

Ref: SA/T/22R

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
TEXMACO RAIL ELECTRIFICATION LIMITED**

**Report on the Audit of the Financial Statements**

**Opinion**

1. We have audited the accompanying financial statements of Texmaco Rail Electrification Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows, the Statement of Changes in Equity for the year ended on that date and notes to the financial statements including a summary of significant accounting policies and other explanatory information (herein after referred to as "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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Other Information**

3. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Board's Report but does not include the financial statements and our auditor's report thereon. The aforesaid documents are expected to be made available to us after the date of this auditor's report.

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



5. In connection with our audit of the financial statements, our responsibility is to read the other information when it becomes available 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.
6. When we read the aforesaid documents, if we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance.

### **Management's Responsibility for the Financial Statements**

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. 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.
9. The Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Statements**

10. 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.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.





- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

### **Report on Other Legal and Regulatory Requirements**

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income) the Statement of Changes in Equity and the Cash Flow Statement, dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:  
According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid any managerial remuneration for the financial year 2022-23.
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company does not have any pending litigations which would impact its financial positions.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d. i) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(ii) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(iii) Based on the audit procedures that have been 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 (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.





- e. The Company has neither proposed any dividend in the previous year or in the current year nor paid any interim dividend during the year.
- f. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For L. B. Jha & Co.  
Chartered Accountants  
Firm Registration No: 301088E



(D. N. Roy)

Partner

Membership No: 300389

**UDIN: 23300389BGWCHN5686**

Place: Kolkata  
Date: 08.05.2023

**ANNEXURE- A: TO THE INDEPENDENT AUDITOR'S REPORT  
To the Members of TEXMACO RAIL ELECTRIFICATION LIMITED**

[Referred to in paragraph 13 of the Auditors' Report of even date]

- i. (a)(A) The Company does not have any Property, plant and Equipment.
  - (a)(B) According to the information and explanations given to us and the records of the Company examined by us, the company does not have any intangible assets.
  - (b) As the Company does not have any Property, plant and Equipment, this clause is not applicable.
  - (c) According to the information and explanations given to us and the records of the Company examined by us, the Company does not have any immovable property.
  - (d) According to the information and explanations given to us and the records of the company examined by us, the Company does not have any Property, Plant and Equipment and Intangible assets during the year. Hence reporting under this clause is not applicable.
  - (e) According to the information and explanations given to us and the records of the company examined by us, no proceeding have been initiated during the year or are pending against the Company as at March 31,2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The Company does not have any inventory during the year and hence this clause is not applicable.
  - (b) According to the information and explanations given to us and the records of the company examined by us, the Company has not borrowed working capital loans from any bank during the year and hence reporting under this clause is not applicable.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register maintained under Section 189 of the Act and hence reporting under this clause is not applicable.
- iv. According to the information and explanations given to us and the records of the Company examined by us, the Company has not made any investment, advanced any loan, given any guarantee or provided any securities to others and hence reporting under this clause is not applicable.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under. Further, no orders have been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal which could impact the Company.
- vi. The Central Government of India has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.





- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, income-tax, goods and service tax, duty of customs, cess and any other statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, excise duty or value added tax, Goods and services tax, which have not been deposited on account of any dispute.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. According to the information and explanations given to us and the records of the Company examined by us, the Company does not have any loans or other borrowings from any lender. Hence reporting under this clause is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under this clause is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under this clause is not applicable.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the Company has not received any complaints from any whistle-blower during the year (and upto the date of this report) and hence reporting under this clause is not applicable.
- xii. The Company is not a Nidhi Company and hence reporting under this clause is not applicable.
- xiii. According to the information and explanations given to us and the records of the Company examined by us, the Company has not undertaken any transaction covered under section 188 of the Act. The provisions of Section 177 of the Act are not applicable to the Company.
- xiv. According to the information and explanations given to us, the Company is not required to appoint internal auditor as per requirement of section 138 of the Companies Act, 2013 hence reporting under this clause is not applicable.



- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Hence, provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) & (b) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause is not applicable.
- (c) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and hence reporting under this clause is not applicable.
- xvii. The Company has incurred cash losses during the current and the immediately preceding financial year. The amounts of cash losses for the aforesaid years are given below –
- | Years      | Cash Losses<br>(Rs. In Lakhs) |
|------------|-------------------------------|
| FY 2021-22 | 0.40                          |
| FY 2022-23 | 0.57                          |
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to information and explanation given to us and records of the Company examined by us, Provisions of sec 135 (5) of the Companies Act. 2013 is not applicable to company
- xxi. The Company does not have any subsidiary, associate and joint venture hence reporting under this clause is not applicable.

Place: Kolkata  
Date: 08.05.2023



For L. B. Jha & Co.  
Chartered Accountants  
Firm Registration No: 301088E

(D. N. Roy)  
Partner

Membership No: 300389

UDIN: 23300389BGWCHN5686



**ANNEXURE- B TO THE INDEPENDENT AUDITOR'S REPORT****To the Members of TEXMACO RAIL ELECTRIFICATION LIMITED**

[Referred to in paragraph 14 (f) of the Independent Auditor's Report of even date]

**Report on the Internal Financial Control under Clause (i) of Sub –sections 3 of Section 143 of the Companies Act, 2013("the Act")**

1. We have audited the internal financial controls over financial reporting of **Texmaco Rail Electrification Limited** ("the Company") as of 31<sup>st</sup> March, 2023 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 Control**

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

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the "Guidance Note" and the Standard on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable. 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.
4. 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 includes obtaining an understanding of internal financial control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedure selected depends on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



**Meaning of Internal Financial Control over Financial Reporting**

6. 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 the records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
  - 2) provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorization of management and directors of company; and
  - 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Control over Financial Reporting**

7. Because of inherent limitation of internal financial control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to errors or fraud may occur and not be detected. Also, projections of any evaluations of the internal financial control 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**

8. In our opinion and based on audit tests performed in our audit of the financial statements for the year ended 31<sup>st</sup> March 2023, the Company has, in all material respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2023. The Company had established informal practices which are effective in having a proper internal control over financial reporting. A formal system of internal control over financial reporting criteria needs to be established by the Company considering the essential components of internal control as stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting, issued by the Institute of Chartered Accountants of India.

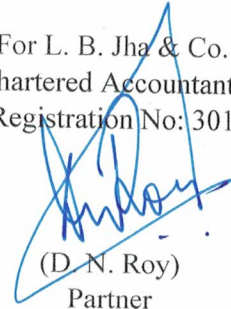




9. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31st March, 2023 financial statements of the Company and these material weakness does not affect our opinion on the financial statements of the Company

For L. B. Jha & Co.  
Chartered Accountants  
Firm Registration No: 301088E



  
(D. N. Roy)  
Partner

Place: Kolkata  
Date: 08.05.2023

Membership No: 300389  
**UDIN: 23300389BGWCHN5686**

**Texmaco Rail Electrification Limited**  
**CIN : U35999WB2020PLC236687**  
**Balance Sheet as at 31st March, 2023**

(Rs. In lakh)

SI No	Particulars	Note No.	As on 31.03.2023	As on 31.03.2022
<b>ASSETS :</b>				
(1)	<b>Current Assets</b>			
	(a) Financial Assets			
	Cash & cash equivalents	3	1.05	1.49
	<b>TOTAL ASSETS</b>		<b>1.05</b>	<b>1.49</b>
<b>EQUITY AND LIABILITIES:</b>				
(1)	<b>Equity</b>			
	(a) Equity Share capital	4	2.00	2.00
	(b) Other Equity	5	(1.23)	(0.66)
			<b>0.77</b>	<b>1.34</b>
(2)	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Other financial liabilities	6	0.25	0.13
	(b) Other current liabilities	7	0.03	0.02
			<b>0.28</b>	<b>0.15</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1.05</b>	<b>1.49</b>

Summary of Significant Accounting Policies & Notes

1 & 2

Notes referred to above form an integral part of the Balance Sheet

In terms of our Report of even date attached herewith.

