

CIN : L74999DL2003GOI118633



रेल विकास निगम लिमिटेड
Rail Vikas Nigam Limited
गुणवत्ता, गति एवं पारदर्शिता
(A Government of India Enterprise)

RVNL/SECY/STEX/2020

29.07.2020

BSE Limited Listing Dept./ Dept. of Corporate Services PhirozeJeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Scrip code / ID : 542649	National Stock Exchange of India Limited Listing Department Exchange Plaza, Plot no. C/I, G Block, Bandra –Kurla Complex, Bandra (East) Mumbai – 400 051 Scrip Code : RVNL
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Sub: Outcome of Board Meeting

Ref: Regulation 30, 33 and 43 of the SEBI (LODR) Regulations. 2015

Dear Sir/ Madam,

This is to inform that the Board of Directors at their meeting held today i.e. 29th July, 2020 *inter-alia* considered the following:

- i. Approved the Audited Financial results for the quarter and year ended 31st March, 2020 (as recommended by the Audit Committee) on standalone and consolidated basis. A Copy of the financial results along with the Auditors' Report are attached herewith. Further, pursuant to SEBI Circular no. CIR/CFD/CMD/56/2016, dated May 27, 2016, the statutory auditors have expressed an unmodified opinion on the standalone and consolidated financial results of the Company for the year ended 31st March, 2020.
- ii. Recommended Dividend of Rs. 1.14 per share (i.e. 11.4 % on the paid-up equity share capital) for the financial year 2019-20 subject to approval of the Shareholders at the ensuing Annual General Meeting (AGM). The Dividend 2019-20 would be paid within 30 days from the date of its declaration at the AGM.

Meeting of the Board of Directors commenced at **1230 hours** and concluded at **1530 hours**.

Please take the above information on record.

Thanking you,

Yours faithfully,
For Rail Vikas Nigam Limited



Kalpna
29/7/2020
(Kalpana Dubey)
Company Secretary &
Compliance Officer
Membership No. F7396

Encl: As above



INDEPENDENT AUDITORS' REPORT

To

**The Members
Rail Vikas Nigam Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Rail Vikas Nigam Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flow for the year ended on that date.

Basis for Opinion

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



Emphasis of Matter (EOM)

- Without qualifying our report attention is invited to note no. 10.1(i) and 10.6 of Standalone Ind As financial statement Trade Receivable from Related Party. RVNL receives advance payment from SPVs for incurring expenditures on their projects. However, in case of Krishnapatnam Railway Company Limited, RVNL is incurring project expenditures on a regular basis but insignificant amount is being received from Krishnapatnam Railway Company Limited as advance payment. During the financial year 2019-20, **RVNL has incurred project expenditures amounting to Rs. 13927.97 lacs on Krishnapatnam Railway Company Limited (KRCL). KRCL has not paid the amount dues due to some dispute and Trade Receivable from Krishnapatnam Railway Company Limited as on 31st March, 2020 is Rs. 83398.02 lacs and Interest Receivables amount of Rs. 31037.40 lacs i.e. total Receivable from Krishnapatnam Railways Company Limited amounting to Rs. 114435.42 Lacs.**
- Without qualifying our report attention is invited to **Note No. 12(a)** regarding **Advance to Zonal Railways, Advance to Sleepers, Utility Advance and Advance Released for Supply of Rail**. No balance confirmation has been received relating to Advance to Zonal Railways, Advance to Sleepers, Utility Advance and Advance Released for Supply of Rail of Rs. 56,648.76 lacs, Rs. 11,935.51 lacs, Rs. 38,070.72 lacs and Rs. 3,987.56 lacs as on 31st March, 2020.
- Without qualifying our report attention is invited to **Note No. 6.1** regarding, The financial statements include investment in Bharuch Dahej Railway Company Limited (BDRCL), Kutch Railway Company Limited (KRCL) & Haridaspur Paradip Railway Company Limited (HPRCL), jointly controlled entities based on its unaudited financial statements as approved by Board of the companies.
- Without qualifying our report attention is invited to **Note No. 52** regarding the impact arising from the **Covid-19 pandemic**.

Our Report is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that in our professional judgment were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



Key Audit Matter	Auditor's Response
<p data-bbox="219 267 651 437"><u>Recognition, measurement, estimation, presentation and disclosures in respect of "Revenue from contracts with Customers" under Ind AS 115</u></p> <p data-bbox="219 471 651 852">The application of this Ind AS 115 involves certain key judgments, estimation, identification of distinct performance obligations, determination of transaction price, measurement of revenue recognition and disclosures including presentations of balances in the financial statements.</p> <p data-bbox="219 886 651 954">Refer Note 49 to the standalone financial statements</p>	<p data-bbox="678 267 1317 437">We assessed the company's internal process for adoption and evaluating the impact of this Ind AS. Our audit approach consisted design and testing of effectiveness of internal controls and procedures as follows:</p> <p data-bbox="678 471 1317 641">Evaluated the process of implementation of this Ind AS on revenue recognition and effectiveness of controls over the preparation of information that are designed to ensure the completeness and accuracy.</p> <p data-bbox="678 675 1317 886">Selected a sample of existing continuing contracts and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price.</p> <p data-bbox="678 920 1317 1131">Tested the relevant information accounting systems and change relating to contracts and related information used in recording and disclosing revenue and presentation of contract balances and trade receivables in accordance with the Ind AS.</p> <p data-bbox="678 1165 1317 1301">We have performed analytical procedure including comparison of the financial information and other related items considering materiality.</p>
<p data-bbox="219 1333 651 1446"><u>Assessment and recoverability of Trade Receivables and Contract Assets</u></p> <p data-bbox="219 1481 651 1691">The Company have trade receivables outstanding of Rs.83,665.32 lakhs and contract assets of Rs. 1,57,989.07 lakhs at the end of March 31, 2020</p> <p data-bbox="219 1725 651 1952">These balances are related to revenue recognized in line with Ind AS 115 "Revenue from contracts with customers" for ongoing contracts and completed contracts. The assessment of its recoverability</p>	<p data-bbox="678 1333 1317 1378"><u>Principal Audit Procedures</u></p> <p data-bbox="678 1412 1317 1623">We have assessed the Company's internal process to recognize the revenue and review mechanism of trade receivables and contract assets. Our audit approach consisted testing of the design and operating effectiveness of internal controls and procedures as follows:</p> <ul data-bbox="727 1657 1317 1952" style="list-style-type: none"> ▪ Evaluated the process of invoicing, verifications, and reconciliations with customers. ▪ Obtained the list of project wise outstanding details and its review mechanism by the management. ▪ Reviewed the guidelines and policies of



