K&R RAIL Engineering Limited

Corporate office
6-3-649/14/1, Flat No. 102,
Bala Maitri Niwas, Hindi Nagar Colony,
Punjagutta, Somajiguda, Hyderababad,
Telangana. India-500082

+91 40 29345259
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Info@krrailengg.com
www.krrailengg.com

To,
The Manager
BSE Limited
P. J. Towers, Dalal Street
Mumbai-400001

Date: 13.08.2026

Dear Sir/Madam,

Sub: Outcome of board meeting under regulation 30 read with 33 (3) (c) of SEBI (Listing Obligations and Disclosure requirements) regulations, 2015

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

Ref: Intimation - Postponement of Board meeting dated 12.08.2026

With reference to the subject cited, this is to inform the Exchange that at the Board meeting of M/s. K & R Rail Engineering Limited held on Thursday, the 13th day of August, 2026, at 4.30 p.m. at the Registered office of the company situated at H. No. 6-3-649/14/1, Flat No. 102, Bala Maitri Niwas, Hindi Nagar Colony, Punjagutta, Hyderabad, Telangana, 500082, the following were duly considered and approved by the Board.

1. Audited Financial results (Standalone and Consolidated) together with Statement of Assets and Liabilities and Statement of Cash flow for the quarter and year ended 31.03.2026 (enclosed).

2. Auditors Report along with Statement of Impact of Audit Qualification for the year ended 31.03.2026 (enclosed).

3. Appointment of M/s. M G S Reddy & Co, Chartered Accountants, as Internal Auditors of the Company for the Financial Year 2026-27.

K&R RAIL Engineering Limited

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The meeting of the Board of Directors commenced at 4:30 P.M (IST) and concluded at 18:30 P.M (IST)

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

Thanking you.

Yours faithfully,
For K & R Rail Engineering Limited

Amit Bansal

Digitally signed by
Amit Bansal
Date: 2026.08.13
18:38:04 +05'30'

Amit Bansal
Whole Time Director
DIN: 06750775

K&R RAIL Engineering Limited

Corporate office
6-3-649/14/1, Flat No. 102,
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[Details under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with clause 7 of Para A of Annexure I of SEBI Circular dated November 11, 2024]

Appointment of Internal Auditor:

Sr. No.	Particulars	Details
1.	**Reason for change viz., appointment, ~~resignation, removal, death or otherwise~~**	Appointment of M/s. M G S Reddy & Co., Chartered Accountants as Internal Auditor of the company for Financial Year 2026-27.
2.	**Date & Terms of appointment**	For the Financial Year 2026-27
3.	**Brief profile**	M/s. M G S Reddy & Co., Practicing Charted Accountants, registered with the Institute of Chartered Accountants of India. The Firm is being managed by a team of competent and experienced professionals with rich experience
4.	**Disclosure of relationships between directors (in case of appointment of a director)**	Not Applicable

Amit Bansal
Digitally signed by Amit Bansal
Date: 2026.08.13 18:38:21 +05'30'

K&R RAIL Engineering Limited

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K&R RAIL ENGINEERING LIMITED
(Formerly Known as AXIS RAIL INDIA LIMITED)
CIN L45200TG1983PLC082576
FLAT NO 102, 6-3-349/14/A, BALAMAITRI NIWAS, 1, BESIDE VALKA DESIGN GALLERY, DWARKA PURI COLONY, PANJAGUTTA, HYDERABAD – 500082.

Standalone Balance Sheet as at 31.03.2026

(Rs In lakhs)

	As at 31.03.2026	As at 31.03.2025
Assets		
1 Non Current Assets		
a. Property, Plant and Equipment	111.66	954.71
b. Capital Work in Progress		-
c. Investment Properties	-	-
d. Goodwill	-	-
e. Intangible Assets	-	-
f. Intangible Assets under under Development	-	-
g. Financial Assets		
i. Investments		-
a. Investments in Subsidiaries	25.88	25.88
b. Investments in Associates		-
c. Other Investments	19.34	12.16
ii. Other Financial Assets		
h. Differed Tax Assets (Net)	134.06	100.75
i. Other Assets	0.54	
Total Non Current Assets	291.47	1,093.50
2 Current Assets		
i. Financial Assets		-
a. Inventories	141.63	341.10
b. Trade Receivables	2,128.23	17,632.62
c. Cash and cash equavalents	278.45	353.44
ii. Short Term Loans & Advances	-	-
iii. Other Assets	6,382.16	7,125.38
Total Current Assets	8,930.48	25,452.54
Total Assets (1+2)	**9,221.95**	**26,546.04**
EQUITY AND LIABILITIES		
3 **Equity**		
a. Equity Share Capital	4,180.71	2,850.89
b. Preference Share Capital	(0.00)	1,329.82
c. Other Equity	4,070.01	5,855.08
d. Share Warrants Forfeiture	-	-
e. Share Warrants	-	-
Total Shareholders Funds	8,250.72	10,035.79
Liabilities:		
4 Non Current Liabilities		
a. Financial liabilities	-	-
b. Other Liabilities	19.89	19.89
Total Non Current Liabilities	19.89	19.89
5 Current Liabilities		
Borrowings	-	21.49
a. Financial liabilities		
i. Trade Payables		
a. Total outstanding dues of micro enterprises and Small enterprises		
b. Total outstanding dues of other than micro enterprises and Small enterprises	723.85	14,366.37
b. Provisions	2.25	12.62
c. Other Liabilities	225.25	2,089.88
Total Current iabilities	951.35	16,490.36
Total Equity and Liabilities (3+4+5)	**9,221.95**	**26,546.04**

FOR K&R RAIL ENGINEERING LIMITED

K&R Rail Engineering Ltd. Hyderabad

AMIT BANSAL
Whole Time Director

PLACE : Hyderabad
DATE : 13/08/2026

K&R RAIL Engineering Limited

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K&R RAIL ENGINEERING LIMITED

(FORMERLY KNOWN AS AXIS RAIL INDIA LIMITED)

FLAT NO 102, 6-3-349/14/A, BALAMAITRI NIWAS, 1, BESIDE VALKA DESIGN GALLERY, DWARKA PURI COLONY, PANJAGUTTA, HYDERABAD – 500082.
Ph.: +91-040-27017660; E-mail Id- krrailengineering@gmail.com
CIN: L45200TG1983PLC082576

