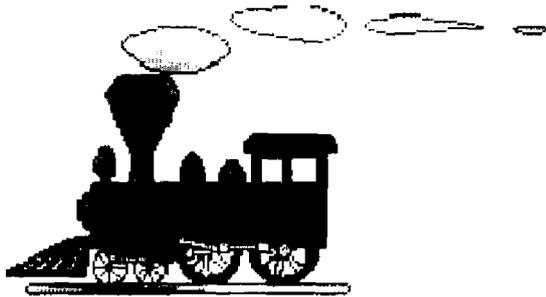


# **Axis Rail India Limited**

**(Formerly Known as Gupta Carpets International Limited)**



## **Annual Report 2011-2012**

## Notice of Annual General Meeting

To  
The Members,

Notice is hereby given that the 29<sup>th</sup> Annual General Meeting of the members of Axis Rail India Limited (*formerly known as Gupta Carpets International Limited*) will be held at its Registered Office situated at 12-5-34 & 35/1, Vijapuri, South Lalaguda, Secunderbad – 500017, Andhra Pradesh, on Saturday, the 29<sup>th</sup> day of September, 2012, at 11:30 A.M. to transact the following business:

### Ordinary Business

1. To receive, consider, and adopt the Audited Profit & Loss Account for the year ended 31<sup>st</sup> March 2012 and the Balance Sheet as on that date together with the Auditors Report and Directors Report of the Company for the financial year starting 1<sup>st</sup> April, 2011 and ending 31<sup>st</sup> March, 2012.
2. Mr. Rajesh Gupta (director) is liable to retire by rotation and has shown his unwillingness for being reappointed.
3. To consider and if thought fit, pass with or without modification(s), the following resolution as Ordinary Resolution for re-appointment of 'M/s B Aggarwal & Company', Chartered Accountants as statutory auditors of the company for the financial year 2012-13 and to authorize the Board of Directors of the company to fix their remuneration:-

**“RESOLVED THAT** pursuant to the provisions of Section 224 of the Companies Act, 1956, 'M/s B Aggarwal & Company', being eligible for re-appointment, be and are hereby re-appointed as statutory auditors of the company for audit of accounts for financial year ending 31<sup>st</sup> March 2013 and to hold office from the conclusion of this annual general meeting till the conclusion of the next annual general meeting of the company on such remuneration as may be decided by the board of directors of the company.”

### Special Business

4. To consider and if thought fit, pass with or without modification(s), the following resolution as Ordinary Resolution:

**“RESOLVED THAT** Mr. Ravinder Kumar Batra who was appointed as an Additional director of the company pursuant to Section 260 of the Companies Act, 1956 and holds office upto the date of this Annual General Meeting, and in respect of whom the company has received a notice under Section 257 of the Companies Act, 1956, in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, subject to retirement by rotation under the Articles of Association of the Company.”

5. To consider and if thought fit, pass with or without modification(s), the following resolution as Ordinary Resolution:

**“RESOLVED FURTHER THAT** Mr. Ranjan Kapoor who was appointed as an Additional director of the company pursuant to Section 260 of the Companies Act, 1956 and holds office upto the date of this Annual general meeting, and in respect of whom the company has received a notice under Section 257 of the Companies Act, 1956, in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the Articles of Association of the Company .”

6. To consider and if thought fit, pass with or without modification(s), the following resolution as Ordinary Resolution:

**“RESOLVED FURTHER THAT** Mr. Dhirender Nandlal Chaturvedi who was appointed as an Additional director of the company pursuant to Section 260 of the Companies Act, 1956 and holds office upto the date of this Annual general meeting, and in respect of whom the company has received a notice under Section 257 of the Companies Act, 1956, in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the Articles of Association of the Company .”

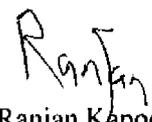
**By order of the Board of Directors**

**For Axis Rail India Limited**

*(formerly known as Gupta Carpets International Limited)*

Date: 3<sup>rd</sup> September, 2012

Place: New Delhi

  
Ranjan Kapoor  
Director

DIN: 00479483

Notes:-

1. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act 1956, in respect of Special Business , as set out above is annexure hereto
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS PLACE AND THE PROXY NEEDS NOT BE A MEMBER OF THE COMPANY.** The instrument appointing a proxy should however be deposited at the registered office of the company not later than 48 hours before the time for holding the meeting. The proxy form is enclosed with the report.

