

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PITTI RAIL AND ENGINEERING COMPONENTS LIMITED

Report on Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **PITTI RAIL AND ENGINEERING COMPONENTS LIMITED** (the 'Company'), which comprise the balance sheet as at 31st March 2022, the statement of Profit and Loss including Other Comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information here in after referred to as "the 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("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards specified under Section 133 of the Act, of the state of affairs of the Company as at 31st March 2022, its loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under the section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules issued 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.

Information other than the financial statements and auditor's report thereon:

The Company's Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Director's Report, but does not include the 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 during the course of our 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.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("IND AS") specified under section 133 of the Act. The responsibility also includes maintenance of the adequate accounting records for safeguarding 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 Board of Directors of the company are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the company are responsible for overseeing the financial reporting process of the company.

Auditor's Responsibility for Audit of Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements 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 based on 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:

1. 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.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, then 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, then 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 entity to cease to continue as a going concern.
5. 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 the Board of Directors, 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 the Board of Directors 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 Standalone 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting standards specified under Section 133 of the Act, read with relevant rules issued there under.
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of Section 197(16) of the act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the act.
 - g) 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**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

- h) 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) There are no pending litigations on or by the company, the impact of which needs to be disclosed in financial statement.
 - ii) The Company does not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses; and
 - iii) There was no such amount required to be transferred to the Investor Education and Protection Fund during the year ended 31st March 2022.
- iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other person or entity identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other person or entity identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on the audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

- v) There is no dividend declared or paid during the year by the Company as per the provisions of Section 123 of the Act.

For **Laxminiwas & Co.**
Chartered Accountants
Firm's Registration Number: 011168S

Vijay Singh
Partner
Membership Number: 221671
UDIN: 22221671AJCRUG2197

Hyderabad
Date: 16th May, 2022

Annexure A to the Auditors' Report

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report to the Members of **PITTI RAIL AND ENGINEERING COMPONENTS LIMITED** of even date)

(i)

a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any property, plant and equipment or intangible assets or both assets as on 31st March 2022. Therefore, the Clause 3(i) (a), (b), (c) and (d) of the order is not applicable to the company.

b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceeding initiated or are pending against the company for holding any benami property under the Benami Transaction Prohibition Act 1988. Therefore, Clause 3(i)(e) of the Order is not applicable to the Company.

(ii).

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no Inventory held by the entity. Therefore, e Clause 3 (ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not been sanctioned with any working capital from banks or financial institutions on the basis of security of current assets. Therefore, Clause 3 (ii)(b) of the Order is not applicable to the Company.

(iii). According to the information and explanations given to us and on the basis of our examinations of the records of the company, the company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, Clause 3(iii) (a), (b), (c), (d), (e) and (f) are not applicable to the company.

(iv). According to the information and explanations given to us and on the basis of our examination of the records, Company has not undertaken any transactions within the purview of section 185 and 186 of the Act. Accordingly, Clause 3 (iv) of the order is not applicable to the company.

(v). According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of Clause 3 (v) of the Order are not applicable to the Company.

(vi). According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect

of the services rendered by the Company. Therefore, Clause 3 (vi) of the Order is not applicable to the Company.

(vii). According to the information and explanations given to us and on the basis of our examination of the records, in respect of statutory dues, as the company does not involve in any activities during the year there were no statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Value added tax, Goods and Service Tax, Cess and any other statutory dues applicable to it as on March 31, 2022. Therefore, the Clause 3 vii(a) & (b) of the Order are not applicable to the company.

(viii). According to the information and explanations given to us and on the basis of our examination of the records, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Therefore, the Clause 3(viii) of the Order is not applicable to the Company.

(ix). (a) According to the information and explanations given to us and on the basis of our examination of the records, the company has not availed any loans during the reporting period. Therefore, Clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the company has not availed any loans during the reporting period and hence has not been declared wilful defaulter by any bank or financial institution or any other lenders. Therefore, Clause 3(ix)(b) of the Order is not applicable to the Company.

(c) According to the information and explanations given to us and on the basis of our examinations of the records of the company, the Company has not obtained any term loans during the period. Therefore, Clause 3 (ix) (c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, the company has not obtained any short-term loans during the year. Therefore, Clause 3 (ix) (d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the company does not have any subsidiaries, associates or joint ventures. Therefore, Clause 3 (ix)(e) & (f) of the Order are not applicable to the Company.

