

K&R RAIL ENGINEERING LIMITED

CIN: L45200TG1983PLC082576

Registered Office : 3rd floor, Sai Krishna, Plot No. 797 A, Road No. 36, Jubilee Hills, Hyderabad 500033

Email:krrailengineering@gmail.com Phone: +91 4027017617, +91 40 27000499 Fax: +91 40 270001295

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001.

Date: 08.09.2023

Dear Sir/ Madam,

Sub: Submission of Annual Report for the FY 2022-23

Unit: K&R Rail Engineering Limited (BSE Scrip Code: 514360)

In compliance of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) 2015, we are herewith submitting Annual Report of the Company.

This is for the information and records of the Exchange, please.

Yours faithfully
For K&R Rail Engineering Limited

Chandrakant
Company Secretary cum Compliance officer
Mem. No. 63132



K&R RAIL Engineering Limited

40th ANNUAL REPORT
2022-2023



K & R RAIL ENGINEERING LIMITED

CIN: L45200TG1983PLC082576

Regd. Office: 3rd floor, Sai Krishna, Plot No. 797 A, Road No. 36,
Jubilee Hills, Hyderabad 500033



TABLE OF CONTENTS

Sl. No	Particulars	Page No.
1	CORPORATE INFORMATION	
2	AGM NOTICE	
3	NOTES	
4	EXPLANATORY STATEMENT	
5	DIRECTORS REPORT	
6	AOC-1	
7	AOC-2	
8	SECRETARIAL AUDIT REPORT	
9	DIRECTORS DISQUALIFICATION CERTIFICATE	
10	CG REPORT	
11	INDEPENDENT DIRECTORS DECLARATION	
12	CORPORATE GOVERNANCE CERTIFICATE	
13	INDEPENDENT AUDIT REPORT	
14	FINANCIAL	
15	NOTES TO AUDIT REPORT	



K & R Rail Engineering Limited

40th Annual Report 2022-23

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ms. Maniza Khan	-Independent Director (DIN: 07146123) & Chairperson
Mr. Rabindra Kumar Barik	-Independent Director (DIN: 08773785)
Mr. Sanjay Kotthapalli	-Non-Executive Director (DIN: 00001401)
Mr. Sukesh Kumar Sharma	-Executive Director (DIN: 08449196)
Mr. Amit Bansal	-Executive Director (DIN: 06750775)
Mr. Suresh Solanki	-Executive Director (DIN: 02550445)
Mr. Prahallada Rao	-Chief Financial Officer (AKMPR1779B)
Mr. Chandrakanth	-Company Secretary-cum-Compliance Officer (Membership No: 63132)

REGISTERED OFFICE

3rd floor, Sai Krishna, Plot No. 797 A, Road No. 36,
Jubilee Hills, Hyderabad 500033

CIN: L45200TG1983PLC082576

STATUTORY AUDITORS:

M/s. Chowdary & Rao
Chartered Accountants
Address: 8-3-677/26, 1st Floor,
Sri Krishna Devaraya Nagar Colony,
Yellareddiguda, Hyderabad- 500073

INTERNAL AUDITORS:

M/s. E Srinivas and Co.,
Chartered Accountants
Address: F 402, H. No. 1-98/3/1/4
Suvarna Habitat
Cyberhills Colony, Jai Hind Enclave
Madhapur, Hyderabad- 500081

SECRETARIAL AUDITORS:

M/s. M/s. Dabas S & Co.
Sanjeev M/s. Dabas
Address: Office 110, B08,
GD ITL Tower NSP
Pitampura, Delhi- 110034

BANKERS:

ICICI Bank
Axis Bank



AUDIT COMMITTEE:

Ms. Maniza khan	-Independent Director	-	Chairperson
Mr. Rabindra Kumar Barik	-Independent Director	-	Member
Mr. Sanjay kothapalli	-Non Executive Director	-	Member

NOMINATION & REMUNERATION COMMITTEE:

Mr. Rabindra Kumar Barik	-Independent Director	-	Chairperson
Ms. Maniza khan	-Independent Director	-	Member
Mr. Sanjay kothapalli	-Non Executive Director	-	Member

STAKEHOLDERS RELATIONSHIP COMMITTEE:

Ms. Maniza khan	-Independent Director	-	Chairperson
Mr. Rabindra Kumar Barik	-Independent Director	-	Member
Mr. Sanjay kothapalli	-Non Executive Director	-	Member

CORPORATE SOCIAL RESONSIBILITY COMMITTEE:

Ms. Maniza khan	-Independent Director	-	Chairperson
Mr. Rabindra Kumar Barik	-Independent Director	-	Member
Mr. Sanjay kothapalli	-Non-Executive Director	-	Member

REGISTRAR & SHARE TRANSFER AGENTS:

Aarhi Consultants Private Limited
1-2-285, Domalguda, Hyderabad – 500 029
Phone: 040-27638111, 27634445
Email: info@aarhiconsultants.com

LISTED AT: Bombay Stock Exchange Limited**DEMAT ISIN NUMBER IN NSDL & CDSL:** INE078T01026**WEBSITE:** www.krrailengg.com**INVESTOR SERVICES E-MAIL ID:** krrail1994@gmail.com



NOTICE OF 40th ANNUAL GENERAL MEETING

Notice is hereby given that the 40th Annual General Meeting of members of M/s. K&R Rail Engineering Limited will be held on Saturday, the 30th Day of September 2023 at 10.00 A.M to be held through Video Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”) to transact the following businesses:

Ordinary Business:

1. To receive, consider, approve and adopt
 - a. the Standalone Audited Balance Sheet as at March 31, 2023, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Report of Auditors and Directors thereon.
 - b. the Consolidated Audited Balance Sheet as at March 31, 2023, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Report of Auditors thereon.
2. To appoint a director in place of Mr. Sanjay Kothapalli (DIN: 08449196), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

3. **Increase in the Authorised Share Capital and consequent alteration of the capital clause in the Memorandum of Association of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as

an **Ordinary Resolution:**

“RESOLVED THAT pursuant to Section 13 and Section 61 of the Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 and the Rules made there under, the authorized share capital of the Company of Rs. 45,00,00,000 (Rupees Forty-Five Crores only) Consisting of Rs. 30,85,00,000 (Rupees Thirty Crores and Eighty-Five Lakhs Only) divided into 3,08,50,000 (Three Crores Eight Lakhs and Fifty Thousand) Equity Shares of Rs. 10/- each and Rs.14,15,00,000 (Rupees Fourteen Crores and Fifteen Lakhs Only) divided into 1,41,50,000 (One Crore Forty-one Lakhs



and Fifty Thousand) 7% Optionally Convertible Redeemable Preference Shares of Rs.10/- each **BE AND IS HEREBY INCREASED TO** Rs. 60,00,00,000 (Rupees Sixty Crores only) consisting of Rs. 45,85,00,000 (Rupees Forty-Five Crores and Eighty-Five Lakhs Only) divided into 4,58,50,000 (Four Crores Fifty-Eight Lakhs and Fifty Thousand) equity shares of Rs. 10/- each and Rs. 14,15,00,000 (Rupees Fourteen Crores Fifteen Lakhs Only) divided into 1,41,50,000 (One Crore Forty-one Lakhs and fifty Thousand) 7% Optionally Convertible Redeemable Preference Shares of Rs.10 each.

“FURTHER RESOLVED THAT the existing Clause V of the Memorandum of Association of the Company consequently be and is hereby altered by deleting the same and substituting in its place and instead thereof, the following as new Clause V:”

“V. The Authorized Share Capital of the Company is Rs. 60,00,00,000 (Rupees Sixty Crores only) divided into Rs. 45,85,00,000 (Rupees Forty-Five Crores and Eighty-Five Lakhs Only) divided into 4,58,50,000 (Four Crores Fifty-Eight Lakhs and Fifty Thousand) equity shares of Rs. 10/- each and Rs. 14,15,00,000 (Rupees Fourteen Crores Fifteen Lakhs Only) divided into 1,41,50,000 (One Crore Forty-one Lakhs and fifty Thousand) 7% Optionally Convertible Redeemable Preference Shares of Rs.10 each.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to take all such necessary steps/actions as may be deemed expedient to give effect to this resolution including signing all such necessary documents as may be required in this regard.”

For and on behalf of the Board of Directors
K&R Rail Engineering Limited

Place: Hyderabad
Date:28.08.2023

Sd/-
Maniza Khan
Chairperson



NOTES

1. In view of the continuing Covid-19 pandemic and consequential restrictions imposed on the movements of people, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 02/2021 dated January 13, 2021 read with Circular No. 20/2020 dated May 05, 2020 in conjunction with Circular No. 14/2020 dated April 08, 2020 and Circular No. 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 08, 2021 and 11/2022 dated December 28, 2022 (collectively referred to as “MCA Circulars”) and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/ 11 dated January 15, 2021, Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the MCA Circulars granted certain relaxations and thus permitted the holding of Annual General Meeting (“AGM”) of the companies through VC/OAVM viz. without the physical presence of the Members at a common venue. Hence in compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA / SEBI Circulars, as applicable, the AGM of the Company is being held through VC / OAVM (e-AGM).
2. The Company has engaged the services of Central Depository Services (India)Limited (“CDSL”), as the authorized agency for conducting the AGM and providing remote e-Voting and e-Voting facility for/during the AGM of the Company. The instructions for participation by Members are given in the subsequent notes.
3. Since the AGM will be held through VC, the Route Map is not annexed to this Notice. The registered office of the Company shall be deemed to be the venue for the AGM.
4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum of the AGM under Section 103 of the Act.



5. Compliance with the MCA Circulars and SEBI Circular dated January 15, 2021 as aforesaid, Notice of the AGM along with the Annual Report (viz. Financial Statement) for Financial Year 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories/R&T Agent. Members may note that the Notice and Annual Report for Financial Year 2022-23 will also be available on the Company's website www.krrailengg.com website of the BSE Limited at www.bseindia.com and on the website of R&T Agent of the Company viz. Arthi Consultants Private Limited.

Alternatively, Member may send signed copy of the request letter providing the e-mail address, mobile number, self-attested PAN copy, DP ID (in case of electronic mode shares), folio No (in case of physical mode shares) via e-mail at the Email Id – info@arthiconsultants.com for obtaining the Annual Report and Notice of e-AGM of the Company electronically.

6. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
7. The facility of joining the e-AGM through VC / OAVM will be opened 15 minutes before and will remain open upto 15 minutes after the scheduled start time of the e-AGM, and will be available for 1000 members on a first-come first-served basis. This rule would however not apply to participation in respect of large Shareholders (Shareholders holding 2% or more shares of the Company), Promoters, Institutional Investors, Auditors, Key Managerial Personnel and the Directors of the Company including Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.
8. The Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2023 to 30.09.2023 (both days inclusive) for the purpose of AGM.
9. **Ms. Aakanksha**, Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the remote e-Voting/e-Voting process in a fair and transparent manner. The Scrutinizer will submit the report to the Chairman, or any person authorised by him after completion of the scrutiny and the results of voting will be announced after the AGM of the Company. Subject to receipt



of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM. The result will also be displayed on the website of the Company at www.bseindia.com, (where the Company is listed) and www.evotingindia.com (agency providing e-Voting facility).

10. Members of the Company under the category of Institutional/Corporate Shareholders are encouraged to attend and vote at the AGM through VC. Corporate Members intending to authorize their representatives to participate and vote are requested to send a certified copy of the Board resolution / authorization letter to the Scrutinizer by email at aakanksha.shukla09@gmail.com and the same should also be uploaded on the VC portal / e-Voting portal of CDSL.
11. Members who have not yet registered their e-mail addresses are requested to register the same with their DP in case the shares are held by them in Demat mode and with RTA in case the shares are held by them in physical mode.
12. To register e-mail address for all future correspondence and update the bank account details, please follow the below process:
 - a. Members holding shares in Demat mode can get their details registered/updated only by contacting their respective DP.
 - b. Members holding shares in physical mode may register their email address and mobile number with the RTA by sending an e-mail request to the email ID info@arthiconsultanst.com along with signed scanned copy of the request letter providing the email address and mobile number, self-attested copy of Permanent Account Number Card (“PAN”) and copy of a share certificate for registering their email address. Additional details like name and branch of Bank along with bank account type, bank account number, 9-digit MICR code, 11-digit IFSC code and scanned copy of cancelled cheque will be required for updating bank account details.
13. SEBI has mandated submission of PAN by every participant in the securities market. Members holding shares in Demat mode are, therefore, requested to submit their PAN to their DP. Members holding shares in physical mode are required to submit their PAN details to the RTA.
14. As per the provisions of Section 72 of the Companies Act, 2013 (“the Act”), the facility for submitting nomination is available for Members in respect of the shares held by them. Members who have not yet registered their nomination



are requested to register the same with their DP in case the shares are held by them in Demat mode, and to the RTA, in case the shares are held in physical mode.

15. INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM:

A. VOTING THROUGH ELECTRONIC MEANS

- i. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations and applicable circulars, the Members are provided with the facility to cast their vote electronically (through remote e-Voting as well as the e-Voting system on the date of the AGM), through the e-Voting services provided by CDSL, on all the resolutions set forth in this Notice.
- ii. The remote e-Voting period commences on Wednesday, **the 27th day of September, 2023 (9.00 A.M. IST)** and ends on Friday, **The 29th day of September, 2023 (5.00 P.M. IST)**. During this period, Members holding shares either in physical mode or in Demat mode, as on **Saturday, the 23rd day of September, 2023 i.e. cut-off date**, may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter. A person who is not a Member as on the Cut-off date should treat Notice of this Meeting for information purposes only.
- iii. The Members who have cast their vote by remote e-Voting prior to the AGM may attend/ participate in the AGM through VC but shall not be entitled to cast their vote again.
- iv. The voting rights of the Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date i.e., Saturday, the 23rd day of September, 2023.
- v. Any person or non-individual Shareholders (in physical mode/ Demat mode) who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow the steps mentioned below.
- vi. **Login method for e-Voting and voting during the meeting for Individual Shareholders holding securities in Demat mode.**

In terms of the SEBI circular dated December 9, 2020 on the e-Voting facility provided by listed companies and as part of increasing the efficiency of the voting



process, e-Voting process has been enabled to all individual Shareholders holding securities in Demat mode to vote through their Demat account maintained with depositories / websites of depositories / depository participants. Shareholders are advised to update their mobile number and email ID in their Demat accounts in order to access e-Voting facility. Login method for Individual Shareholders holding securities in Demat mode is given below:

TYPE OF SHAREHOLDERS	LOGIN METHOD
Individual Shareholders holding securities in Demat mode with CDSL	<p>a. Users who have opted for Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest is https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>b. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider (“ESP”) i.e. CDSL, for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all ESP i.e. CDSL/NSDL/, so that the user can visit the ESP website directly.</p> <p>c. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered</p>



Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP i.e. CDSL where the e-Voting is in progress.

Individual Shareholders holding securities in Demat mode with [NSDL](#)

- a. If you are already registered for NSDL Ide AS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsd.com>.
- b. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘Ide AS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services.
- c. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider- CDSL and you will be re-directed to the CDSL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
- d. If the user is not registered for Ide AS e-Services, option to register is available at <https://eservices.nsd.com>. Select “Register Online for Ide AS “Portal or click at <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>.
- e. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/>. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- f. A new screen will open. You will have to enter your User ID (i.e. your 16 digit Demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
- g. After successful authentication, you will be redirected to



NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider- CDSL and you will be redirected to e-Voting website of CDSL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Individual Shareholders

(holding securities in Demat mode) login through their [Depository Participants](#)

- d. You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.
- e. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.
- f. Click on Company name or e-Voting service provider name - CDSL and you will be redirected to e-Voting website of CDSL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use “Forget User ID” and “Forget Password” option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in Demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

LOGIN TYPE	HELPDESK DETAILS
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990and 1800 22 44 30



vii. **Login method for e-Voting and voting during the meeting for Shareholders holding securities in physical mode and Shareholders other than Individual Shareholders holding securities in Demat mode.**

- a) The shareholders should log on to the e-voting website www.evotingindia.com.
- b) Click on Shareholders tab/ module.
- c) Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- d) Next enter the Image Verification as displayed and Click on Login.
- e) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- f) If you are a first time user follow the steps given below:

LOGIN TYPE FOR SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL MODE AND SHAREHOLDERS OTHER THAN INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE.

PAN	Enter your 10-digit alpha-numeric “PAN” issued by Income Tax Department. Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by RTA or contact RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the company records in order to login.If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).



- g) After entering these details appropriately, click on “SUBMIT” tab.
- h) Shareholders holding shares in physical mode will then directly reach the Company selection screen. However, Shareholders holding shares in Demat mode will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat account holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- i) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- j) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- k) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- l) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- m) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- n) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- o) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- p) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.



q) If a Demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot password and enter the details as prompted by the system.

r) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote e-Voting only.**

- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (“POA”) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual Shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at the email address viz; aakanksha.shukla09@gmail.com, if they have voted from individual tab & not uploaded same in the CDSL e-Voting system for the scrutinizer to verify the same.

B. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC AND E-VOTING DURING THE AGM:

- i. The procedure for attending AGM and e-Voting on the day of AGM is same as the instructions mentioned above for e-Voting.
- ii. Members attending the AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.



- iii. The facility for joining the AGM shall open 15 minutes before the scheduled time for commencement of the AGM.
- iv. The link for VC to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-Voting.
- v. Shareholders who have voted through remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- vi. Shareholders are encouraged to join the Meeting through Laptops / iPad for better experience.
- vii. Further Shareholders will be required to allow Camera (in case of speakers) and use Internet with a good speed to avoid any disturbance during the AGM.
- viii. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- ix. Members (holding shares as on Cut-off date) who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request, on or before Friday, the 22nd day of September, 2023, from their registered e-mail address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at krrailengineering@gmail.com. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- x. Only those Shareholders, who are present in the AGM through VC facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- xi. If any Votes are cast by the Shareholders through the e-Voting available during the AGM and if the same Shareholders have not participated in the meeting through VC facility, then the votes cast by such Shareholders shall be considered invalid as the facility of e-Voting during the meeting is available only to the Shareholders attending the AGM.



If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

16. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Act and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Act, shall be available for inspection during the AGM at e-Voting portal.
17. Statement pursuant to Section 102(1) of the Act, in respect of the Special Business to be transacted at the AGM along with details pursuant to SEBI Regulations and other applicable laws are annexed hereto. All documents referred to in the accompanying Notice and the Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to krrailengineering@gmail.com
18. The term 'Members' or 'Shareholders' has been used to denote Shareholders of K&R Rail Engineering Limited
19. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.krrailengg.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

For and on behalf of the Board of Directors
K&R Rail Engineering Limited

Sd/-

Maniza Khan
Chairperson

Place: Hyderabad
Date: 28.08.2023



EXPLANATORY STATEMENT (PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)

Item No. 3: Increase in the Authorised Share Capital and consequent alteration of the capital clause in the Memorandum of Association of the Company

In order to accommodate the resultant shares to be allotted on conversion of warrants and/or Optionally Convertible Redeemable Preference Shares (OCRPS) and future requirements, the Board of Directors at their meeting held on 28.08.2023 have decided to increase the existing Authorized Share Capital from 45,00,00,000 (Rupees Forty-Five Crores only) Consisting of Rs. 30,85,00,000 (Rupees Thirty Crores and Eighty-Five Lakhs Only) divided into 3,08,50,000 (Three Crores Eight Lakhs and Fifty Thousand) Equity Shares of Rs. 10/- each and Rs.14,15,00,000 (Rupees Fourteen Crores and Fifteen Lakhs Only) divided into 1,41,50,000 (One Crore Forty-one Lakhs and Fifty Thousand) 7% Optionally Convertible Redeemable Preference Shares of Rs.10/- each to Rs. 60,00,00,000 (Rupees Sixty Crores only) divided into Rs. 45,85,00,000 (Rupees Forty-Five Crores and Eighty-Five Lakhs Only) divided into 4,58,50,000 (Four Crores Fifty-Eight Lakhs and Fifty Thousand) equity shares of Rs. 10/- each and Rs. 14,15,00,000 (Rupees Fourteen Crores Fifteen Lakhs Only) divided into 1,41,50,000 (One Crore Forty-one Lakhs and fifty Thousand) 7% Optionally Convertible Redeemable Preference Shares of Rs.10 each. The aforesaid increase in the Authorized Share Capital will require the amendment of the Capital Clause of the Memorandum of Association.

The Board recommends the Ordinary Resolution as set out at Item No.3 of the Notice for approval of the shareholders for increase in authorised share capital.

None of the Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise, in the above resolution.

For and on behalf of the Board of Directors
K&R Rail Engineering Limited

Place: Hyderabad
Date:28.08.2023

Sd/-
Maniza Khan
Chairperson



DIRECTOR'S REPORT

**To the Members,
K&R Rail Engineering Limited
Hyderabad, Telangana, India**

The Board of Directors hereby submits the report of the business and operations of your Company ('the Company' or 'KRRAIL') along with the audited Financial statement for the financial Year ended March 31, 2023. The Consolidated performance of the Company and its subsidiaries has been referred to where required.

1. Financial summary/highlights:

The performance during the period ended 31st March, 2023 has been as under:

(Amount in Lakhs)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Turnover/Income (Gross)	30778.49	19465.06	38985.39	--
Other Income	37.25	64.99	37.25	--
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	1217.31	1153.42	1379.11	--
Less: Depreciation/ Amortisation/ Impairment	310.48	182.52	310.69	--
Profit /loss before Finance Costs, Exceptional items and Tax Expense	906.83	970.90	1068.42	--
Less: Finance Costs	167.92	112.99	182.92	--
Profit /loss before Exceptional items and Tax Expense	738.91	857.91	885.50	--
Add/(less): Exceptional items	0.00	0.00	0.00	--
Profit /loss before Tax Expense	738.91	857.91	885.50	--
Less: Tax Expense (Current & Deferred)	216.60	252.37	257.38	--
Profit /loss for the year (1)	522.31	605.54	628.12	--
Total Comprehensive	4.36	18.08	4.36	--



Income/loss (2)				
Total (1+2)	526.68	623.62	632.48	--
Balance of profit /loss for earlier years	2461.99	1838.37	0.00	--
Less: Transfer to Debenture Redemption Reserve	--	--	--	--
Less: Transfer to Reserves	--	--	--	--
Less: Dividend paid on Equity Shares	--	--	--	--
Less: Dividend paid on Preference Shares	--	--	--	--
Less: Dividend Distribution Tax	--	--	--	--
Balance carried forward	2988.67	2461.99	632.48	--

Note: M/s. Robsons Engineering & Constructions Private Limited has become a subsidiary during the current financial year and hence, no consolidated figures are available for the previous year.

2. Overview & state of the company's affairs:

Revenues – standalone

During the year under review, the Company has recorded an income of Rs. 30815.74 Lakhs and profit of Rs. 526.68 Lakhs as against the income of Rs.19530.05 Lakhs and profit of Rs.623.62 Lakhs in the previous financial year ending 31.03.2022.

Revenues – Consolidated

During the year under review, the Company has recorded an income of Rs. 39022.64 Lakhs and Profit of Rs.632.48 Lakhs. M/s. Robsons Engineering & Constructions Private Limited has become a subsidiary during the current financial year and hence, no consolidated figures are available for the previous year.

The Company is looking forward for good profit margins in near future.

3. Dividend:

Keeping the Company's growth plans in mind, your directors have decided not to recommend dividend for the year.



4. Transfer to reserves:

Pursuant to provisions of Section 134 (3) (j) of the Companies Act, 2013, the company has not proposed to transfer any amount to general reserves account of the company during the year under review.

5. Investor Relations:

The Company continuously strives for excellence in its Investor Relations engagement with International and Domestic investors through structured conference-calls and periodic investor/analyst interactions like individual meetings, participation in investor conferences, quarterly earnings calls and analyst meet from time to time. The Company ensures that critical information about the Company is available to all the investors, by uploading all such information on the Company's website.

6. Material changes & commitment affecting the financial position of the company:

There have been no material changes and commitments affecting the financial position of the Company which have occurred during the end of the Financial Year of the Company to which the financial statements relate and the date of the report.

7. Significant & material orders passed by the regulators or courts or tribunals:

No significant or material orders have been passed against the Company by the Regulators, Courts or Tribunals, which impacts the going concern status and company's operations in future.

However, Hon'ble NCLT, Hyderabad Bench, vide orders dated 29.05.2023 extended the Period of Redemption of Optionally Convertible Redemption of Preference Shares (OCRPS) for five years from 15.12.2020 to 14.12.2025 as prayed for by the Company.

8. Transfer of un-claimed dividend to Investor Education and Protection:

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

9. Details of Nodal Officer:

The Company has designated Mr. Sanjay Kotthapalli, Non-Executive Director of the Company as Nodal Officer for the purpose of IEPF.