3. The Register of members and the share transfer books of the company will be closed 26<sup>th</sup> September 2012, to 29<sup>th</sup> September 2012 both days inclusive.
4. All documents referred to in the notice are open for inspection by the members at the registered office of the company during business hours on all working days up to the date of annual general meeting
5. The Members are requested to:-
  - a. Intimate Changes, if any, in their address to the company or to the Registrar and share Transfer Agent of the Company.
  - b. Quote Folio number in all their correspondence with the Company.
  - c. Bring their copies of annual report including acceptance slip at the venue of AGM.
6. You are requested to write at least 07 days prior to the date of annual general meeting, any information that you may desire for including in the annual account of the company, to enable the management to keep the information ready.
7. Members holding shares in physical form are requested to lodge share transfer, transmission quoting their folio number(s) to company's share transfer agent.
8. The Communication address of our Registrar and Share Transfer Agent (RTA) " Beetal Financial and Computer Services private Limited " is Beetal House , 3<sup>rd</sup> Floor , 99 Madangir, Behind Local Shopping Complex , New Delhi 110062"
9. Appointment of Auditors,

A consent letter has been received from M/s B Aggarwal & Co. Chartered Accountants, Delhi, for its appointment as statutory auditors of the company for the financial year 2012-2013.

A written certificate, to the effect that the reappointment, if made, will be in accordance with the limits specified in sub-section (1B), has also been obtained by the company from the statutory auditors.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956**

**Item No. 4, 5 and 6:**

The board of Directors of the Company made appointment of 3 new directors as additional Director of the company on 31<sup>st</sup> January 2012 and they hold office up to the conclusion of this Annual General Meeting and keeping in view of their valuable services to the company, the board

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recommends their appointment before members of the company. A notice to the effect has been received under Section 257 of the Companies Act, 1956.

The Brief Particulars of **Mr. Ravinder Kumar Batra** are as under:

<b>Name</b>	Ravinder Kumar Batra ( R K Batra)
<b>Date of birth</b>	26.08.1954
<b>Qualification</b>	Graduate
<b>Experience</b>	38 yrs.
<b>Expertise</b>	Accounting, Finance
<b>Directorship in other Companies</b>	Not Applicable

The Resolution as set out in Item No. 4 of the notice will be placed before the meeting for the approval of the members.

The Brief Particulars of **Mr. Ranjan Kapoor** are as under:

<b>Name</b>	Ranjan Kapoor
<b>Date of birth</b>	23.09.1962
<b>Qualification</b>	Graduate
<b>Experience</b>	22 yrs.
<b>Expertise</b>	Financial Consultancy
<b>Directorship in other Companies</b>	<ul style="list-style-type: none"> <li>• IIS Consultancy Private Limited</li> <li>• UBICO Developers Private Limited</li> </ul>
<b>Membership in Committees in other Companies</b>	Not Applicable
<b>Details of Shareholding in the Company</b>	7,500 Equity Shares constituting 0.17% of the total capital of the Company

The Brief Particulars of **Mr. Dhirender Nandlal Chaturvedi** are as under:

<b>Name</b>	Dhirender Nandlal Chaturvedi (D N Chaturvedi)
<b>Date of birth</b>	03.12.1975
<b>Qualification</b>	MBA Finance, LLB, PGDIPR
<b>Experience</b>	11 yrs.
<b>Expertise</b>	Income tax consultancy
<b>Directorship in other Companies</b>	Not Applicable

The Resolution as set out in Item No. 4, 5 and 6 of the notice will be placed before the meeting for the approval of the members.

Your Directors recommend the approval of proposed resolution by the Members.

No inter-se relationship exist amongst the directors of the Company.”

None of the Directors of the Company is concerned or interested in the resolution as set out in Item No. 4, 5 and 6.