(x). (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, Clause 3 (x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially optionally convertible) during the year. Accordingly, Clause 3 (x)(b) of the Order is not applicable.

(xi). (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanations provided by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year. Accordingly, Clause 3 (xi)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no fraud has been reported during the year, hence the compliance with Clause 3 (xi) (b) of the order is not applicable.

(c) According to the information and explanations given to us, there were no whistle-blower complaints in the company. Therefore, Clause 3 (xi) (c) of the Order is not applicable to the Company.

(xii). According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is not Nidhi Company. Therefore, Clause 3 (xii) (a), (b) and (c) of the Order is not applicable to the Company.

(xiii). According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv). According to the information and explanations given to us and based on our examination of the records of the Company and in accordance with the provisions of the Companies Act, 2013 based on the size and nature of the business, Internal audit is not applicable to the company. Accordingly, Clause 3 (xiv) (a) & (b) of the Order is not applicable.

(xv). According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, Clause 3 (xv) of the Order is not applicable.

(xvi). (a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not required to registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, Clause 3 (xvi)(a) of the order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, Clause 3(xvi)(b) of the Order is not applicable.

(c). According to the information and explanations given to us and on the basis of our examination of the records of the company, the company is not a core investment company (CIC) as defined in the regulations made by the Reserve Bank of India Accordingly, Clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the company, neither the company nor its group of company is a core investment company. Accordingly, Clause 3 (xvi)(d) of the Order is not applicable.

(xvii). According to the information and explanations given to us and on the basis of our examination of the records of the company, the company does not incur any cash losses in the financial year.

(xviii). According to the information and explanations given to us and on the basis of our examination of the records of the Company, there has been no resignation of the statutory auditors during the year. Accordingly, Clause 3 (xviii) of the Order is not applicable.

(xix). According to the information and explanations given to us and on the basis of our examination of the records of the Company, financial ratios are not reported by the company, considering ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, there is no material uncertainty exists as on the date of audit report. The company has no operating activities since its inception and incurred immaterial cash losses in the current and previous financial years. The company is having liabilities in excess of assets as on balance sheet date, however the management is certain about meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

(xx). According to the information and explanation provided to us and based on the examination of records of the company. The company is not subjected to compliance requirement with respect to section 135 of the Companies Act, 2013. Therefore, the Clause 3 (xx) (a) & (b) of the Order is not applicable to the Company.

(xxi). According to the information and explanation provided to us and based on the examination of records of the company, it does not hold any subsidiary, Joint venture and associate, Therefore, the Clause 3 (xxi) of the Order is not applicable to the Company.

For **Laxminiwas & Co.**

Chartered Accountants

Firm's Registration Number: 011168S

Vijay Singh

Partner

Membership Number: 221671

UDIN: 22221671AJCRUG2197

Place: Hyderabad

Date: 16th May, 2022

Annexure - B to the Auditors' Report

Referred to in paragraph 2 (g) under "Report on other Legal and Regulatory Requirements section of our report to the members of PITTI RAIL AND ENGINEERING COMPONENTS LIMITED of even date)

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 Pitti Rail and Engineering Components Limited ("the Company") as of 31st March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the company 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 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 Act.

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 ICAI and the standards on auditing prescribed under section 143(10) of the Act to the extent applicable to the audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and 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 Standalone 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 internal financial controls system over the financial reporting of the Company.

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

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, to the best of our information and according to the explanations given to us, 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 31st March 2022, 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 ICAI.