<p>is a key audit matters in the audit due to its size and high level of management judgment</p> <p>Refer Notes 10.1, 12(b) to the consolidated financial statements.</p>	<p>the Company on impairment of trade receivables and contract assets.</p> <ul style="list-style-type: none"> ▪ Tested the accuracy of aging of trade receivables and contract assets at the year end on sample basis. ▪ Performed analytical procedures and test of details for reasonableness, recoverability and other related material items.
<p><u>Adoption of Ind As 116</u></p> <p>As described in Note 3.1 to the Standalone financial statements, the Company has adopted Ind AS 116 Leases (Ind AS 116) in the current year. The application and transition to this accounting standard is complex and is an area of focus in our audit since the Company has a number of leases with different contractual terms.</p> <p>Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term. Additionally, the standard mandates detailed disclosures in respect of transition. Refer Note 3.1 and Note 50 to the Standalone financial statements.</p>	<p>Our audit procedures on adoption of Ind As 116 include:</p> <ul style="list-style-type: none"> • Assessed and tested new processes and controls in respect of the lease accounting standard(Ind As 116); • Assessed the company's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business;. • Involved our specialist to evaluate the reasonableness of the discount rate applied in determining the lease liabilities; • Upon transition as at 1st April 2019: <ul style="list-style-type: none"> ➢ Evaluated the method of transition and related adjustments; ➢ Tested completeness of the lease data by reconciling the company's operating lease commitments to data used in computing ROU Asset and the lease liabilities. • On a statistical sample, we performed the following procedures; <ul style="list-style-type: none"> ➢ Assessed the key terms and conditions of each lease with the underlying lease contracts; and ➢ Evaluated computation of lease liabilities and challenged the key estimated such as, discount rates and the lease term. • Assessed and tested the presentation and disclosures relating to Ind As 116 including, disclosures relating to transition.



Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company Management is responsible for the preparation of other information. The other information comprises the information included in management analysis, company performance report but does not include the standalone 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 the 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 obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, 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, the Management of company 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 the Management of company either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.



That Management of company 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings,



including any significant deficiencies in internal control that we identify during our audit.

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

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

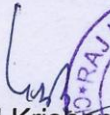
Report on Other Legal and Regulatory Requirements


- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143 (3) of the Act, based on our audit 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 it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income and Statement of Changes in Equity (reserves) dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015.
 - (e) Being a Government Company, Section 164(2) of the Companies Act, 2013 regarding 'whether any director is disqualified from being appointed as a director' is not applicable to the Company in view of Notification no. G.S.R. 463(E) dated. 05-06-2015 issued by Ministry of Corporate Affairs.



- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”, and
- (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 standalone financial statements. Refer Note 37 A. and 37 B. to the financial statements.
 - ii. The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. Compliance in respect of transfer to Investor Education and Protection fund, required to be transferred in accordance with relevant statutes, there were no amount which were required to be transferred to the Investor Education and Protection Fund by the company.
- (3) As required by section 143(5) of the Act, we have considered the directions issued by the Comptroller and Auditor General of India, the action taken thereon and its impact on the accounts and financial statements of the company - Refer “Annexure C” attached.

For M/S Raj Har Gopal & Co.
Chartered Accountants
Firm Registration No. 002074N


Gopal Krishan
Partner
Membership No. 081085



Place: New Delhi
Date: July 29, 2020

UDIN: 20081085AAAAIE0938

“Annexure A” to Independent Auditors’ Report

(Referred to in Paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date on the accounts of Rail Vikas Nigam Limited, for the year ended March 31,2020, we report that :

- i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets
- (b) The fixed assets have been physically verified by the management during the year at reasonable interval. No material discrepancies were noticed on such verification.

According to the information and explanations given to us, physical verification of property, plant & equipment is being conducted in a phased manner by the management including intangible assets over a period of three years, which, in our opinion, is reasonable having regard to the size of the company and nature of its business and no material discrepancies were noticed on such verification to the extent verification was made during the year.

- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the Conveyance Deeds provided to us, we report that, the Lease Deed, comprising all the immovable properties of land & buildings which are leasehold, are held in the name of the company as at the balance sheet date. The company does not own any freehold land or building.
- ii) The company is in business of implementing railway infrastructure projects and the inventory primarily consists of project work in progress. The inventories are physically verified during the year and the same is recorded in the measurement book. Keeping in view the nature of business and inventory, the frequency of physical verification in our opinion is reasonable.
- iii) In our opinion and according to the information & explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, clauses (iii) (a), (iii) (b) and (iii)(c) of Paragraph 3 of the Order are not applicable to the company.
- iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of the section 185 and 186 of the Companies Act, 2013 in respect of loans and investments made.



- v) According to the information and explanations given to us, the company has not accepted any deposits from public during the year within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014 and rules framed there under as applicable.
- vi) According to the information and explanation given to us as regards reviewing the books of accounts and records maintained by the company pursuant to the rule made by the Central Government for the maintenance of cost records under section 148 (1) of the Companies Act, 2013 is not applicable since the company is not a manufacturing concern.
- vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, and records, the company has been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Goods & Service Tax, Cess and any other material statutory dues as applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues were outstanding as at 31st March, 2020 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are disputed dues of income tax amounting to Rs. 1797.20 lacs no dues of Sales Tax or Wealth Tax or Service Tax or Custom Duty or Excise Duty or Value Added Tax or Cess or Goods & Services Tax which have not been deposited on account of dispute. The details of unpaid disputed income tax liability are as under:

Assessment Year	Amounts (Rs. In lacs)	Forum where pending
2008-09	15.17	Assessing officer u/s 154
2012-13	0.06	CPC u/s 220(2)
2014-15	0.02	Assessing officer u/s 143(3)
2015-16	0.03	CPC u/s 143(1a)
2017-18	1757.81	Assessing officer u/s 154
2018-19	24.11	CPC u/s 143(1a)
Total	1797.20	

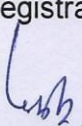



- viii) According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks, government or debenture holders.
- ix) Provisions of clause no. (ix) relating to utilization of moneys raised by way of Initial Public Offer or Further Public Offer including debt instruments and term loans, as per information and explanations given to us, the company, In compliance to Ministry of Railway (MOR), Govt. of India, decision (March 2019) to disinvest 12.16% of the equity of the company, The Company invited Initial Public Offer on 29.03.2019, IPO was closed on 04.04.2019 and the company was listed on 11.04.2019. The company opened an escrow account and received Rs. 47,686.09 lakh during the period 01.04.2019 to 11.04.2019 towards application money and the proceeds have been applied by the company for the purpose they were raised.
- x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us by the management, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year that causes the financial statements to be materially misstated.
- xi) Being a Government Company, provision of clause no. (xi) regarding section 197 of the Companies Act, 2013 relating to managerial remuneration is not applicable to the company in view of Notification no. G.S.R. 463(E) dtd. 05-06-2015.
- xii) Provisions of clause no. (xii) of the order regarding Nidhi Company is not applicable to the company.
- xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with the provisions of section 177 & 188 of the Companies Act, 2013 as applicable and adequate disclosures have been made in the financial statements as required by the applicable accounting standards.
- xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them under the provisions of section 192 of the Companies Act, 2013.



- xvi) In our opinion and according to the information and explanation given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India. Act, 1934.

