

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PITTI RAIL AND ENGINEERING COMPONENTS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements **Pitti Rail and Engineering Components Limited** ("the Company") which comprise the Balance Sheet as of 31st March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow, notes to the Financial Statements and the Statement of Changes in Equity for the year ended on that date, and a summary of the material accounting policies and other explanatory information (hereinafter 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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024, its loss including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of 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 ("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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director 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 will 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.

Responsibilities of Management for the Financial Statements

The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibility 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, specified under section 143(10) 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 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financials statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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 Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the accompanying financial statements;
 - (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), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the IND AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended.
- (e) On the basis of the written representations received from the directors as of 31st March 2024, taken on record by the Board of Directors, none of the directors is disqualified as of 31st March 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- (g) The Company has not paid/provided managerial remuneration to its directors for the year ended 31st March, 2024.
- (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 as amended, 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 did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as on 31st March 2024;
 - (iii) There are no amounts which were required to be transferred to the Investor Education and Protection Fund during the year ended 31st March 2024.
 - (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 Intermediary 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 by or on

behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on 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) The company has not declared or paid any dividends during the year.

2. 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 Companies Act, 2013, we give in the “**Annexure B**”, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For Talati & Talati LLP
Chartered Accountants
(Firm Reg No: 110758W/W100377)

Place of Signature: Hyderabad
Date: May 8, 2024

Amit Shah
Partner
Membership Number: 122131
UDIN: 24122131BKHHBV9160

Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 2 (f) under the heading “Report on other Legal and Regulatory Requirements” of our report to the members **PITTI RAIL AND ENGINEERING COMPONENTS LIMITED** on the financial statements as on 31st March, 2024)

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 **PITTI RAIL AND ENGINEERING COMPONENTS LIMITED** (“the Company”) as of 31st March 2024 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 the Institute of Chartered Accountants of India and the standards on auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 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 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.

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, 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 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Talati & Talati LLP
Chartered Accountants
(Firm Reg No: 110758W/W100377)

Place of Signature: Hyderabad
Date: May 8, 2024

Amit Shah
Partner
Membership Number: 122131
UDIN: 24122131BKHBBV9160

Annexure B to the Independent Auditors' Report

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of **PITTI RAIL AND ENGINEERING COMPONENTS LIMITED** on the financial statements as on 31st March, 2024)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

- (i).
 - (a) The Company does not have any transactions pertaining to tangible or intangible assets or both assets during this financial year. The Company has maintained relevant details of right-of-use assets.
 - (b) No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transaction (Prohibition) Act, 1988. Accordingly, Clause 3(i)(e) of the Order is not applicable to the Company.
- (ii).
 - (a) There are no Inventory held by the entity. Accordingly, Clause 3 (ii)(a) of the Order is not applicable to the Company.
 - (b) The Company has not been sanctioned with any working capital from banks or financial institutions on the basis of security of current assets. Accordingly, Clause 3 (ii)(b) of the Order is not applicable to the Company.
- (iii). 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 during the year. Accordingly, Clause 3(iii)(a) to (f) of the Order is not applicable to the Company.
- (iv). The Company has not given any loans, guarantees and security in respect of which provisions of Sections 185 and 186 of the Act are applicable to the Company. Accordingly, Clause 3(iv) of the Order is not applicable to the Company.
- (v). The Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, Clause 3(v) of the Order is not applicable to the Company.
- (vi). The Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the services rendered by the Company. Accordingly, Clause 3 (vi) of the Order is not applicable to the Company.
- (vii). According to the information and explanations given to us, in respect of statutory dues:

The Company does not involve in any activities during the year and there were no statutory dues including Provident Fund, Employees' State Insurance, Income tax, Customs duty, Goods and Service Tax, Cess, and other material statutory dues applicable to it to the Company. Accordingly, 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. Accordingly, Clause 3(viii) of the Order is not applicable to the Company.
- (ix).
 - (a) According to the information and explanations given to us and based on our examination of the records, the company has not availed any loans during the reporting period. Accordingly, Clause 3(ix)(a) of the Order is not applicable to the Company.
 - (b) According to the information and explanations are given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lenders. Accordingly, Clause 3(ix)(b) of the Order is not applicable to the Company.
 - (c) According to the information and explanations given to us and based on the examination of records of the Company, the Company has not obtained any term loans during the period. Accordingly, Clause 3(ix)(c) of the Order is not applicable to the Company.
 - (d) According to the information and explanations given to us and based on the examination of records of the Company, the Company has not obtained any short-term loans during the period. Accordingly, Clause 3(ix)(d) of the Order is not applicable to the Company.
 - (e) According to the information and explanations given to us on an overall examination of the financial statements of the Company, the Company does not have any subsidiaries, associates, or joint ventures, hence the question of raising funds in the form of loan for meeting the obligations of its subsidiaries, associates, or joint ventures does not arise. Accordingly, Clause 3(ix)(e) of the Order is not applicable to the Company.
 - (f) According to the information and explanations given to us and based on the examination of records of the Company, the Company does not have any subsidiaries, associates, or joint ventures, hence the question of raising funds by pledging securities of subsidiaries, associates, or joint ventures does not arise. Accordingly, Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x).
 - (a) The Company has not raised any money by the way of an initial public offer or further public offer (including debt instruments) during the year. Accordingly, Clause 3(x)(a) of the Order is not applicable to the Company.
 - (b) 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 to the Company.

- (xi).
- (a) According to the information and explanations given to us and based on 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 to the Company.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records during the year, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, Clause 3 (xi) (b) of the Order is not applicable to the Company.
 - (c) According to the information and explanations are given to us, there were no whistle-blower complaints in the Company. Accordingly, Clause 3 (xi) (c) of the Order is not applicable to the Company.
- (xii). According to the information and explanations are given to us and on the basis of our examination of the records of the Company, the Company is not Nidhi Company. Accordingly, Clause (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, the Company and in accordance with the provisions of the Act 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 to the Company.
- (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 non-cash transactions with directors or persons connected with him. Accordingly, Clause 3(xv) of the Order is not applicable to the Company.
- (xvi).
- (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Clause 3(xvi)(a) of the Order is not applicable to the Company.
 - (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, Clause 3(xvi)(b) of the Order is not applicable to the Company.
 - (c) 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 to the Company.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the group does not have core investment Company. Accordingly, Clause 3(xvi)(d) of the Order is not applicable to the Company
- (xvii). The Company has incurred cash losses of Rs 0.49 lakhs in the current financial year and in the immediately preceding financial year there was a cash loss of Rs 0.37 Lakhs.
- (xviii). There has been no resignation of the statutory auditors during the year. Accordingly, Clause 3(xviii) of the Order is not applicable to the Company.
- (xix). According to the information and explanations given to us and on the basis of our examination of the records of the Company, on the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, material uncertainty exists as on the date of audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. The company is having liabilities in excess of assets as on balance sheet date and the Company has negative net-worth as on 31st March,2024.
- (xx). The company is not subjected to compliance requirement with respect to section 135 of the Companies Act, 2013. Accordingly, 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 Talati & Talati LLP
Chartered Accountants
(Firm Reg No: 110758W/W100377)