**By order of the Board of Directors**  
**For Axis Rail India Limited**  
*(Formerly known as Gupta Carpets International Limited)*

Date: 3<sup>rd</sup> September, 2012

Place: New Delhi

Ranjan Kapoor  
Director

DIN: 00479483

## Our Management Team

**Mr.  
Ravinder  
Kumar  
Batra**

**( Additional  
Director )**

**Mr. Ranjan  
Kapoor**

**( Additional  
Director )**

**Mr. Rajesh  
Gupta**

**( Director )**

**Mr.  
Dhirender  
Nandlal  
Chaturvedi**

**( Additional  
Director )**

### Registered Office

**12-5-34 & 35/1,  
Vijapuri, South  
Lalaguda,  
Secunderbad –  
500017, Andhra  
Pradesh.**

### Registrar and Transfer Agent

**Beetal Financial and  
Computer Services Pvt.  
Limited**

**Add: Beetal House, 3rd  
Floor**

**99 Madangir, Behind  
Local Shopping Complex**

**New Delhi 110062**

## DIRECTOR'S REPORT

To  
The Members

Your Directors have pleasure in presenting the Annual Report of your Company together with the audited Statement of Accounts for the financial year ended on 31<sup>st</sup> March, 2012.

### Financial Results

ITEM	As on 31 <sup>st</sup> March, 2012 (in Rs.)	As on 31 <sup>st</sup> December, 2011 (in Rs.)
Sales & other Income	-	-
Loss before depreciation and tax	(1,377,871.00)	146,110.00
Depreciation	Nil	NIL
Loss after tax and depreciation	(1,377,871.00)	(146,110.00)
Loss brought forward	(91,180,969.14)	(91,034,859.14)
Balance carried to Balance Sheet	(55,547,579.14)*	(91,180,969.14)

\*The Unsecured Loan of Rs. 4,20,11,261/- from Bank of Maharashtra is settled for Rs. 50,00,000/- in OTS (One Time Settlement) Scheme of the Bank.

### Change in Name and Object Clause of Memorandum of Association

During the year under review, your Company has been taken over by Mr. Ajaz Farooqi pursuant to SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. The Change in control over the company has been considered in the meeting of Board of Directors of the Company held on 31st day of January, 2012.

The new management of the Company with a view to revive the business operations of the Company proposed to enter into new line of business i.e. the Rail Infra Projects and further to commensurate its name with the new business line, the management of the Company proposed to change the name of the Company to Axis Rail India Limited.

Accordingly, the consent of the members of the Company has been accorded vide Postal Ballot dated 9<sup>th</sup> June, 2012 for the said proposed change in name clause and main objects clause of the Memorandum of Association of the Company.

### **Current Business Operations & Future Outlook**

The management of the Company has been changed pursuant to SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and new promoter of the Company is planning to enter into new line of business i.e. rail infra projects.

### **Directors**

We are saddened to inform you that Mr. Moti Lal Gupta, a senior member of the Board of the Company passed away on December 15, 2012.

Further, the Board at its meeting held on January 31, 2012 has taken on record the resignation of Mr. Baldev Singh and Mr. Ankush Aggarwal and appointed Mr. Ranjan Kapoor, Mr. R.K Batra and Mr. D.N. Chaturvedi as additional Directors of the Company.

### **Dividend**

There being no profits, your directors regret their inability to recommend any dividend for the Financial Year beginning on 1<sup>st</sup> April 2011 and ending on 31<sup>st</sup> March 2012.

### **Directors Responsibility Statement**

As per the requirement of Section 217 (2AA) of the Companies Act 1956, your directors hereby make the following statement:

1. That in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2012 the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
  2. That the Directors have selected such accounting policies & applied them consistently & made judgments & estimates that are reasonable & prudent so as to give a true & fair view of the state of *affairs of the Company at the end of the financial year and of the profit or loss of the company* for that period;
  3. That the Directors have taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing & detecting fraud & other irregularities;
  4. That the Directors have prepared the accounts of the Company for the Financial Year ended 31<sup>st</sup> March, 2012 on a going concern basis.
-

### **Deposits**

Your Company has not accepted any deposits during the period under review within the meaning of Section 58A of the Companies Act, 1956 read with 'Companies (Acceptance of Deposit) Rules 1975'.

### **Particulars of Employees**

During the year, there was no employee covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

### **Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

#### **Information required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988**

#### **Conservation of Energy**

- (a) Presently there being no operations involving energy consumption, therefore measures related to conservation of energy does not apply.
- (b) The company not being operational in the previous financial year, therefore need for additional investment was not felt for reduction of consumption of energy.
- (c) The company didn't undertake any production in the last financial year.
- (d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of industries specified in the Schedule thereto – This particular is not applicable on the company, as the company is into the business of manufacturing of carpets and hence doesn't fall under the respective Schedule.