For **L. B. Jha & Co.**

Chartered Accountants

Firm Registration No: 301088E

**D.N. Roy**

Partner

Membership No.300389

F2/2, Gillander House

8, Netaji Subhas Road

Kolkata- 700 001

Dated: 8th May, 2023



**A K Vijay**

Director

DIN: 01103278

**A K Singh**

Director

DIN: 09547926



**Texmaco Rail Electrification Limited**

CIN : U35999WB2020PLC236687

**Statement of Profit and Loss for the year ended 31st March, 2023**

SI No	Particulars	Note	(Rs. In lakh)	
			For the year ended 31.03.2023	For the year ended 31.03.2022
I	Revenue From operations		-	-
II	Other Income		-	-
III	<b>Total Income (I +II)</b>		<b>-</b>	<b>-</b>
IV	<b>EXPENSES</b>			
	Other expenses	8	0.57	0.40
	<b>Total expenses (IV)</b>		<b>0.57</b>	<b>0.40</b>
V	<b>Profit / (loss) before tax (III-IV)</b>		<b>(0.57)</b>	<b>(0.40)</b>
VI	<b>Exceptional items</b>		-	-
VII	<b>Profit / (loss) before tax</b>		<b>(0.57)</b>	<b>(0.40)</b>
VIII	<b>Tax Expenses</b>			
	1) Current Tax		-	-
	2) Deferred Tax		-	-
IX	<b>Profit/(loss) for the year</b>		<b>(0.57)</b>	<b>(0.40)</b>
X	<b>Other comprehensive income</b>			
A(i)	Items that will not be reclassified to profit or loss		-	-
B(i)	Items that will be reclassified to profit or loss		-	-
XI	<b>Total Comprehensive Income for the year</b>		<b>(0.57)</b>	<b>(0.40)</b>
XII	<b>Earnings per equity share (for continuing operations)</b>			
	1) Basic (in Rs.)		<b>(2.83)</b>	<b>(1.98)</b>
	2) Diluted (in Rs.)		<b>(2.83)</b>	<b>(1.98)</b>
<b>Summary of significant accounting Policies &amp; Notes</b>		<b>1 &amp; 2</b>		

Notes referred to above form an integral part of the Statement of Profit &amp; Loss

In terms of our Report of even date attached herewith.

For **L. B. Jha & Co.**  
Chartered Accountants  
Firm Registration No: 301088E

  
**D.N. Roy**

Partner

Membership No.300389

F2/2, Gillander House

8, Netaji Subhas Road

Kolkata- 700 001

Dated: 8th May, 2023

**A K Vijay**  
Director  
DIN: 01103278**A K Singh**  
Director  
DIN: 09547926

# Texmaco Rail Electrification Limited

Cash Flow Statement for the year ended 31.03.2023

	(Rs. In lakh)	
	Year Ended 31.03.2023	Year Ended 31.03.2022
<b>A) Cash Flows From Operating Activities:</b>		
Net Profit before Taxation & Exceptional Items	(0.57)	(0.40)
	(0.57)	(0.40)
<b>Operating Profit before Working Capital Changes &amp; Exceptional Items</b>		
Increase/(Decrease) in Trade Payables & Other Liabilities	0.13	-
(Increase)/Decrease in Other Assets	-	-
	0.13	-
<b>Cash Generated from Operations</b>	(0.44)	(0.40)
Direct Taxes Paid	-	-
Cash Flow before Exceptional Items	(0.44)	(0.40)
Exceptional Items	-	-
<b>Net Cash used in Operating Activities</b>	(0.44)	(0.40)
<b>Net Increase in Cash and Cash Equivalents</b>	(0.44)	(0.40)
Cash And Cash Equivalents at the beginning of the period	1.49	1.89
Cash and Cash Equivalents at the end of the period	1.05	1.49
<b>Note:</b>		
(1) Details of Cash and Equivalents as on		
Balances with banks		
Current Accounts	1.05	1.49
Cash on hand	-	-
	1.05	1.49

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 (Statement of Cash Flow)

Notes referred to above form an integral part of the Statement of Cash Flow

In terms of our Report of even date attached herewith.