Place of Signature: Hyderabad
Date: May 8, 2024

Amit Shah
Partner
Membership Number: 122131
UDIN: 24122131BKHHBV9160

PITTI RAIL AND ENGINEERING COMPONENTS LIMITED



BALANCE SHEET

as at 31st March, 2024

₹ In lakhs

Particulars	Notes	As at 31.03.2024	As at 31.03.2023
ASSETS			
NON-CURRENT ASSETS			
(a) Right of use of Assets	2	-	-
TOTAL NON - CURRENT ASSETS		-	-
CURRENT ASSETS			
(a) Financial Assets			
(i) Cash and Cash equivalents	3	4.60	0.10
TOTAL CURRENT ASSETS		4.60	0.10
TOTAL ASSETS		4.60	0.10
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	4	10.00	5.00
(b) Other equity	5	(5.78)	(5.16)
TOTAL EQUITY		4.22	(0.16)
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Deferred Tax Liabilities (Net)	6	-	-
TOTAL NON-CURRENT LIABILITIES		-	-
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Trade payables	7		
Dues to micro and small enterprises		-	-
Dues to other enterprises		0.13	-
(ii) Other financial liabilities	8	0.21	0.26
(b) Other current liabilities	9	0.04	-
TOTAL CURRENT LIABILITIES		0.38	0.26
TOTAL EQUITY AND LIABILITIES		4.60	0.10

Material accounting policies Information and the accompanying notes 1 to 14 are an integral part of the Financial Statements.

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 Talati & Talati LLP
Chartered Accountants
Firm's Registration Number: 110758W/W100377

Sharad B Pitti
Director
DIN:00078716

Akshay S Pitti
Director
DIN:00078760

Amit Shah
Partner
Membership No:122131

M Pavan Kumar
Director
DIN:09570371

Place : Hyderabad
Date: 8th May 2024

Place : Hyderabad
Date: 8th May 2024

PITTI RAIL AND ENGINEERING COMPONENTS LIMITED**STATEMENT OF PROFIT & LOSS**

for the period ended 31st March 2024

₹ In lakhs

Particulars	Notes	For the Year ended 31.03.2024	For the Year ended 31.03.2023
INCOME			
Other income	10	-	1.60
TOTAL INCOME		-	1.60
EXPENSES			
Finance costs	11	0.01	0.01
Depreciation and amortization expenses	2	-	0.26
Other expenses	12	0.61	0.69
TOTAL EXPENSES		0.62	0.96
Profit/(Loss) before tax		(0.62)	0.64
TAX EXPENSES	13		
(a) Current tax		-	-
(b) Deferred tax		-	0.43
TOTAL TAX EXPENSES		-	0.43
Profit/(Loss) for the period		(0.62)	0.21
Other Comprehensive Income			
(i) Items that will not be reclassified subsequently to profit or loss			
(ii) Items that will be reclassified subsequently to profit or loss			
Total other comprehensive income		-	-
Total Comprehensive Income		(0.62)	0.21
Earnings per Equity Share of Face Value of ₹ 10/- each	14.1		
(a) Basic		(0.69)	0.42
(b) Diluted		(0.69)	0.42

Material accounting policies Information and the accompanying notes 1 to 14 are an integral part of the Financial Statements.

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 Talati & Talati LLP
Chartered Accountants
Firm's Registration Number: 110758W/W100377

Sharad B Pitti
Director
DIN:00078716

Akshay S Pitti
Director
DIN:00078760

Amit Shah
Partner
Membership No:122131

M Pavan Kumar
Director
DIN:09570371

Place : Hyderabad
Date: 8th May 2024

Place : Hyderabad
Date: 8th May 2024

STATEMENT OF CASH FLOWS

for the year ended 31st March 2024

₹ In lakhs

Particulars	For the year ended 31.03.2024		For the year ended 31.03.2023	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax	(0.62)		0.64	
Adjusted for				
Depreciation and amortization expenses	-		0.26	
Interest Income	-		(1.60)	
Finance Costs	0.01	(0.61)	0.01	(0.69)
Operating Profit before Working Capital changes		(0.61)		(0.69)
Working Capital changes adjusted for				
Trade & Other financial and non financial assets	-		0.37	
Trade Payables and other financial and non financial liabilities	0.12		(0.05)	
		0.12		0.32
Cash generated from operations		(0.49)		(0.37)
Taxes Paid		-		-
Cash Flow before extraordinary items		(0.49)		(0.37)
Net Cash Flow From Operating Activities - (A)		(0.49)		(0.37)
B. CASH FLOW FROM INVESTING ACTIVITIES				
ROU Assets as per IND AS 116		-		16.12
Interest income received		-		1.58
Net Cash used in Investing Activities - (B)		-		17.70
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital	5.00		-	
Finance charges	(0.01)		0.39	
Cash Payments for Principal portion of lease liability	-		(18.46)	
Cash Payments for interest portion of lease liability	-		(0.02)	
		4.99		(18.09)
Net Cash used in Finance Activities - (C)		4.99		(18.09)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		4.50		(0.76)
Opening Balance in Cash and Cash Equivalents		0.10		0.86
Closing Balance in Cash and Cash Equivalents		4.60		0.10
Components of cash and cash equivalents:				
Cash on hand		0.06		-
Balances with banks				
On current accounts		4.54		0.10
Total cash and cash equivalents		4.60		0.10

Material accounting policies Information and the accompanying notes 1 to 14 are an integral part of the Financial Statements.