#### **Form of Disclosure of Particulars with respect to Absorption of Technology, Research & Development.**

#### **Research & Development**

1. Specific areas in which R & D carried out by the company- There was no research and development activity carried out during the financial year.
  2. Benefits derived as a result of the above R&D- No benefits were derived, as no R&D was undertaken
-

3. Future plan of action – The Management of the Company is making necessary roadmap for starting new business operations i.e. for undertaking projects in the field of rail infra.
4. Expenditure on R & D

No R&D activity was undertaken and hence the bifurcation is not available.

#### **Technology Absorption, Adaptation and Innovation**

No technology was absorbed, adapted or innovated during the financial year.

1. Efforts, in brief, made towards technology absorption, adaptation and innovation- No technology was absorbed, adapted or innovated during the last financial year.
2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc- Not applicable, as no such initiatives in this behalf were undertaken.
3. Import of Technology- No technology has been imported during the last financial year.

#### **Foreign Exchange-Earning /Outgo**

Company didn't undertake any transaction involving Foreign Exchange.

#### **Statutory Auditors**

The Statutory Auditors of the Company, 'M/s B Aggarwal & Co. , Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible for re-appointment, are proposed to be re-appointed for the Financial Year beginning on 1<sup>st</sup> April 2012 and ending on 31<sup>st</sup> March 2013. The auditors have furnished a certificate to this effect that the proposed appointment, if made, will be in accordance with Section 224(1B) of the Companies Act 1956.

Your directors recommend the re-appointment of the Statutory Auditors until the conclusion of next Annual General Meeting.

#### **Secretarial Compliance Certificate**

The Secretarial Compliance Certificate for the financial year ending on 31<sup>st</sup> March 2012 is attached hereto and forms part of this Report. The Board took note of the same.

#### **Book Closure**

The transfer books of the company will be closed from 26<sup>th</sup> September 2012, to 29<sup>th</sup> September 2012 both days inclusive for purpose of Annual General Meeting dated 29<sup>th</sup> September 2012

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## **Management Discussion And Analysis Report**

A report on industry analysis is attached hereto and forms part of the Directors Report.

## **Corporate Governance**

A separate section on Corporate Governance is attached hereto and forms part of this report.

## **Material Changes**

### **Revocation of Suspension in trading of Equity Shares**

The suspension in the trading of equity shares of the Company have been revoked from the Bombay Stock Exchange w.e.f. 3<sup>rd</sup> October, 2011.

### **Allotment of Warrants to the Non-Promoters**

The Board of Directors in their meeting held on 18<sup>th</sup> July, 2012 allotted 33,00,000 fully convertible warrants to the persons belonging to the Non-Promoters group at an exercise price of Rs. 10/- each convertible into equal number of equity shares within a period of 18 months

## **Auditors Report & Notes on Accounts**

The observations of the Auditor and Notes on Accounts and the Management's reply with respect to the auditor's remark have been separately attached along with as addendum to the director's report.

## **Acknowledgement**

Your Directors would like to express their gratitude for timely assistance and co operation received from Government Authorities, Registrar & Share Transfer Agent, Investors, Advisors, Bankers and all other concerns.

**By order of the Board of Directors**

**For Axis Rail India Limited**

*(Formerly known as Gupta Carpets International Limited)*

Date: 3<sup>rd</sup> September, 2012

Place: New Delhi

**Ranjan Kapoor**

Director

DIN: 00479483

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**ADDENDUM TO DIRECTOR'S REPORT**  
(Under Section 217(3) & 227(2) of the Companies Act, 1956)