For M/S Raj Har Gopal & Co.
Chartered Accountants
Firm Registration No. 002074N


Gopal Krishan
Partner
Membership No. 081085



Place: New Delhi
Date: July 29, 2020

UDIN: 20081085AAAIE 8938

**“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE
ON THE FINANCIAL STATEMENTS OF ‘RAIL VIKAS NIGAM LIMITED’**

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

We have audited the internal financial controls over financial reporting of RAIL VIKAS NIGAM LIMITED as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the company



considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M/S Raj Har Gopal & Co.
Chartered Accountants
Firm Registration No.: 002074N

Gopal Krishan
Partner
Membership No. 081085



Place: New Delhi
Date: July 29, 2020

UDIN : 20081085 AAAAIE 8938

“Annexure C” to Independent Auditors’ Report

Directions issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013 indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of Rail Vikas Nigam Limited (Standalone) for the year 2019-20

Sl No	Areas Examined	Suggested Replies
1	Whether the company has system in place to process all the accounting transactions through IT system. If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any may be stated.	Yes, the Company has system in place to process all the accounting transactions through IT system.
2	Whether there is any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender due to the company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations given to us and based on our examination of the records of the company, there has been no restructuring/ waiver/ write off of debts/loans/interest etc. made by a lender due to the company's inability to repay the loan
3	Whether fund received / receivable for specific schemes from Central / State agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.	Fund received / receivable for specific schemes from Central / State agencies were properly accounted for /utilized as per its term and conditions

For M/S Raj Har Gopal & Co.
Chartered Accountants
Firm Registration No. 002074N

Gopal Krishan
Partner
Membership No. 081085
Place: New Delhi
Date: July 29, 2020



UDIN: 20081085AAAAIE8938

RAIL VIKAS NIGAM LIMITED

Registered Office: 1st Floor, August Kranti Bhawan, Bhikaji Cama Place

E-mail: vcslors@rvnl.org Website: www.rvnl.org; Corporate Identity Number: L74999DL2003G01118633

Statements of Assets and Liabilities

(Rs. In Lakhs)

Particulars	STANDALONE	
	As at March 31, 2020	As at March 31, 2019
	(Audited)	(Audited)
ASSETS		
I. Non-current assets		
(a) Property, Plant and Equipment	1,656.34	25,082.23
(b) Right-of-use Assets	26,509.26	-
(c) Capital Work-in-Progress	1,836.38	896.03
(d) Intangible Assets	2,364.78	2,840.52
(e) Intangible Assets under Development	637.06	247.75
(f) Financial Assets		
(i) Investments	96,893.04	92,884.35
(ii) Lease Receivables	1,38,613.61	1,54,194.63
(iii) Loans	911.70	944.33
(iv) Others	51,941.88	44,421.71
(g) Deferred tax assets (Net)	4,278.48	7,396.49
(h) Other non-current assets	44.29	23.62
Total Non-current assets	3,25,686.82	3,28,931.66
2 Current assets		
(a) Project-Work-in-Progress	918.19	448.02
(b) Financial Assets		
(i) Trade Receivables	83,665.32	63,991.12
(ii) Lease Receivables	26,574.42	26,264.56
(iii) Cash and Cash Equivalents	27,175.85	28,322.35
(iv) Bank Balances other than (iii) above	70,947.73	65,916.52
(v) Loans	974.80	1,190.56
(vi) Others	2,55,834.82	47,450.97
(c) Current Tax Assets (Net)	2,464.16	453.39
(d) Other current assets	3,83,266.01	5,80,197.46
	8,51,821.30	8,14,234.95
Total Assets	11,77,508.12	11,43,166.61
II. EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	2,08,502.01	2,08,502.01
(b) Other equity	2,41,474.58	1,65,373.51
Total equity	4,49,976.59	3,73,875.52
Liabilities		
2 Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	4,25,665.40	3,02,419.71
(iii) Other financial liabilities	25,678.11	17,837.22
(b) Provisions	2,167.55	1,391.20
(c) Other Non-Current Liabilities	4,308.82	2,230.93
Total Non-current liabilities	4,57,819.88	3,23,879.06
Current liabilities		
(a) Financial liabilities		
(i) Trade payables		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises	-	-
- Total Outstanding Dues of Creditors Other than of Micro Enterprises and Small Enterprises	69,001.61	16,796.79
(ii) Other financial liabilities	1,46,411.28	1,23,212.74
(b) Other current liabilities	47,261.44	2,99,526.14
(c) Provisions	7,037.32	4,861.73
(d) Current Tax liability (Net)	-	1,014.63
Total Current liabilities	2,69,711.65	4,45,412.03
Total Equity and Liabilities	11,77,508.12	11,43,166.61

Note :-

(i) Figures for the previous year have been re-grouped / re-classified / re-casted to conform to the classification of the current year.

For and on behalf of Rail Vikas Nigam Limited



Place : New Delhi
Date: 29.07.2020

Pradeep Gaur
Pradeep Gaur
Chairman & Managing Director
DIN: 07243986

RAIL VIKAS NIGAM LIMITED

Registered Office: 1st Floor, August Kranti Bhawan, Bhikaji Cama Place

E-mail: vcslors@rvnl.org Website: www.rvnl.org; Corporate Identity Number: L74999DL2003G01118633

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED ON MARCH 31, 2020

(Rs. in Lakhs)

Particulars	Standalone				
	Quarter Ended			Year ended	
	31.03.2020 (Unaudited)	31.12.2019 (Unaudited)	31.03.2019 (Unaudited)	31.03.2020 (Audited)	31.03.2019 (Audited)
1. Income :					
(a) Revenue from operations	4,22,067.49	3,69,926.50	3,41,844.49	14,53,057.97	10,06,007.06
(b) Other income	5,657.92	7,385.76	6,219.09	26,557.86	27,263.21
Total Income	4,27,725.41	3,77,312.26	3,48,063.58	14,79,615.83	10,33,270.27
2. Expenses					
(a) Expenses on Operations	3,89,363.62	3,42,208.11	3,17,180.86	13,41,581.92	9,29,904.49
(b) Employee benefits expenses	4,583.90	4,564.13	4,587.88	18,993.82	16,110.64
(c) Finance costs	794.18	702.28	2,208.03	4,098.54	5,197.98
(d) Depreciation, amortisation & impairment expense	777.81	390.91	176.78	2,028.52	573.68
(e) Other expenses	7,168.53	1,296.16	2,332.61	11,923.80	5,746.10
(f) CSR Expenses	162.30	164.04	4.45	1,905.20	1,148.46
Total Expenses	4,02,850.34	3,49,325.63	3,26,490.61	13,80,531.80	9,58,681.36
3. Profit/(Loss) before Exceptional items and tax (1- 2)	24,875.07	27,986.63	21,572.97	99,084.03	74,588.91
4. Exceptional items (Net)	-	-	1,242.35	-	1,242.35
5. Profit / (Loss) before Tax (5+6)	24,875.07	27,986.63	22,815.32	99,084.03	75,831.26
6. Tax Expense					
(a) Current Tax	5,332.05	7,470.97	4,850.28	20,603.41	15,997.39
(b) Deferred Tax	(187.29)	722.06	(618.87)	(505.35)	(824.78)
7. Net Profit / (Loss) for the period/year (5-6)	19,730.31	19,793.60	18,583.91	78,985.97	60,658.65
8. Other Comprehensive Income					
(a)(i) Items that will not be reclassified to Profit and Loss	(191.34)	(38.81)	(169.75)	(242.10)	(166.60)
(a)(ii) Income tax relating to items that will not be reclassified to Profit and Loss	29.39	6.77	15.39	37.15	15.09
(b)(i) Remeasurement of Investment of equity instrument (net of tax)	-	-	-	-	(2.65)
Other Comprehensive Income (net of tax)	(161.95)	(32.04)	(154.36)	(204.95)	(154.16)
9. Total Comprehensive Income/(loss) for the period/year (7+8)	19,568.36	19,761.56	18,429.55	78,781.02	60,504.49
10. Paid up Equity Share Capital (Face Value of Rs. 10 per share)	2,08,502.01	2,08,502.01	2,08,502.01	2,08,502.01	2,08,502.01
11. Other Equity (Excluding Revaluation Reserve) (As per Audited Balance Sheet)				2,41,474.58	1,65,373.50
12. Earnings Per Equity Share (Face Value of Rs.10 per share) (Not Annualized for the Quarter)					
(a) Basic	0.95	0.95	0.89	3.79	2.91
(b) Diluted	0.95	0.95	0.89	3.79	2.91

