

Ref: SA/T/19R

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

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

**Opinion**

1. We have audited the accompanying financial statements of Texmaco Rail Systems Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and 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, 2021, 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 the Board Report but does not include the financial statements and our auditor's report thereon. These aforesaid documents are expected to be made available to us after the date of this auditor's report.
4. 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; but not for the purpose of expressing an opinion on the effectiveness of the Company's internal 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) This report does not include Report on the internal financial controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Report on internal financial controls'), since in our opinion and according to the information and explanation given to us, the said report on internal financial controls is not applicable to the Company on the basis the exemption available to the Company under MCA notification no. G.S.R. 583(E) dated June 13, 2017, read with corrigendum dated July 13, 2017 on reporting on internal financial controls over financial reporting.
- (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:  
The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the company.
- (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:
- The Company does not have any pending litigations that could impact its financial position.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Kolkata  
Date: 12.05.2021



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

(D.N. Roy)

Partner  
Membership No: 300389  
UDIN: 21300389AAAAFE4367

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

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

1. The Company does not have any Property, Plant & Equipment.
2. The Company does not have any inventory.
3. 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.
4. 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.
5. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under.
6. 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.
7. (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, goods and service tax, duty of customs which have not been deposited on account of any dispute.
8. The Company has neither taken any loan from financial institution or bank or Government nor issued any debentures.
9. The Company has neither raised any money by public issues of shares or debentures nor obtained any term loans during the year.
10. 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.
11. The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the company.
12. The related statutes are not applicable as the Company is not a Nidhi company.



13. 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.
14. The Company has not made any preferential allotment of shares or fully or partly convertible debentures during the year under audit.
15. According to the information and explanations given to us and the records of the Company examined by us, the Company has not entered into any non-cash transactions, with any director of the Company or persons connected with them, involving acquisition of assets by or from them for consideration other than cash.
16. In our opinion, and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Kolkata  
Date: 12.05.2021



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

  
(D.N. Roy)

Partner

Membership No: 300389  
UDIN: 21300389AAAAFE4367

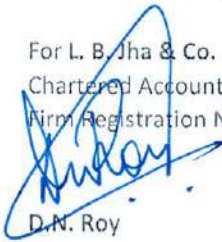
Texmaco Rail Systems Private Limited  
CIN : U74999WB2019PTC230789  
Balance Sheet as at 31st March, 2021

SI No	Particulars	Note No.	Amount (Rs.)	
			As on 31.03.2021	As on 31.03.2020
<b>ASSETS :</b>				
(1)	<b>Current Assets</b>			
	(a) Financial Assets			
	Cash & cash equivalents	3	14,080.00	93,590.00
	<b>TOTAL ASSETS</b>		<b>14,080.00</b>	<b>93,590.00</b>
<b>EQUITY AND LIABILITIES:</b>				
(1)	<b>Equity</b>			
	(a) Equity Share capital	4	1,49,000.00	1,49,000.00
	(b) Other Equity	5	(1,63,120.00)	(73,510.00)
			<b>(14,120.00)</b>	<b>75,490.00</b>
(2)	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(ii) Other financial liabilities	6	27,075.00	16,200.00
	(b) Other current liabilities	7	1,125.00	1,900.00
			<b>28,200.00</b>	<b>18,100.00</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>14,080.00</b>	<b>93,590.00</b>
	Summary of Significant Accounting Policies & Notes	1 & 2	-	-

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

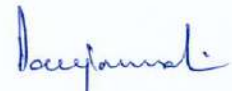
In terms of our Report of even date attached herewith.

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

  
D.N. Roy  
Partner



Membership No.300389  
B2/1, Gillander House  
8, Netaji Subhas Road  
Kolkata- 700 001  
Dated: 12th May, 2021



