrease) / increase in Other Current Liabilities	(7,684.74)	9,574.45
- (Decrease) / increase in Short-Term Provisions	481.88	959.97
- (Decrease) / increase in Other Long-term liabilities	513.25	1,225.80
- (Decrease) / increase in Long-term provisions	71.04	42.78
Cash generated from operations	11,271.80	7,816.79
- Direct taxes paid	-	-
Net cash from/(used in) operating activities (A)	11,271.80	7,816.79
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets including CWIP and capital advances (Net)	(39,650.70)	(7,371.26)
Sale of fixed assets	0.96	2.15
Interest Income	4,005.57	512.17
Net cash from/(used in) investing activities (B)	(35,644.17)	(6,856.94)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of Share Capital	98,039.22	-
Share Application Money pending allotment	(5,000.00)	5,000.00
Proceeds From Long-Term Borrowings & Grant	(47,497.39)	-
Net cash from/(used in) financing activities (C)	45,541.82	5,000.00
Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)	21,169.46	5,959.84
Cash and cash equivalents (opening balance)	14,539.96	8,580.11
Cash and cash equivalents (closing balance)	35,709.41	14,539.96
Components of Cash and Cash Equivalents		
a) Cash on Hand	0.12	0.53
b) Balances with Banks:		
In Current Account & Savings Accounts	32,709.29	14,539.43
In Deposit Account (Maturity Less than 3 months)	3,000.00	-
Cheques/Draft in Hand	-	-
	35,709.41	14,539.96

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

Sd/-
Dr. Manjula N
 Managing Director
 DIN: 07508345

Sd/-
Awadhesh Mehta
 CFO

Sd/-
Rajesh Kumar Singh
 Director
 DIN: 08601529

Sd/-
Archana M Kulkarni
 Company Secretary
 ACS: A28063

As per our report of even date attached

For Prakash.S.D & Co.,
 Chartered Accountants
 Firm Reg. No. 008511S

Sd/-
CA Prakash S. Dandur
 Partner
 M.No.: 208719

Place : Bengaluru
 Date : 10.09.2024
 UDIN No. : 24208719BKESUW4232

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

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 and all values are rounded off to the nearest "Lakhs" except when otherwise indicated.

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. Further, the Guidance Note/ Announcements issued by The Institute of Chartered Accountants of India (ICAI) are also considered wherever applicable, as adopted consistently by the Company.

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:

- 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. 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.

Expenditures / Provisions are accounted in books of account only when the work done has been entered in measurement books and the same has been verified and certified by Engineer / nominated officers. Project expenditure & PVC amounts related to FY 2023-24 which are certified by concerned Engineers upto 30.04.2024 pertaining to the work done during April 2023 to March 2024 are considered for the recognition of expenditure & revenue for the FY 2023-24.

- c. Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- d. Other income / Penalties are 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 twelve 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:

(i) Land:

- a. The land parcels handed over by the landowners including various government bodies and departments and taken possession by the company have been capitalized at the time of taking the possession of the land by the company without waiting for the registration of title deeds in the name of the company.
- b. Enhanced compensation, if any, shall be booked and capitalised as and when the payment is due since the amount cannot be estimated.
- c. Land cost includes expenditure related to compensation, registration & other statutory and incidental charges related to title and resettlement/rehabilitation and interest, if any, up to the date of acquisition/possession, whichever is earlier.

(ii) Other than Land:

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 (AS 28):

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:

- Expenditure directly pertaining to Bengaluru Suburban Rail Project (BSRP) are accounted under the head Capital Work-in-Progress.
- Interest Income from BSRP funds & mobilization advances, Penalties recovered, Tender Document fees received are reduced from the value of Capital Work-in-Progress.
- Any fees such as management fee/ commitment fee/ drop dead fee etc., towards the loan amount will be charged to Capital Work-in-Progress as per the instructions of Aid Accounts and Audit department of Economic Affairs, Ministry of Finance
- Common expenditures pertaining to both the projects (BSRP & Doubling) have been bifurcated and the basis of allocation have been detailed under notes to Profit & Loss Statement.

2.12 Details of benami property held:

- The company does not hold any benami property.
- No proceedings have been initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

2.13 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.

2.14 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.

2.15 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.

2.16 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.

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 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.

2.18 Leases (AS 19):

Lease payments under an operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term. The company has entered into operating lease agreement with KRDC for renting of office premises. This arrangement is of non-cancellable in nature and range between one to five years. As at 31st March 2024, the future minimum lease payments under non-cancellable leases are given below:

Particulars	(₹ in Lakhs)	
	As at 31st March 2024	As at 31st March 2023
Not later than one year	Nil	Nil
Later than one year but not later than five years	141.61	Nil
Later than five years	Nil	Nil

2.19 Taxes on Income (AS 22):

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 is recognized using the balance sheet method, providing for temporary difference between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred tax is measured at the tax rates that are expected to apply when the temporary differences are either realized or settled, based on the laws that have been enacted or substantively enacted by the end of reporting period. Deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilized. Carrying amount of Deferred tax assets are reviewed at each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2.20 Earnings Per Share (AS 20):

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.

2.21 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.

2.22 Employee Benefits (AS 15):**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, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Method Used	Projected Unit Credit (PUC) Actuarial Method		Projected Unit Credit (PUC) Actuarial Method	
Discount Rate	7.21% p.a.	7.48% p.a.	7.21% p.a.	7.48% p.a.
Rate of increase in Compensation levels	6.00% p.a.	6.00% p.a.	6.00% p.a.	6.00% p.a.
Withdrawal Rate	2.00% p.a.	2.00% p.a.	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	100% of IALM 2012-14	100% of IALM 2012-14	
Average future service (in Years)	24.07 Years	24.96 Years	24.07 Years	24.96 Years

Table II: Change in Present Value of Obligations

All Figures in INR	Gratuity		Earned Leave	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Present Value of Obligation as at the beginning of the year	26.55	0	64.06	41.61
Liability Transfer In/(Out)	0	0	0	0
Interest Cost	1.98	0	4.79	3.03
Past Service Cost	0	12.12	0	0
Current Service Cost	23.15	14.43	31.61	22.08
Curtailment Cost / (Credit)	0	0	0	0
Settlement Cost / (Credit)	0	0	0	0
Benefits paid	0	0	(19.36)	(26.73)
Actuarial (gain)/ loss on obligations	5.06	0	33.80	24.06
Present Value of Obligation as at the end of the year	56.74	26.55	114.90	64.06

Table III: Change in Fair Value of Plan Assets

All Figures in INR	Gratuity		Earned Leave	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Fair value of plan asset at the beginning of year	0	0	0	0
Asset Transfer In/ (Out)	0	0	0	0
Expected Return on Plan Assets	0	0	0	0
Employers' Contributions	0	0	19.36	26.73
Benefit Paid	0	0	(19.36)	(26.73)
Actuarial Gain /(loss) on Plan Assets	0	0	0	0
Fair value of plan assets at the end of year	0	0	0	0

Table IV: Fair Value of Plan Assets

All Figures in INR	Gratuity		Earned Leave	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Fair value of plan asset at the beginning of year	0	0	0	0
Asset Transfer In/ (Out)	0	0	0	0
Actual return on plan assets	0	0	0	0
Employers' Contributions	0	0	19.36	26.73
Benefits Paid	0	0	(19.36)	(26.73)
Fair value of plan assets at the end of year	0	0	0	0
Funded Status	(56.74)	(26.55)	(114.90)	(64.06)
Excess of actual over estimated return on plan assets	(56.74)	(26.55)	0	0