10. Investor Education and Protection Fund (IEPF):

Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”) read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (“IEPF”), constituted by the Central Government. However, the company does not have any un-paid or un claimed dividend in the Past to be transferred to IEPF.

11. Revision of financial statements:

There was no revision of the financial statements for the year under review.

12. Change in the nature of business, if any:

The Company has not undergone any change in the nature of business during the FY 2022-23.

13. Deposits from public:

The Company has not accepted any public deposits during the Financial Year ended March 31, 2023 and as such, no amount of principal or interest on public deposits was outstanding as on the date of the balance sheet and hence, there has been no non-compliance with the requirements of the Act.

14. Depository System:

SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandate that the transfer, except transmission and transposition, of securities shall be carried out in dematerialized form only with effect from 1st April 2019. In view of the numerous advantages offered by the Depository system as well as to avoid frauds, members holding shares in physical mode are advised to avail of the facility of dematerialization from either of the depositories. The Company has, directly as well as through its RTA, sent intimation to shareholders who are holding shares in physical form, advising them to get the shares dematerialized.

15. Subsidiary companies:

Your Company has one subsidiary namely Robsons Engineering & Construction Private Limited as on March 31, 2023.

In accordance with Section 129(3) of the Act, Consolidated Financial Statements have been prepared which form part of this Annual Report. As required under Section



129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of the subsidiary in the prescribed form AOC-1 is enclosed as **Annexure – B** to this Report.

In accordance with Section 136 of the Act, the separate audited accounts of the subsidiary company will be available on the website of the Company, www.krrailengg.com and the Members desirous of obtaining the accounts of the Company's subsidiary may obtain the same upon request. These documents will be available for inspection by the members, till the date of AGM during business hours at registered office of the Company.

The Policy for determining Material Subsidiaries, adopted by your Board, in conformity with the SEBI Listing Regulations can be accessed on the Company's website at www.krrailengg.com

16. Performance highlights of key operating subsidiary:

	Fy 2022-23 Rs in lakhs
Turnover	8206.91
Profit Before Tax	146.57
Profit After Tax	105.79

17. Companies which have become or ceased to be subsidiaries:

During the FY 2022-23, Robsons Engineering & Constructions Private Limited has become a subsidiary Company. For further analysis on the consolidated performance, the attention is invited to the section on Management Discussion and Analysis and notes to the consolidated financial statements.

18. Investment in subsidiary:

During financial year 2022-23, the Company has infused Rs.1.99 lakhs towards capital into the Subsidiary, M/s. Robsons Engineering & Constructions Private Limited.

19. Independent director's familiarization programmes:

Independent Directors are familiarized about the Company's operations, businesses, financial performance and significant development so as to enable them to take well-informed decisions in timely manner. Interaction with the Business heads and key executives of the Company is also facilitated. Detailed presentations on important policies of the Company are also made to the directors. Direct meetings with the Chairperson are further facilitated to familiarize the incumbent Director about the Company/its businesses and the group practices.



The details of familiarisation programme held in FY 2022-23 are also disclosed on the Company's website and its web link is [http:// www.krrailengg.com](http://www.krrailengg.com)

20. Board Evaluation

Performance of the Board and Board Committees was evaluated on various parameters such as structure, composition, diversity, experience, corporate governance competencies, performance of specific duties and obligations, quality of decision-making and overall Board effectiveness. Performance of individual Directors was evaluated on parameters such as meeting attendance, participation and contribution, engagement with colleagues on the Board, responsibility towards stakeholders and independent judgement.

All the Directors participated in the evaluation process. The results of evaluation were discussed in the Board meeting held in February 2023. The Board discussed the performance evaluation reports of the Board, Board Committees, Individual Directors. The Board upon discussion noted the suggestions / inputs of the Directors. Recommendations arising from this entire process were deliberated upon by the Board to augment its effectiveness and optimize individual strengths of the Directors.

The detailed procedure followed for the performance evaluation of the Board, Committees and Individual Directors is enumerated in the Corporate Governance Report.

21. Meetings of the Board:

During the year, Twenty Two (22) meetings of the Board of Directors of the Company were convened and held in accordance with the provisions of the Act. The date(s) of the Board Meeting, attendance by the directors is given in the Corporate Governance Report forming an integral part of this report.

22. Committees of the Board:

There are various Board constituted Committees as stipulated under the Act and Listing Regulations namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship and CSR Committee. Brief details pertaining to composition, terms of reference, meetings held and attendance thereat of these Committees during the year have been enumerated in Corporate Governance Report forming part of this Annual Report.

23. Audit Committee Recommendations:



During the year, all recommendations of Audit Committee were approved by the Board of Directors.

24. Directors and key managerial personnel:

As on date of this report, the Company has Six Directors, out of which two are Independent Directors including one Woman Independent Director.

a) Appointment/Re-appointment of Directors of the Company:

In accordance with the provisions of the companies Act, 2013 and Articles of Association of the company Mr. Sanjay kothapalli, non-executive director, retire by rotation and being eligible, offers himself for re-appointment.

b) Resignation/ Cessation of Directors of the Company:

During the Year Mr. Mirza Mohammed Baig (DIN 09462065) was appointed as Additional Director (Non-Executive Non Independent) with effect from 15th June, 2022 and resigned with effect from 08th Novemebr,2022

During the year, Mr. Ramakrishna Chebiyam (DIN: 09412448) was appointed as Additional Director (Non-Executive Non Independent) with effect from 26th November, 2021 and resigned with effect from 13th June, 2022

c) Key Managerial Personnel:

Key Managerial Personnel for the financial year 2022-23

- Mr. Sukesh Kumar Sharma, Executive Director of the Company.
- Mr. Amit Bansal, Executive Director of the Company.
- Mr. Suresh Solanki, Executive Director of the Company.
- Mr. K. Prahallada Rao, Chief financial officer of the company.
- Mr. Latha Pamula, Company Secretary & Compliance Officer of the Company.(upto 14.08.2023)

25. Statutory audit and auditors report:

The members of the Company at their Annual General Meeting held on 30th September, 2019 have appointed M/s. Chowdary and Co., as statutory auditors of the Company to hold office until the conclusion of 36th Annual General meeting of the Company. The Auditors' Report for fiscal year 2022-2023 does not contain any qualification, reservation nor adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report. The Company has received audit report with unmodified opinion for both Standalone and Consolidated Audited Financial Results of the Company for the Financial Year ended March 31, 2023 from the statutory auditors of the Company.



The Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of the ICAI.

26. Internal audit:

Pursuant to provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014 and Section 179 read with Rule 8(4) of the Companies (Meetings of Board and its Powers) Rules, 2014; during the year under review, the Internal Audit of the functions and activities of the Company was undertaken by M/s E Srinivas & Co., the Internal Auditor of the Company.

Deviations if any, are reviewed periodically and due compliance was ensured. Summary of Significant Audit Observations along with recommendations and its implementations are reviewed by the Audit Committee and concerns, if any, are reported to the Board. There were no adverse remarks or qualification on accounts of the Company from the Internal Auditor.

27. Secretarial Audit & Audit Report:

In terms of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, based upon the recommendations of the Audit Committee, the Board of Directors had appointed Mr. Sanjeev M/s. Dabas Practicing Company Secretary (CP No. 24418) as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for financial year ended March 31, 2023.

The Secretarial Audit was carried out by Mr. Sanjeev M/s. Dabas Practicing Company Secretary (CP No. 24418) for the financial year ended March 31, 2023. The Report given by the Secretarial Auditor is annexed herewith as Annexure-L and forms integral part of this Report.

The Secretarial Audit Report does not contain any qualification, reservation nor adverse remark.



28. Annual Secretarial Compliance Report:

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. Further, Secretarial Compliance Report dated May 20, 2023, was given by Mr. Sanjeev M/s. Dabas, Practicing Company Secretary which was submitted to Stock Exchanges within 60 days of the end of the financial year.

29. Cost records and cost audit:

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act, are not applicable for the business activities carried out by the Company.

30. No Frauds reported by statutory auditors

During the Financial Year 2022-23, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3) (ca) of the Companies Act, 2013.

31. Declaration by the Company

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 164 (2) of the Act read with Rule 14 of Companies (Appointment and Qualifications of Directors) Rules, 2014.

32. Conservation of energy, technology absorption and foreign exchange outgo:

The required information as per Sec.134 (3) (m) of the Companies Act 2013 is provided hereunder and Rule 8 of Companies (Accounts) Rules, 2014:

A. Conservation of Energy:

Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

B. Technology Absorption:

1. Research and Development (R&D): NIL
2. Technology absorption, adoption and innovation: NIL



C. Foreign Exchange Earnings and Out Go:

1. Foreign Exchange Earnings: Nil
2. Foreign Exchange Outgo: Nil

33. Management discussion and analysis report:

Management discussion and analysis report for the year under review as stipulated under Regulation 34(2) (e) read with schedule V, Part B of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 with the stock exchange in India is annexed herewith as **Annexure- G** to this report.

34. Risk management policy:

The Board of Directors had constituted Risk Management Committee to identify elements of risk in different areas of operations and to develop policy for actions associated to mitigate the risks. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continual basis.

35. Corporate governance:

Your Company has taken adequate steps to ensure compliance with the provisions of Corporate Governance as prescribed under the Listing Regulations. A separate section on Corporate Governance, forming a part of this Report and the requisite certificate from the Company's Auditors confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance as **Annexure E**.

36. Annual Return:

Pursuant to Sections 92 & 134(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return in Form MGT-7 is also available on the Company's website URL: www.krrailengg.com

37. Authorised and paid-up capital of the company:

During the year under review, the Authorised capital was enhanced vide EGM held on 10.02.2023 to Rs. 45,00,00,000 (Rupees Forty-Five Crores only) divided into Rs. 30,85,00,000 (Rupees Thirty Crores and Eighty-Five Lakhs Only) divided into 3,08,50,000 (Three Crores Eight Lakhs and Fifty Thousand) Equity Shares of Rs. 10/- each, and Rs.14,15,00,000 (Rupees Fourteen Crores and Fifteen Lakhs Only) divided into 1,41,50,000 (One Crore Forty-one Lakhs and Fifty Thousand) 7% Optionally Convertible Redeemable Preference Shares of Rs.10/- each.



38. Declaration of independence:

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with both the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16(1)(b) read with Regulation 25 of the Listing Regulations attached as **Annexure K**.

In compliance with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, all the PIDs of the Company have registered themselves with the India Institute of Corporate Affairs (IICA), Manesar and have included their names in the databank of Independent Directors within the statutory timeline.

The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

In terms of Regulations 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

During the year, Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of Directors and Committee(s).

39. Director's Responsibility Statement:

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that for the financial year ended March 31, 2023:

- a) in the preparation of the annual accounts for the financial year ended 31 March 2023, the applicable accounting standards and schedule III of the Companies Act, 2013 have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as on 31 March 2023 and of the profit and loss of the Company for the financial year ended 31 March 2023;



- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a going concern basis;
- e) Proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) Proper systems to ensure compliance with the provisions of all applicable laws were followed and that such systems were adequate and operating effectively.

40. Vigil Mechanism/Whistle Blower Policy:

The Company has formulated a Vigil Mechanism / Whistle Blower Policy pursuant to Regulation 22 of the Listing Regulations and Section 177(10) of the Act, enabling stakeholders to report any concern of unethical behaviour, suspected fraud or violation.

The said policy inter-alia provides safeguard against victimization of the Whistle Blower. Stakeholders including directors and employees have access to the Managing Director & CEO and Chairperson of the Audit Committee.

During the year under review, no stakeholder was denied access to the Chairperson of the Audit Committee.

The policy is available on the website of the Company at www.krrailengg.com

41. Corporate social responsibility policy:

Since your Company has a net profit of exceeding Rs. 5 Cr for the financial year 202-23, section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is applicable and hence the Company has adopt Corporate Social Responsibility Policy which is placed on website of the Company. www.krrailengg.com



42. Secretarial Standards:

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and such systems are adequate and operating effectively. During the year under review, the Company was in compliance with the Secretarial Standards (SS) i.e., SS-1 and SS- 2, relating to “Meetings of the Board of Directors” and “General Meetings”, respectively.

43. Insurance:

The properties and assets of your Company are adequately insured.

44. Particulars of Loans, Guarantees or Investments

During the year under review, the Company has not given any loans, guarantees and investments to Robsons Engineering & Constructions Private Limited (a Subsidiary Company)

45. Internal Financial Control Systems:

Your Company has well laid out policies on financial reporting, asset management, adherence to Management policies and also on promoting compliance of ethical and well-defined standards. The Company follows an exhaustive budgetary control and standard costing system. Moreover, the management team regularly meets to monitor goals and results and scrutinizes reasons for deviations in order to take necessary corrective steps. The Audit Committee which meets at regular intervals also reviews the internal control systems with the Management and the internal auditors.

The internal audit is conducted at the Company and covers all key areas. All audit observations and follow up actions are discussed with the Management as also the Statutory Auditors and the Audit Committee reviews them regularly.

46. Related Party Transactions:

All related party transactions that were entered into during the financial year were on arm’s length basis and were in the ordinary course of business. During the financial year 2022-23, there were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.



The summary statement of transactions entered into with the related parties pursuant to the omnibus approval so granted are reviewed & approved by the Audit Committee and the Board of Directors on a quarterly basis. The summary statements are supported by an independent audit report certifying that the transactions are at an arm's length basis and in the ordinary course of business

The Form AOC-2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed herewith as **Annexure-C** to this report.

47. Policy on director's appointment and remuneration:

In adherence to the provisions of Section 134(3)(e) and 178(1) & (3) of the Companies Act, 2013, the Board of Directors upon recommendation of the Nomination and Remuneration Committee approved a policy on Director's appointment and remuneration, including, criteria for determining qualifications, positive attributes, independence of a Director and other matters. The said Policy extract is covered in Corporate Governance Report which forms part of this Report and is also uploaded on the Company's website at www.krrailengg.com

48. Particulars of Employees and related Disclosure:

Disclosure pertaining to remuneration and other details as required under section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure-D** to this Report.

The Statement containing the particulars of employees as required under section 197(12) of the Companies Act, 2013 read with rule 5(2) and other applicable rules (if any) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding

During the year none of the employees is drawing a remuneration of Rs.1,02,00,000/- and above per annum or Rs.8,50,000/- per month and above in aggregate per month, the limits specified under the Section 197(12) of the Companies Act,2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.



49. Implementation of Corporate Action

During the year under review, the Company has complied with the specified time limit for implementation of Corporate Actions.

50. Shares transferred to investor education and protection fund:

No shares were transferred to the Investor Education and Protection Fund during the year under review.

51. Ratio of remuneration to each director:

Under section 197(12) of the Companies Act, 2013, and Rule 5(1) (2) & (3) of the Companies (Appointment & Remuneration) Rules, 2014 read with Schedule V of the Companies Act, 2013 the ratio of remuneration of Mr. Amit Bansal, Executive Director of the Company to the median remuneration of the employees is 14 times and of Mr. Prahlada Rao CFO of the Company is 7 times.

52. Non-executive directors' compensation and disclosures:

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

53. Industry based disclosures as mandated by the respective laws governing the company:

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

54. Failure to implement corporate actions:

During the year under review, no corporate actions were done by the Company

55. Corporate insolvency resolution process initiated under the insolvency and bankruptcy code, 2016.

No corporate insolvency resolution processes were initiated against the Company under the Insolvency and Bankruptcy Code, 2016, during the year under review.



56. Policies:

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All the policies are available on our website ([https:// www.krrailengg.com/investors/ policies](https://www.krrailengg.com/investors/policies)). The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

NAME OF THE POLICY	BRIEF DESCRIPTION	WEBSITE LINK
Board Diversity Policy	At K&R Rail Engineering Limited, we believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors.	https:// www.krrailengg.com
Nomination and Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive / non-executive) and also the criteria for determining the remuneration of the Directors, key managerial personnel and other employees.	https:// www.krrailengg.com
Related Party Transaction Policy	The policy regulates all transactions between the Company and its related parties.	https:// www.krrailengg.com
Code of conduct for the prevention of insider trading:	The policy regulates all transactions of the insiders in this scrips of the Company.	https:// www.krrailengg.com



CSR Policy	The Corporate Social Responsibility activities to be undertaken by the Company.	https:// www.krrailengg.com
------------	---	--

57. Statutory compliance:

The Company has complied with the required provisions relating to statutory compliance with regard to the affairs of the Company in all respects.

58. Code of conduct for the prevention of insider trading:

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the Company has formulated a Code of Conduct for Prevention of Insider Trading (“Insider Trading Code”) and a Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information (“UPSI”).

The Code of Practices and Procedures for fair disclosure of UPSI is available on the website of the Company at [https:// www.krrailengg.com](https://www.krrailengg.com)

59. CEO/CFO Certification:

As required Regulation 17(8) read with Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO/CFO certification is attached with the annual report as **Annexure I**.

60. Prevention of sexual harassment at workplace:

The Company has always believed in providing a safe and harassment free workplace for every individual working in its premises through various policies and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has adopted a policy on Prevention of Sexual Harassment at Workplace which aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behavior. An Internal Complaints Committee (“ICC”) has been set up by the senior management (with women employees constituting the majority). The ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

During the financial year ended March 31, 2023, no complaints pertaining to sexual harassment have been received.



61.Green Initiatives:

In commitment to keep in line with the Green Initiative and going beyond it to create new green initiatives, electronic copy of the Notice of 40th Annual General Meeting of the Company are sent to all Members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their e-mail addresses, physical copies are sent through the permitted mode.

62.Event Based Disclosures

During the year under review, the Company has not taken up any of the following activities:

1. Issue of sweat equity share: NA
2. Issue of shares with differential rights: NA
3. Issue of shares under employee's stock option scheme: NA
4. Disclosure on purchase by Company or giving of loans by it for purchase of its shares: NA
5. Buy back shares: NA
6. Disclosure about revision ratings: NA

63.Disclosure pursuant to Part A of Schedule V of SEBI LODR

Disclosure pursuant to Part-A of Schedule V read with Regulation 34(3) of SEBI is attached as **Annexure-H** of this report.

64.Other Disclosures:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
- c. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiary.



65.Appreciation & acknowledgement:

Your Directors place on record their appreciation for the overwhelming co-operation and assistance received from the investors, customers, business associates, bankers, vendors, as well as regulatory and governmental authorities. Your Directors also thanks the employees at all levels, who through their dedication, co-operation, support and smart work have enabled the company to achieve a moderate growth and is determined to poise a rapid and remarkable growth in the year to come.

Your Directors also wish to place on record their appreciation of business constituents, banks and other "financial institutions and shareholders of the Company like SEBI, BSE, , NSDL, CDSL, ICICI Bank, Kotak Mahindra Bank and CITI Bank etc. for their continued support for the growth of the Company.

For and on behalf of the Board of Directors
K&R Rail Engineering Limited

Place: Hyderabad
Date:28.08.2023

Sd/-
Maniza Khan
Chairperson



ANNEXURE B

Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures

Part "A": Subsidiaries

NAME OF THE SUBSIDIARY	ROBSONS ENGINEERING & CONSTRUCTION PRIVATE LIMITED
1. Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	01 st April 2022 – 31 st March, 2023
2. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR
3. Share capital (Rs.)	1,00,000
4. Reserves & surplus	1,07,00,985
5. Total assets	19,57,42,000
6. Total Liabilities	19,57,42,000
7. Investments	NIL
8. Turnover	82,06,90,626
9. Profit before taxation	1,46,57,000
10. Provision for taxation	40,79,000
11. Profit after taxation	1,05,79,000
12. Proposed Dividend	NIL
13. % of shareholdings	100%

The following information shall be furnished:-

- 1. Names of subsidiaries which are yet to commence operations – NA**
- 2. Names of subsidiaries which have been liquidated or sold during the year- NA**



Part "B": Associates and Joint Ventures –

Name of Associates/Joint Ventures			
1. Latest audited Balance Sheet Date			
2. Shares of Associate/Joint Ventures held by the company on the year end No.			
Amount of Investment in Associates/Joint Venture			
Extend of Holding %			
3. Description of how there is significant influence			
4. Reason why the associate/joint venture is not consolidated			
6. Networth attributable to Shareholding as per latest audited Balance Sheet			
7. Profit / Loss for the year i. Considered in Consolidation ii. Not Considered in Consolidation			

The following information shall be furnished: -

- 1. Names of associates or joint ventures which are yet to commence operations.
NA**
- 2. Names of associates or joint ventures which have been liquidated or sold during the year. – NA**



FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

NIL

2. Details of contracts or arrangements or transactions at Arm's length basis.

SI. NO	PARTICULARS	DETAILS
1.	Name (s) of the related party & nature of relationship	AFCONSULTANTS Prop: Mr AJAZ FAROOQI Shareholder / Member
2.	Nature of contracts/arrangements/ transaction	Advance for Services
3.	Duration of the contracts/arrangements/transaction	
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	
5.	Date of approval by the Board	
6.	Amount paid as advances, if any	Rs 22 lakhs

SI. NO	PARTICULARS	DETAILS
1.	Name (s) of the related party & nature of relationship	Zainab Investments Pvt Ltd Shareholder / Member
2.	Nature of contracts/arrangements/ transaction	Payment of Rent
3.	Duration of the contracts/arrangements/transaction	
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	
5.	Date of approval by the Board	
6.	Amount paid as advances, if any	Rs 4.50 lakhs
SI. NO	PARTICULARS	DETAILS



1.	Name (s) of the related party & nature of relationship	
2.	Nature of contracts/arrangements/ transaction	
3.	Duration of the contracts/arrangements/transaction	
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	
5.	Date of approval by the Board	
6.	Amount paid as advances, if any	

SI. NO	PARTICULARS	DETAILS
1	Name (s) of the related party & nature of relationship	
2.	Nature of contracts/arrangements/ transaction	
3.	Duration of the contracts/arrangements/transaction	
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	
5.	Date of approval by the Board	
6.	Amount paid as advances, if any	



ANNEXURES-J TO THE DIRECTOR'S REPORT COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
K&R Rail Engineering Limited
Hyderabad

I have examined the compliance of conditions of Corporate Governance by K&R Rail Engineering Limited ('the Company'), for the Financial Year ended 31st March 2023, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

We have conducted our examination on the basis of the relevant records and documents maintained by the Company and furnished to us for the purpose of the review and the information and explanations given to us by the Company during the course of such review.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management of the Company, we certify that the Company has in all material respect complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI Listing Regulations, as applicable.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/
For M/s. Dabas S & Co.
Sanjeev M/s. Dabas
Practicing Company Secretary
C.P.No. 24418

Place: Hyderabad
Date: 29.08.2023
UDIN: : A065138E000890963



MANAGEMENT DISCUSSION ANALYSIS AUGUST 2023

GROWING &
EXPANDING,
GLOBALLY



K&R RAIL Engineering Limited

K&R at a glance

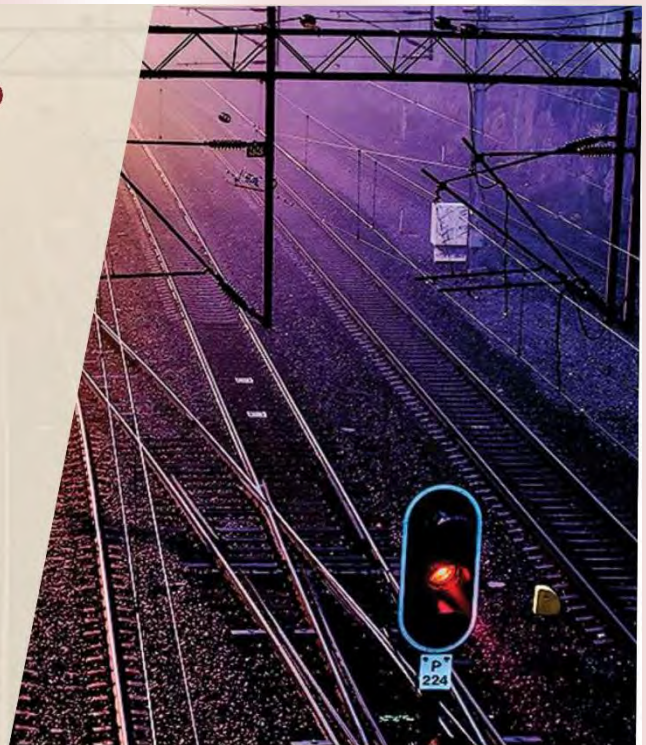
India's only End-to-end
solutions provider of
Railway EPCC Services
under one roof





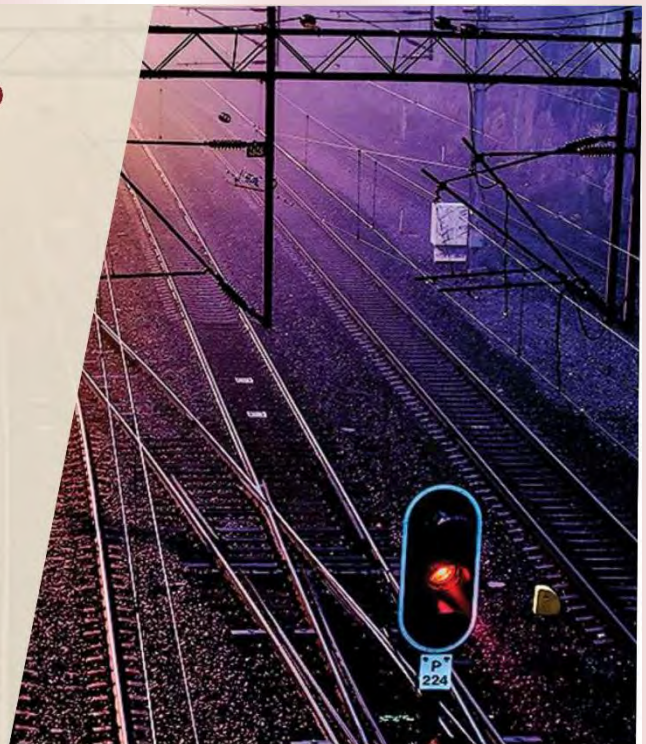
Indian Railways Present Scenario

- 2.40 Lakh Crores of Railway budget allocated for the year 2023-24
- 47% of increment from the previous budgets
- 49% of track length extension
- Mechanization of ROBs to RUBs
- Upgradation of signaling system for better passenger safety techniques



Indian Railways Present Scenario

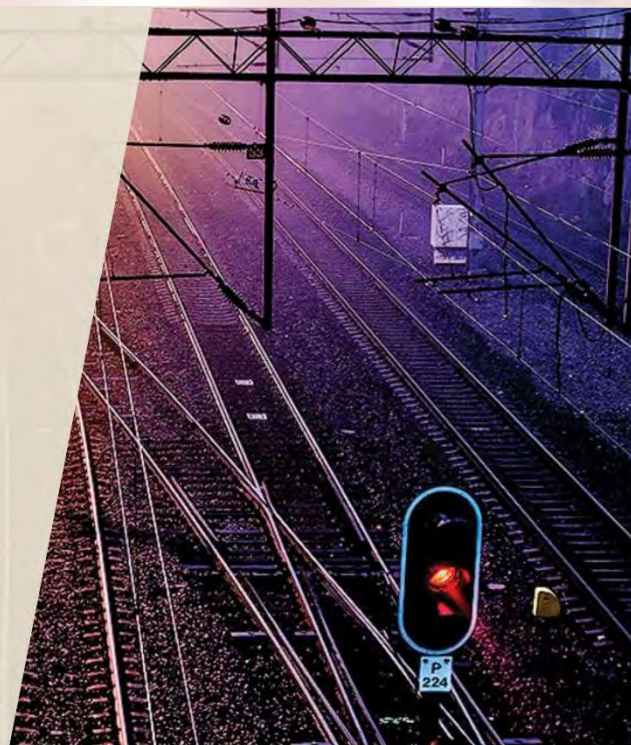
- 50,000+ track length extension opportunity
- Civil and Mechanical works of ROBs to RUBs convergence
- Upgradation of physical signaling system
- Upgradation of software signaling system





K&R Market Share

- With a proven track record from inception, K&R have been responsible for many innovations on the horizon of Railway related any work
- Executed several projects offered from Indian Railways
- 20% of track laying, 30% of electrification, 20% of earth works, 18% of ROBs construction, 45% of land acquisition projects done.