P C Kejriwal  
Director  
DIN: 00964460



H Bhuvania  
Director  
DIN: 06705066

Texmaco Rail Systems Private Limited

CIN : U74999WB2019PTC230789

Statement of Profit and Loss for the Period Ended 31st March, 2021

SI No	Particulars	Note	Amount (Rs.)	
			For the year ended 31.03.2021	For the year ended 31.03.2020
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	89,610.00	73,510.00
	<b>Total expenses (IV)</b>		<b>89,610.00</b>	<b>73,510.00</b>
V	Profit(loss) before tax (III-IV)		(89,610.00)	(73,510.00)
VI	Exceptional items		-	-
VII	Profit(loss) before tax		(89,610.00)	(73,510.00)
VI	Tax Expenses			
	1)Current Tax		-	-
	3)Deferred Tax		-	-
VII	Profit/(loss) for the period		(89,610.00)	(73,510.00)
VIII	<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		-	-
IX	<b>Total Comprehensive Income for the period</b>		<b>(89,610.00)</b>	<b>(73,510.00)</b>
X	<b>Earnings per equity share (for continuing operations)</b>			
	1) Basic		(60.14)	(60.50)
	2) Diluted		(60.14)	(60.50)
<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 & 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

B2/1, Gillander House

8, Netaji Subhas Road

Kolkata- 700 001

Dated: 12th May, 2021



*P C Kejriwal*

P C Kejriwal

Director

DIN: 00964460

*H Bhawania*

H Bhawania

Director

DIN: 06705066



## Texmaco Rail Systems Private Limited

Cash Flow Statement for the year ended 31.03.2021

	Amount (Rs.) Year Ended 31.03.21	Amount (Rs.) Year Ended 31.03.20
<b>A) Cash Flows From Operating Activities:</b>		
Net Profit before Taxation & Exceptional Items	(89,610)	(73,510)
	(89,610)	(73,510)
<b>Operating Profit before Working Capital Changes &amp; Exceptional Items</b>		
Increase/(Decrease) in Trade Payables & Other Liabilities	10,100	18,100
Increase/(Decrease) in Other Assets	-	-
	10,100	18,100
<b>Cash Generated from Operations</b>	(79,510)	(55,410)
Direct Taxes Paid	-	-
Cash Flow before Exceptional Items	(79,510)	(55,410)
Exceptional Items	-	-
<b>Net Cash Used in Operating Activities</b>	(79,510)	(55,410)
<b>B) Cash Flows From Investing Activities</b>		
CWIP	-	-
<b>Net Cash used in Investing Activities</b>	-	-
<b>C) Cash Flows From Financing Activities</b>		
Receipt/(Payment) of Long Term Borrowings	-	-
Increase in Share Capital	-	1,49,000
Share application money pending allotment	-	-
<b>Net Cash generated from Financing Activities</b>	-	1,49,000
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	(79,510)	93,590
Cash And Cash Equivalents at the beginning of the period	93,590	-
Cash and Cash Equivalents at the end of the period	14,080	93,590
<b>Note:</b>		
(1) Details of Cash and Equivalents as on		
Balances with banks		
Current Accounts	14,080	93,590
Cash in hand	-	-
	14,080	93,590

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

B2/1, Gillander House

8, Netaji Subhas Road

Kolkata- 700 001

Dated: 12th May, 2021



*P C Kejriwal*

P C Kejriwal

Director

DIN: 00964460

*H Bhuwania*

H Bhuwania

Director

DIN: 06705066

Texmaco Rail Systems Private Limited

Statement of Changes in Equity for the year ended 31st March, 2021

A. Equity Share Capital

	Notes	Amount in ₹
As at 31 March 2020		1,49,000
Changes in equity share capital	2	-
As at 31st March 2021		1,49,000

B. Other Equity

Amount in ₹

		Retained Earnings	Total
Balance at 1 April 2019		-	-
Profit for the year		(73,510)	(73,510)
Other comprehensive income		-	-
Total comprehensive income for the year		(73,510)	(73,510)
Balance at 31st March, 2020	3	(73,510)	(73,510)
Profit for the year		(89,610)	(89,610)
Other comprehensive income		-	-
Total comprehensive income for the year		(89,610)	(89,610)
Balance at 31st March, 2021		(1,63,120)	(1,63,120)

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

B2/1, Gillander House

8, Netaji Subhas Road

Kolkata- 700 001

Dated: 12th May, 2021



*P C Kejriwal*

P C Kejriwal

Director

DIN: 00964460

*H Bhuwania*

H Bhuwania

Director

DIN: 06705066

**TEXMACO RAIL SYSTEMS PRIVATE LIMITED**

**FINANCIAL YEAR 2020 - 2021**

**CIN : U74999WB2019PTC230789**

Notes to the financial statements for the year ended 31st March 2021

Note 1

**Significant accounting policies**

**1.1 General Information**

Texmaco Rail Systems Private Limited ('the Company') incorporated in 2019 has its Registered Office at Belgharia, Kolkata - 700 056, 24 Parganas (N). The Company has no manufacturing activity. Company's source of income is trading, selling, supply of railway signalling and transportation systems. However, the Company has not yet started its business 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 position or profitability.