Table V: Actuarial Gain/Loss Recognised

All Figures in INR	Gratuity		Earned Leave	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Actuarial gain/(loss) for the year - Obligation	(5.06)	0	(33.80)	(24.06)
Actuarial (gain)/loss for the year - Plan Assets	0	0	0	0
Total (gain) / loss for the year	5.06	0	33.80	24.06
Actuarial (gain) / loss recognized in the year	5.06	0	33.80	24.06
Unrecognized actuarial (gains)/losses at the end of the year	0	0	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, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Present Value of Obligation as at the end of the year	56.74	26.55	114.90	64.06
Fair Value of Plan Assets as at the end of the year	0	0	0	0
Funded Status	(56.74)	(26.55)	(114.90)	(64.06)
Unrecognized Actuarial (gains) / losses	0	0	0	0
Net Asset / (Liability) Recognized in Balance Sheet	(56.74)	(26.55)	(114.90)	(64.06)

Table VII: Expense Recognized in Statement of Profit and Loss & C.WIP:

All Figures in INR	Gratuity		Earned Leave	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Current Service Cost	23.15	14.43	31.61	22.08
Past Service Cost	0	12.12	0	0
Interest Cost	1.98	0	4.79	3.03
Expected Return on Plan Assets	0	0	0	0
Curtailment Cost / (Credit)	0	0	0	0
Settlement Cost / (Credit)	0	0	0	0
Net actuarial (gain)/ loss recognized in the year	5.06	0	33.80	24.06
Total	30.19	26.55	70.20	49.17
Expenses Recognized in the statement of Profit & Loss	19.46	12.48	35.11	25.74
Expense transferred to CWIP	10.73	14.07	35.09	23.44

RECONCILIATION OF EXPENSE IN PROFIT AND LOSS STATEMENT

All Figures in INR	Gratuity		Earned Leave	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Present Value of Obligation as at the end of the year	56.74	26.55	114.90	64.06
Present Value of Obligation as at the beginning of the year	(26.55)	0	(64.06)	(41.61)
Benefit Paid	0	0	19.36	26.73
Actual Return on Assets	0	0	0	0
Liability Transfer (In)/Out	0	0	0	0
Total	30.19	26.55	70.20	49.17
Expenses Recognized in the statement of Profit & Loss	19.46	12.48	35.11	25.74
Expense transferred to CWIP	10.73	14.07	35.09	23.44

RECONCILIATION OF LIABILITY IN BALANCE SHEET

All Figures in INR	Gratuity		Earned Leave	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Opening Net Liability	(26.55)	0	(64.06)	(41.61)
Expenses as above	(30.19)	(26.55)	(70.20)	(49.17)
Employer Contribution	0	0	19.36	26.73
Liability Transferred (In) / Out - Net	0	0		0
Closing Net Liability	(56.74)	(26.55)	(114.90)	(64.06)

RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

(₹ in Lakhs)

Note No.	Particulars	As at 31st March 2024 (₹)	As at 31st March 2023 (₹)		
3	Share Capital				
	(A) Authorised :				
	5,00,00,00,000 Equity Shares of Rs.10 each (31st March 2023 - 500,00,00,000 Equity Shares of Rs.10 each)	5,00,000.00	5,00,000.00		
	Issued, Subscribed and Paid up :				
	1,01,03,92,157 Equity shares of Rs.10/- each (31st March 2023 - 3,00,00,000 Equity Shares of Rs.10 each)	1,01,039.22	3,000.00		
		1,01,039.22	3,000.00		
Note No.	Particulars	As at 31st March 2024 No.s	As at 31st March 2023 (₹)	As at 31st March 2024 No.s	As at 31st March 2023 (₹)
	(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	3,000.00	3,00,00,000	3,000.00
	Add:- Number of Right shares allotted during the year	98,03,92,157	98,039.22	-	-
	Less:- Number of shares bought back during the year	-		-	-
	Number of equity shares with voting rights at the end of the year	1,01,03,92,157	1,01,039.22	3,00,00,000	3,000.00
	(C) The details of Shareholders holding more than 5% of shares:				
	Equity Shares with Voting Rights:				
	1. Governor of Karnataka / Govt of Karnataka (GOK)*:				
	No.of Shares	51,53,00,000	51,530.00	1,53,00,000	1,530.00
	Percentage of Holding	51%	51%	51%	51%
	2. Ministry of Railways/President of India (GOI):				
	No.of Shares	49,50,92,157	49,509.22	1,47,00,000	1,470.00
	Percentage of Holding	49%	49%	49%	49%
	(D) Rights, preferences and restrictions attaching to various classes of shares:				
		-		-	-
	(E) Shareholding in the company of the holding company and ultimate Holding company and their subsidiaries / associates:				
		-		-	-
	(F) Shares held by promoters at the end of the year				
Sl. No.	Promoter name	No. of Equity Shares at the end of the year	% of total shares	No. of Equity Shares at the beginning of the year	% Change during the year
1	Governor of Karnataka / Govt of Karnataka*	51,53,00,000	51.00%	1,53,00,000	3267.97%
2	Ministry of Railways/President of India	49,50,92,157	49.00%	1,47,00,000	3267.97%
	TOTAL	1,01,03,92,157	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.

RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

(₹ in Lakhs)

Note No.	Particulars	As at 31st March 2024 (₹)	As at 31st March 2023 (₹)				
4	Reserves and Surplus						
	Surplus in Statement of Profit and Loss						
	Opening Balance	741.37	1,067.66				
	Add : Profit for the Current Year	3,315.52	(326.29)				
	Closing balance	4,056.89	741.37				
5	Share Application Money pending allotment						
	Share Application Money from MOR - GOI	-	5,000.00				
	(Shares shall be issued on receipt of matching contribution from GOI & GOK)	-	5,000.00				
6	Long term Borrowings						
	Long term Borrowings - Unsecured						
	Interest Free Subordinate Debt from GOK						
	Advance from GOK - BSRP Project-Land Acquisition	16,541.82	66,000.00				
	(Out of the Funds received from GOK for land acquisition Rs.500 Crore has been classified as Equity for allotment of shares as per GOK order no.UDD 158 PRJ 2020 Dated 21.07.2023 & UDD 158 PRJ 2020 P1 Dated 8.11.2023).						
	(Classified under Subordinate Debt as per the approved financing pattern in line with GO no. UDD 27 PRJ 2020 Bengaluru Dt.07.07.2020)						
	Grant From MoR - BSRP	1,960.78	-				
	(In the 97th Board Meeting it was resolved that the allotment of shares for equity investments under BSRP by GOK & MOR in K-RIDE shall be in ratio of 51:49 as per the stipulations contained in the AOA of K-RIDE & to avoid disproportionate shareholding for equity under BSRP. It was also resolved that the GOK's 50% share of equity under BSRP released from time to time under BSRP shall be treated as 51% equity and the proportionate 49% of MOR's equity will be worked out from the 50% share of MOR's equity under BSRP released from time to time and the balance excess amount of equity received from MOR under BSRP from time to time shall be treated as Grant's from MOR.)						
		18,502.61	66,000.00				
7	Other Long - term liabilities						
	Security Deposit	1,738.11	1,225.80				
	Lease Equilization	0.94	-				
		1,739.05	1,225.80				
8	Long-term provisions						
	Provision for employee benefits	154.43	83.39				
		154.43	83.39				
9	Short-term borrowings						
	Loans repayable on demand						
	Unsecured:						
	(a) from banks	0.21	-				
	(b) from other parties	-	-				
		0.21	-				
10	Trade payables						
	Total outstanding dues of micro enterprises and small enterprises	385.48	176.14				
	Total outstanding dues of creditors other than micro enterprises and small enterprises	509.18	678.42				
		894.66	854.57				
	Trade Payables ageing schedule						
	As on 31 March 2024:						
		Outstanding for following periods from due date of payment					
	Particulars	Not yet due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	(i) MSME	385.48	-	-	-	-	385.48
	(ii) Others	-	496.45	12.74	-	-	509.18
	(iii) Disputed dues - MSME	-	-	-	-	-	-
	(iv) Disputed dues - Others	-	-	-	-	-	-