S. No.	Auditor's Remark <sup>a</sup>	Management's Reply
1.	<p><b>Para 4(f) of the Audit Report:</b> In our opinion, to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon and subject to Notes No. 3 in Financial Note No. 13 regarding 'Going Concern', Note No. 6 in Financial Note No. 13 regarding 'Accounting for Retirement Benefits', give the information required by the Companies Act, 1956 in manner so required and give a true and fair view</p> <p>i. In case of Balance Sheet of the State of Affairs of the company as on 31<sup>st</sup> March, 2012</p> <p>ii. In case of Profit and Loss account of the Loss for the year ended on that date.</p> <p>iii. In case of the Cash Flow Statement of the Cash Flow for the year ended on that date</p> <p><b>Note No. 3 of Financial Note No. 13</b> In the Current Financial year i.e. 2012-2013, the name of the Company has been changed from M/s Gupta Carpets International Limited to M/s Axis Rail India Limited and the main objects of the Memorandum of Association of the Company has been altered to include the new line of Business i.e. Rail Infra Projects.</p> <p><b>Note No. 6 of Financial Note No. 13</b> Gratuity and other post Employment Benefit Plans (AS-15): According to the information and explanation given to us, the company did not employ any worker/ staff during the year under consideration. Hence, the company made no provision for the gratuity and other retirement expenses on actuarial basis as required under Section 211(3A), 211(3B) and 211(3C) of the Companies Act read with Accounting standards issued by the ICAI.</p>	<p>The observation of the Auditor is explanatory in nature and does not require any clarification.</p> <p>With a view to revive the business operations, the management has decided to enter into the business of Rail Infra and to commensurate the name of the Company with changed business activity, the name of the Company has been changed to M/s Axis Rail India Limited.</p> <p>Since the company has no employee on its rolls, no provision has been made for gratuity and other retirement benefits. The observation in the note is self explanatory in nature.</p>
2.	<p><b>Para (i) of Annexure to the Auditor's Report</b> As the Company is not holding any fixed assets, therefore the provisions of this clause of the Order relating to Fixed Assets are not applicable to the Company.</p>	<p>The observation of the Auditor is explanatory in nature and does not require any clarification.</p>
3.	<p><b>Para (x) of Annexure to the Auditor's Report</b> Accumulated Losses at the end of the immediately preceding financial year have exceeded the net worth of the company. Further the company has also incurred cash losses during the financial year covered by our audit and as well in the immediately preceding financial year.</p>	<p>The Company was non-functional from several years and the cash losses have been incurred due the routine expenses incurred.</p> <p>The Management of the Company has decided to enter into new line of business in order to revive the business operations and in order to implement the same the name and object clause of the Company has already been changed.</p>

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### **Industry Structure and development:**

The Indian Economy started looking up from the beginning of the second half of 2009. Accordingly, the economic growth rate too moved up and clearly came out from the clutches of economic slowdown. Sound performance by industry and particularly, the infrastructure sector became buoyant indicating strong future growth ahead.

Presently, the Indian economy is growing at a rate of 7% and to sustain and to further accelerate the pace of growth a major infrastructure expansion has to be taken up particularly in the transport sector. The share of the railways in the transportation of goods has decreased steadily over the past few decades and has reached a low of 30% as compared to 89% in 1950-51. With the growing concern for environmental sustainability, the contribution of the Railways to the transport sector has to increase substantially as Railways are more environment friendly in terms of carbon emissions and also optimum land use which has become a scarce resource. The Vision 2020 document for Railways seeks to address this shortfall by adding 25000 kms. of new lines by 2020 at an average of nearly 2500 kms per annum as compared to a historical average of bare 220 kms. per annum.

### **Risks And Challenges/ Opportunities and Threats:**

The Company's ability to foresee and manage business risks is crucial in achieving favorable results. While management is making further plans for Company functioning, Board is subject to the risks and uncertainties as given below.

- **Competition:**

Business opportunities also bring competition. Since the Company is still in the phase of its revival and is starting its activities, the Board needs to make full proof plans for achieving its targets. The Company is operating in a highly competitive environment.

- **Raw Material:**

Continuous supply of raw materials is essential for timely completion of the projects. There is also a risk of escalation of cost or shortage in the supply of raw materials.

As a start, Company needs to make a standing in the market and maintain good business relations with suppliers for smooth and continuous supply of raw material at competitive rates.

- **Manpower:**

The timely availability of technically advanced man power with requisite experience in infra projects is one of the key challenges. The Company maintains healthy and motivating work environment through various measures.

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- **Capital:**

The Company's business requires long-term commitment of capital to meet its financing requirements.