AUDITED FINANCIAL RESULTS (STANDALONE) FOR THE YEAR ENDED 31.03.2026

₹ in lacs

SL. NO.		PARTICULARS	Quarter Ended			Year to date figures for the period ended	
			31.03.2026	31.12.2025	31.03.2025	31.03.2026	31.03.2025
			Audited	Un Audited	Audited	Audited	Audited
1		Income					
		Revenue From Operations	1,520.84	1,177.62	22,792.53	14,881.49	64,002.12
		Other Income	207.86	3.14	(79.00)	218.50	69.75
		Total income from operations(I+II)	**1,728.70**	**1,180.76**	**22,713.54**	**15,099.98**	**64,071.87**
2		**Expenses**					
	a)	Cost of materials consumed	1,003.05	1,046.86	23,647.82	13,453.33	62,050.27
	b)	Purchases of stock-in-trade	-	-	-	-	-
	c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	199.47	-	-	199.47	-
	d)	Employee benefits expense	46.93	46.86	128.80	227.35	372.79
	e)	Depreciation and amortisation expense	12.93	15.92	77.90	170.96	326.62
	f)	Finance cost	55.04	0.82	(15.41)	101.57	68.95
	g)	Other expenses	2,165.58	184.55	99.13	2,765.68	548.50
		Total expenses (IV)	**3,483.00**	**1,295.02**	**23,938.24**	**16,918.37**	**63,367.12**
3		**Profit/(loss) before exceptional items and tax (1-2)**	(1,754.30)	(114.26)	(1,224.70)	(1,818.38)	704.75
4		Exceptional Items	-	-	40.71	-	(40.71)
5		**Profit/(loss) before tax (3-4)**	(1,754.30)	(114.26)	(1,184.00)	(1,818.38)	745.46
6		Tax expense:					
		(1) Current Tax	(60.00)	(16.74)	(410.09)	-	267.29
		(2) Previous Year Taxes	-	-	1.29	-	2.00
		(2) Deferred Tax	39.34	(12.88)	(51.79)	(33.31)	(71.00)
		Total Tax Expenses	(20.66)	(29.61)	(460.59)	(33.31)	198.29
7		**Profit (Loss) for the period from continuing operations (5-6)**	(1,733.64)	(84.65)	(723.40)	(1,785.07)	547.17
8		**Profit/(loss) from discontinued operations**	-	-			
9		**Tax expense of discontinued operations**	-	-	-	-	-
10		**Profit/(loss) from Discontinued operations (after tax) (8-9)**	-	-	-	-	-
11		**Profit/(loss) for the period (7+10)**	(1,733.64)	(84.65)	(723.40)	(1,785.07)	547.17
12		Other Comprehensive Income A (i) Items that will not be reclassified to profit or loss (ii) Income tax relating to	0	-	0	-	-
13		**Total Comprehensive Income for the period (11+12)**	(1,733.64)	(84.65)	(723.40)	(1,785.07)	547.17
14		**Paid-up equity share capital - Face Value of Rs. 10/-each (Face Value of the Share shall be indicated)**	4,180.71	3,810.89	2,850.89	4,180.71	2,850.89
15		**Earnings per equity share**					
		(a) Basic	(4.15)	(0.25)	(2.54)	(5.18)	2.18
		(b) Diluted	(4.15)	(0.23)	(1.73)	(5.18)	1.42

Notes :

1. The above results for the financial year ended March 31. 2026('the Statement') were reviewed by the Audit Committee and approved by the Board of Directors of K&R RAIL ENGINEERING LIMITED(Formerly known as AXIS RAILINDIA LIMITED). ('the Company') at its meeting held on **13th August 2026** and concluded on **13th August, 2026**
   The Statutory auditors have expressed an qualified audit opinion
2. Figures for the previous period have been regrouped /re-classified to conform to the figures of the current period, if required.
3. Figures of quarter ended March 31st 2026 and March 31st 2025 are the balancing figures between audited figures in respect of the full financial year and the published year to date frgures upto the third quarter of the respective financial year

PLACE : **Hyderabad**
DATE : **13/08/2026**

FOR K&R RAIL ENGINEERING LIMITED

AMIT BANSAL
Whole Time Director

K&R RAIL Engineering Limited

Corporate office / Registered Office:
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K&R RAIL ENGINEERING LIMITED
(CIN:L45200TG1983PLC082576)
(Formerly Known as AXIS RAIL INDIA LIMITED)
Standalone statement of Cash Flows for the year ended 31.03.2026
(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

		₹ in Lakhs
	For the year ended 31 March 2026	For the year ended 31 March 2025
I. Cash flows from operating activities		
Profit before tax	(1,818.38)	745.46
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of tangible assets	170.96	326.62
Non Cash items	73.75	(46.40)
Finance costs (including fair value change in financial instruments)	(7.59)	47.93
Operating profit before working capital changes	(1,581.26)	1,073.60
Changes in working capital:		
Adjustment for (increase)/decrease in operating assets		
Trade receivables	15,504.39	(5,173.76)
Inventories	199.47	(24.65)
Loans	-	-
Other financial assets - current	108.30	(192.53)
Other financial assets - non current	(0.54)	-
Other assets	634.92	(1,918.41)
Adjustment for (increase)/decrease in operating liabilities		
Trade payables	(13,642.52)	4,402.50
Other financial liabilities - current	(5.51)	(139.29)
Other financial liabilities - non current	-	(126.71)
Other Provisions	(10.37)	(41.50)
Other current liabilities	(1,594.37)	(248.94)
Cash generated from operations	(387.50)	(2,389.69)
Direct & Indirect taxes paid	(264.77)	217.83
Net cash generated from/(used in) operating activities	(652.26)	(2,171.86)
II. Cash flows from investing activities		
Purchase of property, plant and equipment and intangibles (including capital work in progress)	(5.92)	(33.33)
Sale of Fixed Assets	604.25	222.98
(Increase) Decrease in Non Current Investments	(7.17)	(0.00)
Net cash used in investing activities	591.16	189.65
III. Cash flows from financing activities		
Proceeds from issue of Share Warrants	-	-
Proceeds from/(repayment of) long-term borrowings, net	-	(57.38)
Proceeds from/(repayment of) short-term borrowings, net	(21.49)	(235.01)
Interest paid	7.59	(47.93)
Redemption of Optionally Convertible Redeemable Pref Shares	(1,329.82)	-
Increase in Share Warrant Forfieture Account	-	184.33
Increase in Security Premium	-	1,199.41
Increase in Share Capital	1,329.82	733.83
Net cash provided by financing activities	(13.89)	1,777.25
Net increase in cash and cash equivalents (I+II+III)	(75.00)	(204.96)
Cash and cash equivalents at the beginning of the year	353.44	558.41
Cash and cash equivalents at the end of the year (refer note below)	278.44	353.46
Note:		
Cash and cash equivalents comprise:		
Cash on hand	53.55	71.12
Balances with banks:	224.90	282.32
	278.45	353.44
Summary of significant accounting policies 3		