K&R provided survey for Last Mile Rail Connectivity for the following clients

- JK Cements Limited.
- Sagar Cements Limited.
- Subarnarekha Port.
- Vedanta Aluminium Project in Odisha.
- Gujarat Mineral Development Corporation Coal Projects in Odisha.
- Salaya Terminal Project (Essar Group) in Gujarat for their Port Project.
- Gulbarga Cement Project in Karnataka.
- The total expected Order Books value is more than Rs.3000 Crores.

K&R Rail has also opened another subsidiary known as "Robsons Engineering & Constructions Pvt. Ltd" to meet the domestic and Global trade requirements to the countries directly from the Indian sub-continent.

K&R Rail Engineering Limited is also establishing offices in Saudi Arabia shortly. This improves and add to our core competence and address the market in India and abroad.

K&R Rail entered into Joint Venture Agreement with MEP Group for executing Road and National Highway Project and also entered into MOU with Sri Avantika Contractors (I) Limited for execution of Mining and other Projects in Odisha of Odisha State.

K&R Rail has also opened another subsidiary known as "K&R Global LLC in Dubai" to execute the overseas projects and export requirements for Middle East and African countries directly from the Indian sub-continent. and also meet the supply requirements of Indian Railways.





Strategy to Leverage the Opportunities

Augment Product Portfolio:

We are working to tie up with a South Korean company listed at KOSDAQ (UNECO). The idea is to use UNECO's technology to manufacture Precious Slag Balls Pre Stressed Concrete Sleepers. These sleepers offer better durability and can support train speeds of 350 kmph.

This will help us in establishing ourselves as core supplier to Indian Railways.

Establishing Consortium and JV's:

We are looking forward to establish consortium and JV's with partners offering supplementary skills to address more projects.

Establishing Global Foot Prints:

We have established a subsidiary company in Dubai to address the upcoming projects in Middle East and Africa.

K&R is working towards utilizing the existing strengths to address the markets and augmenting its capacities both in terms of offered services and products.



Strategy to Leverage the Opportunities

K&R Rail Engineering Limited to capture the business in the Middle East and other countries had established a 100% subsidiary by name **K&R Global LLC** in Dubai of Middle East which will become operational in the next 2-3 months.

- K&R Rail Engineering Limited has entered into a strategic MOU with the Botonia – Sarl, Siege Social: Kissosso – Commune De Matoto – Conakry – Republique De Guinee for executing Projects of more than 2 Billion USD to 10 Billion USD in Guinee, West Africa.
- K&R Rail Engineering Limited proposed to enter into MOU with MEP Infrastructure Developers Limited for executing Projects in Congo, Central Africa.
- K&R Rail Engineering Limited is in advance negotiation with Kuwait based company M/s. Sadeem Al Kuwait for Railway Project for a tender called by Kuwait Railroad Authority for Phase-I of 111 Km long (single track - dual usage for Passenger trains and freight) GCC Component of Kuwait National Railroad (KNRR) From southern border of Kuwait with Kingdom of Saudi Arabia (Nuwaseeb Point) To Shedadia (Kuwait Urban Area) which is the line terminus where the Passenger Station is located and the approved alignment by Kuwait Municipality with 200 m Right of Way.
- K&R Rail Engineering Limited is in advance stage of negotiation with NUROL LLC, one of the biggest construction companies in UAE for a tender called Etihad Rail Company PJSC for Railway Project of Design and Build Contract for Station Links – Sharjah University.





Threats...

Threats are described as anything that would contribute to the interruption of any infrastructure development in the country. Threats can be either in the form of major policy changes by the Government, implementation of stringent qualification criteria and insurgency threats in a specific region. These have been described below:

Policy Changes

Policies for development of infrastructure projects are now prepared keeping in view longer gestation period and are being given equal importance by all the ruling Governments as development of the road/rail sector is an example and which is given top most priority at all levels in Government. However, there are chances of major policy changes by the Government either National or at State level which can affect the development of a particular segment of infrastructure. Looking at the current scenario and demand for infrastructure development in the country, the chances of any major policy change which can adversely affect infrastructure business in the country are negligible.

Selection Criteria

In certain cases, the project awarding authorities keep stiff qualification criteria which may disallow small or midsize developers having inadequate financial or technical scores to bid for the project. The Company has sufficient scores both in terms of financial or technical aspects to be able to qualify for all categories of projects being implemented or which are in the pipe line.

Force Majeure Threats

There are certain regions in the country which may carry the risk of the project having to be abandoned due to force majeure events like natural perils, war, terrorism etc. However, all the Agreements signed provide proper risk cover in such circumstances with no adverse financial impact on the Company as it is backed by guarantee and covered through insurance.

Change in Law

In case the Government makes changes in law which could have an impact on infrastructure projects, the Agreement provides for the Contractor to be insulated from any adverse impact arising from such change in law.



K&R Achievements



Has executed Railway Projects of more than 2500 Cr.



Has executed Rly Embankment work of more than 20 Lacs Cum.



Has executed Maj. and Minor Rly. Bridges of more than 100 nos.



Has executed Rly. OHE works of more than 150 ETKM

Has Executed Railway Projects for handling more than 40 MTPA to Indian Railway



Has given consultancy to Rly. Projects for handling more than 50 MTPA traffic in Indian Railway



Has Executed more than 25 EPC Projects in India



Has Executed more than 500 Consultancy Projects in India

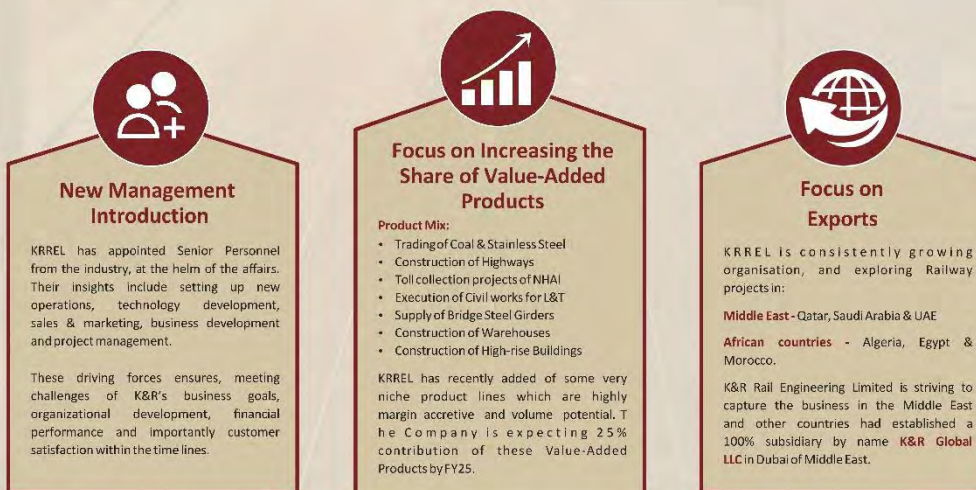




Competitive Advantages



Business Strategy





Risks and Concerns

Apart from that Construction risk, Environmental Risk and Time overrun risk, the biggest challenges for any infrastructure project is acquiring land in time, as it often involves resettlement of people and compensation issues. K&R Rail is having highly qualified and experienced team of former railway engineers, revenue officer's and bureaucrats who are expert's in identification, assessment, and mitigation all risk strategically.



Internal control systems and their adequacy.

CONTROL ENVIRONMENT

K&R has implemented various internal control systems.

- Demonstrate commitment to integrity and ethical values & Commitment to competence.
- Exercise oversight responsibility.
- Establish structure, authority and responsibility.
- Enforce accountability.

RISK ASSESSMENT

K&R put in place risk assessment analyst headed by the CEO for the same.

- Specify suitable objectives.
- Identify and analyse risk.
- Assess fraud risk.
- Identify and analyse significant change.

CONTROL ACTIVITIES

K&R has initiated appropriate control activities by deploying smart edge IT solution for enabling the same.

- Select and develop control activities.
- Select and develop general controls over technology.
- Deploy through policies and procedures.

INFORMATION & COMMUNICATION

K&R works with IT partners, who are leaders in their field to address the same.

- Use relevant Information.
- Communicate internally.
- Communicate externally.

Monitoring

K&R put in place internal committee headed by the CFO for monitoring activities.

- Conduct ongoing and/or separate evaluations.
- Evaluate and communicate deficiencies.





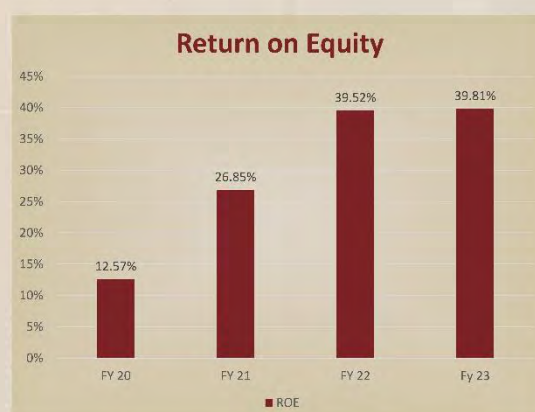
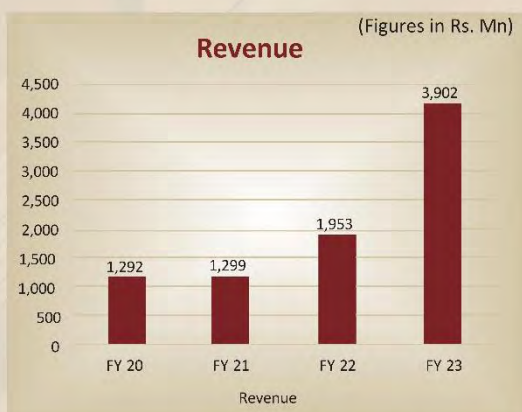
Capital Market Information

Market Indicator as on 25/08/23	
Incorporated	1983
Listed on	BSE
BSE Scrip Code	KRRAIL/514360
Issued Share	3,33,54,061
Share Price as on 24.08.23)	595.55
Market Capital (Rs. Mn)	11,458.30

Share Holding Pattern as on 31/03/23	
Promoter & Promoter Group	74.88 %
Institutions	0.00 %
Public	25.12 %
Total	100.00 %

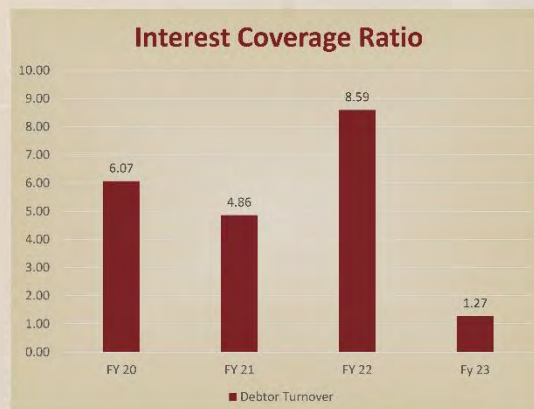
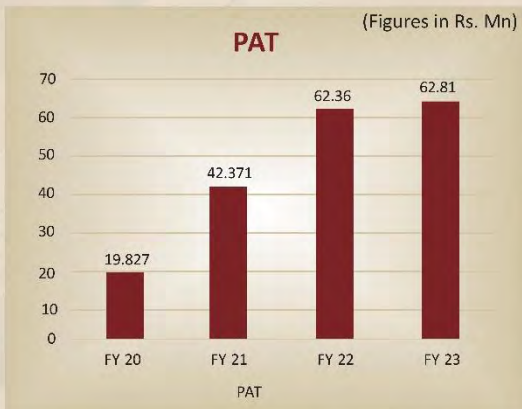


Key Financial Analysis

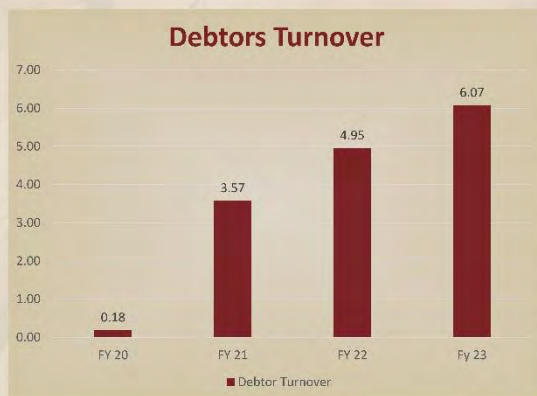




Key Financial Analysis

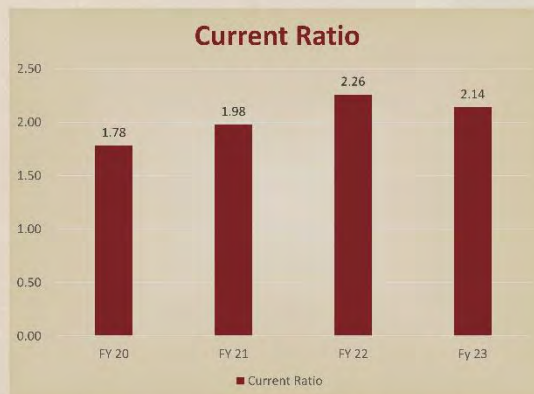
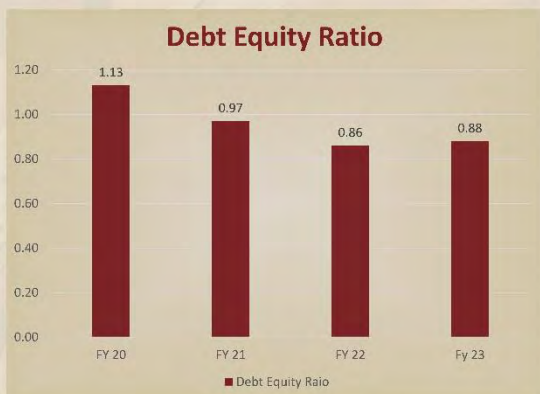


Key Financial Analysis





Key Financial Analysis



Consolidated Financial Snapshot

Key Performance Highlights FY23 V/S FY22

(Figures in Rs. Mn)

Particulars	FY23
Revenue from Operations	3,898.54
Other Income	3.73
Total Income	3,902.26
Total Expenses excluding Depreciation, Amortization & Finance Cost	3,764.35
EBITDA	137.91
EBITDA Margin %	3.53%
Depreciation & Amortization	31.07
Finance Cost	18.29
Profit Before Tax	88.55
Tax Expense	25.74
PAT	62.81
PAT Margin %	1.61%
Other Comprehensive Income	4.36
Net PAT	67.17
Diluted EPS	4.01





Consolidated Financial Snapshot

Key Performance Highlights FY23 V/S FY22

(Figures in Rs. Mn)



Particulars (Rs. Mn.)		FY23	
Cashflow from Operating Activities		-5,770.50	
Cashflow from Investing Activities		-4,408.20	
Cashflow from Financing Activities		41,656.90	
Net Cashflow		31,480.20	
Particulars (Rs. Mn.)	31.03.23	Particulars (Rs. Mn.)	31.03.23
ASSETS			
Non-Current Assets			
Property, Plant, and Equipment	184.12	Equity Share Capital	137.79
Capital Work in Progress	-	Preference Share Capital	243.15
Investment Properties	-	Reserves and Surplus	680.62
Intangible Assets	-		
Goodwill	-	Total Equity	979.56
Right of Use Assets	-	Non-Current Liabilities	
Investments	-	Financial Liabilities	-
Loans	-	Long Term Borrowings	79.81
Other Financial Assets	-	Other Financial Liabilities	-
Deferred Tax Assets (Net)	1.72	Provisions	4.84
Other Non-current Assets	-	Deferred Tax Liabilities (Net)	-
Total Non-current Assets	1.72	Total Non-current Liabilities	84.65
Current Assets			
Inventories	54.01	Current Liabilities	
Financial Assets	-	Financial Liabilities	-
Trade Receivables	882.25	Borrowings	62.64
Cash & Cash Equivalents	160.89	Trade Payables	367.98
Bank Balance other than Cash & Cash equivalent	-	Short Term Provisions	-
Other Financial Assets / Loans & Advance	259.16	Other Current Liabilities	310.42
Other Current Assets	205.51	Current Tax Liabilities (Net)	32.18
Total Current Assets	1,661.82	Total Current Liabilities	773.21
Total Assets	1,837.47	Total Equity and Liability	1,837.47

Discussion on Financial Performance with Respect to Operational Performance

During the period under review, the turnover of the Company increased by 99.82% to Rs. 3,902.46 Million in the financial year 2022-23 from Rs. 1,953.01 Million in the financial year 2021-22. The significant increase is on account of merger of Subsidiary company "M/s Robsons Engineering & Constructions Pvt. Ltd." and the number of projects awarded during the financial year as compared to projects accorded in the previous year. The increase in turnover also has had a significant impact on the results for the year.

Other key operating data for the year were as under:

Earnings before Interest, Tax, Depreciation and Amortization grew from Rs. 115.34 Million in 2021-22 to Rs. 137.91 Million in 2022-23 registering an increase of 19.56% over the previous year.

Profit Before Tax grew from Rs. 85.79 Million in 2021-22 to Rs. 88.55 Million in 2022-23 registering an increase of 3.22% over

the previous year.

Profit after Tax grew from Rs. 60.55 Million in 2021-22 to Rs. 62.81 Million in 2022-23 registering an increase of 3.73% over the previous year.

Earnings per share on basic and diluted basis stood at Rs. 4.01 per share as at March 31, 2023 as against Rs. 3.95 per share as at March 31, 2022 registering a growth of 1.52% over the previous year.

The increase in investments in a number of projects awarded were domiciled. This resulted in an increase in the overall borrowings that were availed of partly fund the investments in new projects.

The debt equity ratio as at March 31, 2023 stood at 0.88:1. The growth in the business also resulted in an increase in debtors at the end of the year.





Outlook

The Company aims to procure mandates for the mega rail projects considered to be landmarks in the Indian railway sector.

The Government of India has accorded the highest priority to Infrastructure after Agriculture which itself suggests that there is likely to be a continuous flow of new projects in all sectors and hence the Company's outlook for the coming years is positive. The Company already has a large portfolio of projects under various stages of implementation.

The Company believes that its financial position would improve with the number of projects in the pipeline and the Company aims to procure

mandates for the Mega rail projects which are considered to be landmarks in the Indian Railway Sector both in terms of project size and in physical and financial terms. The Company has also been declared as the preferred bidder in an International project in UAE and is hopeful of additional International mandates on a select basis.

The Company is also taking various steps such as bidding for Roads, Airports, and Metro Rail development projects.



Human Resource and Industrial Relation

As on March 31, 2023 the company had 120 employees. At K&R the focus of learning and development is on building the capabilities of employees so that they are fully geared to handle the current and future needs of the company. This is also combined with its strong belief that employees play a pivotal role in the Company's transformation and gear up for future growth.

The Company's recruitment practice ensures that suitable candidates with merit are recruited and provided with the right opportunities to grow within the organization. The Company's policies favour recruitment at the entry levels and gradual rise for the meritorious candidates within the organisation

During the year, training programs were held covering behavioural, functional, managerial and leadership areas. The training programs at the entry level as well as the continuous learning programs ensures that the Company has the right competency in its work force that can deliver the customer's business needs





Thank You

Email: info@krrailengg.com
Visit us at: www.krrailengg.com



K&R RAIL Engineering Limited

Plot No. 797 A, 3rd Floor, KR Rail Bhawan,
Road No. 36, Jubilee Hills, Hyderabad – 33 (TS)



SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2023
{Pursuant to Section 204(1) of the Companies Act, 2013 and
rule 9 of the Companies (Appointment and Remuneration
of Managerial Personnel) Rules, 2014}

To,
The Members,
K&R RAIL ENGINEERING LIMITED

I have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good corporate practices by **K&R RAIL ENGINEERING LIMITED** (hereinafter called K&R RAIL/ the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the K&R RAIL books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial period ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **K&R RAIL ENGINEERING LIMITED** (“the Company”) for the financial year ended on 31st March, 2023 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **N.A**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, **1992** (‘SEBI Act’):-



- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011; **(Not Applicable to the Company during the Audit Period;)**
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, **1992;**
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- d. Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015
- e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not Applicable to the Company during the Audit Period;)**
- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit Period;)**
- g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, and dealing with client;
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, **2009; (Not Applicable to the Company during the Audit Period;)**. and
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, **1998; (Not Applicable to the Company during the Audit Period;)**.

(vi) Compliances/ processes/ systems under other applicable Laws to the Company are being verified on the basis of periodic certificate submitted to the Board of Directors of the Company.

I have also examined compliance with the applicable clauses of the following:

- a. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- b. The Listing Agreements entered into by the Company with Stock Exchange read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

Observations:

I report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through were captured and recorded as part of the minutes of the meeting.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and Company is in process of reviewing & strengthening the same.

Date: 09/06/2023

Place: New Delhi

**For M/s. Dabas S & Co.
(Company Secretaries)**

**Sanjeev M/s. Dabas
M. No: A65138, COP: 24418
Peer Review Certificate No: 2098/2022**

UDIN: A065138E000474503

This report is to be read with our letter of even date which is annexed as “**Annexure A**” and forms an integral part of this report.