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 Talati & Talati LLP
Chartered Accountants
Firm's Registration Number: 110758W/W100377

Sharad B Pitti
Director
DIN:00078716

Akshay S Pitti
Director
DIN:00078760

Amit Shah
Partner
Membership No:122131

M Pavan Kumar
Director
DIN:09570371

Place : Hyderabad
Date: 8th May 2024

Place : Hyderabad
Date: 8th May 2024

PITTI RAIL AND ENGINEERING COMPONENTS LIMITED



STATEMENT OF CHANGES IN EQUITY for the year ended 31st March 2024

(a) Equity Share Capital

₹ In Lakhs

Particulars	Note No.	
Balance as at 1st April, 2022	4	5.00
Changes in equity share capital during the year		-
Balance as at 31 March, 2023		5.00
Balance as at 1st April, 2023	4	5.00
Changes in equity share capital during the year		5.00
Balance as at 31st March, 2024		10.00

(b) Other Equity

₹ In Lakhs

Particulars	Reserves & Surplus			Items of other comprehensive income		Total Other Equity
	Securities Premium	General Reserve	Retained Earnings	Equity Instruments through other comprehensive income	Other items of other comprehensive income	
Balance as on 1st April, 2022	-	-	(5.37)	-	-	(5.37)
Profit/(loss) for the year	-	-	0.21	-	-	0.21
Balance as on 31st March, 2023	-	-	(5.16)	-	-	(5.16)
Balance as on 1st April, 2023	-	-	(5.16)	-	-	(5.16)
Profit/(loss) for the year	-	-	(0.62)	-	-	(0.62)
Balance as on 31st March, 2024	-	-	(5.78)	-	-	(5.78)

Material accounting policies Information and the accompanying notes 1 to 14 are an integral part of the Financial Statements.

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 Talati & Talati LLP
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Sharad B Pitti
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Director
DIN:09570371

Place : Hyderabad
Date: 8th May 2024

Place : Hyderabad
Date: 8th May 2024

NOTES TO FINANCIAL STATEMENTSfor the year ended 31st March 2024**NOTE 1: MATERIAL ACCOUNTING POLICIES INFORMATION****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 Company 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 2023 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 initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. 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: 2 RIGHT OF USE OF ASSETS

Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As at	ADDITIONS	ADJUSTMENTS	As at	As at	FOR THE YEAR	FOR	ADJUSTMENTS	As at	As at	As at
	01.04.2023			31.03.2024	01.04.2023		RESERVES		31.03.2024	31.03.2024	31.03.2023
ROU - Land		-		-		-			-	-	-
ROU - Building	-	-	-	-	-	-		-	-	-	-
ROU - Plant and Machinery		-	-	-		-			-	-	-
ROU - Vehicles		-		-					-	-	-
ROU - Computers		-		-					-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-
Previous Year	17.92	-	17.92	-	1.54	0.26	-	1.80	-	-	16.38

PITTI RAIL AND ENGINEERING COMPONENTS LIMITED



NOTES TO FINANCIAL STATEMENTS

₹ In lakhs

NOTE 3 : CASH AND CASH EQUIVALENTS	As at 31.03.2024	As at 31.03.2023
Cash on Hand	0.06	-
Balances with banks		
Current Accounts	4.54	0.10
Cash & Cash equivalents	4.60	0.10
TOTAL	4.60	0.10

₹ In lakhs

NOTE 4 : EQUITY SHARE CAPITAL	As at 31.03.2024	As at 31.03.2023
Authorised Capital		
1,00,000 Equity Shares of ₹ 10/- each (Previous Year 1,00,000)	10.00	10.00
TOTAL	10.00	10.00
Issued, Subscribed and Paid up	10.00	5.00
1,00,000 Equity shares of ₹ 10/- each(Previous year 50,000)		
TOTAL	10.00	5.00

PITTI RAIL AND ENGINEERING COMPONENTS LIMITED



NOTES TO FINANCIAL STATEMENTS

(a) Reconciliation of equity shares

Particulars	As at 31.03.2024		As at 31.03.2023	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Issued, subscribed and paid-up capital				
At the beginning of the period (number of equity shares -100,000 (Previous year 50,000))	50,000	5.00	50,000	5.00
Issued during the period	50,000	5.00	-	-
At the closing of the period	1,00,000	10.00	50,000	5.00

(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 share holders 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 the number of equity shares held.

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

Name of the shareholder	As at 31.03.2024		As at 31.03.2023	
	No. of shares	% of Total Shares	No. of shares	% of Total Shares
Pitti Engineering Limited	99,940	99.98	49,940	99.88

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

Name of the shareholder	As at 31.03.2024		As at 31.03.2023	
	No. of shares	% of Total Shares	No. of shares	% of Total Shares
Pitti Engineering Limited	99,940	99.98	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 M Pavan Kumar (Nominee of Pitti Engineering Limited)	10	0.02	10	0.02

PITTI RAIL AND ENGINEERING COMPONENTS LIMITED



NOTES TO FINANCIAL STATEMENTS

₹ In lakhs

Note 5 : OTHER EQUITY	As at 31.03.2024	As at 31.03.2023
Surplus in the Statement of Profit and Loss		
At the beginning of the year	(5.16)	(5.37)
Add : Profit/(Loss) for the period	(0.62)	0.21
Less : Transferred to general reserve during the year	-	-
Net Surplus in the Statement of Profit and Loss	(5.78)	(5.16)
TOTAL	(5.78)	(5.16)

₹ In lakhs

Note: 6 : DEFERRED TAX LIABILITIES (NET)	As at 31.03.2024	As at 31.03.2023
At the beginning of the year	-	(0.43)
Provision for the year	-	0.43
Closing balance	-	-

₹ In lakhs

NOTE 7 : TRADE PAYABLES	As at 31.03.2024	As at 31.03.2023
Dues to micro and small enterprises*	-	-
Dues to others	0.13	-
TOTAL	0.13	-

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.