For **L. B. Jha & Co.**

Chartered Accountants

Firm Registration No: 301088E

**D.N. Roy**

Partner

Membership No.300389

F2/2, Gillander House

8, Netaji Subhas Road

Kolkata- 700 001

Dated: 8th May, 2023





**A K Vijay**  
Director  
DIN: 01103278



**A K Singh**  
Director  
DIN: 09547926



**Texmaco Rail Electrification Limited**  
**CIN : U35999WB2020PLC236687**

**A. Equity Share Capital**

(Rs. In lakh)

1) For the period ended March 31, 2023

Balance at the beginning of the current reporting period	Changes in equity share capital during the current reporting period	Balance at the end of the current reporting period
2.00	-	2.00

2) For the period ended March 31, 2022

Balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
2.00	-	2.00

**B. Other Equity**

1) For the period ended March 31, 2023

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance at the beginning of the reporting period	(0.66)	(0.66)
Total Comprehensive Income for the year	(0.57)	(0.57)
<b>Balance at the end of the reporting period</b>	<b>(1.23)</b>	<b>(1.23)</b>

2) For the period ended March 31, 2022

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance at the beginning of the reporting period	(0.26)	(0.26)
Total Comprehensive Income for the year	(0.40)	(0.40)
<b>Balance at the end of the reporting period</b>	<b>(0.66)</b>	<b>(0.66)</b>

Notes referred to above form an integral part of the Statement of Profit & Loss

In terms of our Report of even date attached herewith.

For **L. B. Jha & Co.**  
Chartered Accountants  
Firm Registration No: 301088E

**D.N. Roy**  
Partner

Membership No.300389  
F2/2, Gillander House  
8, Netaji Subhas Road  
Kolkata- 700 001  
Dated: 8th May, 2023



**A K Vijay**  
Director  
DIN: 01103278

**A K Singh**  
Director  
DIN: 09547926

**Note 1**

**Significant accounting policies**

**1.1 General Information**

Texmaco Rail Electrification Limited was incorporated on 26th February, 2020 as a wholly owned subsidiary of Texmaco Rail & Engineering Limited, having its Registered Office at Belgharia, Kolkata - 700056. The Company was formed to explore business potential in the niche field of Rail Electrification. The Company would be carrying on the business of Railway EPC works – Electrification and other related activities.

**1.2 Basis of preparation**

The financial statements of the Company have been prepared in accordance with the relevant provisions of the Companies Act, 2013 and Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013.

The financial statements have been prepared on historical cost convention on the accrual basis, except for financial instruments that are measured at fair values at the end of reporting period, as explained in the accounting policies below:

**1.3 Use of estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in **Note 1.10** Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

**1.4 Contingent Liability**

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or is a present obligation that arises from past events but is not recognized because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are disclosed and not recognized. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the standalone financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial

**1.5 Financial instruments**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

**Classification of financial assets**

Financial assets are classified as 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer (under Ind AS 32 *Financial Instruments: Presentation*). All other non-derivative financial assets are 'debt instruments'.

**Financial assets at amortised cost and the effective interest method**

Debt instruments are measured at amortised cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at amortised cost using the effective interest method less any impairment, with interest recognised on an effective yield basis in investment income.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The Company may irrevocably elect at initial recognition to classify a debt instrument that meets the amortised cost criteria above as at FVTPL if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortised cost.





### **Impairment of financial assets**

On initial recognition of the financial assets, a loss allowance for expected credit loss is recognised for debt instruments at each reporting date.

Expected credit losses of a financial instrument is measured in a way that reflects:

the time value of money; and

reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

At each reporting date, the Company assess whether the credit risk on a financial instrument has increased significantly since initial recognition.

When making the assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. If, the credit risk on that financial instrument has increased significantly since initial recognition, the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the statement of profit and loss.

### **Derecognition of financial assets**

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

### **Classification of Financial liabilities**

Financial liabilities are classified as 'other financial liabilities'.

### **Other financial liabilities**

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### **Derecognition of financial liabilities**

A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

## **1.6 Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

## **1.7 Income taxes**

Income tax expense represents the sum of the tax currently payable and deferred tax.

### **Current tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### **Deferred tax**

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities 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 balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.



### **Current and deferred tax for the period**

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### **1.8 Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### **1.9 Basic earning per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

### **1.10 Critical estimates and judgements**

The preparation of the Company's financial statements requires management to make judgements, 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.

#### **Judgements:**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

#### **Estimates and assumptions:**

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.