ANNEXURE: A

To,
The Members,
K&R RAIL ENGINEERING LIMITED

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records, registers is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 09/06/2023

Place: New Delhi

**For M/s. Dabas S & Co.
(Company Secretaries)**

**Sanjeev M/s. Dabas
M. No: A65138, COP: 24418**



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (IOXi) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Date: 11.06.2022

To,

The Members,

K&R Rail Engineering Limited

12-5-34 & 35/1, Vijayapuri, South Lallaguda,

Secunderabad, TG-500 017.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of K& R RAIL ENGINEERING LIMITED having CIN L45200TG1983PLC082576 and having registered office at 12-5-34 & 35/1, Vijayapuri, South Lallaguda, Secunderabad, TG-500 017 (hereinafter referred to as "The Company"), produced before me by The Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2022** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sl.No.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT
1.	AMIT BANSAL	06750775	16/04/2019
2.	MANIZAKHAN	07146123	31/03/2015
3.	SUKESH KUMAR SHARMA	07956766	04/10/2021
4.	SANJAY KOTI HAPALLI	08449196	19/03/2021
5.	RABINDRA KUMAR BARIK	08773785	01/07/2020
6.	RAMAKRISHNA CHEBIYAM	09412448	26/11/2021



Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 11.06.2022
Place: New Delhi

For M/s. Dabas S & Co.
(Company Secretaries)

Sanjeev M/s. Dabas S & Co.
M.No: A65138, COP: 24418
Peer Review Certificate No:
2098/2022

UDIN: A065138D000484810



ANNEXURE-E TO THE DIRECTOR'S REPORT REPORT ON CORPORATE GOVERNANCE

In accordance with Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report containing the details of Corporate Governance systems and processes at K&R Rail Engineering Limited is as follows:

1. Company's Philosophy on Corporate Governance:

Company's endeavour is to maximize shareholder value. KR Rail is committed to adopt best governance practices and its adherence in true spirit at all times. It has strong legacy of fair, transparent and ethical governance practices.

Company has adopted a code of conduct which is applicable to all employees and is posted on the website of the Company. The Company also has in place a code for preventing insider trading.

Company is fully compliant with the requirements of the listing regulations and applicable corporate governance norms and is committed to ensuring compliance with all modifications within the prescribed time.

2. Board diversity:

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us, retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Board Diversity Policy is available on our website, www.krrailengg.com

3. Compliance with SEBI (listing obligations and disclosure requirements) regulations, 2015:

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company framed the following policies which are available on Company's website i.e. www.krrailengg.com



- Board Diversity Policy
- Policy on preservation of Documents
- Risk Management Policy
- Whistle Blower Policy
- Familiarization program for Independent Directors
- Sexual Harassment Policy
- Related Party Policy
- Code of Conduct for Board of Directors and Senior Management Personnel.
- Code of Conduct for Prevention of Insider Trading (“Insider Trading Code”)
- CSR Policy

4. KRRAIL’ code of conduct for the prevention of insider trading:

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website www.krrailengg.com

5. Board of Directors:

The composition of the Board of Directors of the company is an appropriate combination of executive and non-executive Directors with right element of independence. As on March 31, 2023, the Company’s Board comprised of Six Directors, out of which three are executive Directors and one Non-executive Director. Further, there are two independent Directors on the Board including One Women Director. In terms of Regulation 17(1) (b) of SEBI (LODR) Regulations, 2015 and section 149 of Companies Act 2013, the company is required to have one third of total Directors as independent Directors. The non-executive Directors are appointed or re-appointed based on the recommendation of the Nomination & Remuneration Committee which considers their overall experience, expertise and industry knowledge. One third of the total strength other than independent



Directors, are liable to retire by rotation every year and are eligible for reappointment, subject to approval by the shareholders.

6. Skills / Expertise / Competencies of the Board of Directors;

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

SI. NO.	NAMES OF THE DIRECTORS WHO HAVE SUCH SKILLS / EXPERTISE / COMPETENCE	SKILLS / EXPERTISE / COMPETENCE OF THE BOARD OF DIRECTORS ARE REQUIRED IN THE CONTEXT OF BUSINESS OF THE COMPANY
1.	Mr. Amit Bansal	Business Strategy, Sales & Marketing, Law, Taxation, Finance , Foreign Exchange Related
2.	Mr. Suresh Solanki	Corporate Governance, Administration, Decision Making
3.	Mr. Suresh Solanki	Financial and Management skills.
4.	Mr. Sukesh Kumar Sharma	Technical / Professional skills
5.	Ms. Maniza Khan	Behavioural skills - attributes and competencies

7. Appointment/Re-appointment of Directors:

Details of Director seeking appointment/ reappointment at the forthcoming Annual General Meeting as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("Listing Regulations") is annexed to the Notice convening the Annual General Meeting and forming part of this Annual Report.

8. Attendance and directorships held:

As mandated by the SEBI (LODR) Regulations, 2015, none of the Directors are members of more than ten Board-level committees nor are they chairman of more than five committees in which they are members. Further all the Directors have confirmed that they do not serve as an independent director in more than seven listed companies or where they are whole-time directors in any listed company, then they do not serve as independent director in more than three listed companies.

The names and categories of the Directors on the Board, their attendance at Board meeting during the year and at last Annual General Meeting, as also the number



of Directorships and Committee memberships held by them in other companies are shown in **Table 1**.

TABLE-1								
NAME OF DIRECTOR	RELATIONSHIP WITH OTHER DIRECTORS	CATEGORY	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	WHETHER ATTENDED LAST AGM	NO. OF OUTSIDE DIRECTORSHIPS OF PUBLIC COMPANIES	NO. OF COMMITTEE MEMBERSHIPS	NO. OF COMMITTEE CHAIRMANSHIPS
Maniza Khan	None	Independent Director	22	22	30/11/2022	NONE	3	2
Rabindra Kumar Barik	None	Independent Director	22	22	30/11/2022	NONE	3	1
Sanjay Kotthapalli	None	Non-Executive Director	22	22	30/11/2022	NONE	3	0
Sukesh Kumar Sharma	None	Executive Director	22	22	30/11/2022	NONE	NA	NA
Amit Bansal	None	Executive Director	22	22	30/11/2022	NONE	NA	NA
Suresh Solanki	None	Executive Director	22	11	30/11/2022	NONE	NA	NA

The Name of other listed entities where directors of the company are directors and the category of directorship are shown in following table:

Sr. No.	Name of Director	Name of the Listed Companies in Which Director is Director	Nature of Directorship
		None	



9. Information supplied to the board:

The Board has complete access to all information of the Company and is regularly provided advanced detailed information as a part of the agenda papers or is tabled therein. In addition, detailed quarterly performance report by the Managing Director is presented in the quarterly Board meeting, encompassing all facets of the Company's operations during the quarter, including update of key projects, outlook and matters relating to environment, health & safety, corporate social responsibility etc. The following information is provided to the Board as a part of the agenda papers:

- Annual and Quarterly financial statements for the Company and the Accounting Policy.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Annual business plan
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary, whenever required
- Expansion projects and its status monitoring.
- Fatal or serious accidents, injuries or any material environmental problems, if any
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company, if any
- Significant labour problems and their proposed solutions, whenever necessary
- Any significant development in human resources / industrial relations including long-term wage agreement, major voluntary retirement scheme, etc.
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material
- Quarterly disclosure of all the investments made
- Material non-compliance of any regulatory, statutory nature or listing requirements and shareholders service, such as non-payment of dividend, delay in share transfer and others, if any
- Quarterly review of compliance status under various laws applicable to the Company
- Substantial non-payment of goods sold by the Company.
- Related Party Transactions, if they are not at arm's length and in the ordinary course of business
- Half-yearly summary of bank guarantees issued.
- All other matters required to be placed before the Board for its review / information / approval under the statutes, including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



10. Familiarization program for independent directors:

The Board members are provided with necessary documents, reports, internal policies and site visits to enable them to familiarize with the Company's operations, its procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company business, strategy and risks involved. Detailed presentations on the Company's business segments were made at the meetings of the Directors held during the year.

The Company's Policy of conducting the Familiarization Program and details of such familiarization program during the year, is placed on its website viz., www.krrailengg.com

11. Committees of the board:

The Company has Board-level Committees - Audit Committee, Stakeholder Relationship Committee, Nomination & Remuneration Committee, Risk Management Committee and CSR Committee.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee members are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

12. Performance Evaluation of Board, Committees and Directors:

Pursuant to provisions of Regulation 17(10) of the SEBI Listing Regulations and the provisions of the Act, an annual Board effectiveness evaluation was conducted for FY 2022-23 on February 13, 2023, involving the following:

- i. Evaluation of IDs, in their absence, by the entire Board was undertaken, based on their performance and fulfilment of the independence criteria prescribed under the Act and SEBI Listing Regulations; and
- ii. Evaluation of the Board of Directors, its Committees and individual Directors, including the role of the Board Chairman.

An IDs' meeting, in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI Listing



Regulations, was convened on February 13th, 2023, mainly to review the performance of Independent Directors and the Chairman & Managing Director as also the Board as a whole. All IDs were present at the said meeting.

The evolution was perfume based upon various para meters as follows:

- (i) **Board:** Composition, responsibilities, stakeholder value and responsibility, Board development, diversity, governance, leadership, directions, strategic input, etc.
- (ii) **Executive Directors:** Skill, knowledge, performance, compliances, ethical standards, risk mitigation, sustainability, strategy formulation and execution, financial planning & performance, managing human relations, appropriate succession plan, external relations including CSR, community involvement and image building, etc.
- (iii) **Independent Directors:** Participation, managing relationship, ethics and integrity, Objectivity, brining independent judgement, time devotion, protecting interest of minority shareholders, domain knowledge contribution, etc.
- (iv) **Chairperson:** Managing relationships, commitment, leadership effectiveness, promotion of training and development of directors etc.
- (v) **Committees:** Terms of reference, participation of members, responsibility delegated, functions and duties, objectives alignment with company strategy, composition of committee, committee meetings and procedures, management relations.

Performance evaluation was done on the scale of 1 to 5 and 5 being outstanding.

Disclosures as prescribed under SEBI circular dated May 10, 2018 are given below:

Observations of Board evaluation carried out for the year	No observations.
Previous year's observations and actions taken	Since no observations were received, no actions were taken.
Proposed actions based on current year observations	Since no observations were received, no actions were taken.



13. Declaration by Independent Directors:

All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 read with Section 149(6) of the Act.

14. Declaration by Board:

The Board has confirmed that in its opinion, the independent directors fulfill the conditions specified in these regulations and are independent of the management. During the year under review, no Independent Director has resigned before expiry of his tenure.

15. Audit committee:

Terms of reference of Audit committee covers all the matters prescribed under Regulation 18 of the Listing Regulations and Section 177 of the Act, 2013.

A. Brief Description of Terms of Reference: -

Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommending the appointment and removal of External Auditors, fixation of audit fee and approval for payment for any other services;
- c. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- d. Approval of payment to statutory auditors for any other services rendered by them.
- e. Review with the management and statutory auditors of the annual financial statements before submission to the Board with particular reference to:
 - i) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;



- ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - iii) Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv) Significant adjustments made in the financial statements arising out of audit findings;
 - v) Compliance with listing and other legal requirements relating to financial statements
 - vi) Disclosure of any related party transactions;
 - vii) Modified opinion(s) in the draft audit report;
- f. Review of the quarterly and half yearly financial results with the management and the statutory auditors;
- g. Examination of the financial statement and the auditors' report thereon;
- h. Review and monitor statutory auditor's independence and performance and effectiveness of audit process;
- i. Approval or any subsequent modification of transactions with related parties;
- j. Scrutiny of inter-corporate loans and investments;
- k. Review of valuation of undertakings or assets of the company wherever it is necessary;
- l. Evaluation of internal financial controls and risk management systems;
- m. Review with the management, statutory auditors and the internal auditors about the nature and scope of audits and of the adequacy of internal control systems;
- n. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- o. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;



p. Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary;

q. Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;

r. Review the functioning of the whistle blower mechanism;

s. Review and monitor the end use of funds raised through public offers and related matters;

t. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

u. Frame and review policies in relation to implementation of the Code of Conduct for Prevention of Insider Trading and supervise its implementation under the overall supervision of the Board;

v. Discharge such duties and functions as indicated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and the rules made thereunder from time to time.

w. Review of the following information:

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the audit committee), submitted by management;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.



- Statement of deviations as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1).
- Annual statement of funds utilized for purposes other than those stated in the offer document /prospectus / notice in terms of Regulation 32(7).
- The Audit Committee of the listed holding company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- Carrying out any other function as may be referred to the Committee by the Board.
- Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II of the Listing Regulations.

B. Internal Audit:

The Company has adequate internal control and Internal Audit system commensurate with its size and nature of its business. The Internal Audit Plan is approved by the Audit Committee and the Internal Auditors directly present their report to the Audit Committee for their consideration.

C. Composition, Meetings & Attendance:

The Audit Committee of the Company is constituted in accordance with the provisions of Regulation 18 of the Listing Regulations and the provisions of Section 177 of the Act. All members of the Committee are financially literate, with Ms. Maniza Khan, as Chairperson of the Committee, having the relevant accounting and financial management expertise.

The composition of the Audit Committee and the details of the meetings attended by its members during the financial year ended 31st March 2023 are as under:

Name	Designation	Category	No of Meetings held	No of Meetings attended
Ms. Maniza Khan	Chairperson	NED(I)	4	4
Mr. Rabindra Kumar Barik	Member	NED(I)	4	4
Mr. Sanjay Kothapalli	Member	NED	4	2



The Audit Committee met 4 times during the financial year 2022-23 and the gap between any two meetings did not exceed 120 days. The dates on which the Audit Committee Meetings held were: 30th May, 2022, 12th August 2022, 11th November 2022 and 13th February 2023. Requisite quorum was present at the above Meetings.

All the recommendations of the Audit Committee have been accepted by the Board of Directors.

During the year, the Audit Committee inter alia reviewed key audit findings covering Operational, Financial and Compliance areas, Risk Mitigation Plan covering key risks affecting the Company which were presented to the Committee. The Chairman of the Audit Committee briefed the Board members on the significant discussions which took place at Audit Committee Meetings.

The Chairperson of the Audit Committee was present at the Annual General Meeting of the Company held on 30th November 2022.

16. Nomination and remuneration committee:

The Nomination and Remuneration Committee ('NRC') functions in accordance with Section 178 of the Act, Regulation 19 of the Listing Regulations and its Charter adopted by the Board. The terms of reference of the NRC includes:

- Recommend to the Board the setup and composition of the Board, including formulation of the criteria for determining qualifications, positive attributes and independence of a Director.
- Periodical review of composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Support the Board in matters related to the setup, review and refresh of the Committees.
- Devise a policy on Board diversity.
- Recommend to the Board the appointment or reappointment of Directors.
- Recommend to the Board how the Company will vote on resolutions for appointment of Directors on the Boards of its material subsidiaries.



- Recommend to the Board, the appointment of Key Managerial Personnel (KMP) and executive team members.
- Carry out the evaluation of every Director's performance and support the Board and Independent Directors in the evaluation of the performance of the Board, its Committees and individual Directors, including formulation of criteria for evaluation of Independent Directors and the Board.
- Oversee the performance review process for the KMP and executive team with the view that there is an appropriate cascading of goals and targets across the Company.
- Recommend the Remuneration Policy for the Directors, KMP, executive team and other employees.
- On an annual basis, recommend to the Board the remuneration payable to Directors, KMP and executive team of the Company.
- Review matters related to remuneration and benefits payable upon retirement and severance to MD/EDs, KMP and executive team.
- Review matters related to voluntary retirement and early separation schemes for the Company.
- Provide guidelines for remuneration of Directors on material subsidiaries.
- Recommend to the Board how the Company will vote on resolutions for remuneration of Directors on the Boards of its material subsidiaries.
- Assist the Board in fulfilling its corporate governance responsibilities relating to remuneration of the Board, KMP and executive team members.
- Oversee familiarization programs for Directors.
- Review HR and People strategy and its alignment with the business strategy periodically, or when a change is made to either.
- Review the efficacy of HR practices, including those for leadership development, rewards and recognition, talent management and succession planning.
- Perform other activities related to the charter as requested by the Board from time to time.



A. Composition of the committee, meetings and attendance during the year:

There were Six Nomination and Remuneration Committee Meetings held during the financial year 2022-23 on 13.06.2022, 15.06.2022, 16.08.2022, 22.08.2022, 01.11.2022 & 01.03.2023.

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr. Rabindra Kumar Barik	Chairman	NED(I)	6	6
Ms. Maniza Khan	Member	NED(I)	6	6
Mr.Sanjay Kothapalli	Member	NED	6	2

17. Stakeholder's relationship committee:

Terms of reference of the committee comprise of various matters provided under Regulation 20 of the Listing Regulations and section 178 of the Act, 2013 which inter-alia include:

- (i) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (ii) Proactively communicate and engage with stockholders including engaging with the institutional shareholders at least once a year along with members of the Committee/Board/ KMPs, as may be required and identifying actionable points for implementation.
- (iii) Review of measures taken for effective exercise of voting rights by shareholders.
- (iv) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (v) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Committee comprises of 3 Directors out of which 2 are independent. In the financial year 2022-23, 1 meeting of the Committee were held on 10th August



2022. Composition of committees and member's attendance at the meetings during the year are as under:

Name	Designation	Category	No of Meetings held	No of Meetings attended
Ms. Maniza Khan	Chairperson	NED(I)	1	1
Mr. Rabindra Kumar Barik	Member	NED	1	1
Mr. Sanjay Kothapalli	Member	NED	1	NA

18. Performance evaluation criteria for independent directors:

The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

Policy:

1. The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.
2. In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:
 - General understanding of the company's business dynamics, global business and social perspective;
 - Educational and professional background
 - Standing in the profession;
 - Personal and professional ethics, integrity and values;
 - Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

2.1 The proposed appointee shall also fulfil the following requirements:

- shall possess a Director Identification Number;
- shall not be disqualified under the companies Act, 2013;
- shall endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;



- shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
- shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and other relevant laws.

3. Criteria of independence

3.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.

3.2 The criteria of independence shall be in accordance with guidelines as laid down in companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3.3 The independent Director shall abide by the “code for independent Directors “as specified in Schedule IV to the companies Act, 2013.

4. Other directorships/ committee memberships

4.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as director of the company. The NR Committee shall take into account the nature of and the time involved in a director’s service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

4.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.

4.3 A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.

4.4 A Director shall not be a member in more than 10 committees or act as chairman of more than 5 committee across all companies in which he holds directorships.



For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the companies Act, 2013 shall be excluded.

19. Name and designation of compliance officer:

Mr. Chandrakant is the Company Secretary & Compliance Officer of the Company.

20. Details of complaints/requests received, resolved and pending during the year 2022-23:

Number of complaints	Number
Number of complaints received from the investors comprising non-receipt of securities sent for transfer and transmission, complaints received from SEBI / Registrar of Companies / Bombay Stock Exchange / National Stock Exchange / SCORE and so on	0
Number of complaints resolved	0
Number of complaints not resolved to the satisfaction of the investors as on March 31, 2023	0
Complaints pending as on March 31, 2023	0
Number of Share transfers pending for approval, as on March 31, 2023	0

21. Pecuniary Relationship or Transactions of The Non-Executive Directors Vis-À-Vis The Listed Company:

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

A. CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:

Policy:

1. Remuneration to Executive Director and key managerial personnel.
 - 1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall limit approved by the shareholders.



1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.

1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:

- (i) Basic pay
- (ii) Perquisites and Allowances
- (iii) Stock Options
- (iv) Commission (Applicable in case of Executive Directors)
- (v) Retrial benefits
- (vi) Annual performance Bonus

1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

2. Remuneration to Non – Executive Directors

2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders.

2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

3. Remuneration to other employees

3.1 Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.



B. REMUNERATION TO DIRECTORS PAID DURING THE FINANCIAL YEAR 2022-23 AND OTHER DISCLOSURES:

C.

Name of the Director	Salary(Rs)	Sitting fees(Rs)	Number of shares held	Service Contracts	Stock Option Details	Fixed Component	Performance Based Incentive
Ms. Maniza Khan		10,000		--	--	--	--
Mr. Rabindra Kumar Barik		10,000		--	--	--	--
Mr. Sanjay Kotthapalli		10,000	--	--	--	--	--
Mr. Sukesh Kumar Sharma	9,00,000		--	--	--	--	--
Mr. Amit Bansal	24,00,000		--	--	--	--	--
Mr. Suresh Solanki	45,00,000		2,35,000	--	--	--	--

22.Independent directors' meeting:

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 13.02.2023, to discuss:

1. Evaluation of the performance of Non-Independent Directors and the Board of Directors as whole;
2. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors of the Company were present at the meeting.

As required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the company regularly familiarizes Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc. The details of the familiarization program is given at company's website (www.krrailengg.com/ Investor Relations).



viii) Remuneration policy:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities should and individual performance.

Policy for selection of directors and determining directors' independence:

1. Scope:

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

2. Terms and References:

2.1 "Director" means a director appointed to the Board of a Company.

2.2 "Nomination and Remuneration Committee means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

2.3 "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Remuneration policy for Directors, key managerial personnel and other employees:

1. Scope:

1.1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the company.

2. Terms and Reference:

In this policy the following terms shall have the following meanings:

2.1 "Director" means a director appointed to the Board of the company.

2.2 "Key Managerial Personnel" means

(i) The Chief Executive Office or the Managing Director or the Manager;

(ii) The Company Secretary;

(iii) The Whole-Time Director;

(iv) The Chief Finance Officer; and

(v) Such other office as may be prescribed under the companies Act, 2013



2.3“Nomination and Remuneration committee” means the committee constituted by Board in accordance with the provisions of section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

22. Non-executive directors’ compensation and disclosures:

None of the Independent/Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

23. Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has issued and allotted 138,12,500 convertible Share Warrants at Rs.72.60/- per warrant to the Promoters and Non-Promoters has approved by the shareholder in their EGM held as on 10th February, 2023.

The Company has 138,12,500 outstanding convertible Share Warrants as at the end of the financial year 2022-23.

24. Number of shares and convertible instruments held by nonexecutive directors:

None of the Non-executive Directors hold equity shares or convertible instruments of the Company.

25. Disclosure of commodity price risks and commodity hedging activities: The Company has no hedging of any commodities at present.

26. Details on general body meetings:

A. Location, date and time of last three AGMs and special resolutions there at as under:

Financial Year	Date	Time	Location	Special / Ordinary Resolution
2021-22	30.11.2022	2.00 PM	12-5-32/8, Bhatukammakunta Vijapuri, South Lallaguda Secunderabad Hyderabad TG 500017	5 Ordinary Resolutions & 3 Special Resolutions
2020-21	30.09.2021	2.00 PM	12-5-32/8, Bhatukammakunta Vijapuri, South Lallaguda Secunderabad Hyderabad TG 500017	3 Ordinary Resolutions & 1 Special Resolutions



2019-20	30.09.2020	2.00 PM	Plot NO.2, 8-2-703/2/B, Road No.12, Banjara Hills, Hyderabad- 500034	3 Ordinary Resolutions & 1 Special Resolutions
---------	------------	------------	--	---

D. Location, date and time of EGM held during F.Y.2022-23 and special resolutions there at as under:

Extraordinary General Meeting of the Company was held as on 10th February, 2023 for issue 1,38,12,500 convertible warrants on preferential basis

27. Passing of Resolutions By Postal Ballot

There were no resolutions passed by the Company through Postal Ballot during the financial year 2022-23.

28. Means of Communication:

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management-shareholder relations. The Company regularly interacts with Members through multiple channels of communication such as results announcement, annual report, media releases, Company's website and subject specific communications.

The quarterly, half yearly and annual results of the Company's performance are published in leading newspapers such as Business Standard and Navatelangana. These results are also made available on the website of the Company <https://www.krrailengg.com/investor-relations/quarterly-results/>. The website also displays vital information relating to the Company and its performance, official press releases and presentation to analysts.

All price sensitive information and matters that are material to Members are disclosed to the respective Stock Exchanges where the securities of the Company are listed. The Quarterly Results, Shareholding Pattern and all other corporate communication to the BSE Listing Centre, for dissemination on their respective websites. The stock exchange filings are also made available on the website of the Company [https:// www.krrailengg.com](https://www.krrailengg.com).

29. General shareholder information:

A. Annual general meeting:

The 40th Annual General Meeting of the Company will be held as per the following schedule:



Day	Saturday
Date	30.09.2023
Time	10.00 AM
Venue	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"). The AGM shall be deemed to be held at 12-5-32/8, Bhatukammakunta, Vijaypuri, South Lallaguda, Secunderabad, Telangana, 500017.