PITTI RAIL AND ENGINEERING COMPONENTS LIMITED



NOTES TO FINANCIAL STATEMENTS

₹ In lakhs

NOTE 8 : OTHER FINANCIAL LIABILITIES	As at 31.03.2024	As at 31.03.2023
Other Liabilities	0.21	0.26
TOTAL	0.21	0.26

₹ In lakhs

NOTE 9 : OTHER CURRENT LIABILITIES	As at 31.03.2024	As at 31.03.2023
Other Liabilities	0.04	-
TOTAL	0.04	-

PITTI RAIL AND ENGINEERING COMPONENTS LIMITED



NOTES TO FINANCIAL STATEMENTS

₹ In lakhs

NOTE 10 : OTHER INCOME	For the Year ended 31.03.2024	For the Year ended 31.03.2023
Interest on Deposits	-	1.60
TOTAL	-	1.60

₹ In lakhs

NOTE 11 : FINANCE COSTS	For the Year ended 31.03.2024	For the Year ended 31.03.2023
Bank Charges	0.01	0.01
TOTAL	0.01	0.01

₹ In lakhs

NOTE 12 : OTHER EXPENSES	For the Year ended 31.03.2024	For the Year ended 31.03.2023
Rates & Taxes (Excluding Taxes on Income)	0.08	0.18
Remuneration to auditors :		
Audit Fee	0.25	0.25
Certification Fee /Taxation matter	0.10	0.05
Communication Expenses	0.01	-
Professional consultancy	0.17	0.21
TOTAL	0.61	0.69

₹ In lakhs

NOTE 13 : TAX EXPENSES	For the Year ended 31.03.2024	For the Year ended 31.03.2023
Deferred (credit)/expenses	-	0.43
TOTAL	-	0.43

NOTE 14: NOTES TO FINANCIAL STATEMENTS

14.1. Earnings per share (EPS) from continuing operations

Particulars	₹ In lakhs	
	For the Year 2023 - 24	For the Year 2022 - 23
Earnings		
Profit for the period	(0.62)	0.21
Shares		
Number of shares at the beginning of the period	50,000	50,000
Add: Shares issued during the period	50,000	-
Total number of equity shares outstanding at the end of the period	1,00,000	
Weighted average number of equity shares outstanding during the period	89,344	50,000
Earnings per share of par value ₹ 10/- Basic (₹)	(0.69)	0.42
Earnings per share of par value ₹ 10/- Diluted (₹)	(0.69)	0.42

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).

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-24				
Financial Assets				
Security Deposits	-	-	-	-
Total	-	-	-	-
Financial Liabilities	-	-	-	-
Total	-	-	-	-
As on 31-March-23				
Financial Assets				
Security Deposits	-	-	-	-
Total	-	-	-	-
Financial Liabilities	-	-	-	-
Total	-	-	-	-

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 M Pavan Kumar

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

Nil

A. Transactions/balances outstanding with related parties

(1) For the Financial Year 2023-24

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

(2) For the Financial Year 2022-23

Sl. No	Transactions / Outstanding balances	Holding Company	Directors/ Relatives	Director's interest in Company /Entities	Total
1	Rent / Lease Expenses	0.38	-	-	0.38
2	Amount receivable/Payable at the year end	-	-	-	-

14.5. Deferred Tax

Sl. No	Particulars	Deferred Tax (Liability)/ Asset as at 01.04.2023	Current Year charge (Debit)	Deferred Tax (Liability)/ Asset as at 31.03.2024
1	Difference between Depreciation as per Co's Act. & as per IT Act.	-	-	-
2	Others	-	-	-
	Deferred Tax (Net)	-	-	-

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:

Sl. No	Description	Year 2023-24	Year 2022-23
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 2023-24

Particulars	Building	Total
Balance as on 1st April'2023	-	-
Reclassified on account of adoption of Ind AS 116	-	-
Additions	-	-
Deletions	-	-
Depreciation	-	-
Balance as on 31st March' 2024	-	-

For the Financial Year 2022-23

Particulars	Building	Total
Balance as on 1st April'2022	16.38	16.38
Reclassified on account of adoption of Ind AS 116	-	-
Additions	-	-
Deletions	16.12	16.12
Depreciation	0.26	0.26
Balance as on 31st March' 2023	-	-

14.9. Statutory Auditor's remuneration:

Sl. No	Description	Year 2023-24	Year 2022-23
1	Statutory Audit	0.25	0.25
2	Tax Audit	-	-
3	Certification fee / Taxation matter	0.10	0.05
	Total	0.35	0.30

14.10. Ratios

S.no	Particulars	Numerator	Denominator	31.03.2024	31.03.2023	Variance	Reason for variance more than 25%
1.	Current Ratio (in times)	Current assets	Current liabilities	12.10	0.38	(30.47)%	Note 1(a)
2.	Debt- Equity Ratio (in times)	Debt	Equity	Nil	Nil	Nil	
3.	Debt Service Coverage Ratio (in times)	Earnings available for debt service	Interest	Nil	Nil	Nil	
4.	Return on Equity (in%)	Profit after tax	Shareholder equity	Nil	Nil	Nil	
5.	Inventory Turnover Ratio (in times)	Sales	Average Inventory	Nil	Nil	Nil	
6.	Trade Receivables Turnover Ratio (in times)	Net sales	Average Receivables	Nil	Nil	Nil	
7.	Trade Payables Turnover ratio (in times)	Net Purchase	Average payables	Nil	Nil	Nil	
8.	Net Capital turnover ratio (in times)	Net sales	Working Capital	Nil	Nil	Nil	
9.	Net Profit Ratio (in %)	Net profit	Net sales	Nil	Nil	Nil	
10.	Return on capital employed (in%)	Earnings before interest and taxes	Capital employed	Nil	Nil	Nil	
11.	Return on Investments (in %)	Earnings from invested funds	Average invested funds	Nil	Nil	Nil	

Note 1(a): During the year due to issue of equity share capital, funds are available in bank account.

Definitions:

- (a) Current Assets = Total Current Assets as per Balance Sheet
- (b) Current Liabilities = Total Current Liabilities as per Balance Sheet
- (c) Debt = Long term and short-term borrowings as per Note 10A and Note 13A respectively of the Balance Sheet
- (d) Equity/Shareholder Equity = Total Equity as per Balance Sheet
- (e) EBDIT = Profit Before Tax + Depreciation + Interest on Term Loans + Interest on working capital borrowings
- (f) Interest = Total Interest cost on Borrowings (Term Loans and Working Capital Borrowings)
- (g) Average Inventory = $(\text{Opening Inventory} + \text{Closing Inventory})/2$
- (h) Average Receivables = $(\text{Opening Receivables} + \text{Closing Receivables})/2$
- (i) Average Payables = $(\text{Opening Payables} + \text{Closing Payables})/2$
- (j) Working Capital = Current Assets - Current Liabilities
- (k) Capital Employed = Total Assets - Current Liabilities
- (l) Earnings from Investor Funds = Earnings from Investments
- (m) Average Investment Funds = $(\text{Opening Investments} + \text{Closing Investments})/2$

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 of
Pitti Rail & Engineering Components Limited
CIN: U29100TG2020PLC144524

For Talati & Talati LLP
Chartered Accountants
Firm Regn. No:110758W/W100377

Sharad B Pitti
Director
DIN:00078716

Akshay S Pitti
Director
DIN:00078760

Amit Shah
Partner
M.No: 122131

M Pavan Kumar
Director
DIN:09570371

Place: Hyderabad
Date: 8th May 2024

Place: Hyderabad
Date: 8th May 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PITTI RAIL AND ENGINEERING COMPONENTS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements **Pitti Rail and Engineering Components Limited** ("the Company") which comprise the Balance Sheet as of 31st March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow, notes to the Financial Statements and the Statement of Changes in Equity for the year ended on that date, and a summary of the material accounting policies and other explanatory information (hereinafter 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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024, its loss including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of 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 ("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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director 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 will 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.