For **Laxminiwas & Co.,**

Chartered Accountants

Firm's Registration Number: 011168S

Vijay Singh

Partner

Membership Number: 221671

UDIN: 22221671AJCRUG2197

Place: Hyderabad

Date: 16th May, 2022

BALANCE SHEET

as at 31st March 2022

Particulars	Notes	As at	As at
		31.03.2022	31.03.2021
		INR	INR
ASSETS			
NON-CURRENT ASSETS			
(a) Right of use of Assets	2	16,38,408	17,40,809
(b) Financial Assets			
(i) Other financial assets	3	9,896	8,742
(c) Other non-current assets	4	24,859	26,833
(d) Deferred tax Asset(net)		43,199	14,900
TOTAL NON - CURRENT ASSETS		17,16,362	17,91,284
CURRENT ASSETS			
(a) Financial Assets			
(i) Cash and Cash equivalents	5	86,028	3,10,895
TOTAL CURRENT ASSETS		86,028	3,10,895
TOTAL ASSETS		18,02,390	21,02,179
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	6	5,00,000	5,00,000
(b) Other equity	7	(5,37,316)	(2,22,405)
TOTAL EQUITY		(37,316)	2,77,595
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Lease Liability	8	16,59,408	17,99,584
TOTAL NON-CURRENT LIABILITIES		16,59,408	17,99,584
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Trade payables	9A		
Dues to micro and small enterprises		-	-
Dues to other enterprises		5,901.00	-
(ii) Other financial liabilities	9B	24,997	25,000
(iii) Lease Liability	9C	1,49,400	-
TOTAL CURRENT LIABILITIES		1,80,298	25,000
TOTAL EQUITY AND LIABILITIES		18,02,390	21,02,179

Significant accounting policies and notes on accounts

1 to 14

As per our Report of even date

For and on behalf of the Board of Directors of
Pitti Rail and Engineering Components Limited
CIN: U29100TG2020PLC144524

For Laxminiwas & Co
Chartered Accountants
Firm's Registration Number:011168S

Sharad B Pitti
Director
DIN:00078716

Akshay S Pitti
Director
DIN:00078760

Vijay Singh
Partner
Membership No:221671

Pavan Kumar M
Director
DIN:09570371

Place : Hyderabad
Date : 16th May 2022

Place : Hyderabad
Date : 16th May 2022

STATEMENT OF PROFIT & LOSS

for the period ended 31st March 2022

Particulars	Notes	For the Year ended	For the Year ended
		31.03.2022	31.03.2021
		INR	INR
INCOME			
Other income	10	760	364
TOTAL INCOME		760	364
EXPENSES			
Finance costs	11	1,59,051	79,302
Depreciation and amortization expenses	2	1,02,401	51,200
Other expenses	12	82,518	1,07,167
TOTAL EXPENSES		3,43,970	2,37,669
Profit before tax		(3,43,210)	(2,37,305)
TAX EXPENSES	13		
(a) Current tax		-	-
(b) Deferred tax		(28,299)	(14,900)
TOTAL TAX EXPENSES		(28,299)	(14,900)
Profit for the period		(3,14,911)	(2,22,405)
Other Comprehensive Income			
(i) Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit (liability)/assets		-	-
Change in fair value of non-current investment		-	-
Change in fair value of current investment		-	-
(ii) Items that will be reclassified subsequently to profit or loss			
Total other comprehensive income		-	-
Total Comprehensive Income		(3,14,911)	(2,22,405)
Earnings per Equity Share of Face Value of ₹ 10/- each	14.1		
(a) Basic		(6.30)	(4.45)
(b) Diluted		(6.30)	(4.45)

Significant accounting policies and notes on accounts

1 to 14

As per our Report of even date

For and on behalf of the Board of Directors of
Pitti Rail and Engineering Components Limited
 CIN: U29100TG2020PLC144524

For Laxminiwas & Co
 Chartered Accountants
 Firm's Registration Number:011168S

Sharad B Pitti
 Director
 DIN:00078716

Akshay S Pitti
 Director
 DIN:00078760

Vijay Singh
 Partner
 Membership No:221671

Pavan Kumar M
 Director
 DIN:09570371

Place : Hyderabad
 Date : 16th May 2022

Place : Hyderabad
 Date : 16th May 2022

PITTI RAIL AND ENGINEERING COMPONENTS LIMITED



STATEMENT OF CHANGES IN EQUITY for the period ended 31st March 2022

(a) Equity Share Capital

Particulars	Note No.	
Balance as at 1 April , 2020		-
Changes in equity share capital during the year	6 (a)	5,00,000
Balance as at 31 March , 2021		5,00,000
Balance as at 1 April , 2021		5,00,000
Changes in equity share capital during the year	6 (a)	-
Balance as at 31 March 2022		5,00,000