**Notes on Financial Statement**

(Rs. In lakh)

Note	Particulars	As on 31.03.2023	As on 31.03.2022
------	-------------	---------------------	---------------------

**Note 3 Financial Assets**

**- Cash and cash equivalents**

(a)	Balances with banks		
	- In current accounts	1.05	1.49
(b)	Cash on hand	-	-
		<u>1.05</u>	<u>1.49</u>

**Note 4 Equity Share capital**

**Authorised Share Capital**

20,000 Equity shares at par value of Rs.10/- each	2.00	2.00
---	------	------

**Issued, Subscribed and paid up capital**

20,000 Equity shares at par value of Rs. 10/- each	2.00	2.00
	<u>2.00</u>	<u>2.00</u>

**Notes:**

- The Company has only one class of shares referred to as equity shares having a par value of Rs.10/-.Each holder of equity shares is entitled to one vote per share.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.
- Reconciliation of number of Issued,Subscribed and Paid-up Capital

Particulars	2022-23	2021-22
Number of Shares at the beginning of the year	20,000	20,000
Add: share issued during the period	-	-
Number of Shares at the end of the period	20,000	20,000

- The name of Shareholders holding more than 5% of Equity shares

Name of Shareholders	No. of Shares	% of holding	No. of Shares	% of holding
Texmaco Rail & Engineering Ltd	20,000	100	20,000	100

Shares held by promoters at the end of the year				% Change during the year
Sl.No	Promoter Name	No of Shares	% of total Shares	
1	Texmaco Rail & Engineering Ltd.	20,000	-	-
	Total	20,000	-	

**Note 5 Other Equity**

**Retained Earnings**

Surplus at the beginning of the year	(0.66)	(0.26)
Add : Profit for the period	(0.57)	(0.40)
Surplus at the end of the period	<u>(1.23)</u>	<u>(0.66)</u>

**Note 6 Other Financial Liabilities**

Liabilities for Expenses	0.25	0.13
	<u>0.25</u>	<u>0.13</u>

**Note 7 Other current liabilities**

TDS and other taxes payable	0.03	0.02
	<u>0.03</u>	<u>0.02</u>



**Texmaco Rail Electrification Limited**

CIN : U35999WB2020PLC236687

**Notes on Financial Statement**

(Rs. In lakh)

Note	Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>Note 8</b>	<b>Other Expenses</b>		
	<b>Payments to the Auditor</b>		
	As Auditor		
	- Audit Fees	0.15	0.15
	Directors Fee	0.13	-
	Filing Fees	0.01	0.02
	Professional Fees	0.15	0.11
	Rent	0.05	0.05
	Bank Charges	0.02	0.02
	GST Expenses	0.06	0.05
		<u>0.57</u>	<u>0.40</u>





**Texmaco Rail Electrification Limited**

**Notes to the financial statements for the year ended 31st March, 2023**

**Additional Notes to Financial Statements**

**Note 2**

**Note 2.1 Related Party Transactions**

**Particulars**

**As at 31st  
March, 2023**      **As at 31st March,  
2022**

Names of the Related Parties and Nature of Relationship where control exists

Holding Company

Texmaco Rail & Engineering Limited

Key Managerial Personnel

Ashok Kumar Vijay

Director

Director

Varun Bharthuar

Director

Director

Ashish Kumar Gupta

-

Director

Alok Kumar Singh

Director

-

**Transactions with the above parties during the existence of related party relationships are disclosed below:**

Nature of Transaction	Amount (Rs. in lakh)	Amount (Rs. in lakh)
	2022-23	2021-22
	Nil	Nil

**Balance of related parties is as follows**

Nature of Transaction	Amount (Rs. in lakh)	Amount (Rs. in lakh)
	As at 31st March, 2023	As at 31st March, 2022
	Nil	Nil

**Note 3. Commitments**

There is no Capital Commitments at the end of the year (31st March 2022 : Rs.Nil)

**Note 4.** To the best of the information available, the company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

**Note 5.** Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**Note 6.** Previous year figures have been regrouped/ rearranged to conform to current year disclosures



**Disclosure of ratios**

<b>Ratios</b>	<b>Numerator Item</b>	<b>Denominator Item</b>	<b>Ratio - Current Year</b>	<b>Ratio - Previous Year</b>	<b>% age change in the ratio</b>
<b>Current Ratio</b>	Current Assets	Current Liabilities	3.79	9.94	-61.83
<b>Return on Equity Ratio (% age)</b>	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	-0.37	-0.38	-1.97
<b>Return on Capital employed (%age)</b>	Earning before interest and taxes	Capital Employed	-0.73	-0.30	147.54