Responsibilities of Management for the Financial Statements

The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibility 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, specified under section 143(10) 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 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financials statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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 Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the accompanying financial statements;
 - (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), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the IND AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended.
- (e) On the basis of the written representations received from the directors as of 31st March 2024, taken on record by the Board of Directors, none of the directors is disqualified as of 31st March 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- (g) The Company has not paid/provided managerial remuneration to its directors for the year ended 31st March, 2024.
- (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 as amended, 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 did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as on 31st March 2024;
 - (iii) There are no amounts which were required to be transferred to the Investor Education and Protection Fund during the year ended 31st March 2024.
 - (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 Intermediary 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 by or on

behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on 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) The company has not declared or paid any dividends during the year.

2. 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 Companies Act, 2013, we give in the “**Annexure B**”, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For Talati & Talati LLP
Chartered Accountants
(Firm Reg No: 110758W/W100377)

Place of Signature: Hyderabad
Date: May 8, 2024

Amit Shah
Partner
Membership Number: 122131
UDIN: 24122131BKHHBV9160

Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 2 (f) under the heading “Report on other Legal and Regulatory Requirements” of our report to the members **PITTI RAIL AND ENGINEERING COMPONENTS LIMITED** on the financial statements as on 31st March, 2024)

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 **PITTI RAIL AND ENGINEERING COMPONENTS LIMITED** (“the Company”) as of 31st March 2024 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 the Institute of Chartered Accountants of India and the standards on auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 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 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.

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, 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 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Talati & Talati LLP
Chartered Accountants
(Firm Reg No: 110758W/W100377)

Place of Signature: Hyderabad
Date: May 8, 2024

Amit Shah
Partner
Membership Number: 122131
UDIN: 24122131BKHHBV9160

Annexure B to the Independent Auditors' Report

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of **PITTI RAIL AND ENGINEERING COMPONENTS LIMITED** on the financial statements as on 31st March, 2024)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

- (i).
 - (a) The Company does not have any transactions pertaining to tangible or intangible assets or both assets during this financial year. The Company has maintained relevant details of right-of-use assets.
 - (b) No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transaction (Prohibition) Act, 1988. Accordingly, Clause 3(i)(e) of the Order is not applicable to the Company.
- (ii).
 - (a) There are no Inventory held by the entity. Accordingly, Clause 3 (ii)(a) of the Order is not applicable to the Company.
 - (b) The Company has not been sanctioned with any working capital from banks or financial institutions on the basis of security of current assets. Accordingly, Clause 3 (ii)(b) of the Order is not applicable to the Company.
- (iii). 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 during the year. Accordingly, Clause 3(iii)(a) to (f) of the Order is not applicable to the Company.
- (iv). The Company has not given any loans, guarantees and security in respect of which provisions of Sections 185 and 186 of the Act are applicable to the Company. Accordingly, Clause 3(iv) of the Order is not applicable to the Company.
- (v). The Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, Clause 3(v) of the Order is not applicable to the Company.
- (vi). The Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the services rendered by the Company. Accordingly, Clause 3 (vi) of the Order is not applicable to the Company.
- (vii). According to the information and explanations given to us, in respect of statutory dues:

The Company does not involve in any activities during the year and there were no statutory dues including Provident Fund, Employees' State Insurance, Income tax, Customs duty, Goods and Service Tax, Cess, and other material statutory dues applicable to it to the Company. Accordingly, 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. Accordingly, Clause 3(viii) of the Order is not applicable to the Company.
- (ix).
 - (a) According to the information and explanations given to us and based on our examination of the records, the company has not availed any loans during the reporting period. Accordingly, Clause 3(ix)(a) of the Order is not applicable to the Company.
 - (b) According to the information and explanations are given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lenders. Accordingly, Clause 3(ix)(b) of the Order is not applicable to the Company.
 - (c) According to the information and explanations given to us and based on the examination of records of the Company, the Company has not obtained any term loans during the period. Accordingly, Clause 3(ix)(c) of the Order is not applicable to the Company.
 - (d) According to the information and explanations given to us and based on the examination of records of the Company, the Company has not obtained any short-term loans during the period. Accordingly, Clause 3(ix)(d) of the Order is not applicable to the Company.
 - (e) According to the information and explanations given to us on an overall examination of the financial statements of the Company, the Company does not have any subsidiaries, associates, or joint ventures, hence the question of raising funds in the form of loan for meeting the obligations of its subsidiaries, associates, or joint ventures does not arise. Accordingly, Clause 3(ix)(e) of the Order is not applicable to the Company.
 - (f) According to the information and explanations given to us and based on the examination of records of the Company, the Company does not have any subsidiaries, associates, or joint ventures, hence the question of raising funds by pledging securities of subsidiaries, associates, or joint ventures does not arise. Accordingly, Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x).
 - (a) The Company has not raised any money by the way of an initial public offer or further public offer (including debt instruments) during the year. Accordingly, Clause 3(x)(a) of the Order is not applicable to the Company.
 - (b) 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 to the Company.