As on 31 March 2023:						
Particulars	Outstanding for following periods from due date of payment					
	Not yet due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	176.14		-	-	-	176.14
(ii) Others	-	678.42	-	-	-	678.42
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Note No.	Particulars			As at 31st March 2024 (₹)	As at 31st March 2023 (₹)	
11	Other Current Liabilities					
	Other Financial Liabilities					
	EMD			13.11	12.44	
	Employee Related Payables			44.18	17.00	
	Retention Payable			87.80	70.22	
	Security Deposit			896.08	-	
	Advance for Doubling Projects			13,437.11	23,130.49	
	South Western Railway (SWR) - Materials			145.33	-	
	Davangere-Harihara UDA Payable			37.09	37.09	
	Withheld Amounts			512.69	129.16	
	Management fees payable on Borrowings from GOI					
	- KfW ODA Loan			294.47	-	
	Land R&R Compensation Payable			151.51	-	
	Lease Equilization			10.71	-	
	Other Payables:					
	Statutory Remittances:					
	TDS Payable			270.06	107.60	
	GST Payable			101.31	495.11	
	GST TDS Payable			185.79	58.94	
	Labour Cess			65.53	28.76	
	Royalty payable			62.79	-	
	Others			158.44	71.95	
				16,474.02	24,158.76	
12	Short-term provisions					
	Provision for employee benefits			87.42	81.67	
	Provision for Contract payment			1,455.43	1,004.30	
	Provision for Arbitration amount payable			25.00	-	
				1,567.85	1,085.97	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

(₹ in Lakhs)

13. FIXED ASSETS :

Note No.	Particulars	Gross Block				Depreciation (WDV)			Net Block		
		As at 01.04.2023	Additions during the year	Sale/ deletions	As at 31.03.2024	As at 01.04.2023	Accumulated Depreciation Reversed/ Adjusted	Depreciation for the Year (refer note - h)	As at 31.03.2024	As at 31.03.2024	As at 31.03.2023
(i)	Tangible Assets:										
	Land - Corridor 2										
	Land - KIADB	5,854.70	25,940.17	-	31,794.86	-	-	-	-	31,794.86	5,854.70
	Land - BDA	-	642.99	-	642.99	-	-	-	-	642.99	-
	Land - BWSSB	86.67	-	-	86.67	-	-	-	-	86.67	86.67
	Land - LIDKAR	361.63	-	-	361.63	-	-	-	-	361.63	361.63
	Land - KVAFSU	-	2,736.17	-	2,736.17	-	-	-	-	2,736.17	-
	Land (Right to use)	0.06	-	-	0.06	0.00	-	0.01	0.01	0.06	0.06
	Office equipment	65.96	17.62	-	83.58	40.72	-	16.16	56.87	26.71	25.25
	Mobile	15.41	4.62	0.52	19.51	9.19	0.39	5.81	14.61	4.90	6.22
	Office Interiors	307.70	-	-	307.70	150.76	-	40.63	191.39	116.30	156.94
	Furniture & Fixtures	76.94	1.89	-	78.82	35.86	-	10.87	46.73	32.10	41.08
	Computers	106.59	21.28	1.50	126.36	76.83	0.67	25.53	101.68	24.68	29.76
	Servers and networks	16.62	0.66	-	17.28	10.29	-	2.51	12.80	4.48	6.33
	Total Tangible Assets	6,892.27	29,365.40	2.02	36,255.65	323.64	1.06	101.51	424.10	35,831.56	6,568.62
(ii)	Intangible Assets:										
	Computer Software	38.53	0.64	-	39.17	32.00	-	4.15	36.15	3.02	6.53
	Total Intangible Assets	38.53	0.64	-	39.17	32.00	-	4.15	36.15	3.02	6.53
	Grand Total (i)+(ii)	6,930.80	29,366.04	2.02	36,294.82	355.65	1.06	105.66	460.25	35,834.57	6,575.15
	Previous Year (2022-23)	591.13	6,344.39	4.72	6,930.80	224.15	2.57	134.07	355.65	6,575.15	366.98

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 151 Private properties (20958.52 sq m.) & 7 Government properties (371.76 sq m.) as on 31.03.2024. The payment for the balance 18 properties (743.72 sq m.) is under process & the advance amount of Rs.3,393 Lakh with KIADB will be adjusted against the balance properties. Status of Properties acquired through KIADB (under compulsory acquisition) as on 31.03.2024 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	137	144	0	32	32
Corridor-2 (sq m.)	371.76	21702.24	22074.00	371.76	19242.72	19614.48	0	2459.52	2459.52

#Out of 176 properties (22,074 sq m.) acquired through KIADB (under compulsory acquisition), 30 properties (3,562.59 sq m.) are under dispute.

- 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. The Compensation and Resettlement Package (CRP) policy for Bangalore Suburban Railway Project is approved by the Govt of Karnataka in respect of land acquisitions by K-RIDE (the same is available in K-RIDE's website). Compensation and Resettlement process and payments are made as per the approved CRP policy & the same has been Capitalized as Land to the extent certified by Land Department upto 31.03.2024 with respect to the Land which are already capitalized in books.
- d. Land - BDA (1,100.71 sq m.), Land - BWSSB (121.9 sq m.) Land - LIDKAR (2,031.63 sq m.) & Land - KVAFSU (9,151 sq m./ 2.2613 acers) have been handed over to K-RIDE. However, registration & Khata transfer is under process.
- e. South Western Railways has transferred 157.07 acre of Railway Land for BSRP Corridor-2 to K-RIDE on Lease basis for a period of 35 years 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.
- f. Compound wall has to be constructed with respect to land purchased from KVAFSU as a part of purchase condition. However, at this junction K-RIDE is not in a position to estimate the value of construction of compound wall & will be capitalised accordingly as & when the same work is taken up & payment is made.
- g. The Company is not holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)
- h. 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.105.66 Lakh being Rs.5.28 Lakh has been charged to Statement of Profit & Loss and Balance 95% of Rs.105.66 lakh being Rs.100.38 Lakh has been shown under Capital work-in-progress.

i. No PPE's including Rights to use assets and intangible assets are revalued during the year.

j. 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	Property Details (In Sq m.)	Disputed property (in sq m.)
Land - Corridor 2								
KIADB notification number:								
No: CI 10 SPQ(E) 2021		69.61	Refer Note below	Yes - GOK	17.06.2021		792.70	792.70
No: CI 10 SPQ(E) 2021		4,310.13		Yes - GOK	21.01.2022		3,284.49	1,159.77
No: CI 196 SPQ(E) 2021	Land - KIADB	2,605.54		Yes - GOK	23.05.2022	Khata transfer is under process	3,300.12	1,481.29
No: CI 214 SPQ(E) 2021		16,378.51		Yes - GOK	23.05.2022		8,717.85	32.18
No: CI 185 SPQ(E) 2021		4,685.52		Yes - GOK	27.10.2022		3,147.56	96.65
R&R & Misc. expenses - Corridor 2		228.12		Yes - GOK				
Land - Corridor 2	Land - BDA	642.99	BDA	Yes - GOK	31.01.2024	Registration is under process	1,100.71	-
Land - Corridor 2	Land - BWSSB	86.67	BWSSB	Yes - GOK	10.11.2022	Registration is under process	121.90	-
Land - Corridor 2	Land - LIDKAR	361.63	LIDKAR	Yes - GOK	21.11.2022	Registration is under process	2,031.63	-
Land - Corridor 2	Land - KVAFSU	2,736.17	KVAFSU	Yes - GOK	04.05.2023	Registration is under process	9,151.00	-

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.