Notes:

- The above Standalone financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 29.07.2020 and have been audited by Statutory auditors of the company. The Statutory auditors have expressed an unmodified opinion.
- Figures of last quarter are balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the relevant financial year.
- The Standalone financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standards) amendment Rules, 2016 and other recognized accounting practices and policies to the extent applicable.
- The Company operates in a single reportable operating Segment 'Development of Rail Infrastructure'. Hence there are no separate operating segments as per with Ind AS 108 -Operating Segments.
- Adoption of new accounting standard on Leases - Ind AS 116"
The Company has adopted Ind AS 116 'Leases' effective 1st April 2019, using modified retrospective approach and therefore the comparatives have not been restated. On the date of initial application, the lease liability has been measured at the present value of the remaining lease payments and Right of use assets has been recognized at an amount equal to the lease liabilities. Application of Ind AS 116 does not have any material impact on the financial results of the Company.
- Section 115BAA has been inserted in the Income Tax Act, 1961 vide Taxation laws (Amendment) Ordinance, 2019 issued on 20th September 2019 which enables domestic companies to exercise a non-reversible option to pay corporate tax at reduced rates effective 1st April 2019 subject to certain conditions. The company is currently evaluating this option.
- The BoD recommended a Dividend of Rs. 1.14 per equity share on face value of Rs. 10/- per equity share for the financial year 2019-2020, subject to the approval of the shareholders at the AGM.



Rajnarayan Gopal

- 8 Due to outbreak of COVID-19 globally and in India, in view of the Management assessment, likely impact on the business of the Company is only for short term and no medium to long term risks is perceived which will have an impact on Company's ability to continue as a going concern. In 2019-20, there was no significant impact on financial performance of the Company. However a provision Rs.50 crore on account of contingencies due to pandemic COVID 19 , as quantum / size of damage is not known is made. Based on the internal and external information upto the date of approval of these financial statements ,the company expects to recover the carrying amount of its assets , investments, trade receivables, contract assets .
The Company has assessed the impact of COVID-19 on financial and physical performance in 2020-21, which may be due to (i) provision of inadequate funds, (ii) unavailability of labourers and goods during lock down period, (iii) impact of restrictions on transportation etc., impact so assessed is not much significant.
Further, considering the Company's business plans and the assurance of the Ministry of Railways to provide adequate funds for project execution in 2020-21, the Management do not foresee any uncertainty in continuing its business operations. However, Company will continue to monitor developments to identify significant uncertainties relating to business operations in future periods.
- 9 Figures for the previous periods / year have been re-grouped / re-classified / re-casted to conform to the classification of the current period / year.
- 10 The Audited Accounts are subject to review by Comptroller and Audit General of India under section 143(6) of Companies Act 2013.

For and on behalf of Rail Vikas Nigam Limited


Pradeep Gaur

Chairman & Managing Director
DIN: 07243986

Place: New Delhi
Date: 29.07.2020



RAIL VIKAS NIGAM LIMITED

Registered Office: 1st Floor, August Kranti Bhawan, Bhikaji Cama Place

E-mail: veslors@rvnl.org Website: www.rvnl.org; Corporate Identity Number: L74999DL2003G01118633

Statement of Cash Flow

(Rs. In Lakhs)

Particulars		STANDALONE	
		For the Year ended 31st March 2020	For the Year ended 31st March 2019
		(Audited)	(Audited)
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before taxation		99,084.03	75,831.26
Adjustment for :			
Depreciation, amortization and impairment		3,488.45	573.68
Share in (Profit)/Losses of Joint Ventures		-	-
Unwinding of Interest Cost on Lease obligation		391.01	-
Unwinding of Interest Cost Retention Money		158.59	54.77
Unwinding of Interest Cost on Performance and Security Deposit		831.78	175.21
Profit on sale of assets (net)		(0.04)	-
Interest Income		(21,446.24)	(20,404.58)
Dividend Income		(2,070.84)	(1,750.00)
Other Comprehensive Income		(242.10)	(166.60)
Operating Profit before working capital changes	(1)	80,194.64	54,313.74
Adjustments for (Increase)/Decrease in Operating Assets:			
Trade Receivables (Current)		(19,674.20)	7,493.14
Lease Receivables (Non-Current)		15,581.01	17,758.13
Lease Receivables (Current)		(309.86)	(2,132.06)
Project work in progress (Inventory)		(470.17)	(255.56)
Other Non Current Financial Assets		26,117.73	26,417.05
Other Financial Assets		(2,08,383.85)	(8,313.40)
Other Non Current Assets		(20.67)	3.39
Other Current Assets		1,91,603.34	(4,01,239.67)
		4,443.34	(3,60,268.97)
(c) Adjustments for (Increase)/Decrease in Operating Liabilities:			
Trade Payables		52,204.82	7,159.91
Other current Financial Liabilities		23,477.64	27,168.43
Other Non Current Liabilities		2,077.90	(1,777.42)
Other Non Current Financial Liabilities		5,090.97	(14,760.64)
Other Current Liabilities		(2,52,264.70)	2,33,604.42
Short Term Provisions		2,175.60	350.43
Long Term Provisions		776.34	475.07
		(1,66,461.44)	2,52,220.20
	(2)	(1,62,018.10)	(1,08,048.76)
Cash generated from operation	(1+2)	(81,823.46)	(53,735.02)
Income Tax Paid		(14,640.30)	(15,758.70)
NET CASH FROM OPERATING ACTIVITIES	(A)	(96,463.76)	(69,493.72)
CASH FLOW FROM INVESTING ACTIVITIES			
Capital Expenditure on Fixed Assets Including Capital Advances		(1,756.01)	(1,665.42)
Capital Expenditure on Intangibles Assets under Development		(389.31)	(977.26)
Sale of Property, Plant and Equipments & Intangible Assets		26.48	3.01
Repayment of Loan		248.39	(745.60)
Investment in Subsidiaries & Joint Ventures		(4,008.69)	(27,020.00)
Interest Received		21,446.24	20,404.58
Dividend Received		2,070.84	1,750.00
Bank Balances other than cash and cash equivalents		(5,031.21)	40,206.49
NET CASH FROM INVESTING ACTIVITIES	(B)	12,606.73	31,955.80
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Long Term Borrowings		1,40,796.00	1,04,600.00
Repayment of Short -Term Borrowings		(26,265.00)	(24,132.50)
Repayment of interest		(27,166.44)	(26,790.60)
Payment of Lease Liabilities		(2,320.08)	-
Dividend (including Dividend Distribution Tax) paid		(2,333.95)	(21,777.11)
NET CASH FROM FINANCING ACTIVITIES	(C)	82,710.53	31,899.79
Net Increase/(Decrease) in Cash & Cash Equivalent	(A+B+C)	(1,146.50)	(5,638.13)
CASH AND CASH EQUIVALENT (OPENING)	(E)	28,322.35	33,960.48
CASH AND CASH EQUIVALENT (CLOSING) *	(F)	27,175.85	28,322.35
Cash and Cash Equivalents			
- Cash and Cheques in Hand			
Balance with Scheduled Banks			
- On Current Account		27,175.85	27,944.20
- On Book Overdraft		-	-
- Cheque/DD in Hand		-	378.15
- On term Deposit Account		-	-
		27,175.85	28,322.35



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1. The above Cash flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS) - 7 on Statement of Cash Flows.
2. Figures for the previous year have been re-grouped / re-classified / re-casted to conform to the classification of the current year.
3. Figures in bracket () represents outflow of cash.