Place: Hyderabad
Date: 13-08-2026

FOR K&R RAIL ENGINEERING LIMITED

K&R Rail Engineering Ltd. Hyderabad

AMIT BANSAL
Whole Time Director

J SINGH & ASSOCIATES (Regd.)
CHARTERED ACCOUNTANTS

505/506/507, **HUBTOWN** *Viva*, Shankar wadi,
Western express Highway,
Between Andheri & Jogeshwari (East),
Mumbai - 400 060.
Tel : 022-66994617/18/19 I 28361081
Web : cajsingh.com
Email : ca_jsingh@rediffmail.com
mumbai@cajsingh.com

INDEPENDENT AUDITOR'S REPORT

To the Members of

K&R RAIL ENGINEERING LIMITED

Report on the Audit of Standalone IND AS Financial Statements

Qualified Opinion

We have audited the accompanying standalone Ind AS financial statements of **K&R RAIL ENGINEERING LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2026, 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 the significant accounting policies and other explanatory information (hereinafter referred to as the "standalone Ind AS Financial Statements").

Based on the information and explanations provided to us, except for the possible effects of the matter described in the "Basis for Qualified Opinion" section of our report, we are of the opinion that 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, 2026, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on 31st March 2026.

Basis for Qualified Opinion

i) Certain Trade Receivables and Trade Payables are pending confirmation and reconciliation. Additionally, there are long-outstanding advances for which the Company has not made any provision. In the absence of sufficient evidence regarding the recoverability or obligation of these balances, we are unable to determine the potential impact, if any, on the financial statements.



ii) The Company has not maintained adequate documentary evidence, such as transport documents, in support of certain purchase and sales transactions selected for audit. Although we performed alternative audit procedures by examining purchase orders, work orders, running account statements, subsequent receipts and payments, delivery acknowledgements, e-way bills, where applicable, and balance confirmations, we were unable to determine whether any adjustments to the accompanying financial statements are necessary in this regard.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 Ind AS financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For Each Matter below, our description of how our audit addressed the matter is provided in that Context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

Key Audit Matter	How the Key Audit Matter was addressed in our audit
Revenue recognition – • 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	Our audit procedures included: • 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.



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. • Given the 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.	• On selected / specific contracts, we tested that the revenue is recognized in accordance with revenue recognized Standard. • Inspected the underlying documents to determine reasonableness of contract costs.
Regulations - Litigations and claims • 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 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.	Our audit procedures included: • 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 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.
Recognition and measurement of Income Taxes • 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.	Our audit procedures included: • 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



• Considering the complexity and significant level of estimation and judgement, this is a key audit matter.	income taxes in the standalone financial statements.

Information Other than the Standalone Ind AS financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS 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 Ind AS 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 Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance(including the other comprehensive income), cash flows and Statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Relevant Rules 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS 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 Ind AS 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 are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 Ind AS 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 standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit Procedures that is 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 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the standalone Ind AS



financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters Specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and except for the effects of the matters described in the *Basis for Qualified opinion paragraphs*, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) Except for the effects of the matters described in the *Basis for Qualified opinion paragraphs* above, in our opinion, proper books of accounts as required by law have been kept by the Company.

   c) The Balance Sheet, the Statement of Profit and Loss including Other

J SINGH & ASSOCIATES FRN 110266W Chartered Accountants

Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) Except for the effects of the matters described in the *Basis for Qualified opinion paragraphs* above, in our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules issued there under.

e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an 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 197of 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 have pending litigations, the liabilities in respect of which are disclosed as contingent liabilities - Refer Note 41 of the Notes on accounts to the standalone financial statements. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

v. The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

vi. Based on the audit procedures performed 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) contain any material misstatement.

vii. The company has not declared or paid any dividend during the year.

viii. The Company has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

For and on the behalf,
M/s. J SINGH & ASSOCIATES,
Chartered Accountants,
(Firm Registration No.: 110266W)

J SINGH & ASSOCIATES * FRN 110266W * Chartered Accountants

CA Hitesh Pandya
(Partner)
(Membership No.: 049727)
UDIN.: 26049727UKPPLT8133

Place: Mumbai
Date: August 13, 2026

"ANNEXURE A"

ANNEXURE TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF K&R RAIL ENGINEERING LIMITED

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of K&R RAIL ENGINEERING LIMITED of even date)

In terms of the information and explanations sought by us and given by the company and on the basis of the books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

i. In respect of the Company's Property, Plant & Equipment and Intangible assets:

(a) (A)The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant & Equipment.

(B)The company doesn't have intangible assets.

(b) According to the information and explanations given to us, the Property, Plant and Equipment of the Company have not been physically verified by the management during the year. Consequently, we are unable to comment on whether any material discrepancies exist between the physical assets and the book records and whether the same, if any, have been properly dealt with in the books of account.

(c) The Company does not hold any immovable property, 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 favor of the lessee.

(d) According to the information and explanations given to us and on the basis of our examination of records, the company has not revalued the Property Plant and Equipment during the year.

(e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988.

ii.

(a) The physical verification of inventory has been conducted at reasonable intervals by the management during the year and no material discrepancies were noticed on such verification.

(b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets.



iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year the Company has not made any investments in, or provided any guarantee or security to, companies, firms, Limited Liability Partnerships or any other parties.

iv. In our opinion and according to the information and explanations given to us, during the year the Company has granted a loan to its wholly owned subsidiary, M/s Robsons Engineering & Constructions Private Limited, the balance outstanding as at 31 March 2026 being Rs. 10.28 Crores, on which interest has been charged at the rate of 12% per annum. In our opinion, the said loan and the guarantees or security provided and investments made by the Company are in compliance with the provisions of Sections 185 and 186 of the Companies Act, 2013.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act,2013 and the rules framed there under to the extent applicable.

vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company.

vii.