14 (i). Capital Work in Progress :

(₹ in Lakhs)

	Particulars	As at 01.04.2023	Additions during the year	Transfers/ deletions	Capitalised during the year	As at 31.03.2024
	Capital Work in Progress:					
	Rail Corridor:					
	Bangalore Suburban Projects					
	Alignment, Formation & Airport Connectivity	-	5,543.88	-	-	5,543.88
	General Charges & Contingencies	4,804.73	3,412.78	-	-	8,217.51
	Land R&R	44.47	13.02	26.12	-	31.37
	Station Buildings	1,220.44	-	-	-	1,220.44
	Traction & Power Supply incl. OHE, ASS etc	6.25	0.12	-	-	6.37
	Depot	-	38.62	-	-	38.62
	Misc., General Security & Staff Qtr		-			
	Utilities & Road Works	2,563.96	1,560.86	-	-	4,124.82
	Geotechnical Investigation & Civil Work	162.96	14.44	-	-	177.40
	Afforestation including Tree cutting & Replanting	6.94	953.96	-	-	960.90
	Interest Income - BSRP	(3,945.38)	(1,558.75)	-	-	(5,504.13)
	Rolling Stock	46.13	28.78	-	-	74.90
	Total	4,910.51	10,007.71	26.12	-	14,892.10

Sl. No.	CWIP ageing schedule: CWIP	As at 31.03.2024				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
1	Projects in progress					
	Bangalore Suburban Projects	9,981.59	1,154.24	2,486.56	1,269.71	14,892.10
2	Projects temporarily suspended	-	-	-	-	-
		9,981.59	1,154.24	2,486.56	1,269.71	14,892.10

Sl. No.	CWIP ageing schedule: CWIP	As at 31.03.2023				Total
		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 ₹ 1,558.75 lakhs (P.Y. ₹ 3,060.79 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.

14 (ii). Intangible assets under development:

(₹ in Lakhs)

	Particulars	As at 01.04.2023	Additions during the year	Transfers/ deletions	Capitalised during the year	As at 31.03.2024
Intangible assets under development:						
	SAP Software	-	306.79	-	-	306.79
	Total	-	306.79	-	-	306.79

Explanatory Notes :

Cost incurred for the implementation of SAP software are shown as "Intangible assets under development" as the said software is under the development stage.

Sl. No.	Intangible assets under development aging schedule:	As at 31.03.2024				Total
		CWIP	Less than 1 year	1-2 years	2-3 years	
1	Projects in progress					
	SAP Software		306.79	-	-	306.79
2	Projects temporarily suspended		-	-	-	-
			306.79	-	-	306.79

Sl. No.	Intangible assets under development aging schedule:	As at 31.03.2023				Total
		CWIP	Less than 1 year	1-2 years	2-3 years	
1	Projects in progress					
	SAP Software		-	-	-	-
2	Projects temporarily suspended		-	-	-	-
			-	-	-	-

15	Non-Current investments				
	Investments in Equity Instruments (Unquoted):				
	Trade Investment:				
	(a) Hassan Mangalore Rail Development Company				
	[20,00,000 Equity Shares of Rs.10/- each]			200.00	200.00
				200.00	200.00
16	Calculation of Deferred Taxes:				
	Deferred tax asset / (liability)				
	Timing Difference arising due to fixed assets				
	WDV of asset as per Income-tax Act, 1961			400.96	-
	WDV of asset as per Companies Act, 2013			212.24	-
	Timing difference to be recognized			188.72	-
	Deferred tax asset/ (liability) to be recognized (at domestic tax rate - 25.168%)			47.50	-
	Other timing differences (at domestic tax rate - 25.168%)				
	Amounts inadmissible u/s 40(a) (ia) (2023-24)			93.09	-
	Amounts inadmissible u/s 40(a) (ia) (2022-23)			8.32	-
	Provision for gratuity under section 40A(7)			14.28	-
	Provision leave encashment disallowed under section 43B			28.92	-
	Lease Equilization disallowed under section 43B			1.50	-
	Deferred tax asset/ (liability)			193.61	-
	Total Deferred tax asset/(liability) already recognized			-	-
	Net Deferred tax			193.61	-

RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

(₹ in Lakhs)

Note No.	Particulars	As at 31st March 2024 (₹)	As at 31st March 2023 (₹)				
17	Long - term loans and advances						
	<i>Secured, considered good Capital Advances</i>						
	Mobilization Advance (Secured by bank guarantee)	4,893.01	2,556.59				
	<i>Unsecured, considered good Capital Advances</i>						
	Advance to KIADB	3,393.44	20,384.31				
	Advance to BDA Land	-	642.99				
	Construction of Compound wall - LIDKAR (DCW)	74.30	74.30				
	Construction of Compound wall - BWSSB (DCW)	65.00	65.00				
	Deposit Contribution Work - BWSSB	1,588.94	-				
	Deposit Contribution Work - KPTCL	663.59	663.59				
	Advance for transfer of Defence Land to Cor-2-BSRP	10,261.40	-				
	<i>Other loans & advances</i>						
	Rent Deposit	97.35	97.35				
		21,037.01	24,484.12				
18	Other non - current assets						
	Security Deposits	0.23	0.23				
		0.23	0.23				
19	Inventories						
	Stock of Stores & Spares:	1,743.40	1,804.93				
	(Valued at lower of cost and net realisable value)	1,743.40	1,804.93				
20	Trade receivables						
	Unsecured, considered good	9,555.93	-				
		9,555.93	-				
	Trade Receivables ageing schedule						
	As on 31 March 2024:						
		Outstanding for following periods from due date of payment					
	Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
	(i) Undisputed Trade receivables – considered good	9,550.65	5.28	-	-	-	9,555.93
	(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
	(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
	(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
	As on 31 March 2023:						
		Outstanding for following periods from due date of payment					
	Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
	(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-
	(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
	(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
	(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