B. Financial Year Calendar 2023-24 (Tentative Schedule)

The financial calendar (tentative) shall be as under:

Financial Year	2023-24
First Quarterly Results	14.08.2023
Second Quarterly Results	14.11.2023
Third Quarterly Results	14.02.2024
Fourth Quarterly Results	29.05.2024
Annual General Meeting for year ending 31st March, 2024	30.09.2024

C.Dividend Payment Date: No Dividend was declared during the Financial Year 2022-23.

D.Listing on stock exchanges & address:

The equity shares of the Company are listed on Bombay Stock Exchange Limited (BSE). The Company has paid the listing fees for the year 2023-24 to both the Stock Exchanges.

BSE Limited
KRRAIL
Address: BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001.

E. Stock Market Price Data: BSE Limited

Bombay Stock Exchange(BSE)				
Month	Open Price	High Price	Low Price	Close Price
Apr 22	19.15	25.35	19.15	23.70
May 22	24.45	26.75	21.60	22.70
Jun 22	23.70	37.90	23.70	36.75
Jul 22	37.40	40.00	33.65	36.80
Aug 22	36.70	40.00	19.05	25.15



Sep 22	25.15	30.65	24.05	26.55
Oct 22	27.00	72.45	23.15	72.45
Nov 22	76.05	104.45	62.55	63.00
Dec 22	65.00	80.30	55.00	63.05
Jan 23	60.55	136.25	60.55	136.25
Feb 23	143.05	247.45	143.05	223.95
Mar 23	212.80	442.85	212.80	412.25

F. Performance in comparison to Board based indices:



G. Registrar and share transfer agents:

M/s. Aarthi Consultants Private Limited
 Address: 1-2-285, Domalguda, Hyderabad – 500 029
 Phone: 040-27638111, 27634445
 Email: info@aarthicconsultants.com

H. Share transfer system:

The transfers are normally processed within 10-12 days from the date of receipt, if the documents are complete in all respects. The Company Secretary has been empowered to approve the transfer of shares.



Effective April 1, 2019, SEBI has amended Regulation 40 of the SEBI Listing Regulations, which deals with transfer, transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.

Shares received for transfer by the Company or its Registrar and Share Transfer Agent in physical mode are processed and all valid transfers are approved. The share certificate(s) is/are duly transferred and dispatched within a period of 15 days from the date of receipt.

According to SEBI, this amendment will bring the following benefits:

- It shall curb fraud and manipulation risk in physical transfer of securities by unscrupulous entities.
- Transfer of securities only in demat form will improve ease, convenience and safety of transactions for investors.

I. Distribution of Shareholding as on 31st March, 2023:

SL NO	CATEGORY	HOLDE RS	HOLDERS PERCENTAG E	SHARES	AMOUNT	AMOUNT PERCENT AGE
1	1- 5000	19257	98.57	666167	6661670	4.22
2	5001- 10000	105	0.54	78300	783000	0.5
3	10001- 20000	62	0.32	90830	908300	0.58
4	20001 - 30000	24	0.12	60748	607480	0.38
5	30001- 40000	12	0.06	42674	426740	0.27
6	40001- 50000	12	0.06	54115	541150	0.34
7	50001- 100000	24	0.12	170824	1708240	1.08
8	100001 & Above	40	0.2	14616447	146164470	92.63
	Total:	19536	100	15780105	157801050	100

J. Dematerialisation & liquidity of shares:

KR Rail Shares are tradable in Electronic Form. The Company has established electronic connectivity through Aarthi Consultants Private Limited with both the



depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) The International Securities Identification Number (ISIN) allotted to our shares under the Depository System is INE078T01026. As on March 31, 2023 96.44% of the shares were held in Dematerialised form and the rest in physical form.

Particulars	No. of Shares	% Share Capital
NSDL	1,24,18,370	78.70
CDSL	27,99,835	17.74
PHYSICAL	5,61,900	3.56
Total	1,57,80,105	100

We request the shareholders whose shares are held in physical mode to dematerialize the shares and update their bank accounts with the depository participants.

K. Book closure date:

The date of Book Closure for the purpose of Annual General Meeting and determining the shareholders' entitlement for dividend shall be from 24.09.2023 to 30.09.2023 (both days inclusive).

L. Electronic connectivity:

Demat ISIN Number: **INE078T01026**

M. National Securities Depository Limited

Trade World, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel
Mumbai – 400 013.

N. Central Depository Services (India) Limited

Marathon Futurex, A-Wing, 25th floor,
NM Joshi Marg, Lower Parel, Mumbai 400013

O. Shareholding Pattern as on 31st March, 2023:

S. No.	CATEGORY OF SHAREHOLDER	No. of shares held	Percentage of shareholding
	PROMOTER AND PROMOTER GROUP		
(1)	INDIAN:		
(a)	Individual	1,18,16,880	74.88
(b)	Others	--	--



	Sub-Total A(1) :	1,18,16,880	74.88
(2)	FOREIGN:	--	--
(a)	Individuals	--	--
	Sub-Total A(2) :	--	--
	Total A=A(1)+A(2)	1,18,16,880	74.88
(B)	PUBLIC SHAREHOLDING		
(1)	INSTITUTIONS:		
(a)	Financial Institutions /Banks	--	--
(b)	Foreign Institutional Investors	--	--
	Sub-Total B(1) :		
(2)	NON-INSTITUTIONS:		
(a)	Bodies Corporate	33526	0.21
(b)	Individuals	3890793	24.67
	Sub-Total B(2) :	39,24,319	24.88
(C)	OTHERS:		
(1)	HUF	2156	0.01
(2)	EMPLOYEES	--	--
(3)	CLEARING MEMBERS	8385	0.05
(4)	FOREIGN BODIES	--	--
(5)	FOREIGN NATIONALS	--	--
(6)	CORPORATE BODY - OTHERS	--	--
(7)	NON RESIDENT INDIANS	28365	0.18
(8)	TRUSTS	--	--
	Sub-Total C:	38,906	0.24
	Total B=B(1)+B(2) :	39,24,319	24.88
	Total (A+B) :	1,57,41,199	99.76
	GRAND TOTAL (A+B+C) :	1,57,80,105	100

P. Disclosures:

A. Materially Significant Related Party Transactions

During the year under review, the Company had not entered in to any materially significant transaction with any related party that may have potential conflict with the interests of the Company at large. The Audit Committee has issued omnibus approval for the Related party transactions with in the limits. Transactions with the Related Parties as required under Ind AS are disclosed in Note No.35 of the standalone financial statements forming part of this Annual Report.



B. Compliances

No Penalties were imposed during the period under Report.

C. Whistle Blower Policy (Set up in terms of Sec 177 of the Companies Act, 2013 read with Regulation 22 of SEBI LODR Regulations, 2015)

With a view to adopt the highest ethical standards in the course of business, the Company has a whistle blower policy in place for reporting the instances of conduct which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of the Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person was denied access to the Audit Committee.

D. Details of compliance with mandatory requirements and adoption of the non- mandatory requirements:

The Company has complied with the mandatory requirements of SEBI (LODR) Regulations, 2015 and is in the process of implementation of non-mandatory requirements.

E. Policy on Material Subsidiaries

In terms of Regulation 34(3) of the SEBI (LODR) Regulations, 2015 the Board of Directors of the Company has adopted a policy with regard to determination of material subsidiaries. The policy is placed on the Company's website: www.krrailengg.com

F. Policy on Related Party Transactions

The Policy on dealing with Related Party Transactions is available on the Company's website: www.krrailengg.com

G. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) etc.,

During the year ended 31st March 2023, there were no proceeds from public issues, rights issues, preferential issues etc.

H. None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of



companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority. A Certificate to this effect, duly signed by the Practicing Company Secretary is annexed to this Report.

I. Recommendations of Committees of the Board

There were no instances during the financial year 2022-23 wherein the Board had not accepted the recommendations made by any Committee of the Board.

J. Total fee for all services paid by the listed entity and its subsidiaries on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part;

Payment to Auditors	Amount in Rs. (INR)
Statutory Audit fees including limited review	5,00,000/-
Certification & other attest services	50000/-
Non-audit services	--
Outlays and Taxes	--
Total	5,50,000

K. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has established an appropriate mechanism for dealing with complaints in relation to Sexual Harassment of Women at Workplace, in accordance with its Policy on Prevention of Sexual Harassment at Workplace ('POSH') which is available on the website of the Company. There was on Complaints received during the financial year.

Non-compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) of Schedule-V:

The company has complied with the requirement of Corporate Governance Report of sub-para (2) to (10) of Schedule-V of the Securities Exchange Board of India (LODR) Regulations, 2015.

L. Adoption of discretionary requirements as specified in Part E of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:



With regard to discretionary requirements, the Company has adopted clauses relating to the internal auditor directly reporting to the Audit Committee.

M. The Disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 are as follows:

Regulation	Particulars of Regulations	Compliance status (Yes/No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirement with respect to subsidiary of listed entity	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and senior management	Yes
27	Other Corporate Governance requirements	Yes. Regulation 46(2)(b) to (i) Functional Website

N. Disclosure with respect to Demat suspense account/unclaimed suspense account

There are no instances with respect to Demat suspense account/unclaimed suspense account.

O. Compliance with SEBI (listing obligations and disclosure requirements) regulations, 2015:

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has framed the following policies which are available on Company's website i.e. www.krrailengg.com

- Board Diversity Policy
- Policy on preservation of Documents
- Policy for Materiality.



P. Code of Conduct

The Board of Directors has laid down a 'Code of Conduct' (code) for all the Board members and the Senior Management of the Company and this code is posted on the website of the company. Annual declaration is obtained from every person covered by the code.

The Company has a comprehensive Code of Conduct for prevention of insider trading in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Board has formulated a Code of Conduct to regulate, monitor and report trading by insiders and the Board has also adopted a code of practices and procedures for fair disclosure of unpublished price sensitive information, in order to align the same with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

Q. Disclosure of Accounting Treatment

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules.

R. Non-Executive Directors' Compensation and Disclosures

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

S. CEO/ CFO Certification

In terms of regulation 17(8) of the Listing Regulations, the CFO made a certification to the Board of Directors which has been reviewed by the Audit Committee and taken on record by the Board and enclosed as Annexure-I to this Annual Report.

For and on behalf of the Board of Directors
K&R Rail Engineering Limited

Place: Hyderabad
Date: 14.08.2023

Sd/-
Amit Bansal
Executive Director (DIN: 06750775)



ANNEXURE-F

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has obtained from all the Members of the Board and Senior Management Personnel affirmation that they have complied with the Code of Conduct for Directors and Senior Management Personnel as required under Regulation 26(3) of the Listing Regulations for the FY 2022-23.

For and on behalf of the Board of Directors
K&R Rail Engineering Limited

Place: Hyderabad
Date: 14.08.2023

Sd/-
Maniza
Chairperson



ANNEXURES-K TO THE DIRECTOR'S REPORT DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors
M/s. K&R Rail Engineering Limited

Dear Sir,

Sub: Declaration under sub-section (6) of section 149 of the Companies Act 2013 and Regulation 16 (1)(b) of SEBI (LODR) Regulations, 2015:

I, Maniza Khan hereby declare that I am an Independent Director of K&R Rail Engineering Limited and comply with all the criteria of Independent Director envisaged under Sub-section (6) of Section 149 read with IV of the Companies Act, 2013 and Sub-Regulation (b) of Regulation 16 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. I further certify that:

1. I am/was not a promoter of the company or its holding, subsidiary or associate company;
2. I am/was not related to promoters or directors in the company, its holding, subsidiary or associate company.
3. Apart from receiving director sitting fees/remuneration, I have/had no material pecuniary relationship /transactions, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year.
4. None of my relatives
 - i. is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:
 - ii. is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
 - iii. as given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or



associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;

- iv. has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);
- v. has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;

5. Neither me nor my relatives :

- i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
- ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of (a) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or (b) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
- iii. holds together with my relatives 2% or more of the total voting power of the company; or.
- iv. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or

6. I am not below the age of 21 Years.



7. I am not material supplier, service provider or customer or a lessor or lessee of the Listed Entity.
8. I am not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director. and I meet the criteria of independence as per the provisions of the Companies Act, 2013.

Yours Faithfully,

Sd/-

**Maniza Khan
(Independent director)**

Date: 30.05.2023

Place: Hyderabad



DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors
M/s. K&R Rail Engineering Limited

Dear Sir,

Sub:Declaration under sub-section (6) of section 149 of the Companies Act 2013 and Regulation 16 (1)(b) of SEBI (LODR) Regulations, 2015:

I, **Rabindra Kumar Barik**, hereby declare that I am an Independent Director of K&R Rail Engineering Limited and comply with all the criteria of Independent Director envisaged under Sub-section (6) of Section 149 read with IV of the Companies Act, 2013 and Sub-Regulation (b) of Regulation 16 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. I further certify that:

1. I am/was not a promoter of the company or its holding, subsidiary or associate company;
2. I am/was not related to promoters or directors in the company, its holding, subsidiary or associate company.
3. Apart from receiving director sitting fees/remuneration, I have/had no material pecuniary relationship /transactions, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year.
4. None of my relatives
 - i. is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:
 - ii. is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;



- iii. as given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
- iv. has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);
- v. has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;

5. Neither me nor my relatives:

- i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
- ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of (a) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or (b) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
- iii. holds together with my relatives 2% or more of the total voting power of the company; or.
- iv. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or

6. I am not below the age of 21 Years.



7. I am not material supplier, service provider or customer or a lessor or lessee of the Listed Entity.
8. I am not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director. and I meet the criteria of independence as per the provisions of the Companies Act, 2013.

Yours Faithfully,

Sd/-

**Rabindra Kumar Barik
(Independent director)**

Date: 30.05.2023

Place: Hyderabad



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF K&R RAIL ENGINEERING LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **K&R RAIL ENGINEERING LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, 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 ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.



Key Audit Matters

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

Description of Key Audit Matter

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
<p>Revenue recognition –</p> <ul style="list-style-type: none">• The Company engages in Fixed Price Contracts, wherein, revenue is recognized using the percentage of completion method i.e. as and when the work executed by the Company and duly certified by the Client, the Company recognize income to that extent.• There is inherent risk and presumed fraud risk around the accuracy and existence of revenues recognized considering the customized and complex nature of these contracts.• These contracts may involve onerous obligations which requires critical assessment of foreseeable losses to be made by the Company at the year end, significant amount of work in progress related to these contracts are recognized on the balance sheet. <p>• Given the complexity and</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none">• We have assessed the Company's accounting policies relating to revenue, by comparing with applicable accounting standards.• We have assessed the design and implementation and tested the operating effectiveness of Company's internal controls over the revenue recognition.• On selected / specific contracts, we tested that the revenue is recognized in accordance with Revenue recognised Standard.• Inspected the underlying documents to determine reasonableness of contract costs.



<p>judgement required to assess the correct revenue recognition, this is a key audit matter.</p>	
<p>Regulations - Litigations and claims</p> <ul style="list-style-type: none">• The Company operates in various States within India and is exposed to different Central and State/Local laws, regulations and interpretations thereof. In this regulatory environment, there is an inherent risk of litigations and claims.• Consequently, provisions and contingent liability disclosures may arise from indirect tax proceedings, legal proceedings, including regulatory and other government/ department proceedings, as well as investigations by authorities and commercial claims.• The Company applies significant judgement in estimating the likelihood of the future outcome in each case and in determining the provisions or disclosures required for each matter• Resolution of tax and legal proceedings may span over multiple years due to the highly complex nature and magnitude of the legal matters involved and may involve protracted negotiation or litigation.• These estimates could change significantly over time as new facts emerge and each legal case progresses.• Given the inherent complexity and	<p>Our audit procedures included:</p> <ul style="list-style-type: none">• We have gained an understanding of outstanding litigations against the Company from the Company's in-house legal counsel and other key managerial personnel who have knowledge of these matters• We have read the correspondence between the Company and the various tax/legal authorities and the legal opinions of external legal advisors, where applicable, for significant matters.• We have tested the completeness of the litigations and claims by examining, on a sample basis, the Company's legal expenses and minutes of the board meetings.• We have challenged the Company's estimate of the possible outcome of the disputed cases based on applicable tax laws and legal precedence by involving our tax specialists.• We have assessed the adequacy of the Company's disclosures in respect of contingent liabilities for tax and legal matters.



<p>magnitude of potential exposures and the judgement necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter.</p>	
<p>Recognition and measurement of Income Taxes</p> <ul style="list-style-type: none">• The determination of provision for income tax and deferred taxes including write backs of provisions involves significant judgements and estimates and interpreting the prevailing tax laws and rules.• These also involve significant judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the standalone financial statements.• Considering the complexity and significant level of estimation and judgement, this is a key audit matter	<p>Our audit procedures included:</p> <ul style="list-style-type: none">• We have obtained an understanding of key tax matters.• We have read and analysed select key correspondences, external legal opinions/ consultations obtained by the Company for key tax matters• We have critically challenged the key assumptions made by the Company in estimating current and deferred taxes by involving our tax specialists• We have assessed the adequacy of the Company's disclosures for income taxes in the standalone financial statements.

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

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

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial



statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 the 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the



economic decisions of a reasonably knowledgeable user of the standalone 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 standalone financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.



- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s 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: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note No 42 to the Standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) 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;

(b) 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

(c) 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 (a) and (b) above, contain any material misstatement.

As required by the Companies (Auditor’s Report) Order, 2020 (the “Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For CHOWDARY AND RAO
Chartered Accountants
Firm Regn.No. 000656S

(MANDAVA SUNIL KUMAR)
Partner
Mem No. 217061
ICAI UDIN: 23217061BGQFNW9016

Date: 15.05.2023
Place: Hyderabad



**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT
(REFERRED TO IN PARAGRAPH 1(F) UNDER ‘REPORT ON OTHER LEGAL AND
REGULATORY REQUIREMENTS’ SECTION OF OUR REPORT TO THE MEMBERS OF
K&R RAIL ENGINEERING LIMITED OF EVEN DATE)**

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

We have audited the internal financial controls over financial reporting of K&R Rail Engineering Limited (the “Company”) as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “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 Act.

Auditor’s Responsibility

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



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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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



because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For CHOWDARY AND RAO
Chartered Accountants
Firm Regn.No. 000656S

(MANDAVA SUNIL KUMAR)
Partner
Mem No. 217061
ICAI UDIN: 23217061BGQFNW9016

Date: 15.05.2023
Place: Hyderabad



**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT
(REFERRED TO IN PARAGRAPH 2 UNDER 'REPORT ON OTHER LEGAL AND
REGULATORY REQUIREMENTS' SECTION OF OUR REPORT TO THE MEMBERS OF
K&R RAIL ENGINEERING LIMITED LIMITED OF EVEN DATE)**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
(B) The Company has maintained proper records showing full particulars of intangible assets.
 - b. The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c. The Company does not hold any land and constructed buildings on its name. Hence verification of Title Deeds and other relevant data is not required. Hence, we have not commented on this clause. Based on our examination of the lease agreement for office buildings, we report that, where the company is the lessee and the lease agreements are duly executed in favour of the lessee and disclosed in the financial statements as at the balance sheet date.
 - d. The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - e. No proceedings 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 and hence reporting under clause 3(ii)(a) of the Order is not applicable.
 - b. The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. The Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:
 - a. The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
 - b. In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
 - c. In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
 - d. In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
 - e. No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
 - f. The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.



- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
 - a. In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. However, GST Audit for the FY 2022-23 has not completed, pending outcome of the audit, if any, not provided in the books of accounts.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- b. Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount ₹ crore
Finance Act, 1994	Service Tax	Customs Excise and Service Tax Appellate Tribunal	FY 2014-15 to FY 2017-18 (up to June 2017)	38.00



- 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. (a) In our opinion, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year;
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanation given to us, term loans were applied for the purpose for which the loans were obtained;
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanation given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;
- 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 clause 3(x)(a) of the Order 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 clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (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) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- 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. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) 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 3(xvi)(a), (b) and (c) of the Order is not applicable.
(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- 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. There is unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a fund specified in Schedule VII of the Companies Act in compliance with second provision to sub-section (5) of Section 135 of the said Act
- xxi. The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For CHOWDARY AND RAO
Chartered Accountants
Firm Regn.No. 000656S

(MANDAVA SUNIL KUMAR)
Partner
Mem No. 217061
ICAI UDIN: 23217061BGQFNW9016

Date: 15.05.2023
Place: Hyderabad

**K&R RAIL ENGINEERING LIMITED****(CIN:L45200TG1983PLC082576)****Balance Sheet as at 31st March 2023**

(All amounts Lakhs in Indian Rupees (₹),
Except shared at a and where otherwise stated)

		As at	₹ in Lakhs
	Note	31 March 2023	As at 31 March 2022
Assets			
Non-current assets			
Property, plant and equipment	4	1,840.84	1,668.88
Financial assets			
Loans	5	-	-
Deferred Tax Assets net	6	17.22	18.31
		1,858.06	1,687.19
Current assets			
Inventories	7	540.13	1,077.67
Financial assets			
Trade receivables	8	7,559.70	3,928.73
Cash and cash equivalents	9	1,598.97	348.80
Other Bank balances	10	2,591.59	693.73
Loans	5	1,922.39	1,592.06
Others	11	12.16	528.03
Current tax assets, net	12	215.08	162.34
Other current assets	13	693.38	130.74
		15,133.40	8,462.10
Total assets		16,991.46	10,149.29
Equity and Liabilities			
Equity			
Equity share capital	14	1,577.94	1,577.94
Preference share capital	14	1,411.46	1,411.46
Other equity	15	6,700.41	2,461.99
Total equity		9,689.80	5,451.38
Non-current liabilities			
Financial Liabilities			
Borrowings	16	798.54	916.05
Other non current liabilities	17	-	-
Provisions	18	48.38	44.95
		846.92	961.00
Current liabilities			



Financial Liabilities			
Borrowings	16	626.39	398.22
Trade payables	19	2,449.27	802.13
Other financial liabilities	20	99.67	27.97
Other current liabilities	17	2,998.40	2,218.42
Provisions	18	20.73	19.26
Current tax liabilities, net	21	260.28	270.91
		6,454.75	3,736.92
Total liabilities		7,301.67	4,697.91
Total equity and liabilities		16,991.46	10,149.29

Summary of significant accounting policies 3

for CHOWDARY AND RAO
Chartered Accountants
ICAI Firm Registration Number:
000656S

for and on behalf of the Board of Directors of
K&R RAIL ENGINEERING LIMITED
CIN:
L45200TS1983PLC082576

Sd/
MANDAVA SUNIL KUMAR
Partner
Mem No. 217061

Sd/
Amit Bansal
CEO
PAN:ACFPB7608E

Sd/
Rabindra K Barik
Director
DIN: 08773785

Place: Hyderabad
Date: 15.05.2023
UDIN: 23217061BGQFNW9016

Sd/
Kulkarni Prahlada rao
Chief Financial Officer
PAN: AKMPR1779B



K&R RAIL ENGINEERING LIMITED
(CIN:L45200TG1983PLC082576)

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

(All amounts Lakhs in Indian Rupees (₹),
Except shared at a and where otherwise stated)

		For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from operations	22	30,778.49	19,465.06
Other income	23	37.25	64.99
Total income		30,815.74	19,530.05
Expenses			
Cost of materials consumed	24	26,004.31	16,960.61
Change in inventories of stock in trade	25	537.54	(117.30)
Other operating expenses	26	2,374.50	956.91
Employee benefits expense	27	302.86	237.74
Depreciation and amortisation expense	28	310.48	182.52
Finance costs	29	167.92	112.99
Other expenses	30	379.21	338.68
Total expense		30,076.82	18,672.15
Profit before tax and Exceptional Items		738.91	857.91
Exceptional Items	31	-	-
Total Profit before tax		738.91	857.91
Tax expenses			
Current tax	32	215.51	229.98
Prior year tax	32	-	2.64
Deferred tax	32	1.09	19.76
Total tax expense		216.60	252.37
Profit for the year		522.31	605.54
Other comprehensive income			
Items that will not be			



reclassified to profit or loss:

Re-measurement gains/ (losses) on mutual funds		4.36	18.08
Income-tax effect	32	-	-
Other comprehensive income for the year, net of tax		4.36	18.08
Total comprehensive income for the year		526.68	623.62
Earnings per equity share (nominal value of ₹ 10) in INR			
Basic		3.34	3.95
Diluted		3.34	3.95

Summary of significant
accounting policies 3

The accompanying notes are
an integral part of the financial
statements.