For and on behalf of Rail Vikas Nigam Limited



Place : New Delhi
Date: 29.07.2020


Pradeep Gaur
Chairman & Managing Director
DIN: 07243986



INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF
Rail Vikas Nigam Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Rail Vikas Nigam Limited** hereinafter referred to as "the holding company") and its subsidiary (the holding Company and its one subsidiary collectively referred to as "the Group") and Six jointly controlled entities, comprising of the consolidated balance sheet as at 31st March, 2020, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the consolidated profit and total consolidated comprehensive income, consolidated statement of change in equity and its consolidated cash flow statement for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements 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 Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

I As reported by respective jointly controlled entities statutory Auditors:

KRISHNAPATNAM RAILWAY COMPANY LIMITED (KPRCL)

- a. Reference is drawn to Note No. 57 regarding the Company's revenue from Operation of Rs. 20229.02 lakhs carried in the Statement of Profit & Loss a/c. Monthly revenue bills/ apportionment sheet of revenue are received from the South Central Railway (SCR). All these bills are marked 'Provisional'. The outcomes of



the provisional bills are not known at subsequent dates. Further, supporting documents of the monthly revenue bills are not available. As stated, in note-57(i)(d) all supporting evidences related to revenue bookings are being controlled and managed by the SCR only and not made available for verification. The monthly revenue statements are not checked and certified by the company. Thus, the operating revenue statement could not be verified. In view of these, leakage in the operating revenue cannot be ruled out. Financial impact, if any, cannot be ascertained.

- b. The company has not provided for Departmental charges of Rs. 112.81 crore. Reference is drawn regarding Note no-57(i)(e) Contingent liability in respect of Departmental charges on construction of project. A departmental charge @5% would be payable by the company to RVNL on the total cost of work as per detailed estimate/revised estimate/ completion estimate in the books of accounts of the company. The total charges have been estimated by the company at Rs. 112.81 crore. In our opinion, a provision for liability should have been made on the best estimated basis for the departmental charges on year to year on accrual basis. Instead, a contingent liability has been disclosed. Thus, the cost of the project should have gone up by Rs. 112.81 crore and so the provision for liability for the same amount.
- c. The Company has not provided for liability to pay GST under the reverse charge mechanism in respect of operation & maintenance costs incurred by the company as billed by SCR. Thus, there is an understatement of O&M Expenses and overstatement of profit by Rs. 3.50 crore.
- d. The company has not fully provided for CSR liability for the FY 2018-19 in accordance with the provision of Section 135 of the Companies Act, 2013. The company was required to spend Rs.15.80 lakhs, but only a sum of Rs 10 lakhs has been spent so far for CSR activities for FY 2018-19. Thus, there is an understatement of liability by Rs.5.80 lakhs.

Emphasis of Matter

I RAIL VIKAS NIGAM LIMITED

- a. Without qualifying our report attention is invited to note no. 10.1 and 10.6 of Standalone Ind As financial statement Trade Receivable from Related Party. RVNL receives advance payment from SPVs for incurring expenditures on their projects. However, in case of Krishnapatnam Railway Company Limited, RVNL is incurring project expenditures on a regular basis but insignificant amount is being received from Krishnapatnam Railway Company Limited as advance payment. During the financial year 2019-20, **RVNL has incurred project expenditures amounting to Rs. 13927.97 lacs on Krishnapatnam Railway Company Limited (KRCL). KRCL has not paid the amount dues due to some dispute and Trade Receivable from Krishnapatnam Railway Company Limited as on 31st March, 2020 is Rs. 83,398.02 lacs and Interest receivables amount of Rs. 31037.40 lacs i.e. total Receivable from Krishnapatnam Railway Company Limited amounting to Rs. 1,14,435.42 Lakhs.**



- b. Without qualifying our report attention is invited to **Note No. 12(a) regarding Advance to Zonal Railways, Advance to Sleepers, Utility Advance and Advance Released for Supply of Rail**. No balance confirmation has been received relating to Advance to Zonal Railways, Advance to Sleepers, Utility Advance and Advance Released for Supply of Rail of Rs. 56,648.76 lacs, Rs. 11,935.51 lacs, Rs. 38,070.72 lacs and Rs. 3,987.56 lacs as on 31st March, 2020.
- c. Without qualifying our report attention is invited to **Note No. 6.1** regarding, the Consolidated financial statements include share in Bharuch Dahej Railway Company Limited (BDRCL), Kutch Railway Company Limited (KRCL) & Haridaspur Paradip Railway Company Limited (HPRCL), jointly controlled entities based on its unaudited financial statements as approved by Board of the companies.
- d. Without qualifying our report attention is invited to **Note No. 52** regarding the impact arising from the **Covid-19 pandemic**.

Our Report is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that in our professional judgment were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p><i>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from contracts with Customers".</i></p> <p>The application of this revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period, and disclosures including presentations of balances in the financial statements.</p> <p>Estimated efforts is a critical estimate to determine revenue, as it requires consideration of progress of the contract, efforts incurred till date, efforts required to</p>	<p><u>Principal Audit Procedures</u></p> <p>We assessed the Group's Company's internal process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of internal controls and procedures as follows:</p> <ul style="list-style-type: none"> ▪ Evaluated the design of internal controls relating to implementation of this revenue accounting standard. ▪ Selected a sample of existing continuing contracts and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. ▪ Tested the relevant information, accounting systems and change relating to contracts and related information used in recording and disclosing revenue in accordance with this revenue accounting standard.