Note No.	Particulars	As at 31st March 2024 (₹)	As at 31st March 2023 (₹)
21	Cash and Cash Equivalents		
	<i>Balances with Banks:</i>		
	- In Current Account & Savings Accounts	32,709.29	14,539.43
	- In Deposit accounts (Maturity Period Less than 3 months)	3,000.00	-
	- In Deposit accounts (Maturity Period of More than 3 months but less than 12 months)	20,100.00	38,000.00
	(The amount in above deposit account are received from MOR & GOK earmarked for BSRP project.)		
	Cheques, drafts on hand	-	-
	Cash on Hand	0.12	0.53
		55,809.41	52,539.96
22	Short - term loans and advances		
	<i>Unsecured, considered good</i>		
	<i>Others</i>		
	Rent Deposit	7.74	7.74
	Other Advances	18.76	17.65
		26.50	25.39
23	Other Current Assets		
	<i>Loans & Advances (Asset)</i>		
	<i>Secured, considered good</i>		
	<i>Others</i>		
	Material Advance (Secured by indemnity bond)	1,134.25	1,717.86
	<i>Unsecured, considered good</i>		
	<i>Others</i>		
	Deposit Contribution Work - TEGDC	11.24	11.24
	Deposit Contribution Work - BBMP	1.22	-
	Deposit - Arbitration Centre Karnataka	-	5.54
	Deposit - Tree Officer & DCF BBMP Bangalore	-	94.00
	Receivable From MoR - Doubling Project	-	6,500.00
	Advance - Indian Oil Corporation Limited	2.54	-
	Recoverable from SWR - Dharward Belagam New Line Project	36.51	36.51
	(towards Final Location Survey (FLS) and preparation of DPR by M/s. RITES Limited.)		
	Other Receivable	5.63	25.21
	GST - Electronic Credit Ledger	1,036.25	-
	GST Paid on Advance	542.68	882.57
	Unclaimed GST Input	3.11	182.00
	Income Tax - Refundable	801.23	613.24
	TDS Credit C/f - SWR	79.99	168.93
	Prepaid Expenses	13.06	10.14
	Accrued Interest - on Bank deposits	853.17	1,264.42
	Accrued Interest - on Mobilization Advance	8.97	97.92
	<i>Unsecured, considered doubtful</i>		
	Recovery-RMNIL-BIDPL(JV)	299.54	-
		4,829.38	11,609.56

RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

(₹ in Lakhs)

Note No.	Particulars	As at 31st March 2024 (₹)	As at 31st March 2023 (₹)
24	Revenue from Operations		
	Construction Revenue - Doubling project	18,855.36	8,631.75
	Total	18,855.36	8,631.75
25	Other Income		
	a) Interest Income		
	on Bank Deposits	3,451.04	512.17
	b) Other Non-Operating Income		
	Interest on Income Tax Refund	32.86	0.27
	Miscellaneous Income	23.75	531.92
	Total	3,507.65	1,044.36
26	Operating Expenses		
	Construction expenses - Doubling project	16,111.40	7,608.47
	Total	16,111.40	7,608.47
27	Cost of materials consumed		
	<i>Stores & Spares</i>		
	Opening Stock	1,804.93	-
	Purchases during the year	1,366.13	1,964.83
	Less: Closing Stock	1,743.40	1,804.93
	Cost of Materials Consumed	1,427.66	159.89
28	Employee benefit expenses		
	Salaries, wages and allowances	827.70	654.13
	Contribution to PF/NPS, Gratuity and other funds	61.35	41.63
	Staff welfare expenses	5.22	6.89
	Total	894.26	702.64
29	Other Expenses:		
	Audit Fees (Statutory Audit)	2.46	2.16
	Internal Audit Fees	2.00	-
	Tax Audit Fees	0.77	0.47
	Advertisement	15.41	49.82
	Arbitration amount	25.00	-
	Bank Charges	0.01	0.07
	Books & Periodicals	1.36	0.52
	CRS Inspection-HLG-Carmelaram Sec-BYL-HSRA	0.48	9.73
	Directors Sitting Fees	1.09	1.72
	Electricity Charges	9.16	7.35
	Foundation Stone Laying Ceremony-BSRP	-	345.43
	Insurance Charges	20.82	14.48
	Membership Fees paid	0.04	0.01
	Office Maintenance Expenses	56.05	65.66
	Printing & Stationery	28.39	15.60
	Professional and Consultancy Services	14.23	3.67
	Project Management Consultancy - Doubling	157.32	439.20
	Rates and Taxes	105.74	50.30
	Rent & Common Area Maintenance	95.02	84.96
	Retainer Fee	50.56	55.60
	ROC Filing Fees	0.46	173.88
	Security Charges - Stores	4.12	-
	Software Expenses	0.33	0.06

	Telephone & Internet Charges	11.28	11.94
	Travel and Conveyance Expenses	200.39	192.08
	Total	802.49	1,524.69
a	<p><u>"Expenditure pertaining to projects(ie. Doubling & BSRP) have been allocated on the following basis during the FY 2023-24</u></p> <ol style="list-style-type: none"> 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 69:31 (ie. 69% for BSRP & 31% 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 49:32:19 being employee ratio (i.e. 49% for BSRP, 32% for Doubling and 19% 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. 		
b	<p><u>"Expenditure pertaining to projects(ie. Doubling & BSRP) have been allocated on the following basis during the FY 2022-23 :</u></p> <ol style="list-style-type: none"> 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. 		

(₹ in Lakhs)

c	Details of Doubling projects in progress as at the reporting date:	As at 31st March 2024 (₹)	As at 31st March 2023 (₹)
	(a) the aggregate amount of costs incurred;	32,082.26	14,385.89
	(b) recognised profits (less recognised losses) upto the reporting date;	1,894.39	735.41
	(c) the amount of advances received; and	13,437.11	23,130.49
	(d) the amount of retentions.	77.29	59.96

30. Additional Information to the Consolidated Financial Statements:**30.1 Contingent Liabilities and Commitments (to the extent not provided for):**

(₹ in Lakhs)

Particulars	As at 31 st March 2024	As at 31 st March 2023
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/ Claims submitted by contractors – Provision for the same is not provided for as the claims are not accepted by the management).	1786.31	1,018.30
Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for:		
a. Tangible Assets (awarded contracts only)	2,06,492.07	1,06,024.58
b. Intangible Assets	388.24	Nil
Other commitments (Estimated amount of contracts remaining to be executed on account of works contract and not provided for) (Awarded contracts only)	38,379.13	30,988.71

30.2 Disclosure as required by MSMED Act, 2006:**Information in respect of Micro and Small Enterprises:**

(₹ in Lakhs)

Sl. No.	Particulars	2023-24	2022-23
1	Amount remaining unpaid to any supplier: a) Principal Amount b) Interest due there on	Rs. 385.48 Nil	Rs. 175.97 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

30.3 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, 2024

Sl. No.	Name of Entity	As at March 31, 2024		For the year ended March 31, 2024	
		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
	Parent				
1	Rail Infrastructure Development Company (Karnataka) Limited	100.00%	1,05,089.66	100.14%	3,316.91
	Subsidiary				
2	Bengaluru Integrated rail Infrastructure Development Enterprise Limited	0.01%	6.44	0.04%	(1.39)
	Total	100.00%	1,05,096.10	100.10%	3,315.52

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
	Parent				
1	Rail Infrastructure Development Company (Karnataka) Limited	99.91%	8,733.54	99.54%	(324.80)
	Subsidiary				
2	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)

31. Disclosures under Accounting Standards:
31.1 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.

31.2 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%

B. Key Managerial Personnel as at 31.03.2024 :

Key Managerial Personnel	Designation
Smt. Dr. Manjula N (from 22-Nov-2023)	Managing Director
Shri. Gaurav Gupta (up to 22-Nov-2023)	Managing Director
Shri. Awadhesh Mehta (Director from 20-Jan-2023)	Director (BD&F) & Chief Financial Officer
Shri. Rajesh K Singh (from 21-Sep-2022)	Director (P&P)
Smt. Archana M Kulkarni (from 01-Jul-2024)	Company Secretary
Shri. S.N.Srinivasa (upto 15-Jun-2024)	Company Secretary

I. Remuneration to Directors & Key Managerial Personnel:

(₹ in Lakhs)