- (xi).
- (a) According to the information and explanations given to us and based on 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 to the Company.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records during the year, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, Clause 3 (xi) (b) of the Order is not applicable to the Company.
 - (c) According to the information and explanations are given to us, there were no whistle-blower complaints in the Company. Accordingly, Clause 3 (xi) (c) of the Order is not applicable to the Company.
- (xii). According to the information and explanations are given to us and on the basis of our examination of the records of the Company, the Company is not Nidhi Company. Accordingly, Clause (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, the Company and in accordance with the provisions of the Act 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 to the Company.
- (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 non-cash transactions with directors or persons connected with him. Accordingly, Clause 3(xv) of the Order is not applicable to the Company.
- (xvi).
- (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Clause 3(xvi)(a) of the Order is not applicable to the Company.
 - (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, Clause 3(xvi)(b) of the Order is not applicable to the Company.
 - (c) 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 to the Company.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the group does not have core investment Company. Accordingly, Clause 3(xvi)(d) of the Order is not applicable to the Company
- (xvii). The Company has incurred cash losses of Rs 0.49 lakhs in the current financial year and in the immediately preceding financial year there was a cash loss of Rs 0.37 Lakhs.
- (xviii). There has been no resignation of the statutory auditors during the year. Accordingly, Clause 3(xviii) of the Order is not applicable to the Company.
- (xix). According to the information and explanations given to us and on the basis of our examination of the records of the Company, on the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, material uncertainty exists as on the date of audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. The company is having liabilities in excess of assets as on balance sheet date and the Company has negative net-worth as on 31st March,2024.
- (xx). The company is not subjected to compliance requirement with respect to section 135 of the Companies Act, 2013. Accordingly, 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 Talati & Talati LLP
Chartered Accountants
(Firm Reg No: 110758W/W100377)

Place of Signature: Hyderabad
Date: May 8, 2024

Amit Shah
Partner
Membership Number: 122131
UDIN: 24122131BKHHBV9160

PITTI RAIL AND ENGINEERING COMPONENTS LIMITED



BALANCE SHEET

as at 31st March, 2024

₹ In lakhs

Particulars	Notes	As at 31.03.2024	As at 31.03.2023
ASSETS			
NON-CURRENT ASSETS			
(a) Right of use of Assets	2	-	-
TOTAL NON - CURRENT ASSETS		-	-
CURRENT ASSETS			
(a) Financial Assets			
(i) Cash and Cash equivalents	3	4.60	0.10
TOTAL CURRENT ASSETS		4.60	0.10
TOTAL ASSETS		4.60	0.10
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	4	10.00	5.00
(b) Other equity	5	(5.78)	(5.16)
TOTAL EQUITY		4.22	(0.16)
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Deferred Tax Liabilities (Net)	6	-	-
TOTAL NON-CURRENT LIABILITIES		-	-
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Trade payables	7		
Dues to micro and small enterprises		-	-
Dues to other enterprises		0.13	-
(ii) Other financial liabilities	8	0.21	0.26
(b) Other current liabilities	9	0.04	-
TOTAL CURRENT LIABILITIES		0.38	0.26
TOTAL EQUITY AND LIABILITIES		4.60	0.10

Material accounting policies Information and the accompanying notes 1 to 14 are an integral part of the Financial Statements.

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 Talati & Talati LLP
Chartered Accountants
Firm's Registration Number: 110758W/W100377

Sharad B Pitti
Director
DIN:00078716

Akshay S Pitti
Director
DIN:00078760

Amit Shah
Partner
Membership No:122131

M Pavan Kumar
Director
DIN:09570371

Place : Hyderabad
Date: 8th May 2024

Place : Hyderabad
Date: 8th May 2024

PITTI RAIL AND ENGINEERING COMPONENTS LIMITED



STATEMENT OF PROFIT & LOSS

for the period ended 31st March 2024

₹ In lakhs

Particulars	Notes	For the Year ended 31.03.2024	For the Year ended 31.03.2023
INCOME			
Other income	10	-	1.60
TOTAL INCOME		-	1.60
EXPENSES			
Finance costs	11	0.01	0.01
Depreciation and amortization expenses	2	-	0.26
Other expenses	12	0.61	0.69
TOTAL EXPENSES		0.62	0.96
Profit/(Loss) before tax		(0.62)	0.64
TAX EXPENSES	13		
(a) Current tax		-	-
(b) Deferred tax		-	0.43
TOTAL TAX EXPENSES		-	0.43
Profit/(Loss) for the period		(0.62)	0.21
Other Comprehensive Income			
(i) Items that will not be reclassified subsequently to profit or loss			
(ii) Items that will be reclassified subsequently to profit or loss			
Total other comprehensive income		-	-
Total Comprehensive Income		(0.62)	0.21
Earnings per Equity Share of Face Value of ₹ 10/- each	14.1		
(a) Basic		(0.69)	0.42
(b) Diluted		(0.69)	0.42

Material accounting policies Information and the accompanying notes 1 to 14 are an integral part of the Financial Statements.

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PITTI RAIL AND ENGINEERING COMPONENTS LIMITED



STATEMENT OF CASH FLOWS

for the year ended 31st March 2024

₹ In lakhs

Particulars	For the year ended 31.03.2024		For the year ended 31.03.2023	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax	(0.62)		0.64	
Adjusted for				
Depreciation and amortization expenses	-		0.26	
Interest Income	-		(1.60)	
Finance Costs	0.01	(0.61)	0.01	(0.69)
Operating Profit before Working Capital changes		(0.61)		(0.69)
Working Capital changes adjusted for				
Trade & Other financial and non financial assets	-		0.37	
Trade Payables and other financial and non financial liabilities	0.12		(0.05)	
		0.12		0.32
Cash generated from operations		(0.49)		(0.37)
Taxes Paid		-		-
Cash Flow before extraordinary items		(0.49)		(0.37)
Net Cash Flow From Operating Activities - (A)		(0.49)		(0.37)
B. CASH FLOW FROM INVESTING ACTIVITIES				
ROU Assets as per IND AS 116		-		16.12
Interest income received		-		1.58
Net Cash used in Investing Activities - (B)		-		17.70
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital	5.00		-	
Finance charges	(0.01)		0.39	
Cash Payments for Principal portion of lease liability	-		(18.46)	
Cash Payments for interest portion of lease liability	-		(0.02)	
		4.99		(18.09)
Net Cash used in Finance Activities - (C)		4.99		(18.09)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		4.50		(0.76)
Opening Balance in Cash and Cash Equivalents		0.10		0.86
Closing Balance in Cash and Cash Equivalents		4.60		0.10
Components of cash and cash equivalents:				
Cash on hand		0.06		-
Balances with banks				
On current accounts		4.54		0.10
Total cash and cash equivalents		4.60		0.10

Material accounting policies Information and the accompanying notes 1 to 14 are an integral part of the Financial Statements.