<p>complete the remaining performance obligation.</p> <p>Refer Notes 49 to the consolidated financial statements.</p>	<ul style="list-style-type: none"> ▪ Reviewed a sample of contracts to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations. ▪ Performed analytical procedures and test of details for reasonableness and other related material items.
<p>Assessment and recoverability of Trade Receivables and Contract Assets</p> <p>The Group have trade receivables outstanding of Rs. 83,475.55 lakhs and contract assets of Rs.1,57,989.07 lakhs at the end of March 31, 2020</p> <p>These balances are related to revenue recognized in line with Ind AS 115 "Revenue from contracts with customers" for ongoing contracts and completed contracts. The assessment of its recoverability is a key audit matters in the audit due to its size and high level of management judgment</p> <p>Refer Notes 10.1, 12(b) to the consolidated financial statements.</p>	<p><u>Principal Audit Procedures</u></p> <p>We have assessed the Group's internal process to recognize the revenue and review mechanism of trade receivables and contract assets. Our audit approach consisted testing of the design and operating effectiveness of internal controls and procedures as follows:</p> <ul style="list-style-type: none"> ▪ Evaluated the process of invoicing, verifications, and reconciliations with customers. ▪ Obtained the list of project wise outstanding details and its review mechanism by the management. ▪ Reviewed the guidelines and policies of the Company on impairment of trade receivables and contract assets. ▪ Tested the accuracy of aging of trade receivables and contract assets at the year end on sample basis. ▪ Performed analytical procedures and test of details for reasonableness, recoverability and other related material items.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's information, but does not include the consolidated financial statements and our auditor's report thereon.

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

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



If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated statement of change in equity and consolidated cash flow statement of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, 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 consolidated financial statements, the Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the company included in the group are responsible for overseeing the Group's financial reporting process.

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

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

As part of an audit in accordance with 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 financial controls 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 companies have



adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Other Matters

- (a) We did not audit the financial statements of one subsidiary and 6 Jointly Controlled entity, whose financial statements reflect total share of assets Rs. 3,85,462.80 lakhs and share in net assets of Rs 1,69,156.81 lakhs as at 31st March, 2020, share in total revenues of Rs.1,14,997.70 lakhs for the year ended on that date as considered in the consolidated financial statements.

This includes the unaudited financial statements of three jointly controlled entity (Bharuch Dahej Railway Company Limited) whose Share of total assets Rs. 13,813.40 Lakhs, Share of Net Assets Rs.



6,353.60 Lakhs, Share of total Revenues of Rs. 1,689.00 Lakhs and Share of net Cash Flows of Rs. 238.87 Lakhs, Kutch Railway Company Limited (KRCL) whose Share of total assets Rs. 1,20,959.88 Lakhs, Share of Net Assets Rs. 80209.94 Lakhs, Share of total Revenues of Rs. 72365.91 Lakhs and Share of net Cash Flows of Rs. 38.17 Lakhs & Haridaspur Paradip Railway Company Limited (HPRCL) whose Share of total assets Rs. 67,853.27 Lakhs, Share of Net Assets Rs. 30,415.03 Lakhs, Share of total Revenues of Rs. 9,904.13 Lakhs and Share of net Cash Flows of Rs. 2512.37 Lakhs are based on management accounts. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entities, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entities, is based solely on such unaudited financial statements.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act based on our audit and on the consideration of audit report of subsidiary, jointly controlled entities as referred in "Other Matters" paragraph, we report, to the extent applicable, 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 relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

(c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity 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 Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India;

(e) In terms Notification no. G.S.R. 463(E) dtd. 05-06-2015 issued by the Ministry of Corporate Affairs, the provision of Section 164(2) of the Companies Act, 2013 in respect of disqualification of directors are not applicable to the Company;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the holding company, its subsidiary company and jointly controlled entities incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";

(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 Auditor's) Rules, 2014 to the extent applicable, in our opinion and to the



best of our information and according to the explanations given to us and based on the consideration of the report of other auditors on separate financial statements as also the other financial information of the subsidiary company and jointly controlled entities, as noted in "Other Matters" paragraph;

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled entities Refer Note 37 to the consolidated financial statements;

ii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding company and its subsidiary companies and jointly controlled companies incorporated in India.

For Raj Har Gopal & Co.
Chartered Accountants
(FRN: 002074N)

Gopal Krishan
(Partner)

M. No 081085

UDIN: 20081085 AAAA 1F 2219



Place: New Delhi
Date: July 29, 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF RAIL VIKAS NIGAM LIMITED

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Rail Vikas Nigam Limited (hereinafter referred to as "the Holding Company") as of that date. We did not audit the financial statements of one Subsidiary and Six Jointly Control Entities all of them have been audited by the other Auditor and three Jointly Control Entities Bharuch Dahej Railway Company Limited (BDRCL), Kutch Railway Company Limited (KRCL) & Haridaspur Paradip Railway Company Limited (HPRCL), are unaudited.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary company and jointly controlled companies, which are companies incorporated in India, are 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's, internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company and six jointly controlled entities, which are companies incorporated in India, is based on the corresponding report of the auditor of three jointly controlled entity and one subsidiary company incorporated in India and management certificate of other three jointly controlled entity Bharuch Dahej Railway Company Limited (BDRCL), Kutch Railway Company Limited (KRCL) & Haridaspur Paradip Railway Company Limited (HPRCL), incorporated in India.

Opinion

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

Our opinion is subject to following observations as given by the respective statutory auditors of these jointly controlled companies (Three jointly controlled entity Bharuch Dahej Railway Company Limited (BDRCL), Kutch Railway Company Limited (KRCL) & Haridaspur Paradip Railway Company Limited (HPRCL), is consolidated based on unaudited financial statements)



In case of Krishnapatnam Railway Company Limited

Internal Control requires improvements in following areas:

- i. The operations of the company's business are solely controlled by the South Central Railway (SCR). All supporting evidences related to revenue booking are being controlled and managed by SCR only and not made available for verification.
- ii. There is no control over the revenue apportionment of South Central Railway (SCR) as the revenue sheets are sent by SCR to the company only on provisional basis and collateral records neither supplied by the SCR nor maintained by the company. As a result, there is no basis to verify the same.
- iii. There is no control over the operation and maintenance (O&M) expense, overhead charges, indirect cost etc. billed by the South Central Railway and deducted from the revenue dues to the company.
- iv. Absence of Internal Financial Control has been felt in the booking of expenditure for the construction of phase-II of the project of the company. It is observed that the bills for construction of the project by the contractor (RVNL) were sent from time to time to the company for payment, but such bills were only Xerox copies and not the original ones. These bills are not checked by the company and thus, payments are made to RVNL without any checking and certification.
- v. As informed to us, there is no methodology on the part of the management to ensure the up to date progress of expenditure on construction projects, including bills which are already in the pipeline and also which are awaiting dispatch by the contractors for the construction.

For Raj Har Gopal & Co.
Chartered Accountants
(FRN: 002074N)

Gopal Krishan
(Partner)

M. No 081085

UDIN: 20081005 AAAA 1F2219

Place: New Delhi
Date: July 29, 2020

“Annexure C” to Independent Auditors’ Report

Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of Rail Vikas Nigam Limited for the year 2019-20 issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013

S. No.	Areas Examined	Suggested Replies
1	Whether the Company has system in place to process all the accounting transactions through IT system. If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any may be stated.	Yes, the Company has system in place to process all the accounting transactions through IT system.
2	Whether there is any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender due to the company’s inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations given to us and based on our examination of the records of the company, there has been no restructuring/ waiver/ write off of debts/loans/interest etc.
3	Whether fund received / receivable for specific schemes from Central / State agencies were properly accounted for /utilized as per its term and conditions? List the cases of deviation.	Fund received / receivable for specific schemes from Central / State agencies were properly accounted for /utilized as per its term and conditions.