SI No.	Particulars of Remuneration	Name of Managing Director / Whole time Director					
		Dr. Manjula N (From 22- Nov -2023)	Gaurav Gupta (Up to 21- Nov-2023)	Amit Garg (up to 03- Aug-2022)	Awadhesh Mehta (Director & CFO from 20- Jan-2023)	Harendra Pandey (up to 08-Apr- 2022)	Rajesh K Singh (from 21- Sep-2022)
1	FY 2023-24						
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-	76.99	-	41.30
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	1.11 (Charge allowance)	2.59 (Charge allowance)	-	-	-	4.62
2	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	19.54
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	2.59 (Charge allowance)	-	-	-	2.44

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

(₹ in Lakhs)

Particulars of Remuneration		FY 2023-24	FY 2022-23
Fees for attending board/ committee meetings:			
Smt. Dr.Manjula N	Director	0.04	-
Shri. Gaurav Gupta	Director	0.04	0.08
Shri. Ajit Kumar Jha	Director	0.04	0.16
Shri. Ashuthosh Mathur	Director	0.28	0.32
Shri. Bhuvaneshwari K	Director	-	0.06
Smt. Deepa Kotnis	Director	0.20	0.18
Shri. I.S.N Prasad	Director	0.02	0.16
Shri. Rakesh Singh	Director	0.14	0.16
Shri. Anand Bharti	Director	0.04	-
Shri. Dhananjaya Singh	Director	0.10	-
Shri. Vishal R	Director	0.12	-
Shri. Anjum Parwez	Director	0.02	0.08
Shri. Mohammed Ikramulla Shariff	Director	0.02	0.02
Total		1.06	1.46

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Awadhesh Mehta (CFO)	S.N. Srinivasa (CS)
	Gross Salary:		
1	FY 2023-24 a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 b) Value of perquisites u/s 17(2) Income Tax Act, 1961	- -	39.64 -
2	FY 2022-23 a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 b) Value of perquisites u/s 17(2) Income Tax Act, 1961	26.95 -	38.97 -

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

Particulars	2023-24	2022-23
Net Profit for the Year	3,315.52	(326.29)
Less: Preference share dividend	-	-
Amount available for equity shareholders	3,315.52	(326.29)
Weighted average number of shares	24,96,50,702	3,00,00,000
Earnings per Share – Basic & Diluted	1.33	(1.09)
Face value per equity share	10	10

31.4 Insurance Claims:

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

31.5 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.

31.6 Prepaid Items:

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

31.7 Disclosure in respect of Borrowings
a. Subordinate Debt:

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

Out of the SD Funds received from GOK for land acquisition Rs.50,000 Lakh have been transferred to Equity shares as per GOK order no.UDD 158 PRJ 2020 Dated 21.07.2023 & UDD 158 PRJ 2020 P1 Dated 8.11.2023.

In the EGM held on Dt.19th February 2022, the Shareholders have approved the increase in borrowing limit upto Rs.10,80,900 Lakh which is beyond the paid up capital & free reserves of the company.

b. External Funding:

- As per the BSRP sanctioned order, the project is funded by the loan component of 7438 crore (Euro 800 million approx.). On 15.12.2023 the loan from KfW Development Bank (KfW), Germany for Euro 500 million was signed and on 14.06.2024 the loan from European Development Bank (EIB), Luxembourg for Euro 300 million was signed. The agreements are signed between the lenders (KfW & EIB) and the Government of India (GoI). The flow of funds for both the loans will be Passed through Assistance (PTA) through the Ministry of Railways which is similar to being followed in other metro projects.
- Apart from the above, an agreement for a Grant of Euro 4.5 million was also signed with KfW Development Bank on 15.12.2023.
- During the current Financial Year, no funds have been received by the company.

31.8 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.

32. Business Implications due to Covid-19:

Significant disruptions had taken place nationwide due to Covid-19 pandemic outbreak. The company had implemented all the guideline and protocols issued by the various Government authorities with regard to Covid-19 from time to time. Company's operations had not been impacted as Company was still in early stage of commencing its construction activities. As the Covid pandemic has since ceased there is no adverse impact on work at present on this account.

33. 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 Consolidated 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.

34. Dividend:

The Company has not declared any dividend during the financial year ended 2023-24.

35. Registration of charges or satisfaction with Registrar of Companies (ROC):

There are no charges or satisfaction yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

36. Significant & material orders passed by the Regulators:

No orders have been passed by the Regulators or Courts or Tribunals against the company on any matter.

37. Activity in Foreign Currency:

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

38. Borrowing secured against current assets:

The company does not have any borrowings from banks on the basis of security of current assets.

39. Willful defaulter:

The Company has not been declared willful defaulter by any bank or financial institution or other lender.

40. Utilisation of borrowed funds and share premium:

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

No funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

41. Compliance with approved scheme(s) of arrangements:

The Company has not entered into any Scheme of Arrangement.

42. Undisclosed Income:

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded previously in the books of account.

43. Details of Crypto currency or Virtual currency:

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

44. Relationship with struck off companies:

The Company has no transactions with the companies struck off under Section 248 of the Companies Act, 2013, or Section 560 of the Companies Act, 1956.

45.

Ratio Analysis:		2023-24	%	2022-23	%
(a) Current Ratio,	Current Assets	71,964.62	3.80	65,979.85	2.53
	Current Liabilities	18,936.74		26,099.30	
(b) Debt-Equity Ratio,	Total Debt	18,502.61	0.18	66,000.00	22.00
	Shareholders Equity	1,01,039.22		3,000.00	
(c) Debt Service Coverage Ratio,	EBITDA - Capex	3,127.19	0.17	(319.59)	(0.00)
	Interest + Principal	18,502.61		66,000.00	
(d) Return on Equity Ratio, (ROE)	Net Income	3,315.52	0.06	(326.29)	(0.11)
	Average Shareholders' Equity	52,019.61		3,000.00	
(e) Inventory turnover ratio,	COGS	1,427.66	0.80	159.89	0.18
	Avg Inventory	1,774.17		902.47	
(f) Trade Receivables turnover ratio,	Net Credit Sales	18,855.36	3.95	8,631.75	-
	Average Accounts Receivable	4,777.97		-	
(g) Trade payables turnover ratio,	Net Credit Purchases	17,477.53	19.98	9,573.30	12.15
	Average Accounts Payable	874.61		787.94	
(h) Net capital turnover ratio,	Net Sales	18,855.36	0.41	8,631.75	0.16
	Average working capital	46,454.21		52,828.13	
(i) Net profit ratio,	Net Profit	3,315.52	0.18	(326.29)	(0.04)
	Sales	18,855.36		8,631.75	
(j) Return on Capital employed,	EBIT	3,121.91	0.03	(326.29)	(0.00)
	Capital Employed	1,23,598.71		69,741.37	
(k) Return on investment.	Return (Benefit)	3,315.52	0.03	(326.29)	(0.11)
	Investment (Cost)	1,01,039.22		3,000.00	
Ratio	Explanation for change in ratio by more than 25% as compared to the preceding year:				
(a) Current Ratio,	Usually funds will be received from MOR & GOK in advance. The same has not been received in the year 23-24 that has led to increase in trade receivables & decrease in other current liabilities.				
(b) Debt-Equity Ratio,	Due to issue of additional Right shares during the year.				
(c) Debt Service Coverage Ratio,	The conversion of sub-ordinate debt given by GoK to Equity has reduced the debt amount. Further, the increase of revenue as compared to last year has led the improvement of DSCR.				
(d) Return on Equity Ratio, (ROE)	Increase of revenue as compared to last year has led to the improvement in ROE.				
(e) Inventory turnover ratio,	Due to increase in consumption so as to achieve the targets for completion of the doubling project				
(f) Trade Receivables turnover ratio,	Due to increase in project revenue & reduce in amount of advance received for Doubling project during the year.				
(g) Trade payables turnover ratio,	Due to increase in credit purchases so as to achieve the targets for completion of the doubling project				
(h) Net capital turnover ratio,	Due to increase in project revenue during the year.				
(i) Net profit ratio,	Due to increase in project revenue during the year.				
(j) Return on Capital employed,	Due to increase in project revenue during the year.				
(k) Return on investment.	Due to increase in project revenue during the year.				