(a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, as applicable, with the appropriate authorities. There were no undisputed amounts payable in arrears as at 31st March 2026 for a period of more than 6 months from the date they became payable.

(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax (TDS), and other material statutory dues in arrears as at 31st March 2026 for a period of more than 6 months from the date they became payable.

(c) According to the information and explanations given to us and based on the records of the company examined by us, there are no statutory dues as on March 31st 2026 which have not been deposited with appropriate authorities on account any dispute except Income Tax as given below:

Sl. No.	Nature	Financial Year	Amount of Dispute (Rs. in Lakhs)	Forum where it is pending
1	Service Tax	2015-16 &2017-18(Up to June 2017)	3800.00	Customs Excise and Service Tax Appellate Tribunal
2	GST	2019-20	305.46	Hyd-GST-HYC-Commissinor-Appeals 1

J SINGH & ASSOCIATES FRN 110236W Chartered Accountants

3.	GST	2018-19	192.00	Hyd-GST- Commissinor - Appeals 1
4	Legal	2025-26	43.99	Arbitration with SMAS Auto Lease Finance
5	Legal	2025-26	249.95	Arbitration at Chennai with Mahindra & Mahindra Finance

viii. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company does not have any transactions which are not recorded in the books of account have been surrendered or disclosed during the year in the tax assessments under the Income Tax Act.

ix.

(a) In our opinion and according to the information and explanations given to us, 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. The Company has not issued any debentures.

(b) The Company is not declared as wilful defaulter by any bank or financial Institution or other lenders.

(c) According to the information and explanations given to us, there were no Term loans were obtained during the year and hence we have not commented on this clause.

(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) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries.

x.

(a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments)

xi.

(a) According to the information and explanations given to us, no fraud by the company or on the company has been noticed or reported during the year.

(b) During the year, no Report has been filed in form ADT-4 with the Central Government as prescribed under Sub section (12) of Section 143 of the companies Act, 2013

(c) According to the information and explanations given to us, The Company has not received any Whistle-blower complaints during the year.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the

J SINGH & ASSOCIATES FRN 110266W Chartered Accountants

Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties as specified in the provisions of section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting standard (Ind AS) 24, related party disclosures specified under section 133 of the Act, read with relevant rules issued there under.

xiv.

(a) Based on the information and explanations provided to us and our audit procedures, in our opinion, the company have internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditors for the period under audit were duly considered by us in determining the nature, timing and extent of our audit procedures.

xv. The Company has not entered into non-cash transactions with its directors or persons connected its directors.

xvi.

(c) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

(d) The Company is not engaged in any Non-Banking Financial or Housing Finance activities.

(e) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India.

(f) There is no Core Investment Company as part of the Group.

xvii. According to the information and explanations given to us, the Company has incurred a cash loss in the current financial year, and had not incurred cash losses in the immediately preceding financial year.

xviii. There has been resignation of the statutory auditors during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.

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 Standalone Financial Statements, our knowledge of the Board of Directors' and management's plans and based on our examination of the evidence supporting the assumptions, and having regard to the matters described in the paragraph on Material Uncertainty Related to Going Concern in our audit report, matters have come to our attention which cause us to believe that a material uncertainty exists as on the date of the audit report as to whether the Company is capable of meeting its liabilities existing at the date of the Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. The management is, however, of the view, on the basis of the projected future cash flows, that the Company will be able to meet its liabilities as and when they fall due. 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. In our opinion and according to the information and explanations given to us, in respect of other than ongoing projects, there are unspent amounts of Rs/ 16, 60,000 to be transferred to a fund specified under sec 135 of Companies Act 2013. However, company has spent the said amount of Rs. 16,60,000 during the FY 2026-27 before signing of this report.

For and on the behalf,
M/s. J SINGH & ASSOCIATES,
Chartered Accountants,
(Firm Registration No.: 110266W)



CA Hitesh Pandya
(Partner)
(Membership No.: 049727)
UDIN.: 26049727UKPPLT8133

Place: Mumbai
Date: August 13, 2026

"ANNEXURE B"

ANNEXURE TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF K&R RAIL ENGINEERING LIMITED

(Referred to in paragraph 2(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, 2026 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 Company's management 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section143(10) of the CompaniesAct,2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, 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 Ind AS Financial Statements in accordance with generally accepted principles, and that receipts and expenditures are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS Financial Statements.

Inherent Limitation of Internal Financial Controls over Financial Reporting

Because of the inherent limitation 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, the Company has, in all material respects, an internal financial controls system over financial reporting, and such internal financial controls over financial reporting were operating as at 31 March 2026, 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. However, in our opinion the internal financial controls over financial reporting were not commensurate with the size and nature of the operations of the Company.

For and on the behalf,
M/s. J SINGH & ASSOCIATES,
Chartered Accountants,
(Firm Registration No.: 110266W)



CA Hitesh Pandya
(Partner)
(Membership No.: 049727)
UDIN.: 26049727UKPPLT8133

Place: Mumbai
Date: August 13, 2026

K&R RAIL Engineering Limited

Corporate office / Registered Office:
6-3-649/14/1, Flat No. 102,
Bala Maitri Niwas, Hindi Nagar Colony,
Punjagutta, Somajiguda, Hyderabad
Telangana. India-500082

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K&R RAIL ENGINEERING LIMITED (CIN NO L45200TG1983PLC082576)

Standalone Financial details

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2026 [see Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2015]				
I.	S. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (as reported after adjusting for qualifications)*
			Rs in 000's	Rs in 000's
	1.	Turnover/ Total income	15,09,998	15,09,998
	2	Total Expenditure	16,91,836	16,91,836
	3	Net Profit/(Loss) After Tax	(1,78,507)	(1,78,507)
	4	Earnings Per Share	(5.18)	(5.18)
	5	Total Assets	9,22,194	9,22,194
	6	Total Liabilities	9,22,194	9,22,194
	7	Net Worth	8,25,071	8,25,071
	8	Any other financial item(s) (as felt appropriate by the management)		
	*Not Quantified by the auditor			