For Raj Har Gopal & Co.
Chartered Accountants
(FRN: 002074N)

Gopal Krishan
(Partner)

M. No 081085

UDIN: 20001085 AAAA1F2219



Place: New Delhi

Date: July 29, 2020

RAIL VIKAS NIGAM LIMITED

Registered Office: 1st Floor, August Kranti Bhawan, Bhikaji Cama Place

E-mail: veslors@rvnl.org Website: www.rvnl.org; Corporate Identity Number: L74999DL2003G01118633

Statements of Assets and Liabilities

(Rs. In Lakhs)

Particulars	CONSOLIDATED	
	As at March 31, 2020	As at March 31, 2019
	(Audited)	(Audited)
ASSETS		
I. Non-current assets		
(a) Property, Plant and Equipment	1,656.36	25,082.30
(b) Right-of-use Assets	26,509.26	-
(c) Capital Work-in-Progress	1,836.38	896.03
(d) Intangible Assets	2,364.78	2,840.52
(e) Intangible Assets under Development	637.06	247.75
(f) Investments accounted for using the equity method	1,57,496.79	1,57,560.54
(g) Financial Assets	-	-
(i) Investments	997.00	997.00
(ii) Lease Receivables	1,38,613.61	1,54,194.64
(iii) Loans	911.70	944.33
(iv) Others	51,941.88	44,421.71
(h) Deferred tax assets (Net)	4,278.48	7,396.49
(i) Other non-current assets	44.29	23.61
Total Non-current assets	3,87,287.59	3,94,604.92
2 Current assets		
(a) Project-Work-in-Progress	918.19	448.02
(b) Financial Assets	-	-
(i) Trade Receivables	83,475.55	63,801.33
(ii) Lease Receivables	26,574.42	26,264.56
(iii) Cash and Cash Equivalents	27,380.76	28,523.37
(iv) Bank Balances other than (iii) above	70,947.73	65,916.52
(v) Loans	974.80	1,190.56
(vi) Others	2,55,834.92	47,450.94
(c) Current Tax Assets (Net)	2,464.19	454.58
(d) Other current assets	3,83,266.69	5,80,197.47
	8,51,837.25	8,14,247.35
Total Assets	12,39,124.84	12,08,852.27
II. EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	2,08,502.01	2,08,502.01
(b) Other equity	3,03,087.91	2,31,054.85
Equity attributable to owners	5,11,589.92	4,39,556.86
Non controlling Interest	-	-
Total equity	5,11,589.92	4,39,556.86
Liabilities		
2 Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	4,25,665.40	3,02,419.71
(iii) Other financial liabilities	25,678.12	17,837.23
(b) Provisions	2,167.55	1,391.19
(c) Other Non-Current Liabilities	4,308.82	2,230.94
Total Non-current liabilities	4,57,819.89	3,23,879.07
Current liabilities		
(a) Financial liabilities		
(i) Borrowings		
(i) Trade payables		
- Total Outstanding Dues of Micro Enterprises		
- Total Outstanding Dues of Creditors Other than Micro Enterprises	69,001.61	16,796.79
(ii) Other financial liabilities	1,46,414.32	1,23,216.92
(c) Other current liabilities	47,261.78	2,99,526.63
(d) Provisions	7,037.32	4,861.74
Current Tax liability (Net)	-	1,014.26
Total Current liabilities	2,69,715.03	4,45,416.34
Total Equity and Liabilities	12,39,124.84	12,08,852.27

Note :-

(i) Figures for the previous year have been re-grouped / re-classified / re-casted to conform to the classification of the current year.

For and on behalf of Rail Vikas Nigam Limited



Place : New Delhi
Date: 29.07.2020

Pradeep Gaur
Pradeep Gaur

Chairman & Managing Director
DIN: 07243986

RAIL VIKAS NIGAM LIMITED

Registered Office: 1st Floor, August Kranti Bhawan, Bhikaji Cama Place

E-mail: vcslors@rvnl.org Website: www.rvnl.org; Corporate Identity Number: L74999DL2003G01118633

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED ON MARCH 31, 2020

(Rs. in Lakhs)

Particulars	Consolidated				
	Quarter Ended			Year ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1. Income :					
(a) Revenue from operations	4,22,067.49	3,69,926.50	3,42,705.56	14,53,057.97	10,06,868.13
(b) Other income	5,661.33	7,387.34	6,221.86	24,568.45	25,524.19
Total Income	4,27,728.82	3,77,313.84	3,48,927.42	14,77,626.42	10,32,392.32
2. Expenses					
(a) Expenses on Operations	3,89,363.62	3,42,208.11	3,18,041.93	13,41,581.92	9,30,765.57
(b) Employee benefits expenses	4,583.90	4,564.13	4,587.88	18,993.82	16,110.64
(c) Finance costs	794.19	702.28	2,208.03	4,098.55	5,197.98
(d) Depreciation, amortisation & impairment expense	777.83	390.91	176.79	2,028.56	573.72
(e) Other expenses	7,170.01	1,297.22	2,335.20	11,928.57	5,752.03
(f) CSR Expenses	162.30	164.04	4.45	1,905.20	1,148.46
Total Expenses	4,02,851.85	3,49,326.69	3,27,354.28	13,80,536.62	9,59,548.40
3. Profit/(Loss) before Share of Profit / (Loss) of Joint Ventures, Exceptional items and tax (1-2)	24,876.97	27,987.15	21,573.14	97,089.80	72,843.92
4. Share of Profit / (Loss) of Joint Ventures	5,002.26	(9,445.83)	555.73	(1,658.14)	9,861.99
5. Profit/(Loss) before Exceptional items and tax (3+4)	29,879.23	18,541.32	22,128.87	95,431.66	82,705.91
6. Exceptional items (Net)	-	-	1,242.35	-	1,242.35
7. Profit / (Loss) before Tax (5+6)	29,879.23	18,541.32	23,371.22	95,431.66	83,948.26
8. Tax Expense					
(a) Current Tax	5,332.37	7,471.11	4,850.31	20,604.74	15,998.69
(b) Deferred Tax	(187.29)	722.06	(618.87)	(505.35)	(824.78)
9. Net Profit / (Loss) for the period/year (7-8)	24,734.15	10,348.15	19,139.78	75,332.27	68,774.35
10. Other Comprehensive Income					
(a)(i) Items that will not be reclassified to Profit and Loss	(191.34)	(38.81)	(169.75)	(242.10)	(166.45)
(a)(ii) Income tax relating to items that will not be reclassified to Profit and Loss	29.39	6.78	15.39	37.15	15.08
(b)(i) Remeasurement of Investment of equity instrument (net of tax)	-	-	-	-	(2.65)
(c) Share of Comprehensive income of Joint Ventures	0.68	-	-	0.68	-
11. Total Comprehensive Income/(loss) for the period/year (7+8)	24,572.88	10,316.12	18,985.42	75,128.00	68,620.33
12. Profit is attributable to :					
(a) Owners of the Parent	24,734.15	10,348.15	19,139.78	75,332.27	68,774.35
(b) Non Controlling Interest	-	-	-	-	-
13. Other Comprehensive Income is attributable to :					
(a) Owners of the Parent	(161.27)	(32.03)	(154.36)	(204.27)	(154.02)
(b) Non Controlling Interest	-	-	-	-	-
14. Total Comprehensive Income is attributable to :					
(a) Owners of the Parent	24,572.88	10,316.12	18,985.42	75,128.00	68,620.33
(b) Non Controlling Interest	-	-	-	-	-
15. Paid up Equity Share Capital (Face Value of Rs. 10 per share)	2,08,502.01	2,08,502.01	2,08,502.01	2,08,502.01	2,08,502.01
16. Other Equity (Excluding Revaluation Reserve) (As per Audited Balance Sheet)				3,03,087.91	2,31,054.85
17. Earnings Per Equity Share (Face Value of Rs.10 per share) (Not Annualized for the Quarter)					
(a) Basic	1.19	0.50	0.92	3.61	3.30
(b) Diluted	1.19	0.50	0.92	3.61	3.30