46. 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.
47. Balances shown under Long Term Loans and advances and Short-Term Loans and Advances, liabilities shown under Trade Payables and Other Current liabilities are subject to confirmation from respective parties and reconciliation.
48. The MCA wide notification dated March 24, 2021 has amended Schedule III to the Companies Act, 2013, in respect of certain disclosures. The Company has incorporated appropriate changes in this financial statement.
49. 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 Prakash.S.D & Co.,
Chartered Accountants
Firm Reg. No. 0085115

Sd/-
Dr. Manjula N
Managing Director
DIN: 07508345

Sd/-
Rajesh Kumar Singh
Director
DIN: 08601529

Sd/-
CA Prakash S. Dandur
Partner
M.No.: 208719

Sd/-
Awadhesh Mehta
CFO

Sd/-
Archana M Kulkarni
Company Secretary
ACS: A28063

Place : Bengaluru
Date : 10.09.2024
UDIN No. : 24208719BKESUW4232

Place : Bengaluru
Date : 31.08.2024

ANNEXURE - 1

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 (K-RIDE) FOR THE YEAR ENDED 31 MARCH 2024

The preparation of financial statements of Rail Infrastructure Development Company (Karnataka) Limited (K-RIDE) for the year ended 31 March 2024 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 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 **10 September 2024** which supersedes their earlier Audit Report dated **8 November 2024**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Rail Infrastructure Development Company (Karnataka) Limited (K-RIDE)** for the year ended **31 March 2024** 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 of India

Sd/-

(VIMALENDRA ANAND PATWARDHAN)

Pr. ACCOUNTANT GENERAL (AUDIT-II)

KARNATAKA, BENGALURU

Place: Bengaluru

Date: 18 November 2024

ANNEXURE - 1

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 FINANCIAL STATEMENTS OF RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA LIMITED (K-RIDE) FOR THE YEAR ENDED 31 MARCH 2024

The preparation of consolidated financial statements of **Rail Infrastructure Development Company (Karnataka) Limited (K-RIDE)** for the year ended **31 March 2024** 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 appointed by the Comptroller and Auditor General of India under section 139(5) read with Section 129 (4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with Section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated **12 December 2024** which supersedes their earlier Audit Report dated **10 September 2024** and **7 December 2024**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of **Rail Infrastructure Development Company (Karnataka) Limited (K-RIDE)** for the year ended **31 March 2024** under section 143(6)(a) read with Section 29(4) of the Act. We conducted supplementary audit of the financial statements of **Rail Infrastructure Development Company (Karnataka) Limited (K-RIDE)** and **Bengaluru Integrated Rail Infrastructure Development Enterprise Limited (B-RIDE)** for the year ended **31 March 2024**. 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, have no further comments to offer. upon or supplement to the statutory auditors' report under section 143(6)(b) of the Act read with section 129(4) of the Act.

For and on behalf of the Comptroller and Auditor of India

Sd/-

(VIMALENDRA ANAND PATWARDHAN)

Pr. ACCOUNTANT GENERAL (AUDIT-II)

KARNATAKA, BENGALURU

Place: Bengaluru

Date: 12 December 2024

ANNEXURE - 3

FORM MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,

M/s. RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED

No.8, 1st Floor, Samparka Soudha, Dr. Rajkumar Road, Rajajinagar, 1st Block, Bangalore – 560010

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Rail Infrastructure Development Company (Karnataka) Limited (U60100KA2000SGC028171) (hereinafter called the Company or K-RIDE). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Rail Infrastructure Development Company (Karnataka) Limited is a Joint Venture Company of Ministry of Railways / President of India (GOI) & Govt of Karnataka (GOK) in the ration of 49:51 respectively, vide revised shareholders Agreement dated 17th October, 2018. It is an Unlisted Public Company and a Govt Company (as defined in Section 2(45) of the Companies Act, 2013) with exemptions from some of the provisions of the Companies Act, 2013 as per Notification No. GSR 463(E), dated 05.06.2015 issued by the Ministry of Corporate Affairs, as amended.

RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA) LIMITED is governed by the revised Shareholders Agreement dated 17th October, 2018 between Govt of Karnataka and Ministry of Railways.

K-RIDE is engaged in development, financing and implementation of Railway Projects undertaking service, preparation of Detailed Project Report, Processing for sanctioning of Railway Projects, Incorporation and funding of subsidiaries/special purpose vehicle to undertake Railway projects.

Management's Responsibility for Secretarial Compliances:

The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

-Secretarial Auditor's Responsibility:

My responsibility is to express an opinion on the secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that, in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Memorandum and Articles of Association of the Company;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(Not applicable to Govt Company)**
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. **There were no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings during the financial year under Report.**
- (v) Since the Company is Unlisted Public Company, the provisions of Securities and Exchange Board of India Act, 1992 ('SEBI Act') and Regulations and Guidelines prescribed thereunder are not applicable to the Company.

I have also examined compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, as mentioned above, wherever applicable.

I further report that: -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Women Director. Since the Company is a Joint Venture, the Company is exempted from appointing Independent Directors under the provisions of Section 149(4) and 149(5) of the Companies Act, 2013, read with Rule 4 of the Companies (Appointment and qualifications of Directors) Rules 2014. The Changes in the Composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

As per Article 24(2) of the Articles of Association of K-RIDE, the Managing Director will be selected by committee comprising of representatives of MOR and GOK in equal Numbers or by mutual consent of GOK and MOR and the person so selected shall be appointed as the Managing Director of the Company, as per the provisions of the Act. However, it is noted that, the Govt of Karnataka has nominated MD on in charge basis till the regular Managing Director is selected.

Adequate notice is given to all Directors to schedule the Board Meetings; agenda and detailed notes on agenda are sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Unanimous decisions are taken at the Board meetings after discussion and recording views expressed by Directors.

The Company has constituted the following Board Committees:

- 1) Audit Committee
- 2) Management Committee
- 3) Nomination and Remuneration Committee

During the year under review, the net worth of the Company has crossed Rs. 500 Crores, thereby provisions of Corporate Social Responsibility is applicable to the Company under Section 135 of the Companies Act, 2013.

I have also examined the adequacy of systems and processes to monitor and ensure Compliance with the provisions of other applicable Laws such as Indian Contracts Act, Labour Laws, Industrial Laws, Railways Act, and report that there are adequate systems and processes are in place in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable other laws, rules, regulations and guidelines.

I further report that, during the year, there were no significant events/actions having major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines and Standards, except increase in paidup Capital from Rs. 30 Crores to Rs. 10,10,39,21,570 by issue and allotment of 980392157 Equity Shares on right basis in the ration of 51:49 to Govt of Karnataka and Ministry of Railways respectively.

The Company is governed by the following agreements/MoU:

1. MoU between South Western Railway and (SWR) and Rail Infrastructure Development Company (Karnataka) Ltd (K-RIDE) for Doubling Project executed on 14th July, 2022
2. MoU between Government of India (GoI), Government of Karnataka (GoK) & K-RIDE for Bengaluru Suburban Rail Project (BSRP) executed on 15th November, 2023

Sd/-

Swayambhu Viswanathan
Practicing Company Secretary
FCS No : F12190
CP No : 5284
UDIN : F012190F000508114

Date : 31st May, 2024

Place : Bengaluru

Enclosed: This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To,
The Members

M/s. RAIL INFRASTRUCTURE DEVELOPMENT COMPANY (KARNATAKA)
LIMITED

No. 8, 1st Floor, Samparka Soudha, Dr. Rajkumar Road, Rajajinagar, 1st Block, Bangalore – 560010

My report of even date is to be read along with this letter.