(b) Other Equity

Particulars	Reserves & Surplus			Items of other comprehensive income		(INR)
	Securities Premium	General Reserve	Retained Earnings	Equity Instruments through other comprehensive income	Other items of other comprehensive income	Total Other Equity
Balance as on 1 April , 2020	-	-	-	-	-	-
Profit for the year	-	-	(2,22,405)	-	-	(2,22,405)
Balance as on 31 March, 2021	-	-	(2,22,405)	-	-	(2,22,405)
Balance as on 1 April , 2021	-	-	(2,22,405)	-	-	(2,22,405)
Profit for the year	-	-	(3,14,911)	-	-	(3,14,911)
Balance as on 31 March, 2022	-	-	(5,37,316)	-	-	(5,37,316)

As per our Report of even date

For and on behalf of the Board of Directors of
Pitti Rail and Engineering Components Limited
CIN: U29100TG2020PLC144524

For Laxminiwas & Co
Chartered Accountants
Firm's Registration Number:011168 S

Sharad B Pitti
Director
DIN:00078716

Akshay S Pitti
Director
DIN:00078760

Vijay Singh
Partner
Membership No: 221671

Pavan Kumar M
Director
DIN:09570371

Hyderabad
Date : 16th May 2022

Place : Hyderabad
Date : 16th May 2022

PITTI RAIL AND ENGINEERING COMPONENTS LIMITED



CASH FLOW STATEMENT

for the year ended 31st March 2022

Particulars	For the year ended 31.03.2022		For the year ended 31.03.2021	
A. CASH FLOW FROM OPERATING ACTIVITIES				
profit before tax	(3,43,210)		(2,37,305)	
Adjusted for				
Depreciation and Amortisation expenses	1,02,401		51,200	
Interest Income	(760)		(364)	
Finance Costs	1,59,051	(82,518)	79,302	(1,07,167)
Operating Profit before Working Capital changes		(82,518)		(1,07,167)
Working Capital changes adjusted for				
Trade & Other financial and non financial assets	820		(35,575)	
Trade Payables and other financial and non financial liabilities	5,898		25,000	
		6,718		(10,575)
Cash generated from operations		(75,800)		(1,17,742)
Taxes Paid		-		-
Cash Flow before extraordinary items		(75,800)		(1,17,742)
Net Cash Flow From Operating Activities - (A)		(75,800)		(1,17,742)
B. CASH FLOW FROM INVESTING ACTIVITIES				
ROU Assets as per IND AS 116		-		(17,92,009)
Interest income received		760		364
Net Cash used in Investing Activities - (B)		760		(17,91,645)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital	-		5,00,000	
Finance charges	(2,228)		(1,275)	
Cash payments for principal portion of lease liability	(1,47,600)		(70,452)	
Cash payments for interest portion of lease liability	(9,223)		(7,575)	
Lease Liability	9,224		17,99,584	
		(1,49,827)		22,20,282
Net Cash used in Finance Activities - (C)		(1,49,827)		22,20,282
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		(2,24,867)		3,10,895
Opening Balance in Cash and Cash Equivalents		3,10,895		-
Closing Balance in Cash and Cash Equivalents		86,028		3,10,895
Components of cash and cash equivalents:				
Cash on hand		3,670		5,270
Balances with banks				
current accounts		82,358		3,05,625
EEFC accounts		-		-
Term Deposit Accounts with in 3 months of maturity		-		-
unpaid dividend account		-		-
Total cash and cash equivalents		86,028		3,10,895

As per our Report of even date

For and on behalf of the Board of Directors of
Pitti Rail and Engineering Components Limited
CIN: U29100TG2020PLC144524

for Laxminiwas & Co
Chartered Accountants
Firm's Registration Number:011168 S

Sharad B Pitti
Director
DIN:00078716

Akshay S Pitti
Director
DIN:00078760

Vijay Singh
Partner
Membership No: 221671

Pavan Kumar M
Director
DIN:09570371

Place : Hyderabad
Date : 16th May 2022

Place : Hyderabad
Date : 16th May 2022

NOTES TO FINANCIAL STATEMENTSfor the year ended 31st March 2022**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES****1.1. CORPORATE INFORMATION**

Pitti Rail and Engineering Components Limited (“the Company”) is a public Company incorporated in India. The registered office of the Company is located at 4th floor Padmaja Landmark, Somajiguda, Hyderabad – 500082, Telangana, India.