II. Audit Qualification (each audit qualification separately):

1. **Details of Audit Qualification:**

   Point No. 1

   Certain Trade Receivables and Trade Payables are pending confirmation and reconciliation. Additionally, there are long-outstanding advances for which the Company has not made any provision. In the absence of sufficient evidence regarding the recoverability or obligation of these balances, we are unable to determine the potential impact, if any, on the financial statements.

   a. **Type of Audit Qualification**: Qualified Opinion

   b. **Frequency of qualification:**
   Point no. a: weather appeared first time No

   c. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** No

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d. For Audit Qualification(s) where the impact is not quantified by the auditor, Management's Views:

(i) Management's estimation on the impact of audit qualification:
The Management is of the opinion to recover the entire receivables and pay the relevant payables within the respective due dates. Since the projects are at the completion stage, it will take time to get it certified the works carried out by the Company and receive the outstanding amounts from the relevant Customers. Once the entire process is complete within a reasonable time, the receivables and payables will be complied with. Hence, the Company has not been provided any provisions by treating thee receivables and payables as doubtful.

(ii) If management is unable to estimate the impact, reasons for the same:

Not Ascertainable

Auditors' Comments on (i) to (ii) above:
It is advised to take appropriate steps to recover the same within the stipulated due dates so as to enable the company to keep the relevant cash flows.

2. Details of Audit Qualification:

Point No. 2

The Company has not maintained adequate documentary evidence, such as transport documents, in support of certain purchase and sales transactions selected for audit. Although we performed alternative audit procedures by examining purchase orders, work orders, running account statements, subsequent receipts and payments, delivery acknowledgements, e-way bills, where applicable, and balance confirmations, we were unable to determine whether any adjustments to the accompanying financial statements are necessary in this regard.

e. Type of Audit Qualification: Qualified Opinion

f. Frequency of qualification:
Point no. a: weather appeared first time Yes

g. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
No

h. For Audit Qualification(s) where the impact is not quantified by the auditor, Management's Views: No

K&R RAIL Engineering Limited

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(iii) Management's estimation on the impact of audit qualification:

It may be noted that the materials are delivered to respective project sites and the relevant Documents are kept with the Project in charges. However, due to frequent STAFF turnover, the Project incharges do not kept the same at the site Most of the cases the transportation is provided by the Supplier themselves. In such cases the Company does not have such Transportation Documents with them. However, it has all the other documents such as Purchase Orders, Work Orders, running account statements, subsequent receipts and payments, e-way bills wherever applicable and balance confirmations etc in support of their purchases and sales. Hence, the availability or non availability of lorry receipt do not have any impact on the financial statements, if any, and also for the material delivered the customer has already made the payments for the goods supplied by the Company.

(iv) If management is unable to estimate the impact, reasons for the same:

Not Ascertainable

Auditors' Comments on (i) to (ii) above:

...

III. **Signatories:**

- **Executive Director**
  (Amit Bansal)
- **CFO**
  (M V Anjaneyulu)
- **Audit Committee Chairman**
  (Rahmath Unnisa)

Hyderabad
13.08.2026

K&R RAIL Engineering Limited

Corporate office / Registered Office:
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K&R RAIL ENGINEERING LIMITED
(Formerly Known as AXIS RAIL INDIA LIMITED)
CIN L45200TG1983PLC082576
FLAT NO 102, 6-3-349/14/A, BALAMAITRI NIWAS, 1, BESIDE VALKA DESIGN GALLERY, DWARKA PURI COLONY, PANJAGUTTA, HYDERABAD - 500082.

Consolidated Balance Sheet as at 31.03.2026

(Rs I n lakhs)

	As at 31.03.2026	As at 31.03.2025
Assets		
1 Non Current Assets		
a. Property, Plant and Equipment	111.69	954.74
b. Capital Work in Progress		
c. Investment Properties	-	-
d. Goodwill	1.00	1.00
e. Intangible Assets	-	-
f. Intangible Assets under under Development	-	-
g. Financial Assets		
i. Investments		
a. Investments in Subsidiaries	-	-
b. Investments in Associates		
c. Other Investments	19.34	12.16
ii. Other Financial Assets		
h. Differed Tax Assets (Net)	134.06	100.75
i. Other Assets	0.54	
Total Non Current Assets	266.62	1,068.65
2 Current Assets		
i. Financial Assets		
a. Inventories	141.63	341.10
b. Trade Receivables	7,424.19	19,797.49
c. Cash and cash equavalents	656.33	645.28
ii. Short Term Loans & Advances		-
iii. Other Assets	6,009.10	7,134.76
Total Current Assets	14,231.25	27,918.63
Total Assets (1+2)	**14,497.87**	**28,987.28**
EQUITY AND LIABILITIES		
3 Equity		
a. Equity Share Capital	4,180.71	2,850.89
b. Preference Share Capital	-	1,329.82
c. Other Equity	4,193.92	6,100.29
d. Share Warrants Forfeiture		
e. Share Warrants	-	-
Total Shareholders Funds	8,374.63	10,281.00
Liabilities:		
4 Non Current Liabilities		
a. Financial liabilities	-	-
b. Other Liabilities	19.89	19.89
Total Non Current Liabilities	19.89	19.89
5 Current Liabilities		
Borrowings	-	21.49
a. Financial liabilities		
i. Trade Payables		
a. Total outstanding dues of micro enterprises and Small enterprises		
b. Total outstanding dues of other than micro enterprises and Small enterprises	5,791.02	16,487.86
b. Provisions	2.25	12.62
c. Other Liabilities	310.08	2,164.43
Total Current iabilities	6,103.35	18,686.40
Total Equity and Liabilities (3+4+5)	**14,497.87**	**28,987.28**

FOR K&R RAIL ENGINEERING LIMITED

PLACE : Hyderabad
DATE : 13/08/2026

AMIT BANSAL
WHOLE TIME DIRECTOR

K&R RAIL Engineering Limited

Corporate office / Registered Office:
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K&R RAIL ENGINEERING LIMITED

(FORMERLY KNOWN AS AXIS RAIL INDIA LIMITED)

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Ph.: +91-040-27017660; E-mail Id- krrailengineering@gmail.com
CIN: L45200TG1983PLC082576