As per our Report of even date

For and on behalf of the Board of Directors of
Pitti Rail and Engineering Components Limited
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Membership No:122131

Place : Hyderabad
Date: 8th May 2024

Director
DIN:09570371

Place : Hyderabad
Date: 8th May 2024

PITTI RAIL AND ENGINEERING COMPONENTS LIMITED



STATEMENT OF CHANGES IN EQUITY for the year ended 31st March 2024

(a) Equity Share Capital

₹ In Lakhs

Particulars	Note No.	
Balance as at 1st April, 2022	4	5.00
Changes in equity share capital during the year		-
Balance as at 31 March, 2023		5.00
Balance as at 1st April, 2023	4	5.00
Changes in equity share capital during the year		5.00
Balance as at 31st March, 2024		10.00

(b) Other Equity

₹ In Lakhs

Particulars	Reserves & Surplus			Items of other comprehensive income		Total Other Equity
	Securities Premium	General Reserve	Retained Earnings	Equity Instruments through other comprehensive income	Other items of other comprehensive income	
Balance as on 1st April, 2022	-	-	(5.37)	-	-	(5.37)
Profit/(loss) for the year	-	-	0.21	-	-	0.21
Balance as on 31st March, 2023	-	-	(5.16)	-	-	(5.16)
Balance as on 1st April, 2023	-	-	(5.16)	-	-	(5.16)
Profit/(loss) for the year	-	-	(0.62)	-	-	(0.62)
Balance as on 31st March, 2024	-	-	(5.78)	-	-	(5.78)

Material accounting policies Information and the accompanying notes 1 to 14 are an integral part of the Financial Statements.

As per our Report of even date

For and on behalf of the Board of Directors of
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Director
DIN:09570371

Place : Hyderabad
Date: 8th May 2024

Place : Hyderabad
Date: 8th May 2024

NOTES TO FINANCIAL STATEMENTSfor the year ended 31st March 2024**NOTE 1: MATERIAL ACCOUNTING POLICIES INFORMATION****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 Company 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 2023 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 initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. 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: 2 RIGHT OF USE OF ASSETS

Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As at			As at	As at	FOR THE	FOR		As at	As at	As at
	01.04.2023	ADDITIONS	ADJUSTMENTS	31.03.2024	01.04.2023	YEAR	RESERVES	ADJUSTMENTS	31.03.2024	31.03.2024	31.03.2023
ROU - Land		-		-		-			-	-	-
ROU - Building	-	-	-	-	-	-		-	-	-	-
ROU - Plant and Machinery		-	-	-		-			-	-	-
ROU - Vehicles		-		-					-	-	-
ROU - Computers		-		-					-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-
Previous Year	17.92	-	17.92	-	1.54	0.26	-	1.80	-	-	16.38

PITTI RAIL AND ENGINEERING COMPONENTS LIMITED



NOTES TO FINANCIAL STATEMENTS

₹ In lakhs

NOTE 3 : CASH AND CASH EQUIVALENTS	As at 31.03.2024	As at 31.03.2023
Cash on Hand	0.06	-
Balances with banks		
Current Accounts	4.54	0.10
Cash & Cash equivalents	4.60	0.10
TOTAL	4.60	0.10

₹ In lakhs

NOTE 4 : EQUITY SHARE CAPITAL	As at 31.03.2024	As at 31.03.2023
Authorised Capital		
1,00,000 Equity Shares of ₹ 10/- each (Previous Year 1,00,000)	10.00	10.00
TOTAL	10.00	10.00
Issued, Subscribed and Paid up	10.00	5.00
1,00,000 Equity shares of ₹ 10/- each(Previous year 50,000)		
TOTAL	10.00	5.00

PITTI RAIL AND ENGINEERING COMPONENTS LIMITED



NOTES TO FINANCIAL STATEMENTS

(a) Reconciliation of equity shares

Particulars	As at 31.03.2024		As at 31.03.2023	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Issued, subscribed and paid-up capital				
At the beginning of the period (number of equity shares -100,000 (Previous year 50,000))	50,000	5.00	50,000	5.00
Issued during the period	50,000	5.00	-	-
At the closing of the period	1,00,000	10.00	50,000	5.00

(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 share holders 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 the number of equity shares held.

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

Name of the shareholder	As at 31.03.2024		As at 31.03.2023	
	No. of shares	% of Total Shares	No. of shares	% of Total Shares
Pitti Engineering Limited	99,940	99.98	49,940	99.88

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

Name of the shareholder	As at 31.03.2024		As at 31.03.2023	
	No. of shares	% of Total Shares	No. of shares	% of Total Shares
Pitti Engineering Limited	99,940	99.98	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 M Pavan Kumar (Nominee of Pitti Engineering Limited)	10	0.02	10	0.02

PITTI RAIL AND ENGINEERING COMPONENTS LIMITED



NOTES TO FINANCIAL STATEMENTS

₹ In lakhs

Note 5 : OTHER EQUITY	As at 31.03.2024	As at 31.03.2023
Surplus in the Statement of Profit and Loss		
At the beginning of the year	(5.16)	(5.37)
Add : Profit/(Loss) for the period	(0.62)	0.21
Less : Transferred to general reserve during the year	-	-
Net Surplus in the Statement of Profit and Loss	(5.78)	(5.16)
TOTAL	(5.78)	(5.16)

₹ In lakhs

Note: 6 : DEFERRED TAX LIABILITIES (NET)	As at 31.03.2024	As at 31.03.2023
At the beginning of the year	-	(0.43)
Provision for the year	-	0.43
Closing balance	-	-

₹ In lakhs

NOTE 7 : TRADE PAYABLES	As at 31.03.2024	As at 31.03.2023
Dues to micro and small enterprises*	-	-
Dues to others	0.13	-
TOTAL	0.13	-

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.

PITTI RAIL AND ENGINEERING COMPONENTS LIMITED



NOTES TO FINANCIAL STATEMENTS

₹ In lakhs

NOTE 8 : OTHER FINANCIAL LIABILITIES	As at 31.03.2024	As at 31.03.2023
Other Liabilities	0.21	0.26
TOTAL	0.21	0.26

₹ In lakhs

NOTE 9 : OTHER CURRENT LIABILITIES	As at 31.03.2024	As at 31.03.2023
Other Liabilities	0.04	-
TOTAL	0.04	-

PITTI RAIL AND ENGINEERING COMPONENTS LIMITED



NOTES TO FINANCIAL STATEMENTS

₹ In lakhs

NOTE 10 : OTHER INCOME	For the Year ended 31.03.2024	For the Year ended 31.03.2023
Interest on Deposits	-	1.60
TOTAL	-	1.60

₹ In lakhs

NOTE 11 : FINANCE COSTS	For the Year ended 31.03.2024	For the Year ended 31.03.2023
Bank Charges	0.01	0.01
TOTAL	0.01	0.01