The Company is engaged in the manufacturing of electrical steel laminations, stator & rotor core assemblies, sub-assemblies, pole assemblies, die-cast rotors, press tools and high precision machining of various metal components including railways.

1.2. BASIS OF PREPARATION AND PRESENTATION

The financial statements of the have been prepared in accordance with Indian Accounting standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

Company’s financial statements are presented in Indian Rupees (₹), which is also its functional currency.

1.3. PREPARATION OF FINANCIAL STATEMENTS**(a) Basis of Accounting**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of Companies Act, 2013 as amended from time to time.

The Financial statements have been prepared on historical cost basis except for certain financial instruments measured at fair value at the end of each reporting period as explained in the accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2.

(b) Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The management believes that the estimates used in preparation of financial statements are prudent and reasonable.

Estimates and underlying assumptions are reviewed at each reporting date. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future period is affected.

(c) Current/ Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- (i) Expected to be realized or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realized within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

1.4. INVESTMENTS

Investments are classified into current and non-current investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as non-current investments. However, that part of long term investments which are

expected to be realized within twelve months from Balance Sheet date is also presented under “Current Investment” under “Current portion of long term investments” in consonance with the current / non-current classification of Schedule III of the Act.

Equity investments are measured at fair value, with value changes recognized in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the change in ‘Other Comprehensive Income’.

1.5. LEASES

The Company as a lessee:

With effect from 5th October, 2020, the Company has adopted IND AS-116. The Company has recognized lease liabilities and corresponding equivalent right-of-use assets. The Company’s lease asset consists of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) The contract involves the use of an identified asset.
- (ii) The Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a Right-of-Use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

1.6. IMPAIRMENT

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

1.7. EARNINGS PER SHARE

The basic earnings per share ('EPS') is computed by dividing the net profit after tax for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit after tax for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

1.8. PROVISIONS AND CONTINGENCIES

The Company creates a provision when there exists a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

The expenses relating to a provision is presented in the Statement of Profit & Loss net of any reimbursement.

1.9. TAXATION**Current Income Tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in Other Comprehensive Income (OCI) or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The Company has adopted and effected the reduced corporate tax rate permitted under section 115BAA of the Income Tax Act, 1961 as per the Taxation Laws (Amendment) Ordinance, 2019. The tax calculations for the year ended 31st March 2022 have been made accordingly.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax

rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

1.10. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- (i) Debt instruments at amortized cost
- (ii) Debt instruments at fair value through other comprehensive income (FVTOCI)
- (iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- (iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt Instruments at Amortized Cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows,

And

- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- (i) The rights to receive cash flows from the asset have expired, or
- (ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (a) The Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses expected credit loss model, for evaluating impairment of financial assets other than those measured at sale value through profit and loss. Expected credit losses are measured through a loss allowance at an amount equal to:

- The twelve months expected credit losses (expected credit losses that result from those default events on the financial instrument but are possible within twelve months after the reporting date.); or
- Full life time expected credit losses (expected credit losses that result from those default events over the life of the financial instrument).

For trade receivables, the Company applies simplified approach which requires expected lifetime losses to be recognized from initial recognition of the receivables at every reporting date the existing trade receivables are reviewed and accordingly required credit loss is recognized in books.

For other assets (other than trade receivables), the Company uses twelve months expected credit loss to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full life time expected credit loss is used.

Financial Liabilities**Initial Recognition and Measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2.