AUDITED FINANCIAL RESULTS (CONSOLIDATED) FOR THE YEAR ENDED 31.03.2026

₹ in lacs

SL. NO.		PARTICULARS	Quarter Ended			Year to date figures for the period ended	
			31.03.2026	31.12.2025	31.03.2025	31.03.2026	31.03.2025
			Audited	Un Audited	Audited	Audited	Audited
1		Income					
		Revenue From Operations	1,530.03	1,185.87	24,077.73	14,898.93	69,639.17
		Other Income	208.66	3.47	(69.70)	221.32	82.26
		Total income from operations(I+II)	**1,738.69**	**1,189.34**	**24,008.04**	**15,120.25**	**69,721.43**
2		**Expenses**					
	a)	Cost of materials consumed	1,807.50	1,054.78	25,087.81	14,265.70	67,566.00
	b)	Purchases of stock-in-trade		-	-	-	-
	c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade		-	-	-	-
	d)	Employee benefits expense	49.33	48.03	131.71	234.82	380.60
	e)	Depreciation and amortisation expense	12.93	0.82	77.91	170.96	326.73
	f)	Finance cost	148.50	15.92	(14.87)	195.32	83.48
	g)	Other expenses	1,591.44	185.86	104.66	2,193.10	556.13
		Total expenses (IV)	**3,609.70**	**1,305.42**	**25,387.22**	**17,059.90**	**68,912.94**
3		**Profit/(loss) before exceptional items and tax (1-2)**	(1,871.01)	(116.08)	(1,379.19)	(1,939.65)	808.49
4		Exceptional Items	-	-	40.71	-	40.71
5		**Profit/(loss) before tax (3-4)**	(1,871.01)	(116.08)	(1,338.48)	(1,939.65)	849.20
6		Tax expense:					
		(1) Current Tax	12.64	(29.61)	(452.86)	-	298.24
		(2) Previous Year Taxes	-	(0.71)	1.29	-	2.00
		(2) Deferred Tax	(33.31)	-	(51.79)	(33.31)	(71.00)
		Total Tax Expenses	(20.66)	(30.32)	(503.36)	(33.31)	229.24
7		**Profit (Loss) for the period from continuing operations (5-6)**	(1,850.34)	(85.75)	(835.13)	(1,906.34)	619.96
8		**Profit/(loss) from discontinued operations**	-	-			
9		**Tax expense of discontinued operations**	-	-	-	-	-
10		**Profit/(loss) from Discontinued operations (after tax) (8-9)**	-	(0.71)	-	-	-
11		**Profit/(loss) for the period (7+10)**	(1,850.34)	(86.46)	(835.13)	(1,906.34)	619.96
12		Other Comprehensive Income A (i) Items that will not be reclassified to profit or loss (ii) Income tax relating to items that will not be	(1.20)	(0.58)	(1.19)	(0.04)	(1.04)
13		**Total Comprehensive Income for the period (11+12)**	(1,851.54)	(87.04)	(836.32)	(1,906.38)	618.92
14		**Paid-up equity share capital - Face Value of Rs. 10/- each (Face Value of the Share shall be indicated)**	4,180.71	3,810.89	2,850.89	4,180.71	2,850.89
15		**Earnings per equity share**					
		(a) Basic	(2.26)	2.98	(3.23)	(4.46)	2.46
		(b) Diluted	(2.26)	2.54	(1.81)	(4.02)	1.61

Notes :

1. The above results for the financial year ended March 31. 2025 ('the Statement') were reviewed by the Audit Committee and approved by the Board of Directors of K&R RAIL ENGINEERING LIMITED(Formerly known as AXIS RAILINDIA LIMITED). ('the Company') at its meeting held on 13th August, 2026 and concluded on **13th August, 2026**
   The Statutory auditors have expressed an unqualified audit opinion
2. Effective 01st April, 2018, the company has adopted Indian accounting Standards (IND AS) notified by the Ministry of Corporate Affairs read with SEBI Circular number CIR/CFD/FAC/62/2016 dated July 5, 2016.
3. Figures for the previous period have been regrouped /re-classified to conform to the figures of the current period, if required.
4. Figures of quarter ended March 31st 2026 and March 31st 2025 are the balancing figures between audited figures in respect of the full financial year and the published year to date frgures upto the third quarter of the respective financial year

FOR K&R RAIL ENGINEERING LIMITED

AMIT BANSAL
Whole Time Director

PLACE : Hyderabad
DATE : 13/08/2026

K&R RAIL Engineering Limited

Corporate office / Registered Office:
6-3-649/14/1, Flat No. 102,
Bala Maitri Niwas, Hindi Nagar Colony,
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K&R RAIL ENGINEERING LIMITED
(CIN:L45200TG1983PLC082576)
(Formerly Known as AXIS RAIL INDIA LIMITED)
Consolidated statement of Cash Flows for the year ended 31.03.2026
(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

	₹ in Lakhs	
	For the year ended 31 March 2026	For the year ended 31 March 2025
I. Cash flows from operating activities		
Profit before tax	(1,939.65)	849.20
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of tangible assets	170.96	326.73
(Profit) / Loss on sale of Assets	73.75	-46.40
Finance costs (including fair value change in financial instruments)	84.14	49.94
	-	
Operating profit before working capital changes	(1,610.79)	1,179.47
Changes in working capital:		
Adjustment for (increase)/decrease in operating assets		
Trade receivables	12,373.30	(6,725.95)
Inventories	199.47	(24.65)
Loans	-	-
Other financial assets - current	104.11	(182.83)
Other assets	1,021.55	(1,208.79)
Adjustment for (increase)/decrease in operating liabilities		
Trade payables	(10,696.84)	5,974.18
Other financial liabilities - current	(15.54)	(139.27)
Other Provisions	(10.37)	(41.49)
Other current liabilities	(1,585.08)	(986.83)
Cash generated from operations	(220.18)	(2,156.16)
Direct & Indirect taxes paid	(255.52)	264.05
Net cash generated from/(used in) operating activities	(475.70)	(1,892.11)
II. Cash flows from investing activities		
Purchase of property, plant and equipment and intangibles (including capital work in progress and Goodwill)	(5.92)	(34.33)
Proceeds from sale of property, plant and equipment	605.52	222.98
(Increase) Decrease in Non Current Investments	(7.17)	(0.00)
Net cash used in investing activities	592.43	188.65
III. Cash flows from financing activities		
Proceeds from issue of Share Warrants	-	-
Proceeds from/(repayment of) long-term borrowings, net	-	(57.38)
Proceeds from/(repayment of) short-term borrowings, net	(21.49)	(235.01)
Interest paid	(84.14)	(49.94)
Increase in Share Warrant Forfieture Account	-	184.33
Increase in Security Premium	-	1,199.41
Increase in Share Capital	1,329.82	733.83
Transalation Gain / Loss	(0.04)	0.09
Redemption of Pref Shares	(1,329.82)	
Net cash provided by financing activities	(105.67)	1,775.32
Net increase in cash and cash equivalents (I+II+III)	11.05	71.85
Cash and cash equivalents at the beginning of the year	645.28	573.43
Cash and cash equivalents at the end of the year (refer note below)	656.33	645.28
Note:		
Cash and cash equivalents comprise:		
Cash on hand	53.55	71.12
Balances with banks:	602.78	574.15
	656.33	645.28
Summary of significant accounting policies 3		