**Internal Control System and their adequacy:**

The Company has a internal control system and internal control measures are in place to monitor performance against norms. The company has a sound system of Internal Controls for financial reporting of various transactions, efficiency of operations and compliance with relevant laws and regulations. Suitable delegation of power and guidelines for accounting has been issued for uniform compliance.

The Company is committed to maintain an effective system of internal control for facilitating accurate, reliable and speedy compilation of financial information, safeguarding the assets and interests of the Company and ensuring compliance with all laws and regulations. The Company has a system to monitor, review and update internal controls on an ongoing basis.

**Future Outlook:**

The new management of the Company is making strategies and plans to start its business operations. Vast experience of Promoters in the field of Rail Infra Projects and good future prospects of the Railway sector offers wide range of opportunities for the Companies.

**Financial Performance:**

The Company has not undertaken any business operations during the last financial year. The Company has incurred administrative expenses of routine nature.

**Material Development in Human Resources:**

Since the Company has not undertaken any business activity during the last financial year, therefore, the Company has not made any recruitment during the last financial year.

**Review of Operations**

The Company has been under the process of revival in the recent past and is in the process of preparing necessary business plans & strategies. The Company expects to start its business activities with a reasonable growth in the near future.

**By order of the Board of Directors**

**For Axis Rail India Limited**

*(Formerly known as Gupta Carpets International Limited)*

Date: 3<sup>rd</sup> September, 2012

Place: New Delhi

**Ranjan Kapoor**

Director

DIN: 00479483

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**Report on Corporate Governance for the year ending  
31<sup>st</sup> March 2012**

**(As required under Clause 49 of Listing Agreement)**

**COMPANY PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

The Company's philosophy is responsive to the aspirations of customers, suppliers, lenders, employees, shareholders and the expectations of the society. This objective extends not merely to meet with the statutory requirements but also to go beyond them by putting into place procedures and systems which are in accordance with best practices for governance.

The fundamental concern of corporate governance is to ensure the conditions whereby a Company's Board acts in the interest of the Company and its various stakeholders. Your company has always been guided by a strong conviction of adhering to transparency, accountability and integrity. The company strongly believes in maintaining a simple and transparent corporate structure driven solely by business needs. Shareholders' interests are utmost and the management is only a trustee of the shareholders capital to carry out the activities in a truthful manner.

**COMPOSITION OF BOARD OF DIRECTORS**

The Composition of Board of Directors as on 31.03.2012 is as follows:-

<b>Name of Director</b>	<b>DIN</b>
<b>Non Executive &amp; Non-Independent Director</b>	
Mr. Rajesh Gupta	02622671
<b>Non Executive &amp; Independent directors</b>	
Mr. R. K. Batra	00161631
Mr. D.N. Chaturvedi	02219011
Mr. Ranjan Kapoor	00479483

**BOARD MEETINGS**

During the financial year, the Board met eighteen ( 18) times on 30<sup>th</sup> April 2011 , 16<sup>th</sup> May 2011 , 3<sup>rd</sup> June 2011 , 6<sup>th</sup> June 2011 , 5<sup>th</sup> July 2011 , 13<sup>th</sup> August 2011 , 5<sup>th</sup> September 2011 , 25<sup>th</sup> October 2011 , 10<sup>th</sup> November 2011 , 19<sup>th</sup> December 2011 , 19<sup>th</sup> December 2011, 22<sup>nd</sup> December 2011 , 31<sup>st</sup> December 2011 , 31<sup>st</sup> January 2012 , 6<sup>th</sup> February, 2012, 7<sup>th</sup> February, 2012, 10<sup>th</sup> February 2012 and 7<sup>th</sup> March 2012.

Name of Director	Category/ Designation	No. of Board Meetings		Attendance at last AGM dated 30 <sup>th</sup> September 2011
		Held	Attended	
Sh. Rajesh Gupta	Chairman	18	18	Present
Sh. Baldev Singh**	Director	18	13	Present
Sh. Moti Lal Gupta*	Director	18	Nil	Present
Sh. Ankush Aggarwal**	Director	18	9	Present
Sh. R.K. Batra**	Director	18	5	Absent
Sh. D. N. Chaturvedi**	Director	18	5	Absent
Sh. Ranjan Kapoor**	Director	18	5	Absent

\*Sh. Moti Lal Gupta ceased to hold Directorship of the Company with effect from 15.12.2011.