Note 2A : PROPERTY, PLANT AND EQUIPMENT CAPITAL WORK IN PROGRESS

Particulars	GROSS BLOCK			DEPRECIATION FOR RESERVES			NET BLOCK	
	As at 01.04.2021	ADDITIONS	As at 31.03.2022	As at 01.04.2021	FOR THE YEAR	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Building	17,92,009	-	17,92,009	51,200	1,02,401	1,53,601	16,38,408	17,40,809
ROU - Plant and Machinery	-	-	-	-	-	-	-	-
ROU - Vehicles	-	-	-	-	-	-	-	-
ROU - Computers	-	-	-	-	-	-	-	-
Block	17,92,009	-	17,92,009	51,200	1,02,401	1,53,601	16,38,408	17,40,809
Previous Year	-	17,92,009	17,92,009	-	51,200	51,200	17,40,809	-

Note: 2B RIGHT OF USE OF ASSETS

NOTE 3 : OTHER FINANCIAL ASSETS	As at 31.03.2022	As at 31.03.2021
	INR	INR
Unsecured, considered good		
Deposits:		
Rent	9,896	8,742
TOTAL	9,896	8,742

NOTE 4 : OTHER NON CURRENT ASSETS	As at 31.03.2022	As at 31.03.2021
	INR	INR
Unsecured, considered good		
Prepaid Exp - Rent Deposits Ind AS	24,859	26,833
TOTAL	24,859	26,833

NOTE 5 : CASH AND CASH EQUIVALENTS	As at 31.03.2022	As at 31.03.2021
	INR	INR
Cash on Hand	3,670	5,270
Balances with banks		
Current Accounts	82,358	3,05,625
Cash & Cash equivalents	86,028	3,10,895
Other bank balances		
TOTAL	86,028	3,10,895

NOTE 6 : EQUITY SHARE CAPITAL	As at 31.03.2022	As at 31.03.2021
	INR	INR
Authorised Capital		
1,00,000 (Previous Year 1,00,000) Equity Shares of ₹ 10/- each	10,00,000	10,00,000
TOTAL	10,00,000	10,00,000
Issued, Subscribed and Paid up		
50,000 (Previous year 50,000) Equity shares of ₹ 10/- each	5,00,000	5,00,000
TOTAL	5,00,000	5,00,000

Notes

(a) Reconciliation of equity shares

Particulars	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	INR	No. of Shares	INR
Issued, subscribed and paid-up capital				
At the beginning of the period (number of equity shares - 50,000 (Previous year 50,000)	50,000	5,00,000	-	-
Issued during the period	-	-	50,000	5,00,000
At the closing of the period	50,000	5,00,000	50,000	5,00,000

(b) Rights, preferences and restrictions attached to shares :

The Company has only one class of equity shares having a par value of Rs.10/- each and the holder of the equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting except in the case of interim dividend. In the event of liquidation of the Company the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to their share holding.

(c) Details of Shareholders holding more than 5% equity shares in the Company

Name of the shareholder	As at 31.03.2022		As at 31.03.2021	
	No. of shares	% of Total Shares	No. of shares	% of Total Shares
Pitti Engineering Limited	49,940	99.88	49,940	99.88

(d) Shares held by promoters at the end of the year

Promoter Name	As at 31.03.2022		As at 31.03.2021	
	No. of shares	% of Total Shares	No. of shares	% of Total Shares
Pitti Engineering Limited	49,940	99.88	49,940	99.88
Shri Sharad B Pitti (Nominee of Pitti Engineering Limited)	10	0.02	10	0.02
Shri Akshay S Pitti (Nominee of Pitti Engineering Limited)	10	0.02	10	0.02
Shri Sandip Agarwal (Nominee of Pitti Engineering Limited)	10	0.02	10	0.02
Shri Rishab Gupta (Nominee of Pitti Engineering Limited)	10	0.02	10	0.02
Shri Varun Agarwal (Nominee of Pitti Engineering Limited)	10	0.02	10	0.02
Shri Nand Kishore Khandelwal (Nominee of Pitti Engineering Limited)	10	0.02	10	0.02

Note 7 : OTHER EQUITY	As at	As at
	31.03.2022	31.03.2021
	INR	INR
Retained Earnings		
At the beginning of the year	(2,22,405)	-
Add : (Loss) for the year	(3,14,911)	(2,22,405)
Net Surplus in the Statement of Profit and Loss	(5,37,316)	(2,22,405)
TOTAL	(5,37,316)	(2,22,405)

Note: 8 : LEASE LIABILITY	As at	As at
	31.03.2022	31.03.2021
	INR	INR
Lease Liability	16,59,408	17,99,584
TOTAL	16,59,408	17,99,584

NOTE 9A : TRADE PAYABLES	As at	As at
	31.03.2022	31.03.2021
	INR	INR
Dues to micro enterprises and small enterprises	-	-
Dues to other enterprises	5,901.00	-
TOTAL	5,901.00	-

Note:

The information has been given in respect of such vendors to the extent they could be identified as Micro and Small enterprises on the basis of information available with the company on records.