FOR K&R RAIL ENGINEERING LIMITED

K&R Rail Engineering Ltd. Hyderabad

AMIT BANSAL
WHOLE TIME DIRECTOR

PLACE : Hyderabad
DATE : 13/08/2026

J SINGH & ASSOCIATES (Regd.)
CHARTERED ACCOUNTANTS

505/506/507, **HUBTOWN** *Viva*, Shankar wadi,
Western express Highway,
Between Andheri & Jogeshwari (East),
Mumbai - 400 060.
Tel : 022-66994617/18/19 | 28361081
Web : cajsingh.com
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mumbai@cajsingh.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

K&R RAIL ENGINEERING LIMITED

Report on the Audit of the Consolidated Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of M/s. **K&R RAIL ENGINEERING LIMITED** (hereinafter referred to as Holding Company) which includes its two subsidiaries (the Holding company and its Subsidiaries together referred to as "The Group") which comprise the Consolidated Balance Sheet as at March 31, 2026 ,and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Ind AS Financial Statements").

The Consolidated Financial statements include the following entities

1) ROBSONS ENGINEERING & CONSTRUCTIONS PRIVATE LIMITED-WHOLLY OWNED SUBSIDIARY

2) K&R GLOBAL LLC – FZ- WHOLLY OWNED SUBSIDIARY

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the *"Basis for Qualified Opinion"* section of our report, the aforesaid Consolidated Ind AS 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 and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2026, its consolidated loss including consolidated total comprehensive income, their consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

We conducted our audit of the financial statements of "the Group" in accordance with the Standards on Auditing 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 Financial Statements of "the Group" section of our report. We are independent of "the Group" in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements of the Group 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 Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements of The Group.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For Each Matter below, our description of how our audit addressed the matter is provided in that Context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

Key Audit Matter	How the Key Audit Matter was addressed in our audit
Revenue recognition – • 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.	Our audit procedures included: • 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 recognized Standard. • Inspected the underlying documents to determine [illegible]nableness of contract costs.

J SINGH & ASSOCIATES FRN 110260W Chartered Accountants

• Given the 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.	
Regulations - Litigations and claims • 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 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.	Our audit procedures included: • 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 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.
Recognition and measurement of Income Taxes • 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 Consolidated financial statements. • Considering the complexity and significant level of estimation and judgement, this is a key audit matter.	Our audit procedures included: • 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 Consolidated financial statements.

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In case of the "Holding Company", matters as reported in Basis of Qualified Opinion on the Standalone Financial Statements, are reproduced below:

i) Certain Trade Receivables and Trade Payables are pending confirmation and reconciliation. Additionally, there are long-outstanding advances for which the Company has not made any provision. In the absence of sufficient evidence regarding the recoverability or obligation of these balances, we are unable to determine the potential impact, if any, on the financial statements.

ii) The Company has not maintained adequate documentary evidence, such as transport documents, in support of certain purchase and sales transactions selected for audit. Although we performed alternative audit procedures by examining purchase orders, work orders, running account statements, subsequent receipts and payments, delivery acknowledgements, e-way bills, where applicable, and balance confirmations, we were unable to determine whether any adjustments to the accompanying financial statements are necessary in this regard.

We conducted our audit of the Consolidated Ind AS 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 Consolidated Ind AS Financial Statements section of our report. We are independent of the Group 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 Consolidated Ind AS Financial Statements under the provisions of the Act and the Rules made there under, 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 Consolidated Ind AS Financial Statements.

Information Other than the Consolidated Ind AS financial statements and Auditor's Report Thereon:

- The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report but does not include the Consolidated Ind AS financial statements and our auditor's report thereon.

- Our opinion on the Consolidated Ind AS 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 that we have nothing to report in this regard.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding 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 Consolidated Ind AS financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance including consolidated other comprehensive income, consolidated changes in equity and consolidated cash flows of The Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

The respective Board of Directors of the companies included in The Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of The Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the directors of the holding company as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in "The Group" are responsible for assessing the ability of "The Group" to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate "The Group" 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 are responsible for overseeing the financial reporting process of The Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- 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 ability of the Group 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 Consolidated Ind AS 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 to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.



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 Consolidated Ind AS 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.

Other Matters:

(a) The Consolidated annual financial results include the audited financial statement of 2 subsidiary, whose financial statements/financial information reflect total assets (before consolidation adjustments) of Rs 6329.55 lakhs as at 31st March, 2026, total revenue (before consolidation adjustments) of Rs 17.44 lakhs and total net loss after tax (before consolidation adjustments)of Rs 121.27 lakhs for year ended 31 March 2026 and net cash inflow of Rs 86.05 lakhs for the year ended on that date, as considered in the consolidated annual financial statements duly audited by the respective auditors. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and on our opinion on the Statement, in so far as it related to the amounts and disclosures included in respect of these subsidiaries is based solely on the audited financial statement and audit reports of other auditors.

Our opinion the consolidated financial statements is not modified in respect of the above matter with respect to our reliance on the financial statements certified by the management and audited by other auditors.

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 of the aforesaid Consolidated Ind AS financial statements.

   b) Except for the effects of the matters described in the *Basis for Qualified opinion paragraphs* above, in our opinion, proper books of accounts as required by law have been kept by The Group.