As per our report of even date
**for CHOWDARY AND
RAO**

Chartered Accountants
ICAI Firm Registration
Number: 000656S

for and on behalf of the Board of Directors of
K&R RAIL ENGINEERING LIMITED
CIN:
L45200TS1983PLC082576

Sd/
MANDAVA SUNIL KUMAR
Partner
Mem No. 217061

Sd/
Amit Bansal
CEO
PAN:ACFPB7608E

Sd/
Rabindra K Barik
Director
DIN: 08773785

Place: Hyderabad
Date: 15.05.2023
UDIN:
23217061BGQFNW9016

Sd/
Kulkarni Prahlada Rao
Chief Financial Officer
PAN: AKMPR1779B



K&R RAIL ENGINEERING LIMITED
(CIN:L45200TG1983PLC082576)

Statement of Cash Flows as at 31st March, 2023

(All amounts Lakhs in Indian Rupees (₹), except shared at a and where otherwise stated)

	For the year ended	For the year ended
	31 March 2023	31 March 2022
I. Cash flows from operating activities		
Profit before tax	738.91	857.91
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation of tangible assets	310.48	182.52
Provision for doubtful debts	-	-
Finance costs (including fair value change in financial instruments)	(130.67)	(5.81)
Operating profit before working capital changes	918.72	1,034.62
<i>Changes in working capital:</i>		
Adjustment for (increase)/decrease in operating assets		
Trade receivables	(3,630.97)	(284.45)
Inventories	537.54	(117.30)
Loans	(330.33)	(92.36)
Other financial assets - current	463.12	(518.08)
Other assets	(558.27)	(60.41)
Adjustment for (increase)/decrease in operating liabilities		
Trade payables	1,647.14	(1,046.31)
Other financial liabilities - current	71.70	11.98
Other Provisions	4.90	
Other current liabilities	779.98	294.08
Cash generated from operations	(96.46)	(778.24)
Direct & Indirect taxes paid	(226.15)	(165.12)
Net cash generated from/(used in) operating activities	(322.61)	(943.36)
II. Cash flows from investing activities		
Purchase of property, plant and equipment and intangibles (including capital work in progress)	(482.44)	(644.02)
Proceeds from sale of property, plant and equipment	-	55.94
Net cash used in investing activities	(482.44)	(588.08)



III. Cash flows from financing activities

Proceeds from issue of Share Warrants	3,711.74	
Proceeds from/(repayment of) long-term borrowings, net	(117.51)	417.64
Proceeds from/(repayment of) short-term borrowings, net	228.17	269.85
Interest paid	130.67	5.81
Net cash provided by financing activities	3,953.08	693.30

Net increase in cash and cash equivalents (I+II+III)

Cash and cash equivalents at the beginning of the year	1,042.53	1,880.67
Cash and cash equivalents at the end of the year (refer note below)	4,190.55	1,042.53

Note:

Cash and cash equivalents comprise:

Cash on hand	50.76	0.22
Balances with banks:		
- in current accounts & Fixed Deposits	4,139.80	1,042.31
	4,190.55	1,042.53

Summary of significant accounting policies 3

The accompanying notes are an integral part of the financial statements.

As per our report of even date

for CHOWDARY AND RAO

Chartered Accountants

ICAI Firm Registration Number: 000656S

for and on behalf of the Board of Directors of

K&R RAIL ENGINEERING LIMITED

CIN:

L45200TS1983PLC082576

Sd/

MANDAVA SUNIL KUMAR

Partner

Mem No. 217061

Place: Hyderabad

Date: 15.05.2023

UDIN: 23217061BGQFNW9016

Sd/

Amit Bansal

CEO

PAN:ACFPB7608E

Sd/

Rabindra K Barik

Director

DIN: 08773785

Sd/

Kulkarni Prahlada rao

Chief Financial Officer

PAN: AKMPR1779B



K&R RAIL ENGINEERING LIMITED

(CIN:L45200TG1983PLC082576)

Statement of Changes in Equity for the year ended March 31, 2023

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

₹ in Lakhs

a. Equity Share Capital

	No. of shares	Amount
Balance as at April 1, 2021	157.79	1,577.94
Balance as at March 31, 2022	157.79	1,577.94
Balance as at March 31, 2023	157.79	1,577.94

b. Preference Share Capital

	No. of shares	Amount
Balance as at April 1, 2021	141.15	1,411.46
Balance as at March 31, 2022	141.15	1,411.46
Balance as at March 31, 2023	141.15	1,411.46
Total Share Capital		2,989.39

c. Other equity

Particulars	Reserves and Surplus			Total
	Money received against Share Warrants	General reserve	Retained earnings	
At April 1, 2021	-	1,838.37		1,838.37
Profit for the year			605.54	605.54
Less: Adjustment to depreciation				-
Other comprehensive income			18.08	18.08
Transfer from Retained earnings to General reserve		623.62	(623.62)	-
At March 31, 2022	-	2,461.99	-	2,461.99
Profit for the year			522.31	522.31
Other comprehensive income			4.36	4.36
Transfer from Retained earnings to General reserve		526.68	(526.68)	-
Money received against issue of Share Warrants	3,711.74			3,711.74
Balance as of 31 March 2023	3,711.74	2,988.67	-	6,700.41



The Company has issued 1,38,12,500 Share Warrants @ Rs 71.60/- per share warrant during the year. The Company has received 25% of the amount against the issue of share warrants during the year

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date
for CHOWDARY AND RAO
Chartered Accountants
ICAI Firm Registration Number:
000656S

for and on behalf of the Board of Directors of
K&R RAIL ENGINEERING LIMITED
CIN:
L45200TS1983PLC082576

Partner

MANDAVA SUNIL KUMAR
Mem No. 217061

Place: Hyderabad

Date: 15.05.2023
UDIN:
23217061BGQFNW9016

Amit Bansal	Rabindra K Barik
CEO	Director
PAN:ACF PB7608E	DIN: 08773785

Kulkarni Prahlada rao
Chief Financial Officer
PAN: AKMPR1779B

Yavanika Singh
Company
Secretary
M No.A24864



K&R RAIL ENGINEERING LIMITED
Notes forming part of the financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

₹ in Lakhs

1 General Information

K&R Rail Engineering Limited ('the Company') is a Public Limited Company having its registered office at Hyderabad, India. The Company is carrying on the business of laying of private Railway Sidings on turnkey basis.

2 Basis of preparation of financial statements

2.1 Statement of Compliance

The financial statements have been prepared in accordance of Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 notified under Section 133 of Companies Act 2013 (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on May ____, 2023.

Details of the accounting policies are included in Note 3.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the statement of financial position:

Certain financial assets are and liabilities are measured at fair value;

long term borrowings are measured at amortised cost using effective interest rate method.

2.3 Functional currency

The financial statements are presented in Indian rupees, which is the functional currency of the Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

All amounts are in Indian Rupees except share data, unless otherwise stated.



2.4 Operating cycle

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Assets:

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realized within twelve months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of non-current assets/ liabilities respectively. All other assets/ liabilities are classified as non-current.

2.5 Critical accounting judgements and key sources of estimation uncertainty Operating cycle

In the application of the Company's accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:



K&R RAIL ENGINEERING LIMITED
Notes forming part of the financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Useful lives of depreciable assets Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2023 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

2.6 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Significant accounting policies

3.1 Revenue recognition



Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

- Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, volume rebates and GST are recognised when all significant risks and rewards of ownership of the goods sold are transferred.
- The recognition of revenue and expenses by reference to the stage of complete of a contract is referred to as the percentage of completion method. Under this method, contract revenue is matched with the contract costs incurred in reaching the stage of completion, resulting in the reporting of revenue, expenses and profit which can be attributed to the proportion of work completed at the reporting date as per the IAS and Income Disclosure Standards.
- Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.2 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Assets held under leases that do not transfer substantially all the risks and reward of ownership are not recognized in the balance sheet.

Lease payments under operating lease are generally recognised as an expense in the statement of profit and loss on a straight-line basis over the term of lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases. Further, at the inception of above arrangement, the Company determines whether the above arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Company separates a payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values.

If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.



K&R RAIL ENGINEERING LIMITED
Notes forming part of the financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

3.3 Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3.4 Borrowing costs

Specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, amortization of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

3.5 Taxation

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.6 Earnings per share



The Company presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

3.7 Property, plant and equipment

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any.

Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

3.8 Expenditure during construction period

Expenditure during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under “Other non-current Assets”.



K&R RAIL ENGINEERING LIMITED
Notes forming part of the financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

3.9 Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a Straight Line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company

The Company has componentised its PPE and has separately assessed the life of major components. In case of certain classes of PPE, the Company uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets.

Such classes of assets and their estimated useful lives are as under:

Particulars	Useful life
Buildings	30 years
Plant and Machinery	9 years
Office Equipment	5 years
Computers	3 years
Furniture and Fixtures	10 years
Vehicles	8 years

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the date of deduction/disposal.

3.10 Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use.

Amortization

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.



3.11 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

3.12 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated. Bank overdrafts are classified as part of cash and cash equivalent, as they form an integral part of an entity's cash management.

3.13 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the Company receives non-monetary grants, the asset and the grant are accounted at fair value and recognised in the statement of profit and loss over the expected useful life of the asset.

3.14 Impairment of non financial assets

The carrying amounts of the Company's non-financial assets, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized in the income statement if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Goodwill that forms part of the carrying amount of an investment in an associate is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognized in the income statement, and reversed if there has been a favorable change in the estimates used to determine the recoverable amount.



K&R RAIL ENGINEERING LIMITED
Notes forming part of the financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

3.15 Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

The Company's contributions to defined contribution plans are charged to the income statement as and when the services are received from the employees.

Defined benefit plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. The current service cost of the defined benefit plan, recognized in the income statement in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Other long-term employee benefits

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.



3.16 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

3.17 Contingent liabilities & contingent assets

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

3.18 Financial instruments

b. Recognition and Initial recognition

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 issues 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.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

a. Classification and Subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL



K&R RAIL ENGINEERING LIMITED
Notes forming part of the financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity. Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.



In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company’s claim to cash flows from specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, Subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

b. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities



K&R RAIL ENGINEERING LIMITED

Notes forming part of the financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

That substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit

D. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

E. Impairment

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost;

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income (FVOCI) are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and– other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).



In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward- looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the trade receivable does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.



K&R RAIL ENGINEERING LIMITED

(CIN:L45200TG1983PLC082576)

Notes forming part of the financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

4 Property, plant and equipment

₹ in Lakhs

Particulars	Land	Office Equipment	Furniture	Computers	Vehicles	Buildings	Plant & Machinery	Total
Deemed Cost								
At April 1, 2021	-	204.30	33.36	29.16	2,082.11	58.11	210.83	2,617.87
Additions	-	0.61	0.28	4.34	638.25	-	0.54	644.02
Deletions	-	-	-	-	72.69	-	-	72.69
At March 31, 2022	-	204.91	33.64	33.50	2,647.67	58.11	211.37	3,189.20
Additions	-	7.87	0.24	3.46	326.11	-	144.76	482.44
Deletions	-	-	-	-	-	-	-	-
At March 31, 2023	-	212.78	33.88	36.96	2,973.78	58.11	356.13	3,671.64
Accumulated depreciation								
At April 1, 2021	-	198.63	33.33	25.95	828.01	58.11	210.51	1,354.54
Charge for the year	-	1.77	0.02	1.85	178.74	-	0.14	182.52
Less: Adjustments	-	-	-	-	16.74	-	-	16.74
At March 31, 2022	-	200.40	33.35	27.80	990.01	58.11	210.65	1,520.32
Charge for the year	-	1.93	1.24	3.64	235.41	0.00	68.26	310.48
Less: Adjustments	-	-	-	-	-	-	-	-
At March 31, 2023	-	202.33	34.59	31.44	1,225.42	58.11	278.91	1,830.80
Carrying amount								
At April 1, 2021	-	5.67	0.03	3.21	1,254.10	-	0.32	1,263.33
At March 31, 2022	-	4.51	0.29	5.70	1,657.66	-	0.72	1,668.88
At March 31, 2023	-	10.45	(0.71)	5.53	1,748.36	(0.00)	77.22	1,840.84



K&R RAIL ENGINEERING LIMITED

(CIN:L45200TG1983PLC082576)

Notes forming part of the financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

₹ in Lakhs

	31 March 2023	31 March 2022
5 Loans		
Non-Current		
Unsecured, considered good		
Security Deposits		-
Total	-	-
Current		
Unsecured, considered good		
Retention Money	1,922.39	1,592.06
Total	1,922.39	1,592.06
6 Deferred Tax Assets, net		
	31 March 2023	31 March 2022
Deferred tax asset/(Liability)		
- Tangible assets	17.22	18.31
- Provision allowed under tax on payment basis		-
Total	17.22	18.31
7 Inventories		
	31 March 2023	31 March 2022
Work in Progress	450.75	988.30
Stock-in-Trade	89.37	89.37
Total	540.13	1,077.67
8 Trade receivables		
	31 March 2023	31 March 2022
Unsecured, considered good	7559.69968	3,928.73
	7,559.70	3,928.73
Less: Allowance for doubtful receivables		-
Total	7,559.70	3,928.73

Trade Receivables ageing schedule for the year ended on 31st March, 2022 and 31st March 2021



Particulars Net Due Outstanding for following periods from due date of payment						Total
	< 6 Months	>6 months	1-2 Years	2-3 Years	>3 years	
to 1 Year						
Undisputed Trade Receivables						
- considered good	7559.70		6409.75	-		7,559.70
3.31 - 1146.64						
- considered good	3928.73		220.05	1815.05		3,928.73
958.23 - 935.40						
Undisputed Trade Receivables						
-credit impaired	-		-	-		-
-						
Disputed Trade Receivables						
- considered good	-		-	-		-
Disputed Trade Receivables						
-credit impaired	-		-	-		-
-						

The Management has considered the Receivables which are due more than 3 years as good and accordingly no provision for expected loss has been provided during the year.

9 Cash and cash equivalents

	31 March 2023	31 March 2022
Balances with banks:		
- On current accounts	1,548.20	348.58
Cash on hand	50.76	0.22
Total	1,598.97	348.80

10 Other Bank Balances

	31 March 2023	31 March 2022
Term deposits with Banks with original maturities of more than 3 months and less than 1 year*	2,591.59	693.73
Total	2,591.59	693.73

*Represents margin money deposits against bank guarantees .

11 Other financial assets

	31 March 2023	31 March 2022
--	---------------	---------------

**Current**

Investments in Mutual Funds 12.16 528.03
(Net of impairment in value of investments)

Total 12.16 528.03

12 Current tax assets, net

31 March 2023 31 March 2022

Advance taxes and TDS receivable 215.08 162.34

Total 215.08 162.34

13 Other assets

31 March 2023 31 March 2022

Current

Unsecured, considered good

Advances other than capital advances

Advances for Supplies 39.46 62.87

Service Tax Deposit

Income Tax Deposit

Salary Advances 0.90 1.18

Prepaid Expenses 12.20 13.04

GST Input 6.27 53.66

Investment in Subsidiary 2.00

Loans to Subsidiary 572.00

Other Advances 60.56 -

Total 693.38 130.74

₹ in Lakhs

14 Share Capital

31 March 31 March 31 March
2023 2022 2020

Authorised Share Capital**Equity Shares**

3,08,50,000 (March 31, 2022:

1,68,50,000; April 1, 2021:

1,68,50,000) equity shares of ₹ 10/-
each

3,085.00 1,685.00 3,100.00

**Preference Shares**

1,41,50,000 7% Optionally
Convertible Preference Shares
(March 31, 2022: 1,41,50,000;
April 1, 2021: 1,41,50,000) equity
shares of ₹ 10/- each

<u>1,415.00</u>	<u>1,415.00</u>	<u>2,405.00</u>
-----------------	-----------------	-----------------

Issued, subscribed and fully paid-up**Equity Shares**

1,57,80,105 (March 31, 2022:
1,57,80,105; April 1, 2021:
1,57,80,105) equity shares of ₹
10/- each fully paid-up
Less: Unpaid calls on 750 shares of
Rs.10/-each

<u>1,578.01</u>	<u>1,578.01</u>	<u>1,578.01</u>
<u>0.08</u>	<u>0.08</u>	<u>0.08</u>
<u>1,577.94</u>	<u>1,577.94</u>	<u>1,577.94</u>

Preference Shares

1,41,14,556 (March 31, 2022:
1,41,14,556; April 1, 2021:
1,41,14,556) equity shares of ₹
10/- each fully paid-up

<u>1,411.46</u>	<u>1,411.46</u>	<u>1,411.46</u>
<u>1,411.46</u>	<u>1,411.46</u>	<u>1,411.46</u>

(a) Reconciliation of shares outstanding at the beginning and end of the reporting year**Equity Shares**

Particulars	31 March 2023		31 March 2022	
	No. of equity shares	Amount	No. of equity shares	Amount
Outstanding at the beginning of the year	157.79	157.79	157.79	1,577.94
Issued during the year	-	-	-	-
Outstanding at the end of the year	157.79	157.79	157.79	1,577.94

Preference Shares

Particulars	31 March 2023		31 March 2022	
	No. of equity shares	Amount	No. of equity shares	Amount



Outstanding at the beginning of the year	141.15	141.15	141.15	1,411.46
Issued during the year	-	-	-	-
Outstanding at the end of the year	141.15	141.15	141.15	1,411.46

(b) Terms / rights attached to the equity shares

Equity shares of the Company have a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Terms / rights attached to the Preference shares

Preference shares carried a fixed noncumulative dividend of 7% Optionally Convertible Redeemable Preference Shares of Rs. 10/- each. The Preference shares were issued on 15/12/2015 and the same should be converted or redeemed by 15/12/2020. However, as per the Board of Directors Meeting held on 18.12.2020, the Optionally Convertible Redeemable Preference Shares were extended for a period of 05 years from the due date of redemption. i.e. by a period upto 18.12.2025. The preference share holders shall get a right over the equity shareholders in case of right to dividend as well as repayment of capital in case of winding up of the company. The preference share holders shall have limited voting right, which shall be confined to the rights to vote on those matters affecting their interest.

(c) Details of shareholders holding more than 5% shares in the Company Equity Shares

Particulars	31 March 2023		31 March 2022	
	No. of equity shares held	% holding in the class	No. of equity shares held	% holding in the class
Ajaz Farooqi	38.68	24.52%	38.68	24.52%
Asma Farooqi	12.45	7.89%	12.45	7.89%
Aijaz Investments Pvt Limited	7.18	4.55%	7.18	4.55%
Asma Estates & Investments Pvt Limited	15.86	10.05%	15.86	10.05%
Shoeb Estates Pvt Limited	11.69	7.41%	11.69	7.41%
Zainab Investments Pvt Limited	10.76	6.82%	10.76	6.82%
Zara Investments Pvt Limited	21.55	13.66%	21.55	13.66%



Preference Shares

Particulars	31 March 2023		31 March 2022	
	No. of equity shares held	% holding in the class	No. of equity shares held	% holding in the class
Ajaz Farooqi	39.17	27.75%	39.17	27.75%
Asma Farooqi	15.93	11.29%	15.93	11.29%
Aijaz Investments Pvt Limited	8.82	6.25%	8.82	6.25%
Asma Estates & Investments Pvt Limited	20.60	14.60%	20.60	14.60%
Shoeb Estates Pvt Limited	15.19	10.76%	15.19	10.76%
Zainab Investments Pvt Limited	13.97	9.90%	13.97	9.90%
Zara Investments Pvt Limited	27.47	19.46%	27.47	19.46%

15 Other equity

	31 March 2023	31 March 2022	31 March 2021
General reserve			
Opening balance	2,461.99	1,838.37	1,838.37
Additions during the year	526.68	623.62	623.62
Closing balance	<u>2,988.67</u>	<u>2,461.99</u>	<u>2,461.99</u>
Retained earnings			
Opening balance	0	(0.05)	-
Profit/(loss) for the year	522.32	605.54	605.54
Less: Adjustment due to Depreciation	-	-	(0.05)
Add: Other comprehensive income	4.36	18.08	18.08
Less: Transfer to General reserve	(526.68)	(623.57)	(623.62)
Closing balance	<u>0.01</u>	<u>(0.00)</u>	<u>(0.05)</u>
Total other equity	<u>2,988.67</u>	<u>2,461.99</u>	<u>2,461.94</u>

**K&R RAIL ENGINEERING LIMITED****(CIN:L45200TG1983PLC082576)****Notes forming part of the financial statements**

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

₹ in Lakhs

16 Borrowings

	31 March 2023	31 March 2022
Non-current Borrowings		
Secured loans		
Vehicle Loans from Banks & Financial Institutions (refer note 16A)	798.54	916.05
Total	798.54	916.05
Current Borrowings		
Secured loans		
Vehicle Loans from Banks & Financial Institutions (refer note 16B)	626.39	398.22
Total	626.39	398.22

17 Other liabilities

	31 March 2023	31 March 2022
Non-Current		
Advance received from customers	-	-
	-	-
Current		
Bank OD	50.31	49.43
Advance received from customers	2,915.14	2,094.29
Statutory liabilities	32.95	74.70
	2,998.40	2,218.42

18 Provisions

	31 March 2023	31 March 2022
Non-Current		
Provision for Gratuity	48.38	44.95
	48.38	44.95
Current		



Provision for Gratuity	20.73	19.26
	<u>20.73</u>	<u>19.26</u>

19 Trade payables

	31 March 2023	31 March 2022
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 37)		-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	2,449.27	802.13
	<u>2,449.27</u>	<u>802.13</u>

Figures for the Current Reporting Period

Particulars	outstanding for the following period from due date of payment				Total
	Less than 1Year	1-2 Years	2-3 Years	More than 3 Years	
MSME					
Others	875.25	885.56	665.61	22.84	2449.27
Dispute-MSME					
Dispute-Others					
Total	875.25	885.56	665.61	22.84	2449.27

Figures for the Previous Reporting Period

Particulars	outstanding for the following period from due date of payment				Total
	Less than 1Year	1-2 Years	2-3 Years	More than 3 Years	
MSME					
Others	296.64	280.01	197.98	27.50	802.13
Dispute-MSME					
Dispute-Others					
Total	296.64	280.01	197.98	27.50	802.13



20 Other financial liabilities	31 March 2023	31 March 2022
Current		
Outstanding expenses	0.15	0.28
Employee salaries payable	12.51	22.69
GST payable	21.66	
Other Advances	60.35	-
Audit Fee Payable	5.00	5.00
	99.67	27.97
21 Current tax liabilities, net	31 March 2023	31 March 2022
Current		
Provision for taxes	260.28	270.91
	260.28	270.91



Annexure-16A - Current

The details of rate of interest and repayment terms of other term loans are as under

S.No.	Particulars	Number of loans outstanding as on date		Outstanding Balance as at (₹ in lakhs)		Interest range % per annum	Balance number of instalments as at		Frequency instalments
		31.03.2023	31.03.2022	31.03.2023	31.03.2022		31.03.2023	31.03.2022	
1	Bank of Baroda	1.00	1.00	8.56	16.52	9.25 to 11.5%	25	25	monthly
2	HDFC bank ltd	1.00	2.00	10.32	11.65	9.7 to 9.9%	51	51	monthly
3	ICICI Bank Ltd	1.00	1.00	1.21	3.78	8.66%	7	7	monthly
4	YES Bank	1.00	1.00	2.40	2.10	9.37%	18	18	monthly
5	Oriental Bank of Commerce	1.00	1.00	42.00	76.17	9.05	79	91	monthly
6	Axis Bank	2.00	2.00	288.00	288.00	9.55%	36	36	monthly
7	TATA Motors Finance Ltd	1.00	-	240.30	-		36	0	monthly
8	YES Bank	1.00	-	33.60					
				626.39	398.22				



Annexure-16B -Non Current

The details of rate of interest and repayment terms of other term loans are as under

S.No.	Particulars	Number of loans outstanding as on date		Outstanding Balance as at (₹ in lakhs)		Interest range % per annum	Balance number of instalments as at		Frequency instalments
		31.03.2023	31.03.2022	31.03.2023	31.03.2022		31.03.2023	31.03.2022	
1	Bank of Baroda	1.00	1.00	-	-	9.25 to 11.5%	25	25	monthly
2	HDFC bank ltd	1.00	2.00	23.99	34.17	9.7 to 9.9%	51	51	monthly
3	ICICI Bank Ltd	1.00	1.00	-	1.89	8.66%	7	7	monthly
4	YES Bank	1.00	1.00	1.36	4.09	9.37%	18	18	monthly
5	Oriental Bank of Commerce	1.00	1.00	344.06	353.71	9.05	79	79	monthly
6	Axis Bank	2.00	2.00	261.20	522.20	9.55%	36	36	monthly
7	TATA Motors Finance Ltd	1.00	-	103.35		7.75%		36	monthly
8	YES Bank	1.00	-	64.58					
				798.54	916.06				