NOTE 9B : OTHER FINANCIAL LIABILITIES	As at 31.03.2022	As at 31.03.2021
	INR	INR
Others	24,997	25,000
TOTAL	24,997	25,000

NOTE 9C : LEASE LIABILITY	As at 31.03.2022	As at 31.03.2021
	INR	INR
Lease Liability	1,49,400	-
TOTAL	1,49,400	-

NOTES TO FINANCIAL STATEMENTS

NOTE 10 : OTHER INCOME	For the Year 2021-22 INR	For the Year 2020-21 INR
Interest on Deposits	760	364
TOTAL	760	364

Note 11 : FINANCE COSTS	For the Year 2021-22 INR	For the Year 2020-21 INR
Interest on Lease Liabilities	1,58,402	78,816
Bank Charges	649	486
TOTAL	1,59,051	79,302.00

Note 12 : OTHER EXPENSES	For the Year 2021-22 INR	For the Year 2020-21 INR
Rates & Taxes (Excluding Taxes on Income)	34,018	31,640
Remuneration to auditors :		
Audit Fee	25,000	25,000
Certification Fee /Taxation matter	7,500	-
Professional consultancy	16,000	25,651
Miscellaneous Expenses	-	24,876
TOTAL	82,518	1,07,167

NOTE 13 : TAX EXPENSES	For the Year 2021-22 INR	For the Year 2020-21 INR
Deferred (credit)/expenses	(28,299)	(14,900)
TOTAL	(28,299)	(14,900)

NOTE 14: NOTES TO FINANCIAL STATEMENTS

14.1. Earnings per share (EPS) from continuing operations

Particulars	For the Year 2021 - 22	For the Year 2020 - 21
Earnings		
Profit for the period (₹ in INR)	(3,14,911)	(2,22,405)
Shares		
Number of shares at the beginning of the period	50,000	-
Add: Shares issued during the period	-	50,000
Total number of equity shares outstanding at the end of the period		
Weighted average number of equity shares outstanding during the period	50,000	50,000
Earnings per share of par value ₹ 10/- Basic (₹)	(6.30)	(4.45)
Earnings per share of par value ₹ 10/- Diluted (₹)	(6.30)	(4.45)

14.2. Disclosure as per Section 186 of the Companies Act, 2013:

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

- (i) There are no investments made by the Company in accordance with section 186 of the Companies Act, 2013 read with rules issued there under.
- (ii) There are no guarantees issued by the Company in accordance with section 186 of the Companies Act, 2013 read with rules issued there under.

14.3. Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

₹ in INR

Fair value hierarchy				
Particulars	Total	Quoted prices in active markets	Significant Observable inputs	Significant Unobservable inputs
		Level 1	Level 2	Level 3
As on 31-March-22				
Financial Assets				
Security Deposits	9,896	-	-	9,896
Total	9,896	-	-	9,896
Financial Liabilities	-	-	-	-
Total	9,896	-	-	9,896
As on 31-March-21				
Financial Assets				
Security Deposits	8,742	-	-	8,742
Total	8,742	-	-	8,742
Financial Liabilities	-	-	-	-
Total	8,742	-	-	8,742

14.4. Related party disclosures:

I) List of Related parties:

(a) Holding Company

i. Pitti Engineering Limited

(b) Directors

- i. Shri Sharad B Pitti
- ii. Shri Akshay S Pitti
- iii. Shri Nand Kishore Khandelwal

II) Companies in which Directors having interest with whom transactions have taken place

- i. Pitti Engineering Limited

A. Transactions/balances outstanding with related parties

(1) For the Financial Year 2021-22

₹ in INR

Sl. No	Transactions / Outstanding balances	Holding Company	Directors/ Relatives	Director's interest in Company /Entities	Total
1	Rent / Lease Expenses	1,47,600	-	-	1,47,600
2	Amount receivable at the year end	36,000	-	-	36,000