Notes:

- The above Consolidated financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 29.07.2020 and have been audited by Statutory auditors of the company. The Statutory auditors have expressed an unmodified opinion.
- Figures of last quarter are balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the relevant financial year.
- The consolidated financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standards) amendment Rules, 2016 and other recognized accounting practices and policies to the extent applicable.
- The Group operates in a single reportable operating Segment 'Development of Rail Infrastructure'. Hence there are no separate operating segments as per with Ind AS 108 -Operating Segments.
- Adoption of new accounting standard on Leases - Ind AS 116"
The Company has adopted Ind AS 116 'Leases' effective 1st April 2019, using modified retrospective approach and therefore the comparatives have not been restated. On the date of initial application, the lease liability has been measured at the present value of the remaining lease payments and Right of use assets has been recognized at an amount equal to the lease liabilities. Application of Ind AS 116 does not have any material impact on the financial results of the Company.
- Section 115BAA has been inserted in the Income Tax Act, 1961 vide Taxation laws (Amendment) Ordinance, 2019 issued on 20th September 2019 which enables domestic companies to exercise a non-reversible option to pay corporate tax at reduced rates effective 1st April 2019 subject to certain conditions. The Group is currently evaluating this option.



Raj Har Gopal

- 7 The BoD has recommended a Dividend of Rs.1.14 per equity share on face value of Rs. 10/- per equity share for the financial year 2019-2020, subject to the approval of the shareholders at the AGM.
- 8 Due to outbreak of COVID-19 globally and in India, in view of the Management assessment, likely impact on the business of the Group is only for short term and no medium to long term risks is perceived which will have an impact on Company's ability to continue as a going concern. In 2019-20, there was no significant impact on financial performance of the Company. However a provision Rs.50 crore on account of contingencies due to pandemic COVID 19, as quantum / size of damage is not known is made. Based on the internal and external information upto the date of approval of these financial statements, the company expects to recover the carrying amount of its assets, investments, trade receivables, contract assets. The Group has assessed the impact of COVID-19 on financial and physical performance in 2020-21, which may be due to (i) provision of inadequate funds, (ii) unavailability of labourers and goods during lock down period, (iii) impact of restrictions on transportation etc., impact so assessed is not much significant. Further, considering the Company's business plans and the assurance of the Ministry of Railways to provide adequate funds for project execution in 2020-21, the Management do not foresee any uncertainty in continuing its business operations. However, Company will continue to monitor developments to identify significant uncertainties relating to business operations in future periods.
- 9 Figures for the previous periods / year have been re-grouped / re-classified / re-casted to conform to the classification of the current period / year.
- 10 The Audited Accounts are subject to review by Comptroller and Audit General of India under section 143(6) of Companies Act 2013

For and on behalf of Rail Vikas Nigam Limited

Place: New Delhi
Date: 29.07.2020




Pradep Gaur
Chairman & Managing Director
DIN: 07243986

RAIL VIKAS NIGAM LIMITED

Registered Office: 1st Floor, August Kranti Bhawan, Bhikaji Cama Place

E-mail: vcslors@rvnl.org Website: www.rvnl.org; Corporate Identity Number: L74999DL2003G0118633

Statement of Cash Flow

(Rs. in Lakhs)

Particulars	CONSOLIDATED	
	For the Year ended 31st March 2020	For the Year ended 31st March 2019
	(Audited)	(Audited)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation	95,431.66	83,948.26
Adjustment for :		
Depreciation, amortization and impairment	3,488.49	573.72
Share in (Profit)/Losses of Joint Ventures	1,658.14	(9,861.99)
Unwinding of Interest Cost on Lease obligation	391.01	-
Unwinding of Interest Cost Retention Money	158.59	54.77
Unwinding of Interest Cost on Performance and Security Deposit	831.78	175.21
Profit on sale of assets (net)	(0.04)	-
Interest Income	(21,456.83)	(20,415.56)
Dividend Income	(70.84)	-
Other Comprehensive Income	(241.41)	(166.45)
Operating Profit before working capital changes	(1)	80,190.55
Adjustments for (Increase)/Decrease in Operating Assets:		54,307.96
Trade Receivables (Current)	(19,674.22)	7,488.82
Lease Receivables (Non-Current)	15,581.03	17,758.13
Lease Receivables (Current)	(309.86)	(2,132.06)
Project work in progress (Inventory)	(470.17)	(255.56)
Other Non Current Financial Assets	26,117.74	26,417.04
Other Financial Assets	(2,08,383.98)	(8,312.97)
Other Non Current Assets	(20.68)	3.39
Other Current Assets	1,91,603.58	(4,01,239.57)
	4,443.44	(3,60,272.78)
(c) Adjustments for (Increase)/Decrease in Operating Liabilities:		
Trade Payables	52,204.82	7,159.91
Other current Financial Liabilities	23,476.50	27,169.72
Other Non Current Liabilities	2,077.87	(1,777.42)
Other Non Current Financial Liabilities	5,090.97	(14,761.57)
Other Current Liabilities	(2,52,264.87)	2,33,603.44
Short Term Provisions	2,175.58	350.43
Long Term Provisions	776.35	475.07
	(1,66,462.78)	2,52,219.58
	(2)	(1,62,019.34)
Cash generated from operation	(1+2)	(81,828.79)
Income Tax Paid	(14,641.66)	(15,760.36)
NET CASH FROM OPERATING ACTIVITIES	(A)	(96,470.45)
CASH FLOW FROM INVESTING ACTIVITIES		
Capital Expenditure on Fixed Assets Including Capital Advances	(1,753.99)	(1,665.42)
Capital Expenditure on Intangibles Assets under Development	(389.31)	(977.26)
Sale of Property, Plant and Equipments & Intangible Assets	24.45	3.01
Repayment of Loan	248.39	(745.60)
Investment in Subsidiaries & Joint Ventures	(4,008.69)	(27,020.00)
Interest Received	21,456.83	20,415.56
Dividend Received	2,070.84	1,750.00
Bank Balances other than cash and cash equivalents	(5,031.21)	40,206.49
NET CASH FROM INVESTING ACTIVITIES	(B)	12,617.31
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	1,40,796.00	1,04,600.00
Repayment of Short -Term Borrowings	(26,265.00)	(24,132.50)
Repayment of interest	(27,166.44)	(26,790.60)
Payment of Lease Liabilities	(2,320.08)	-
Dividend (including Dividend Distribution Tax) paid	(2,333.95)	(21,777.11)



Raj Har Gopal