K&R RAIL ENGINEERING LIMITED

(CIN:L45200TG1983PLC082576)

Notes forming part of the financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

₹ in Lakhs

22	Revenue from operations	31 March 2023	31 March 2022
	(a)		
	Gross Contract Receipts	9,184.00	1,528.47
	Sale of Products	21,491.49	17,936.59
	Consultancy income	103.00	-
	Other Income		-
		30,778.49	19,465.06
23	Other income	31 March 2023	31 March 2022
	Interest income	37.25	64.99
	Dividend Income		-
	Extraordinary Income		-
		37.25	64.99
24	Cost of materials consumed	31 March 2023	31 March 2022
	Purchases of materials	26,004.31	16,960.61
	Total	26,004.31	16,960.61
25	Changes in inventories of Stock in trade & WIP	31 March 2023	31 March 2022
	Stock of land at the beginning of the year	89.37	89.37
	WIP at the beginning of the year	988.30	870.99
	Less: Stock of land at the end of the year	89.37	89.37
	Less: WIP at the end of the year	450.75	988.30
	(Increase) / Decrease in Stock in trade	537.54	(117.30)



26	Other operating expenses	31 March 2023	31 March 2022
	Work Expenses	1,695.42	607.53
	Hire Charges	235.96	95.16
	Site Expenses	49.53	15.39
	Repairs & Maintenance	82.63	32.78
	Transportation Charges	310.96	206.05
		2,374.50	956.91
27	Employee benefits expense	31 March 2023	31 March 2022
	Salaries & Other benefits	283.83	219.24
	Contribution to Provident & Other funds	0.62	0.70
	Staff welfare	13.52	8.90
	Provision for Gratuity	4.90	8.90
		302.86	237.74
28	Depreciation and amortisation expense	31 March 2023	31 March 2022
	Depreciation of tangible assets	310.48	182.52
		310.48	182.52
29	Finance costs	31 March 2023	31 March 2022
	Interest expenses on borrowings	130.69	59.19
	Others	17.41	11.07
	Bank Guarantee Commission	17.53	37.25
	Bank Charges	2.29	5.48
		167.92	112.99
30	Other expenses	31 March 2023	31 March 2022
	Business Promotion	1.59	1.46
	Donations	-	1.00
	Power & Fuel	15.81	15.43
	Insurance	24.51	15.70



	Office Maintenance	33.09	30.92
	Printing and Stationery	3.48	9.91
	Payment to Auditors		
	Statutory Audit	5.00	5.00
	Advertisement	2.01	2.71
	Legal & Professional	80.23	46.00
	Rates and Taxes	51.52	89.27
	Rent	16.93	25.08
	Communication Expenses	6.09	5.61
	Travelling & Conveyance	32.50	44.44
	CSR Expenditure	30.00	-
	Other Expenses	76.45	46.15
		379.21	338.68
31	Exceptional Items		
		31 March 2023	31 March 2022
	Extraordinary Item		
		-	-
32	Tax expenses		
		31 March 2023	31 March 2022
	Current income tax:		
	Current income tax charge	215.51	229.98
	Prior year tax	-	2.64
	Deferred tax:		
	Relating to originating and reversal of temporary differences	1.09	19.76
	Income tax expense recognised in the statement of profit or loss	216.60	252.37
	Deferred tax related to items considered in OCI during the year		
		31 March 2023	31 March 2022
	Re-measurement gains/ (losses) on defined benefit plan	-	-
	Income tax charge to OCI	-	-



K&R RAIL ENGINEERING LIMITED

Notes forming part of the financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

₹ in Lakhs

33 Contingent liabilities and commitments

BGs outstanding as on 31stMarch 2023, is ₹1490.94 lakhs and as on 31stMarch, 2022 is ₹2716.01 lakhs

34 Related party disclosures

The following table provides the name of the related party and the nature of

a) its relationship with the Company:

Name of the parties	Relationship
Zainab Investments Private Limited	Member / Shareholder
AF Consultants Prop:Mr Ajaz Farooqi	Member / Shareholder

b) Details of all transactions with related parties during the year:

Particulars	31-Mar-23	31-Mar-22
i) Contract Income from		
	-	-
ii) Payment of Rent to Zainab Investments Pvt Ltd	4.50	18.00
ii) Advance for Services to AF Consultants Prop: Mr Ajaz Farooqi	22.00	22.00
	-	-
	-	-
v) Managerial remuneration/ consultancy fee to Key managerial personnel*	-	-

c) Terms and conditions of transactions with related parties:

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free.



K&R RAIL ENGINEERING LIMITED

Notes forming part of the financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

35 Segment information

Ind AS 108 “Operating Segment” (“Ind AS 108”) establishes standards for the way that public business enterprises report information about operating and geographical segments and related disclosures about products and services, geographic areas, and major customers. Based on the “management approach” as defined in Ind AS 108, Operating segments and geographical segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM evaluates the Company’s performance and allocates resources on overall basis.

The Company has no reportable segments accordingly.

36 Auditors’ remuneration include:

Particulars	31-Mar-23	31-Mar-22	31-Mar-21
Statutory audit fee (including limited review)	5.00	5.00	5.00
Total	5.00	5.00	5.00

37 Dues to Micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2023 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 (‘The MSMED Act’) is not expected to be material. The Company has not received any claim for interest from any supplier.

Particulars	31-03-2023	31-03-2022	31-Mar-21
a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	Nil	Nil	Nil
b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed	Nil	Nil	Nil



day during each accounting year;

c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED Act	Nil	Nil	Nil
d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil	Nil
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	Nil	Nil	Nil

38 Leases

Where the Company is a lessee:

The Company has taken various office premises under operating leases. The leases typically run for a term ranging from eleven months to five years, with an option to renew the lease after the term completion. The escalation clause in these arrangement ranges from 5% to 10%.

Future minimum lease payments under non-cancellable operating

i) leases are as follows:

Particulars	31-Mar-23	31-Mar-22	31-Mar-21
Not later than 1 year	16.93	18.00	18.00
Later than 1 year and not later than 5 years			
Later than 5 years			

Amounts recognised in statement

ii) of profit and loss:

Particulars	31-Mar-23	31-Mar-22
Cancellable lease expense	16.93	18.00
Non - cancellable lease expense		
Total	16.93	18.00



39 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity Shares.

The following table sets out the computation of basic and diluted earnings per share:

Particulars	31-Mar-23	31-Mar-22
Profit for the year attributable to equity share holders	526.68	623.62
Shares		
Weighted average number of equity shares outstanding during the year – basic	157.79	157.79
Weighted average number of equity shares outstanding during the year – diluted	157.79	157.79
Earnings per share		
Earnings per share of par value ₹ 10 – basic (₹)	3.34	3.95
Earnings per share of par value ₹ 10 – diluted (₹)	3.34	3.95



K&R RAIL ENGINEERING LIMITED

Notes forming part of the financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

₹ in Lakhs

40 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and refundable deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as commodity risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at March 31, 2023 and March 31, 2022. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt.

The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2023 and March 31, 2022.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of variable rate borrowings. The Company does not enter into any interest rate swaps.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:



	Increase/decrease in interest rate	Effect on profit before tax
March 31, 2023		
INR	+1%	1.13
INR	-1%	(1.13)
March 31, 2022		
INR	+1%	1.56
INR	-1%	(1.56)

b) Credit risk Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables. The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

Allowance for credit loss	31-Mar-23	31-Mar-22
Opening balance	-	-
Credit loss provided/ (reversed)	-	-
Closing balance	-	-

There is no concentration of revenue as there is no customer which accounts for more than 10% of the revenue.

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

c) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:



	On demand	Less than 3 months	3 to 12 months	Total
Year ended March 31, 2023				
Borrowings	1,424.93			1,424.93
Trade payables		1,711.60	737.68	2,449.27
		-	-	
Year ended March 31, 2022				
Borrowings	1,314.27			1,314.27
Trade payables		561.49	240.64	802.13
		-	-	

41 Capital management

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio. For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

The capital structure as of March 31, 2023, March 31, 2022 and April 1, 2021 was as follows:

Particulars	31-Mar-23	31-Mar-22	31-Mar-20
Total equity attributable to the equity shareholders of the Company	9,690	6,075	4,828
As a percentage of total capital	87.18%	82.22%	88.51%
Long term borrowings including current maturities	799	916	498
Short term borrowings	626	398	128
Total borrowings	1,425	1,314	627
As a percentage of total capital	12.82%	17.78%	11.49%
Total capital (equity and borrowings)	11,115	7,389	5,455

42 Legal cases:

The Company had signed an agreement with Paradip Port Trust under the name 'K.V.R. Rail Infra Projects Private Limited' for 'Railway Work for Deep Draught berths at Paradip Port' for the Contract price of Rs.98.67 Crores. The Letter of Intent (LOI) was issued on 06.06.2011 by the Paradip Port Trust. Subsequently by the order dated 13.10.2014 of Hon'ble High Court of Andhra Pradesh, Hyderabad, the Company has merged with 'Axis Rail India Limited'. Subsequently the name of the Company has been changed from 'Axis Rail India Limited' to 'K&R Rail Engineering Limited'.



The Paradip Port Trust (PPT) has terminated the contract and issued letter dated 26.09.2013 on the ground that the Company had sublet the contract to third party. Aggrieved by this termination of the Contract, the Company had filed a petition before the Arbitral Tribunal of Hon'ble DR.Justice A.K.Rath, Former Judge, High Court of Orissa (Sole Arbitrator) vide Arbitration Proceeding No. 3 of 2020. The Company had claimed the following in the petition filed.

(i) Refund of Retention Money:

The Company claimed Refund of Retention Money for an amount of Rs 4.34 Crores with interest @9% p.a. with effect from 26.09.2013. Thus total Retention Money claimed with interest is Rs.8.64 Crore.

(ii) Refund of the invoked Bank Guarantee

The Company had furnished a Performance Bank Guarantee for a sum of Rs.97.67 lakhs . The PPT had issued a show cause notice on 18.06.2013. In response to the show cause notice the Company through its Lawyer replied on 27.06.2013. However, the PPT had encashed the Bank Guarantee on 24.07.2013. Hence the Company filed petition before the Arbitral Tribunal of Hon'ble Dr Justice A.K.Rath, Former Judge, High Court of Orissa (Sole Arbitrator) vide Arbitration Proceeding No.3 of 2020 and claimed for refund of the Bank Guarantee of Rs. 97.67 lakhs with interest @9% p.a with effect from 24.07.2013. Thus the total claim under this head is Rs.150.42 lakhs.

Legal Cases

(Contd..)

(iii) Idling Charges:

The Company had incurred additional expenditure towards equipment hiring charges for the period from February 2013 to August 2013 amounted to Rs.700 lakhs. Hence the Company claimed towards idling charges for an amount of Rs.700 lakhs with interest @9% p.a. with effect from 01.09.2013. Thus the total claim under this head is Rs.11.09 Crore with interest.

(iv) Claim for Final Bill:

The Company raised final bill for Rs.95.37 lakhs on 07.06.2013 towards the work done and materials supplied. The PPT has not paid the same. Hence the Company claimed for Rs.95.37 lakhs with interest @9% p.a. with effect from 01.09.2013. Thus total claim under this head is Rs.1.51 Crore.

The case is still under process. Pending the outcome of the petition the claims for idling charges were not recognised in the financial statements as at 31.03.2022. Due to present pandemic situation the case is not posted yet for hearing.

43 Prior year comparatives

The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's classification.



The accompanying notes are an integral part of the financial statements.

As per our report of even date

for CHOWDARY AND RAO
Chartered Accountants
ICAI Firm Registration
Number: 000656S

for and on behalf of the Board of Directors
of
K&R RAIL ENGINEERING LIMITED

CIN: L45200TS1983PLC082576

Sd/
MANDAVA SUNIL KUMAR
Partner

Sd/ **Amit Bansal** *Sd/* **Rabindra K Barik**
CEO Director
PAN:
ACFPB7608E DIN: 08773785

Mem No. 217061
Place: Hyderabad

Date: 15.05.2023

Sd/
Kulkarni Prahlada rao
Chief Financial Officer
PAN: AKMPR1779B



K&R RAIL ENGINEERING LIMITED

Balance Sheet as at 31st March 2023

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

RATIO ANALYSIS

Particulars	Numerator/ Denominator	31-Mar-23	31-Mar-22	Change in %
(a) Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	2.34	2.26	3.54%
(b) Debt-Equity Ratio	$\frac{\text{Total Debts}}{\text{Equity}}$	0.75	0.86	-12.56%
(c) Debt Service Coverage Ratio	$\frac{\text{Earning available for Debt Service}}{\text{Interest + Installments}}$	1.33	4.00	-66.80%
(d) Return on Equity Ratio	$\frac{\text{Profit after Tax}}{\text{Average Shareholder's Equity}}$	5.44%	11.44%	-52.49%
(e) Inventory turnover ratio	$\frac{\text{Total Turnover}}{\text{Average Inventories}}$	56.98	18.06	215.49%
(f) Trade receivables turnover ratio	$\frac{\text{Total Turnover}}{\text{Average Account Receivable}}$	4.07	4.95	-17.83%
(g) Trade payables turnover ratio	$\frac{\text{Total Purchases}}{\text{Average Account Payable}}$	10.62	21.14	-49.79%
(h) Net capital turnover ratio	$\frac{\text{Total Turnover}}{\text{Net Working Capital}}$	3.55	4.12	-13.91%
(i) Net profit ratio	$\frac{\text{Net Profit}}{\text{Total Turnover}}$	1.71%	3.20%	-46.59%
(j) Return on Capital employed	$\frac{\text{Net Profit}}{\text{Capital Employed}}$	5.44%	11.44%	-52.49%
(k) Return on investment	$\frac{\text{Return on Investment}}{\text{Total Investment}}$	1.44%	9.37%	-84.66%



INDEPENDENT AUDITORS REPORT

To
The Members of K&R Rail Engineering Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of K&R Rail Engineering Limited (hereinafter referred to as the “Holding Company”), its subsidiaries (Holding Company and its subsidiaries together referred to as “the Group”), which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 March 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditors on separate financial statements of a subsidiary as was audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at 31 March 2023, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the



relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of report of the other auditors referred to in paragraph (a) of the “Other Matters” section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

The key audit matter	How the matter was addressed in our audit
<p>Revenue recognition –</p> <ul style="list-style-type: none">• The Company engages in Fixed Price Contracts, wherein, revenue is recognized using the percentage of completion method i.e. as and when the work executed by the Company and duly certified by the Client, the Company recognize income to that extent.• There is inherent risk and presumed fraud risk around the accuracy and existence of revenues recognized considering the customized and complex nature of these contracts.• These contracts may involve onerous obligations which requires critical assessment of foreseeable losses to be made by the Company at the year end,	<p>Our audit procedures included:</p> <ul style="list-style-type: none">• We have assessed the Company’s accounting policies relating to revenue, by comparing with applicable accounting standards.• We have assessed the design and implementation and tested the operating effectiveness of Company’s internal controls over the revenue recognition.• On selected / specific contracts, we tested that the revenue is recognized in accordance with Revenue recognised Standard.• Inspected the underlying documents to determine reasonableness of contract costs.



<p>significant amount of work in progress related to these contracts are recognized on the balance sheet.</p> <ul style="list-style-type: none">• Given the complexity and judgement required to assess the correct revenue recognition, this is a key audit matter.	
<p>Regulations - Litigations and claims</p> <ul style="list-style-type: none">• The Company operates in various States within India and is exposed to different Central and State/Local laws, regulations and interpretations thereof. In this regulatory environment, there is an inherent risk of litigations and claims.• Consequently, provisions and contingent liability disclosures may arise from indirect tax proceedings, legal proceedings, including regulatory and other government/ department proceedings, as well as investigations by authorities and commercial claims.• The Company applies significant judgement in estimating the likelihood of the future outcome in each case and in determining the provisions or disclosures required for each matter• Resolution of tax and legal proceedings may span over multiple years due to the highly complex nature and magnitude of the legal matters involved and may involve protracted	<p>Our audit procedures included:</p> <ul style="list-style-type: none">• We have gained an understanding of outstanding litigations against the Company from the Company's in-house legal counsel and other key managerial personnel who have knowledge of these matters• We have read the correspondence between the Company and the various tax/legal authorities and the legal opinions of external legal advisors, where applicable, for significant matters.• We have tested the completeness of the litigations and claims by examining, on a sample basis, the Company's legal expenses and minutes of the board meetings.• We have challenged the Company's estimate of the possible outcome of the disputed cases based on applicable tax laws and legal precedence by involving our tax specialists.• We have assessed the adequacy of the Company's disclosures in respect of contingent liabilities for tax and legal matters.



<p>negotiation or litigation.</p> <ul style="list-style-type: none">• These estimates could change significantly over time as new facts emerge and each legal case progresses.• Given the inherent complexity and magnitude of potential exposures and the judgement necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter.	
<p>Recognition and measurement of Income Taxes</p> <ul style="list-style-type: none">• The determination of provision for income tax and deferred taxes including write backs of provisions involves significant judgements and estimates and interpreting the prevailing tax laws and rules.• These also involve significant judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the standalone financial statements.• Considering the complexity and significant level of estimation and judgement, this is a key audit matter	<p>Our audit procedures included:</p> <ul style="list-style-type: none">• We have obtained an understanding of key tax matters.• We have read and analysed select key correspondences, external legal opinions/ consultations obtained by the Company for key tax matters• We have critically challenged the key assumptions made by the Company in estimating current and deferred taxes by involving our tax specialists.• We have assessed the adequacy of the Company's disclosures for income taxes in the standalone financial statements.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's



report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable under the applicable laws and regulations.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated financial statements that give a true and fair view and are free from material



misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and the Board of Directors of its joint venture are responsible for overseeing the financial reporting process of each company.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Other Matters

We did not audit the financial statements of the subsidiary Company, whose financial statements reflect total assets (before consolidation adjustments) of ₹1957.42 lakhs as at 31 March 2023, total revenues (before consolidation adjustments) of ₹8206.91 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub- section (3) of Section 143 of the Act, in so far as it



relates to the aforesaid subsidiary is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the report of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2.
 - A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of the subsidiary, as was audited by other auditors, as noted in paragraph (a) of the "Other Matters" paragraph, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 and taken on record by the Board of Directors of the Holding Company and the reports of the



statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 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 with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

B. 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 and based on the consideration of the report of the other auditors on separate financial statements of the subsidiary, as noted in the paragraph (a) of the “Other Matters” paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group.

b. The management of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of the subsidiary companies incorporated in India to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of the subsidiary companies incorporated in India (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c. The management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act has represented to us that, to the best of



it's knowledge and belief, no funds have been received by the Holding Company or any of the subsidiary companies incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of the subsidiary companies incorporated in India shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

For CHOWDARY AND RAO
Chartered Accountants
Firm Regn.No. 000656S

(MANDAVA SUNIL KUMAR)
Partner
Mem No. 217061
ICAI UDIN: 23217061BGQFNX3354

Date: 15.05.2023
Place: Hyderabad



ANNEXURE - A
TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF K&R RAIL ENGINEERING LIMITED (FOR THE YEAR ENDED 31 MARCH 2023.

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

According to the information and explanations given to us following companies incorporated in India and included in the consolidated financial statements:

Sl.No.	Name of the entity	CIN	Holding Company/ Subsidiary Company
1.	K&R Rail Engineering Limited	L45200TG1983PLC082576	Holding Company
2.	Robsons Engineering & Constructions Private Limited	U45400TG2021PTC153051	Subsidiary Company

For CHOWDARY AND RAO
Chartered Accountants
Firm Regn.No. 000656S

(MANDAVA SUNIL KUMAR)
Partner
Mem No. 217061
ICAI UDIN: 23217061BGQFNX3354

Date: 15.05.2023
Place: Hyderabad



ANNEXURE - B
TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF K&R RAIL ENGINEERING LIMITED FOR THE YEAR ENDED 31 MARCH 2023

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of K&R Rail Engineering Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion the Holding Company and its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.



Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company;



and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Other Matter

The internal financial controls with reference to financial statements insofar as it relates to its subsidiary company, which is a company incorporated in India and included in these consolidated financial statements, have not been audited by us. In our opinion and according to the information and explanations given to us by the Management, such subsidiary company is not material to the Holding Company.

Our opinion is not modified in respect of this matter.

For CHOWDARY AND RAO
Chartered Accountants
Firm Regn.No. 000656S

(MANDAVA SUNIL KUMAR)
Partner
Mem No. 217061
ICAI UDIN: 23217061BGQFNX3354

Date: 15.05.2023
Place: Hyderabad



K&R RAIL ENGINEERING LIMITED

(CIN:L45200TG1983PLC082576)

Consolidated Balance Sheet as at 31st March 2023

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

₹ in Lakhs

	Note	As at 31 March 2023
Assets		
Non-current assets		
Property, plant and equipment	4	1,841.21
Financial assets		
Loans	5	-
Deferred Tax Assets net	6	17.21
		1,858.42
Current assets		
Inventories	7	540.13
Financial assets		
Trade receivables	8	8,922.46
Cash and cash equivalents	9	1,606.94
Other Bank balances	10	2,591.59
Loans	5	1,922.39
Others	11	12.16
Current tax assets, net	12	242.58
Other current assets	13	677.99
		16,516.23
Total assets		18,374.65
Equity and Liabilities		
Equity		
Equity share capital	14	1,577.94
Preference share capital	14	1,411.46
Other equity	15	6,806.21
Non Controlling Interest		0.01
Total equity		9,795.61
Non-current liabilities		
Financial Liabilities		
Borrowings	16	798.54
Other non current liabilities	17	-
Provisions	18	48.38
		846.92
Current liabilities		
Financial Liabilities		



Borrowings	16	626.39
Trade payables	19	3,669.61
Other financial liabilities	20	112.55
Other current liabilities	17	3,001.77
Provisions	18	20.73
Current tax liabilities, net	21	301.07
Total liabilities		7,732.13
Total equity and liabilities		18,374.65

Summary of significant accounting policies 3

The accompanying notes are an integral part of the financial statements.

As per our report of even date

for CHOWDARY AND RAO

Chartered Accountants

ICAI Firm Registration Number: 000656S

for and on behalf of the Board of Directors of

K&R RAIL ENGINEERING LIMITED

CIN: L45200TS1983PLC082576

Sd/
MANDAVA SUNIL KUMAR
Partner
Mem No. 217061

Sd/
Amit Bansal
CEO
PAN:ACFPB7608E

Sd/
Rabindra K Barik
Director
DIN: 08773785

Place: Hyderabad
Date: 15.05.2023
UDIN: 23217061BGQFNX3354

Sd/
Kulkarni Prahlada rao
Chief Financial Officer
PAN: AKMPR1779B



K&R RAIL ENGINEERING LIMITED

(CIN:L45200TG1983PLC082576)

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

(All amounts in Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

		₹ in Lakhs
	Note	For the year ended 31 March 2023
Revenue from operations	22	38,985.39
Other income	23	37.25
Total income		39,022.64
Expenses		
Cost of materials consumed	24	34,044.67
Change in inventories of stock in trade	25	537.54
Other operating expenses	26	2,374.50
Employee benefits expense	27	305.11
Depreciation and amortisation expense	28	310.69
Finance costs	29	182.92
Other expenses	30	381.71
Total expense		38,137.14
Profit before tax and Exceptional Items		885.50
Exceptional Items	31	-
Total Profit before tax		885.50
Tax expenses		
Current tax	32	256.29
Prior year tax	32	-
Deferred tax	32	1.09
Total tax expense		257.38
Profit for the year		628.12
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Re-measurement gains/ (losses) on mutual funds		4.36
Income-tax effect	32	-
Other comprehensive income for the year, net of tax		4.36
Total comprehensive income for the year		632.48
Earnings per equity share (nominal value of ₹ 10) in INR		
Basic		4.01



Diluted

4.01

Summary of significant accounting policies

3

The accompanying notes are an integral part of the financial statements.