₹ In lakhs

NOTE 12 : OTHER EXPENSES	For the Year ended 31.03.2024	For the Year ended 31.03.2023
Rates & Taxes (Excluding Taxes on Income)	0.08	0.18
Remuneration to auditors :		
Audit Fee	0.25	0.25
Certification Fee /Taxation matter	0.10	0.05
Communication Expenses	0.01	-
Professional consultancy	0.17	0.21
TOTAL	0.61	0.69

₹ In lakhs

NOTE 13 : TAX EXPENSES	For the Year ended 31.03.2024	For the Year ended 31.03.2023
Deferred (credit)/expenses	-	0.43
TOTAL	-	0.43

NOTE 14: NOTES TO FINANCIAL STATEMENTS
14.1. Earnings per share (EPS) from continuing operations

Particulars	₹ In lakhs	
	For the Year 2023 - 24	For the Year 2022 - 23
Earnings		
Profit for the period	(0.62)	0.21
Shares		
Number of shares at the beginning of the period	50,000	50,000
Add: Shares issued during the period	50,000	-
Total number of equity shares outstanding at the end of the period	1,00,000	
Weighted average number of equity shares outstanding during the period	89,344	50,000
Earnings per share of par value ₹ 10/- Basic (₹)	(0.69)	0.42
Earnings per share of par value ₹ 10/- Diluted (₹)	(0.69)	0.42

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).

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-24				
Financial Assets				
Security Deposits	-	-	-	-
Total	-	-	-	-
Financial Liabilities	-	-	-	-
Total	-	-	-	-
As on 31-March-23				
Financial Assets				
Security Deposits	-	-	-	-
Total	-	-	-	-
Financial Liabilities	-	-	-	-
Total	-	-	-	-

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 M Pavan Kumar

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

Nil

A. Transactions/balances outstanding with related parties

(1) For the Financial Year 2023-24

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

(2) For the Financial Year 2022-23

Sl. No	Transactions / Outstanding balances	Holding Company	Directors/ Relatives	Director's interest in Company /Entities	Total
1	Rent / Lease Expenses	0.38	-	-	0.38
2	Amount receivable/Payable at the year end	-	-	-	-

14.5. Deferred Tax

Sl. No	Particulars	Deferred Tax (Liability)/ Asset as at 01.04.2023	Current Year charge (Debit)	Deferred Tax (Liability)/ Asset as at 31.03.2024
1	Difference between Depreciation as per Co's Act. & as per IT Act.	-	-	-
2	Others	-	-	-
	Deferred Tax (Net)	-	-	-

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:

Sl. No	Description	Year 2023-24	Year 2022-23
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 2023-24

Particulars	Building	Total
Balance as on 1st April'2023	-	-
Reclassified on account of adoption of Ind AS 116	-	-
Additions	-	-
Deletions	-	-
Depreciation	-	-
Balance as on 31st March' 2024	-	-

For the Financial Year 2022-23

Particulars	Building	Total
Balance as on 1st April'2022	16.38	16.38
Reclassified on account of adoption of Ind AS 116	-	-
Additions	-	-
Deletions	16.12	16.12
Depreciation	0.26	0.26
Balance as on 31st March' 2023	-	-

14.9. Statutory Auditor's remuneration:

Sl. No	Description	Year 2023-24	Year 2022-23
1	Statutory Audit	0.25	0.25
2	Tax Audit	-	-
3	Certification fee / Taxation matter	0.10	0.05
	Total	0.35	0.30

14.10. Ratios

S.no	Particulars	Numerator	Denominator	31.03.2024	31.03.2023	Variance	Reason for variance more than 25%
1.	Current Ratio (in times)	Current assets	Current liabilities	12.10	0.38	(30.47)%	Note 1(a)
2.	Debt- Equity Ratio (in times)	Debt	Equity	Nil	Nil	Nil	
3.	Debt Service Coverage Ratio (in times)	Earnings available for debt service	Interest	Nil	Nil	Nil	
4.	Return on Equity (in%)	Profit after tax	Shareholder equity	Nil	Nil	Nil	
5.	Inventory Turnover Ratio (in times)	Sales	Average Inventory	Nil	Nil	Nil	
6.	Trade Receivables Turnover Ratio (in times)	Net sales	Average Receivables	Nil	Nil	Nil	
7.	Trade Payables Turnover ratio (in times)	Net Purchase	Average payables	Nil	Nil	Nil	
8.	Net Capital turnover ratio (in times)	Net sales	Working Capital	Nil	Nil	Nil	
9.	Net Profit Ratio (in %)	Net profit	Net sales	Nil	Nil	Nil	
10.	Return on capital employed (in%)	Earnings before interest and taxes	Capital employed	Nil	Nil	Nil	
11.	Return on Investments (in %)	Earnings from invested funds	Average invested funds	Nil	Nil	Nil	

Note 1(a): During the year due to issue of equity share capital, funds are available in bank account.

Definitions:

- (a) Current Assets = Total Current Assets as per Balance Sheet
- (b) Current Liabilities = Total Current Liabilities as per Balance Sheet
- (c) Debt = Long term and short-term borrowings as per Note 10A and Note 13A respectively of the Balance Sheet
- (d) Equity/Shareholder Equity = Total Equity as per Balance Sheet
- (e) EBDIT = Profit Before Tax + Depreciation + Interest on Term Loans + Interest on working capital borrowings
- (f) Interest = Total Interest cost on Borrowings (Term Loans and Working Capital Borrowings)
- (g) Average Inventory = $(\text{Opening Inventory} + \text{Closing Inventory})/2$
- (h) Average Receivables = $(\text{Opening Receivables} + \text{Closing Receivables})/2$
- (i) Average Payables = $(\text{Opening Payables} + \text{Closing Payables})/2$
- (j) Working Capital = Current Assets - Current Liabilities
- (k) Capital Employed = Total Assets - Current Liabilities
- (l) Earnings from Investor Funds = Earnings from Investments
- (m) Average Investment Funds = $(\text{Opening Investments} + \text{Closing Investments})/2$

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 of
Pitti Rail & Engineering Components Limited
CIN: U29100TG2020PLC144524

For Talati & Talati LLP
Chartered Accountants
Firm Regn. No:110758W/W100377

Sharad B Pitti
Director
DIN:00078716

Akshay S Pitti
Director
DIN:00078760

Amit Shah
Partner
M.No: 122131

M Pavan Kumar
Director
DIN:09570371

Place: Hyderabad
Date: 8th May 2024

Place: Hyderabad
Date: 8th May 2024