(2) For the Financial Year 2020-21

₹ in INR

Sl. No	Transactions / Outstanding balances	Holding Company	Directors/ Relatives	Director's interest in Company /Entities	Total
1	Rent / Lease Expenses	70,450	-	-	70,450
2	Allotment of Shares	5,00,000	-	-	5,00,000
3	Rent Deposit Paid	36,000	-	-	36,000
4	Amount receivable at the year end	36,000	-	-	36,000

14.5. Deferred Tax

₹ in INR

Sl. No	Particulars	Deferred Tax (Liability)/ Asset as at 01.04.2021	Current Year charge (Debit)	Deferred Tax (Liability)/ Asset as at 31.03.2022
1	Difference between Depreciation as per Co's Act. & as per IT Act.	14,900	28,299	43,199
2	Others	-	-	-
	Deferred Tax (Net)	14,900	28,299	43,199

14.6. No asset is impaired during the year as the assets are having recoverable value which is more than the carrying amount.

14.7. Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Disclosure required as per section 22 of the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act) is given below:

₹ in INR

Sl. No	Description	Year 2021-22	Year 2020-21
1	Principle amounts due to suppliers under MSMED	-	-
2	Interest accrued and due to suppliers covered under MSMED on the above amount, unpaid	-	-
3	Payment made to suppliers (with Interest) beyond the appointed day during the year.	-	-
4	Interest paid to suppliers covered under MSMED	-	-
5	Interest due & Payable to suppliers covered under MSMED Act., towards payments already made.	-	-

The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with Company.

14.8. Category of Right of Use of Assets:

For the Financial Year 2021-22

₹ in INR

Particulars	Building	Total
Balance as on 1st April'2021	17,40,809	17,40,809
Reclassified on account of adoption of Ind AS 116	-	-
Additions	-	-
Deletions	-	-
Depreciation	1,02,401	1,02,401
Balance as on 31st March' 2022	16,38,408	16,38,408

For the Financial Year 2020-21

₹ in INR

Particulars	Building	Total
Balance as on 1st April'2020	-	-
Reclassified on account of adoption of Ind AS 116	-	-
Additions	17,92,009	17,92,009
Deletions	-	-
Depreciation	51,200	51,200
Balance as on 31st March' 2021	17,40,809	17,40,809

14.9. Statutory Auditor’s remuneration:

₹ in INR

Sl. No	Description	Year 2021-22	Year 2020-21
1	Statutory Audit	25,000	25,000
2	Tax Audit	-	-
3	Certification fee / Taxation matter	7,500	-
	Total	32,500	25,000

14.10. Key Ratios

The Company is incorporated during the FY 2020-21 and commercial transactions are not yet started, Key Ratios are not provided by the Company.

14.11. Other Statutory Information

- (i) The Company does not have any Benami property where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Company does not have any borrowings with banks or financial institutions and hence there is no requirement for submission of quarterly returns or statements of current assets by the Company with banks or financial institutions.
- (iii) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (iv) The Company does not have any transactions with companies struck off.
- (v) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (vi) The Company does not have any subsidiary and hence requirements of the number of layers prescribed under clause (87) of section 2 of the Companies (Restriction on number of Layers) Rules 2017 is not applicable to the Company.
- (vii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies) including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) Provide any guarantee security or the like to or on behalf of the Ultimate Beneficiaries.

- (viii) The Company has not received any fund from any person(s) or entity(ies) including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) Provide any guarantee security or the like on behalf of the Ultimate Beneficiaries.
- (ix) The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961 (such as search or survey or any other relevant provisions of the Income Tax Act 1961).
- (x) The Corporate Social Responsibility as prescribed under Section 135 of Companies Act, 2013 is not applicable to the Company.

As per our report of even date

**For and on behalf of the Board of Directors
Pitti Rail & Engineering Components Limited
CIN: U29100TG2020PLC144524**

**For LAXMINIWAS & Co
Chartered Accountants
Firm Regn. No:011168S**

**Sharad B Pitti
Director
DIN:00078716**

**Akshay S Pitti
Director
DIN:00078760**

**Vijay Singh
Partner
M.No: 221671**

**Pavan Kumar M
Director
DIN:09570371**

**Hyderabad
Date : 16th May 2022**

**Hyderabad
Date : 16th May 2022**