As per our report of even date

for CHOWDARY AND RAO

Chartered Accountants

ICAI Firm Registration Number: 000656S

for and on behalf of the Board of Directors of

K&R RAIL ENGINEERING LIMITED

CIN: L45200TS1983PLC082576

Sd/

MANDAVA SUNIL KUMAR

Partner

Mem No. 217061

Sd/

Amit Bansal

CEO

PAN:ACFPB7608E

Sd/

Rabindra K Barik

Director

DIN: 08773785

Place: Hyderabad

Date: 15.05.2023

UDIN: 23217061BGQFNX3354

Sd/

Kulkarni Prahlada Rao

Chief Financial Officer

PAN: AKMPR1779B



K&R RAIL ENGINEERING LIMITED
(CIN:L45200TG1983PLC082576)

Consolidated statement of Cash Flows

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

₹ in Lakhs
For the year
ended
31 March 2023

I. Cash flows from operating activities

Profit before tax **885.50**

Adjustments to reconcile profit before tax to net cash flows:

Depreciation of tangible assets 310.69

Provision for doubtful debts -

Finance costs (including fair value change in financial instruments) (145.67)

Operating profit before working capital changes **1,050.51**

Changes in working capital:

Adjustment for (increase)/decrease in operating assets

Trade receivables (4,994.28)

Inventories 537.54

Loans (330.33)

Other financial assets - current 435.62

Other assets (542.87)

Adjustment for (increase)/decrease in operating liabilities

Trade payables 2,867.48

Other financial liabilities - current 84.58

Other Provisions 4.90

Other current liabilities 783.35

Cash generated from operations **(103.49)**

Direct & Indirect taxes paid (226.15)

Net cash generated from/(used in) operating activities **(329.64)**

II. Cash flows from investing activities

Purchase of property, plant and equipment and intangibles (including capital work in progress) (482.44)

Proceeds from sale of property, plant and equipment -

Net cash used in investing activities **(482.44)**

III. Cash flows from financing activities

Proceeds from issue of Share Warrants 3,711.74

Proceeds from/(repayment of) long-term borrowings, net (117.51)

Proceeds from/(repayment of) short-term borrowings, net 228.17

Interest paid 145.67



Net cash provided by financing activities	3,968.08
Net increase in cash and cash equivalents (I+II+III)	3,156.00
Cash and cash equivalents at the beginning of the year	1,042.53
Cash and cash equivalents at the end of the year (refer note below)	4,198.52

Note:

Cash and cash equivalents comprise:

Cash on hand	50.76
Balances with banks:	
- in current accounts & Fixed Deposits	4,147.77
	4,198.52

Summary of significant accounting policies 3

The accompanying notes are an integral part of the financial statements.

As per our report of even date

for CHOWDARY AND RAO

Chartered Accountants

ICAI Firm Registration Number:
000656S

for and on behalf of the Board of Directors of

K&R RAIL ENGINEERING LIMITED

CIN:
L45200TS1983PLC082576

Sd/
MANDAVA SUNIL KUMAR
Partner
Mem No. 217061

Sd/
Amit Bansal
CEO
PAN:ACFPB7608E

Sd/
Rabindra K Barik
Director
DIN: 08773785

Place: Hyderabad
Date: 15.05.2023
UDIN: 23217061BGQFNX3354

Sd/
Kulkarni Prahlada rao
Chief Financial Officer
PAN: AKMPR1779B



K&R RAIL ENGINEERING LIMITED
(CIN:L45200TG1983PLC082576)

Consolidated Statement of Changes in Equity for the year ended March 31, 2023
(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

₹ in Lakhs

a. Equity Share Capital

	No. of shares	Amount
Balance as at April 1, 2021	157.79	1,577.94
Balance as at March 31, 2022	157.79	1,577.94
Balance as at March 31, 2023	157.79	1,577.94

b. Preference Share Capital

	No. of shares	Amount
Balance as at April 1, 2021	141.15	1,411.46
Balance as at March 31, 2022	141.15	1,411.46
Balance as at March 31, 2023	141.15	1,411.46

Total Share Capital 2,989.39

c. Consolidated Other equity

Particulars	Money received against Share Warrants	Reserves and Surplus			Total
		General reserve	Retained earnings	Non-Controlling Interest	
At April 1, 2021	-	1,838.37			1,838.37
Profit for the year			605.54		605.54
Less: Adjustment to depreciation					-
Other comprehensive income			18.08		18.08
Transfer from Retained earnings to General reserve		623.62	(623.62)		-
At March 31, 2022	-	2,461.99	-	-	2,461.99
Profit for the year			628.12	0.01	628.12



Other comprehensive income			4.36		4.36
Transfer from Retained earnings to General reserve	632.48	(632.48)		0	-
Money received against issue of Share Warrants	3,711.74				3,711.74
Balance as of 31 March 2023	3,711.74	3,094.47	-	0.01	6,806.21

The Company has issued 1,38,12,500 Share Warrants @ Rs 71.60/- per share warrant during the year. The Company has received 25% of the amount against the issue of share warrants during the year

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date

for CHOWDARY AND RAO

Chartered Accountants
ICAI Firm Registration
Number: 000656S

Sd/
MANDAVA SUNIL KUMAR
Partner

Mem No. 217061

Place: Hyderabad
Date: 15.05.2023
UDIN:
23217061BGQFNX3354

for and on behalf of the Board of
Directors of
**K&R RAIL ENGINEERING
LIMITED**

CIN: L45200TS1983PLC082576

Sd/
Amit Bansal **Sd/ Rabindra K Barik**
CEO Director
PAN:
ACFPB7608E DIN: 08773785

Sd/
Kulkarni Prahlada rao
Chief Financial Officer
PAN: AKMPR1779B



K&R RAIL ENGINEERING LIMITED

Notes forming part of the Consolidated financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

₹ in Lakhs

1 General Information

K&R Rail Engineering Limited ('the Company') is a Public Limited Company having its registered office at Hyderabad, India. The Company is carrying on the business of laying of private Railway Sidings on turnkey basis.

The Company K&R together its subsidiaries is hereinafter referred to as "the Group".

2 Basis of preparation of financial statements

2.1 Statement of Compliance

The consolidated financial statements have been prepared in accordance of Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 notified under Section 133 of Companies Act 2013 (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on 30th May, 2023.

Details of the accounting policies are included in Note 3.

Basis of Consolidation

The Company consolidates entities which it owns or controls. The Consolidated Financial Statements comprise the financial statements of the Company and its Subsidiary company M/s Robsons Engineering & Constructions Private Limited. Control exists when the parent has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using the power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date of control ceases.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain/loss from such transactions are eliminated upon consolidation. The financial statements are prepared applying uniform accounting policies in use at the Group. Non-controlling interest which represents part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly owned or controlled by the Company are excluded.



2.2 Basis of measurement

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the statement of financial position:

Certain financial assets are and liabilities are measured at fair value;

long term borrowings are measured at amortised cost using effective interest rate method.

2.3 Functional currency

2.4 Operating cycle

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Assets:

An asset is classified as current when it satisfies any of the following criteria:

a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is expected to be realized within twelve months after the reporting date; or

d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

a) it is expected to be settled in the Company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is due to be settled within twelve months after the reporting date; or

d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of non-current assets/ liabilities respectively. All other assets/ liabilities are classified as non-current.



2.5 Critical accounting judgements and key sources of estimation uncertainty

Operating cycle

In the application of the Company's accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:



K&R RAIL ENGINEERING LIMITED

Notes forming part of the Consolidated financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2023 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

2.6 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.



3 Significant accounting policies

3.1 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

- Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, volume rebates and GST are recognised when all significant risks and rewards of ownership of the goods sold are transferred.
- The recognition of revenue and expenses by reference to the stage of complete of a contract is referred to as the percentage of completion method. Under this method, contract revenue is matched with the contract costs incurred in reaching the stage of completion, resulting in the reporting of revenue, expenses and profit which can be attributed to the proportion of work completed at the reporting date as per the IAS and Income Disclosure Standards.
- Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.2 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Assets held under leases that do not transfer substantially all the risks and reward of ownership are not recognized in the balance sheet.

Lease payments under operating lease are generally recognised as an expense in the statement of profit and loss on a straight-line basis over the term of lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Further, at the inception of above arrangement, the Company determines whether the above arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Company separates a



payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values.

If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.



K&R RAIL ENGINEERING LIMITED

Notes forming part of the Consolidated financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

3.3 Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3.4 Borrowing costs

Specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost includes interest expense, amortization of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

3.5 Taxation

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been



enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.6 Earnings per share

The Company presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

3.7 Property, plant and equipment

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.



3.8 Expenditure during construction period

Expenditure during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under “Other non-current Assets”.



K&R RAIL ENGINEERING LIMITED
Notes forming part of the financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

3.9 Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a Straight Line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company

The Company has componentised its PPE and has separately assessed the life of major components. In case of certain classes of PPE, the Company uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets.

Such classes of assets and their estimated useful lives are as under:

Particulars	Useful life
Buildings	30 years
Plant and Machinery	9 years
Office Equipment	5 years
Computers	3 years
Furniture and Fixtures	10 years
Vehicles	8 years

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the date of deduction/disposal.

3.10 Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use.

Amortization

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.



- 3.11** **Cash and cash equivalents**
- 3.12** **Cash flow statement**
- 3.13** **Government grants**
- 3.14** **Impairment of non financial assets**

K&R RAIL ENGINEERING LIMITED

Notes forming part of the financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

3.15 **Employee
benefits**

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

The Company's contributions to defined contribution plans are charged to the income statement as and when the services are received from the employees.

Defined benefit plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. The current service cost of the defined benefit plan, recognized in the income statement in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.



3.16 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

3.17 Contingent liabilities & contingent assets

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

3.18 Financial instruments

a. Recognition and Initial recognition

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 issues 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.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b. Classification and Subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL



K&R RAIL ENGINEERING LIMITED

Notes forming part of the financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, Subsequent measurement and gains and losses
Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

c. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities



K&R RAIL ENGINEERING LIMITED

Notes forming part of the financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit

d. Offsetting Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e. Impairment The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost;

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income (FVOCI) are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and



– other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward- looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the trade receivable does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.



K&R RAIL ENGINEERING LIMITED

(CIN:L45200TG1983PLC082576)

Notes forming part of the Consolidated financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

4 Property, plant and equipment

Particulars	₹ in Lakhs							Total
	Land	Office Equipment	Furniture	Computers	Vehicles	Buildings	Plant & Machinery	
Deemed Cost								
At April 1, 2021	-	204.30	33.36	29.16	2,082.11	58.11	210.83	2,617.87
Additions	-	0.61	0.95	4.34	638.25	-	0.54	644.69
Deletions	-	-	-	-	72.69	-	-	72.69
At March 31, 2022	-	204.91	34.31	33.50	2,647.67	58.11	211.37	3,189.87
Additions	-	7.87	0.24	3.46	326.11	-	144.76	482.44
Deletions	-	-	-	-	-	-	-	-
At March 31, 2023	-	212.78	34.55	36.96	2,973.78	58.11	356.13	3,672.31
Accumulated depreciation								
At April 1, 2021	-	198.63	33.33	25.95	828.01	58.11	210.51	1,354.54
Charge for the year	-	1.77	0.11	1.85	179.45	-	0.14	183.32
Less: Adjustments	-	-	-	-	16.74	-	-	16.74
At March 31, 2022	-	200.40	33.44	27.80	990.72	58.11	210.65	1,521.12
Charge for the year	-	1.93	0.74	3.64	235.41	0.00	68.26	309.98
Less: Adjustments	-	-	-	-	-	-	-	-
At March 31, 2023	-	202.33	34.18	31.44	1,226.13	58.11	278.91	1,831.10
Carrying amount								
At April 1, 2021	-	5.67	0.03	3.21	1,254.10	-	0.32	1,263.33
At March 31, 2022	-	4.51	0.87	5.70	1,656.95	-	0.72	1,668.75
At March 31, 2023	-	10.45	0.37	5.53	1,747.65	(0.00)	77.22	1,841.21



K&R RAIL ENGINEERING LIMITED

(CIN:L45200TG1983PLC082576)

Notes forming part of the Consolidated financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

5 Loans

31 March 2023

Non-Current

Unsecured, considered good

Security Deposits

Total

-

Current

Unsecured, considered good

Retention Money

Total

1,922.39

1,922.39

6 Deferred Tax Assets, net

31 March 2023

Deferred tax asset/(Liability)

- Tangible assets

- Provision allowed under tax on payment basis

Total

17.21

17.21

7 Inventories

31 March 2023

Work in Progress

Stock-in-Trade

Total

450.75

89.37

540.13

8 Trade receivables

31 March 2023

Unsecured, considered good

Less: Allowance for doubtful receivables

Total

8,922.46

8,922.46

8,922.46



Trade Receivables ageing schedule for the year ended on 31st March, 2022 and 31st March 2021 **Total**

Particulars	Net Due	Outstanding for following periods from due date of payment					Total
		< 6 Months	> 6 Months to 1 Year	1-2 Years	2-3 years	> 3 Years	
Undisputed Trade Receivables							
- considered good	7559.70	7772.51	-	3.31	-	1146.64	8,922.46
- considered good							3,928.73
Undisputed Trade Receivables							
-credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
Disputed Trade Receivables							
-credit impaired	-	-	-	-	-	-	-

The Management has considered the Receivables which are due more than 3 years as good and accordingly no provision for expected loss has been provided during the year.

9 Cash and cash equivalents

31 March 2023

Balances with banks:	
- On current accounts	1,556.17
Cash on hand	50.76
Total	1,606.94

10 Other Bank Balances

31 March 2023

Term deposits with Banks with original maturities of more than 3 months and less than 1 year*	2,591.59
Total	2,591.59

*Represents margin money deposits against bank guarantees .

11 Other financial assets



31 March 2023

Current

Investments in Mutual Funds 12.16
(Net of impairment in value of investments)

Total 12.16

12 Current tax assets, net

31 March 2023

Advance taxes and TDS receivable 242.58

Total 242.58

13 Other assets

31 March 2023

Current

Unsecured, considered good
Advances other than capital advances

Advances for Supplies 597.94

Service Tax Deposit

Income Tax Deposit

Salary Advances 0.90

Prepaid Expenses 12.20

GST Input 6.27

Investment in Subsidiary -

Loans to Subsidiary -

Other Advances 60.68

Total 677.99



K&R RAIL ENGINEERING LIMITED
(CIN:L45200TG1983PLC082576)

Notes forming part of the Consolidated financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

₹ in Lakhs

14 Share Capital

31 March 2023

Authorised Share Capital

Equity Shares

4,50,00,000 (March 31, 2022: 3,10,00,000;
April 1, 2021: 3,10,00,000) equity shares of
₹ 10/- each

4,500.00

Preference Shares

2,40,50,000 7% Optionally Convertible
Preference Shares(March 31, 2022:
2,40,50,000; April 1, 2021: 2,40,50,000)
equity shares of ₹ 10/- each

2,405.00

Issued, subscribed and fully paid-up

Equity Shares

1,57,80,105 (March 31, 2022: 1,57,80,105;
April 1, 2021: 1,57,80,105) equity shares of
₹ 10/- each fully paid-up
Less: Unpaid calls on 750 shares of Rs.10/-
each

1,578.01

0.08

1,577.94

Preference Shares

1,41,14,556 (March 31, 2022: 1,41,14,556;
April 1, 2021: 1,41,14,556) equity shares of
₹ 10/- each fully paid-up

1,411.46

1,411.46



(a) Reconciliation of shares outstanding at the beginning and end of the reporting year
Equity Shares

Particulars	31 March 2023	
	No. of equity shares	Amount
Outstanding at the beginning of the year	157.79	157.79
Issued during the year	-	-
Outstanding at the end of the year	157.79	157.79

Preference Shares

Particulars	31 March 2023	
	No. of equity shares	Amount
Outstanding at the beginning of the year	141.15	141.15
Issued during the year	-	-
Outstanding at the end of the year	141.15	141.15

(b) Terms / rights attached to the equity shares

Equity shares of the Company have a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Terms / rights attached to the Preference shares

Preference shares carried a fixed non cumulative dividend of 7% Optionally Convertible Redeemable Preference Shares of Rs. 10/- each. The Preference shares were issued on 15/12/2015 and the same should be converted or redeemed by 15/12/2020. However, as per the Board of Directors Meeting held on 18.12.2020, the Optionally Convertible Redeemable Preference Shares were extended for a period of 05 years from the due date of redemption. i.e. by a period upto 18.12.2025. The preference share holders shall get a right over the equity shareholders in case of right to dividend as well as repayment of capital in case of winding up of the company. The preference share holders shall have limited voting right, which shall be confined to the rights to vote on those matters affecting their interest.

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



Equity Shares

31 March 2023

Particulars	No. of equity shares held	% holding in the class
Ajaz Farooqi	38.68	24.52%
Asma Farooqi	12.45	7.89%
Aijaz Investments Pvt Limited	7.18	4.55%
Asma Estates & Investments Pvt Limited	15.86	10.05%
Shoeb Estates Pvt Limited	11.69	7.41%
Zainab Investments Pvt Limited	10.76	6.82%
Zara Investments Pvt Limited	21.55	13.66%

Preference Shares

31 March 2023

Particulars	No. of equity shares held	% holding in the class
Ajaz Farooqi	39.17	27.75%
Asma Farooqi	15.93	11.29%
Aijaz Investments Pvt Limited	8.82	6.25%
Asma Estates & Investments Pvt Limited	20.60	14.60%
Shoeb Estates Pvt Limited	15.19	10.76%
Zainab Investments Pvt Limited	13.97	9.90%
Zara Investments Pvt Limited	27.47	19.46%

15 Other equity

31 March 2023

General reserve

Opening balance	2,461.99
Additions during the year	632.48
Closing balance	3,094.47

Retained earnings

Opening balance	0
Profit/(loss) for the year	628.13
Less: Adjustment due to Depreciation	-
Add: Other comprehensive income	4.36
Less: Transfer to General reserve	(526.68)
Closing balance	105.81

Total other equity **3,200.28**



K&R RAIL ENGINEERING LIMITED
(CIN:L45200TG1983PLC082576)

Notes forming part of the Consolidated financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

₹ in Lakhs

16 Borrowings

31 March 2023

Non-current Borrowings

Secured loans

Vehicle Loans from Banks & Financial Institutions (refer note 16A) 798.54

Total 798.54

Current Borrowings

Secured loans

Vehicle Loans from Banks & Financial Institutions (refer note 16B) 626.39

Total 626.39

17 Other liabilities

31 March 2023

Non-Current

Advance received from customers -

Current

Bank OD 50.31

Advance received from customers 2,915.14

Statutory liabilities 36.32

3,001.77

18 Provisions

31 March 2023

Non-Current

Provision for Gratuity 48.38

48.38

Current

Provision for Gratuity 20.73

20.73

19 Trade payables

31 March 2023

Trade payables



	- Total outstanding dues of micro enterprises and small enterprises (refer note 37)	
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	3,669.61
		3,669.61
20	Other financial liabilities	
		31 March 2023
	Current	
	Outstanding expenses	3.55
	Employee salaries payable	21.06
	GST payable	22.09
	Other Advances	60.35
	Audit Fee Payable	5.50
		112.55
21	Current tax liabilities, net	
		31 March 2023
	Current	
	Provision for taxes	301.07
		301.07



K&R RAIL ENGINEERING LIMITED
(CIN:L45200TG1983PLC082576)

Notes forming part of the Consolidated financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

₹ in Lakhs

22 Revenue from operations

31 March 2023

(a)

Gross Contract Receipts	9,184.00
Sale of Products	29,698.39
Consultancy income	103.00
Other Income	
	38,985.39

23 Other income

31 March 2023

Interest income	37.25
Dividend Income	
Extraordinary Income	
	37.25

24 Cost of materials consumed

31 March 2023

Purchases of materials	34,044.67
Total	34,044.67

25 Changes in inventories of Stock in trade & WIP

31 March 2023

Stock of land at the beginning of the year	89.37
WIP at the beginning of the year	988.30
Less: Stock of land at the end of the year	89.37
Less: WIP at the end of the year	450.75
(Increase) / Decrease in Stock in trade	537.54

26 Other operating expenses

31 March 2023

Work Expenses	1,695.42
Hire Charges	235.96
Site Expenses	49.53



Repairs & Maintenance	82.63
Transportation Charges	310.96
	2,374.50
27 Employee benefits expense	
	31 March 2023
Salaries & Other benefits	286.08
Contribution to Provident & Other funds	0.62
Staff welfare	13.52
Provision for Gratuity	4.90
	305.11
28 Depreciation and amortisation expense	
	31 March 2023
Depreciation of tangible assets	310.69
	310.69
29 Finance costs	
	31 March 2023
Interest expenses on borrowings	130.69
Others	32.41
Bank Guarantee Commission	17.53
Bank Charges	2.29
	182.92
30 Other expenses	
	31 March 2023
Business Promotion	1.59
Donations	-
Power & Fuel	15.81
Insurance	24.51
Office Maintenance	33.48
Printing and Stationery	3.48
Payment to Auditors	
Statutory Audit	5.25
Advertisement	2.01
Legal & Professional	80.23



Rates and Taxes	51.52
Rent	18.73
Communication Expenses	6.09
Travelling & Conveyance	32.50
CSR Expenditure	30.00
Assets written off	-
Service Tax	-
VAT	-
Other Expenses	76.51
	381.71

31 Exceptional Items

31 March 2023

Extraordinary Item	-
--------------------	---

32 Tax expenses

31 March 2023

Current income tax:	
Current income tax charge	256.29
Prior year tax	-
Deferred tax:	
Relating to originating and reversal of temporary differences	1.09
Income tax expense recognised in the statement of profit or loss	257.38

Deferred tax related to items considered in OCI during the year

31 March 2023

Re-measurement gains/ (losses) on defined benefit plan	-
Income tax charge to OCI	-



K&R RAIL ENGINEERING LIMITED

Notes forming part of the Consolidated financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

35 Segment information

Ind AS 108 “Operating Segment” (“Ind AS 108”) establishes standards for the way that public business enterprises report information about operating and geographical segments and related disclosures about products and services, geographic areas, and major customers. Based on the “management approach” as defined in Ind AS 108, Operating segments and geographical segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM evaluates the Company’s performance and allocates resources on overall basis.

The Company has no reportable segments accordingly.

36 Auditors’ remuneration include:

Particulars	31-Mar-23
Statutory audit fee (including limited review)	5.00
Total	5.00

37 Dues to Micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2023 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 (‘The MSMED Act’) is not expected to be material. The Company has not received any claim for interest from any supplier.

Particulars	31-03-2023
a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	Nil
b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil



- | | | |
|----|---|-----|
| c) | the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED Act | Nil |
| d) | the amount of interest accrued and remaining unpaid at the end of each accounting year; and | Nil |
| e) | the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act. | Nil |

38 Leases

Where the Company is a lessee:

The Company has taken various office premises under operating leases. The leases typically run for a term ranging from eleven months to five years, with an option to renew the lease after the term completion. The escalation clause in these arrangement ranges from 5% to 10%.

Future minimum lease payments under non-cancellable operating leases are as follows:

i) follows:

Particulars	31-Mar-23
Not later than 1 year	16.93
Later than 1 year and not later than 5 years	
Later than 5 years	

Amounts recognised in statement of profit and loss:

Particulars	31-Mar-23
Cancellable lease expense	16.93
Non - cancellable lease expense	
Total	16.93



39 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity Shares.

The following table sets out the computation of basic and diluted earnings per share:

Particulars	31-Mar-23
Profit for the year attributable to equity share holders	632.48
Shares	
Weighted average number of equity shares outstanding during the year – basic	157.79
Weighted average number of equity shares outstanding during the year – diluted	157.79
Earnings per share	
Earnings per share of par value ₹ 10 – basic (₹)	4.01
Earnings per share of par value ₹ 10 – diluted (₹)	4.01



K&R RAIL ENGINEERING LIMITED

Notes forming part of the Consolidated financial statements

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

₹ in Lakhs

40 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and refundable deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as commodity risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at March 31, 2023 and March 31, 2022. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt.

The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2023 and March 31, 2022.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of variable rate borrowings. The Company does not enter into any interest rate swaps.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:



	Increase/decrease in interest rate	Effect on profit before tax
March 31, 2023		
INR	+1%	1.13
INR	-1%	(1.13)

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables. The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

Allowance for credit loss	31-Mar-23
Opening balance	-
Credit loss provided/ (reversed)	-
Closing balance	-

There is no concentration of revenue as there is no customer which accounts for more than 10% of the revenue.

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

c) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:



	On demand	Less than 3 months	3 to 12 months	Total
Year ended March 31, 2023				
Borrowings	1,424.93			1,424.93
Trade payables		1,711.60	747.83	2,459.42
		-	-	

The accompanying notes are an integral part of the financial statements.

As per our report of even date

for CHOWDARY AND RAO

Chartered Accountants
ICAI Firm Registration
Number: 000656S

for and on behalf of the Board of
Directors of
**K&R RAIL ENGINEERING
LIMITED**

CIN: L45200TS1983PLC082576

Sd/
MANDAVA SUNIL KUMAR
Partner
Mem No. 217061

Sd/
Amit Bansal
CEO
PAN:
ACFPB7608E

Sd/
Rabindra K Barik
Director
DIN: 08773785

Place: Hyderabad
Date: 15.05.2023

Sd/
Kulkarni Pahlada rao
Chief Financial Officer
PAN: AKMPR1779B