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- 2) I have followed the audit practices and process as are appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide are as on able basis for my opinion.
- 3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
- 5) The compliance of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
- 6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date : 31st May, 2024
Place : Bengaluru

Sd/-
Swayambhu Viswanathan
Practicing Company Secretary
FCS No : F12190
CP No : 5284
UDIN : F012190F000508114



Greenbuilding concept for BSRP:

- ▶ Green Building concept is adopted in K RIDE's Bengaluru Suburban Railway Project in terms of structural design and provisions for better saving of energy and water; and reduction in Co₂ emission.
- ▶ BSRP is a founding member of Indian Green Building Council, IGBC.
- ▶ BSRP aims to minimize energy demand by designing & developing the suburban station buildings Super ECBC (Energy Conservation Building Code) compliant, which aims near zero target by achieving 30-40% more energy savings against ECBC compliance.
- ▶ As per Indian Green Building Council (IGBC) / equivalent Standards, BSRP stations / Depot are proposed to be designed and constructed with all possible energy / resource efficient measures.
- ▶ Provision of Electric Vehicle Charging Infrastructure installation in all the station premises.



Key features of BSRP stations-Architecture and Construction



- ▶ Construction of the stations involves the usage of precast concrete girders, piers, and contemporary finishing materials, the station architecture embodies a modern urban aesthetic. The station's roof is designed with an angle to optimize sunlight exposure for solar panels, enhancing the overall sleekness of the BSRP station design.



Planning

- ▶ The strategic placement of stations every 2 to 3 kilometres significantly improves connectivity across Bengaluru. The stations are designed to span 205 meters in length, featuring one paid area and two unpaid sections.
- ▶ The station is designed with an efficient arrangement of stairs, lifts, and escalators, ensuring smooth passenger flow while being carefully planned and designed to address fire emergency scenarios. To ensure passenger safety and protect the infrastructure, baggage scanners and DFMDs (Door Frame Metal Detectors) have been installed.

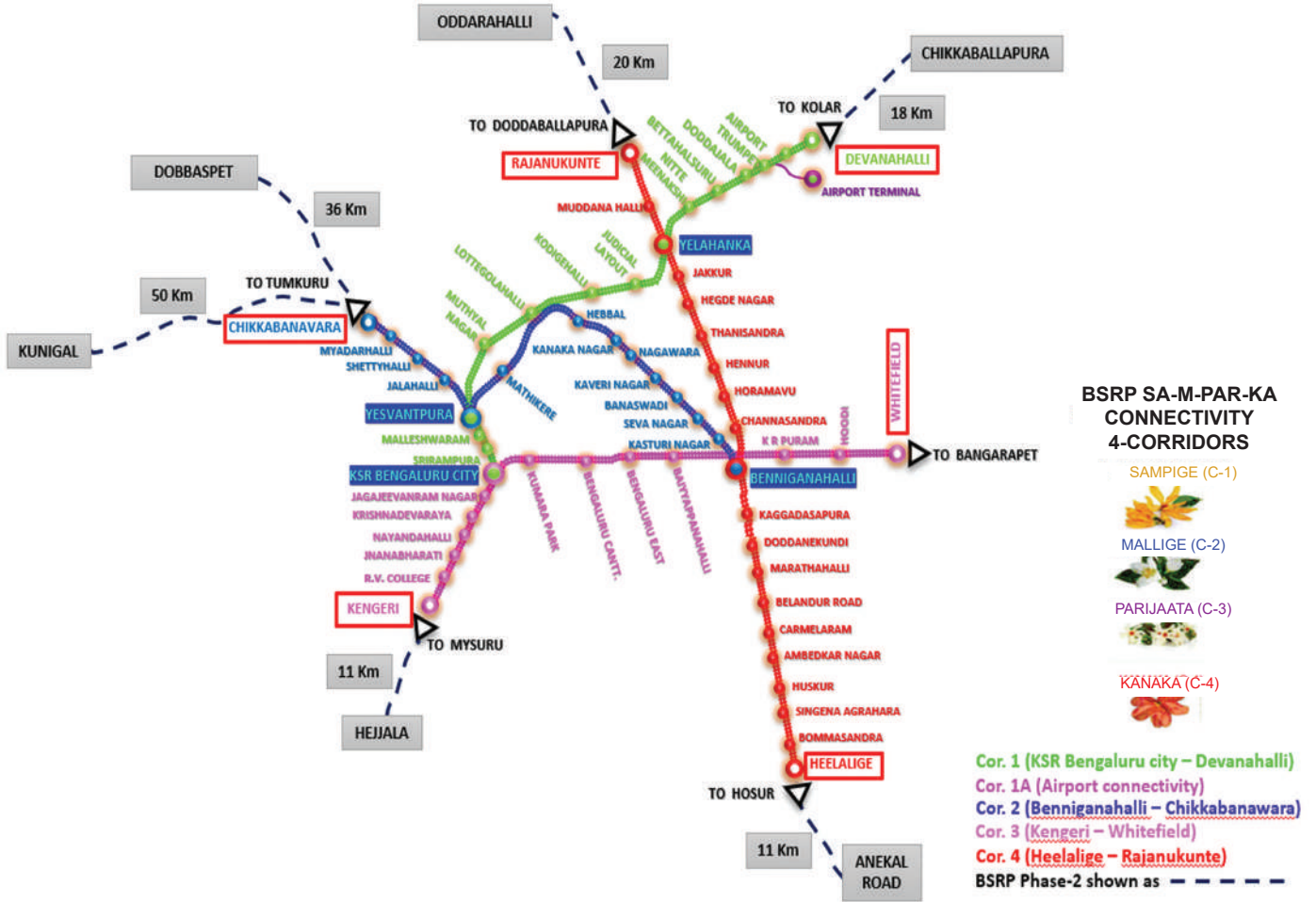


Key features of BSRP stations

- ▶ **User friendly/safety** - The station building is thoughtfully strategized with universal usability in mind, offering accessible features such as blind-friendly walkways, handicap-accessible toilets, and lactation rooms for mothers with children. Its design prioritizes universal accessibility and disability friendliness.
- ▶ **Safety**-In terms of safety, comprehensive fire safety measures are integrated into the station layout proposals. Emergency exits, fire extinguishers, and marked evacuation routes are strategically positioned to mitigate risks and ensure swift response in the event of a fire emergency. Additionally, platform screen doors are proposed to enhance passenger safety. The station's layout adheres to rigorous safety standards, prioritizing the well-being and security of its patrons.



Proposed extensions of the Bengaluru Suburban Railway Project



Sl. No.	Corridor extensions	Extension		Approx length in (kms)
		From	To	
1	Corridor 1	Devanahalli	Chikkaballapur	18
2	Corridor 2	Chikkabanavara	Kunigal	50
3		Chikkabanavara	Dobbaspeta	36
4	Corridor 3	Kengeri	Hejjala	11
5	Corridor 4	Heelalige	Anekal Road	11
6		Rajanukunte	Oderahalli	20
Total length in km (approx.)				146



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 Dr. Rajkumar Road, Rajajingar, 1st Block, Bengaluru - 560010

www.kride.in