J SINGH & ASSOCIATES * FRN 110259W * Chartered Accountants

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements.

d) Except for the effects of the matters described in the *Basis for Qualified opinion paragraphs* above, in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended.

e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors of the holding company and its subsidiaries, none of the directors of the group companies is disqualified as on March 31, 2026 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 and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"** which is based on the Auditor's reports of the Company and its subsidiary companies. Our report expresses an opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies, for reasons stated therein.

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 group 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 group have pending litigations, the liabilities in respect of which are disclosed as contingent liabilities - Refer Note 41 of the Notes on accounts to the consolidated financial statements. The group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements;

ii. The group does not have any long-term contracts, including derivate contracts and did not have any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its subsidiary companies.

iv. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or group companies to or in any other persons or entities,



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 ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

v. The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company or group companies from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or group companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

vi. Based on the audit procedures performed 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) contain any material misstatement.

vii. The holding company or group companies has not declared or paid any dividend during the year.

viii. The Company has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

For and on the behalf,
M/s. J SINGH & ASSOCIATES,
Chartered Accountants,
(Firm Registration No.: 110266W)

J SINGH & ASSOCIATES * FRN 110266W * Chartered Accountants

CA Hitesh Pandya
(Partner)
(Membership No.: 049727)
UDIN.: 26049727OMYYFN7542

Place: Mumbai
Date: August 13, 2026

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 the Sub-section 3 of the Section 143 of the Companies Act, 2013 ('The Act')

In conjunction with our audit of the Consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2026, we have audited the internal financial controls over financial reporting of **K&R RAIL ENGINEERING LIMITED** (herein after referred to as "Company") and its subsidiary company, which is incorporated in India, as of that date. We have not audited the internal financial controls of the Foreign Subsidiary.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company and its subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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. 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 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section143(10) of the Companies Act , 2013 , to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



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

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

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

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.



Qualified Opinion

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion in the Audit Report of the Consolidated IND AS Financial Statements , the company has in all material respects reasonable internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st 2026 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 ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, in so far as it relates to one Indian subsidiary of "The Group" audited by other auditors, is based on the reports of their respective auditors.

For and on the behalf,
M/s. J SINGH & ASSOCIATES,
Chartered Accountants,
(Firm Registration No.: 110266W)

CA Hitesh Pandya
(Partner)
(Membership No.: 049727)
UDIN.: 26049727OMYYFN7542

Place: Mumbai
Date: August 13, 2026

K&R RAIL Engineering Limited

Corporate office / Registered Office:
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Consolidate Financial details

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2026 [see Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2015]				
I.	**Si. No.**	**Particulars**	**Audited Figures (as reported before adjusting for qualifications)**	**Audited Figures (as reported after adjusting for qualifications)***
			Rs in 000's	**Rs in 000's**
	1.	Turnover/ Total income	15,12,025	`15,12,025
	2	Total Expenditure	17,05,990	17,05,990
	3	Net Profit/(Loss) After Tax	(1,90,638)	(1,90,638)
	4	Earnings Per Share	(4.46)	(4.46)
	5	Total Assets	14,49,786	14,49,786
	6	Total Liabilities	14,49,786	14,49,786
	7	Net Worth	8,37,463	8,37,463
	8	Any other financial item(s) (as felt appropriate by the management)		
	***Not Quantified by the auditor**			

II. Audit Qualification (each audit qualification separately):

1. Details of Audit Qualification:

Point no. 1

Certain Trade Receivables and Trade Payables are pending confirmation and reconciliation. Additionally, there are long-outstanding advances for which the Company has not made any provision. In the absence of sufficient evidence regarding the recoverability or obligation of these balances, we are unable to determine the potential impact, if any, on the financial statements.

a. Type of Audit Qualification: Qualified Opinion

b. Frequency of qualification:

Point no. 1: weather appeared first time

c. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable

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d. For Audit Qualification(s) where the impact is not quantified by the auditor, Management's Views:

(i) Management's estimation on the impact of audit qualification:

The Management is of the opinion to recover the entire receivables and pay the relevant payables within the respective due dates. Since the projects are at the completion stage, it will take time to get it certified the works carried out by the Company and receive the outstanding amounts from the relevant Customers. Once the entire process is complete within a reasonable time, the receivables and payables will be complied with. Hence, the Company has not been provided any provisions by treating thee receivables and payables as doubtful.

(ii) If management is unable to estimate the impact, reasons for the same:

Not Ascertainable

Point No. 2

The Company has not maintained adequate documentary evidence, such as transport documents, in support of certain purchase and sales transactions selected for audit. Although we performed alternative audit procedures by examining purchase orders, work orders, running account statements, subsequent receipts and payments, delivery acknowledgements, e-way bills, where applicable, and balance confirmations, we were unable to determine whether any adjustments to the accompanying financial statements are necessary in this regard.

i. Type of Audit Qualification: Qualified Opinion

j. Frequency of qualification:
Point no. a: weather appeared first time Yes

k. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: No

l. For Audit Qualification(s) where the impact is not quantified by the auditor, Management's Views:

(v) Management's estimation on the impact of audit qualification:

It may be noted that the materials are delivered to respective project sites and the relevant Documents are kept with the Project in charges. However, due to frequent STAFF turnover, the Project incharges do not kept the same at the site Most of the cases the transportation is provided by the Supplier themselves. In such cases the Company does not have such Transportation Documents with them. However, it has all the other documents such as Purchase Orders, Work Orders, running account statements, subsequent receipts and payments, e-way bills wherever applicable and balance confirmations etc in support of their purchases and sales. Hence, the availability or non availability of lorry receipt do not have any impact on the financial statements, if any, and also for the material delivered the customer has already made the payments for the goods supplied by the Company.

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	(vi) If management is unable to estimate the impact, reasons for the same: **Not Ascertainable** **Auditors' Comments on (i) to (ii) above:** It is advised to take appropriate steps to recover the same within the stipulated due dates so as to enable the company to keep the relevant cash flows.
III.	**Signatories:** • **Executive Director** (Amit Bansal) • **CFO** (Mulam Veeranjaneyulu) • **Audit Committee Chairman** (Rahmath Unnisa) **Hyderabad** **13.08.2026**