**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.



Texmaco Rail Systems Private Limited

CIN : U74999WB2019PTC230789

Notes on Financial Statement

Note	Particulars	As on 31.03.2021	As on 31.03.2020
<b>Note 3</b>	<b>Financial Assets - Cash and cash equivalents</b>		
(a)	Balances with banks		
	- In current accounts	14,080.00	93,590.00
(b)	Cash on hand	-	-
		<u>14,080.00</u>	<u>93,590.00</u>
<b>Note 4</b>	<b>Equity Share capital</b>		
	<b>Authorised Share Capital</b>		
	50,000 Equity shares at par value of Re. 10/- each	5,00,000.00	5,00,000.00
	<b>Issued, Subscribed and paid up capital</b>		
	14,900 Equity shares at par value of Re. 10/- each	1,49,000.00	1,49,000.00
		<u>1,49,000.00</u>	<u>1,49,000.00</u>
<b>Notes:</b>			
(i)	The Company has only one class of shares referred to as equity shares having a par value of Re.10/- .Each holder of equity shares is entitled to one vote per share.		
(ii)	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.		
(iii)	Reconciliation of number of Issued,Subscribed and Paid-up Capital		
	<b>Particulars</b>		
	Number of Shares at the beginning of the year	14,900	
	Add: share issued during the year	-	
	Number of Shares at the end of the year	14,900	
(iv)	The name of Shareholders holding more than 5% of Equity shares		
		2020-21	2019-20
	<b>Name of Shareholders</b>	<b>No.of Shares</b>	<b>% of holding</b>
		<b>No.of Shares</b>	<b>% of holding</b>
	Texmaco Rail & Engineering Ltd	10,000	67.11
	Prateek Bhalotia	4,900	32.89
		4,900	32.89
<b>Note 5</b>	<b>Other Equity</b>		
	Retained Earnings		
	Surplus at the beginning of the year	(73,510.00)	-
	Add : Profit for the year	(89,610.00)	(73,510.00)
	Surplus at the end of the quarter	<u>(1,63,120.00)</u>	<u>(73,510.00)</u>
<b>Note 6</b>	<b>Other Financial Liabilities</b>		
	Liabilities for Expenses	27,075.00	16,200.00
		<u>27,075.00</u>	<u>16,200.00</u>
<b>Note 7</b>	<b>Other current liabilities</b>		
	IDS and other taxes payable	1,125.00	1,900.00
		<u>1,125.00</u>	<u>1,900.00</u>



Texmaco Rail Systems Private Limited

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Notes on Financial Statement

Note	Particulars	Amount (Rs.)	
		For the year ended 31.03.2021	For the year ended 31.03.2020
Note 8	Other Expenses		
	Payments to the Auditor		
	As Auditor		
	- Audit Fees	15,000.00	15,000.00
	- Certification	-	2,950.00
	Filing Fees	4,930.00	19,820.00
	Professional Fees	45,050.00	14,500.00
	Rent	6,000.00	7,966.00
	Rates & Taxes	6,000.00	7,215.00
	Bank Charges	1,366.00	708.00
	GST Expenses	7,815.00	810.00
	Miscellaneous Expenses	3,449.00	4,541.00
		<b>89,610.00</b>	<b>73,510.00</b>



TEXMACO RAIL SYSTEMS PRIVATE LIMITED

Notes to the financial statements for the period ended 31st March, 2021

Additional Notes to Financial Statements

Note 2

Note 2.1 Related Party Transactions

Particulars

As at 31st  
March, 2021

As at 31st  
March, 2020

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

Holding Company

Texmaco Rail & Engineering Limited

Key Managerial Personnel

Prakash Chandra Kejriwal

Director

Director

Hemant Bhuwania

Director

Director

Manjeet Singh Narwan

Director

Director

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

Nature of Transaction	Amount in ₹	Amount in ₹
	2020-21	2019-20
	Nil	Nil

Balance of related parties is as follows

Nature of Transaction with I(a)	Amount in ₹	Amount in ₹
	As at 31st March, 2021	As at 31st March, 2020
	Nil	Nil