\*\* Sh. Ankush Aggarwal and Sh. Baldev Singh ceased to hold Directorship of the Company with effect from 31.01.2011 and Sh. R.K. Batra, Sh. D.N. Chaturvedi and Sh. Ranjan Kapoor was appointed as Additional Directors in the Meeting of Board of Directors of the Company held on 31.01.2012.

**Details of other Board at which the Director is a member or chairperson:**

Name of Director	Number of Boards where Director is a member	Name of such Companies
Sh. Ranjan Kapoor	2	<ul style="list-style-type: none"> <li>• IIS Consultancy Private Limited</li> <li>• UBICO Developers Private Limited</li> </ul>
Sh. D. N. Chaturvedi	-	-
Sh. R.K. Batra	-	-

Sh. Rajesh Gupta

Nil

Nil

No director is member in more than ten Committees or acts as Chairman of more than five Committees across all the Companies in which he is a director.

#### AUDIT COMMITTEE

The Company has constituted an Audit Committee of directors as mandated under the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The constitution of the audit committee as on 31<sup>st</sup> March 2012 is as follows: -

Name of the Member	Category/ Designation	Chairman/ Member
Sh. Rajesh Gupta	Executive and Non-Independent	Member
Sh. R. K. Batra	Executive and Independent	Member
Sh. Ranjan Kapoor	Executive and Independent	Chairman

The Audit Committee has been reconstituted during the year in the Board Meeting held on 6<sup>th</sup> June 2011, wherein Sh. Ankush Agarwal, Non-Executive cum independent director has been nominated as member to the committee in place of Sh. Moti Lal Gupta. Sh. Baldev Singh has been appointed to chair the Meeting.

\*The Audit Committee of the Company has again reconstituted in the Board Meeting held on 6<sup>th</sup> February, 2011, wherein Sh. Ranjan Kapoor, Non-Executive cum independent director and Sh. R.K. Batra have been nominated as members to the committee in place of Sh. Ankush Aggarwal and Sh. Baldev Singh

During the year under review, the members of audit committee met four times on 30<sup>th</sup> April, 2011, 13<sup>th</sup> August, 2011, 10<sup>th</sup> November, 2011 and 10<sup>th</sup> February, 2012.

Name of the Member	No. of Meetings held	No. of meeting attended
Sh. Rajesh Gupta	4	4
Sh. Ankush Agarwal	4*	1
Sh. Moti Lal Gupta	4	1
Sh. Baldev Singh	4	2
Sh. R. K. Batra	4	1
Sh. Ranjan Kapoor	4	1

\*Sh. Ankush Agarwal ceased to hold Directorship of the Company with effect from 31.01.2011

### **Functions of the Audit Committee**

The functions and powers of the audit committee are as specified in clause 49 of the Listing Agreement entered into with the Ludhiana Stock Exchange Limited, Bombay Stock Exchange Limited and Delhi Stock Exchange Limited

Minutes of the audit committee meetings were duly placed in the Board.

### **REMUNERATION COMMITTEE**

The Company does not have Remuneration Committee constituted. During the year, no remuneration, including any sitting fees, has been paid to any director.

### **SHARE TRANSFER CUM SHAREHOLDERS GRIEVANCE COMMITTEE**

The Company has duly constituted 'Share Transfer cum Shareholders Grievance Committee'. During the year, the committee met twelve (12) times in the year on 15<sup>th</sup> April 2011, 20<sup>th</sup> August 2011, 20<sup>th</sup> October 2011, 31<sup>st</sup> October 2011, 11<sup>th</sup> November 2011, 21<sup>st</sup> November 2011, 30<sup>th</sup> November 2011, 20<sup>th</sup> December 2011, 31<sup>st</sup> December 2011, 20<sup>th</sup> February 2012, 29<sup>th</sup> February 2012, 20<sup>th</sup> March 2012

**The constitution of the committee as on 31<sup>st</sup> March 2012:**

<b>Name of the Member</b>	<b>Category/ Designation</b>	<b>Chairman/Member</b>
<b>Sh. Rajesh Gupta</b>	Executive and Non-Independent	Member
<b>Sh. Moti Lal Gupta*</b>	Non-Executive and Non-Independent	Member
<b>Sh. Baldev Singh**</b>	Non-Executive and Independent	Chairman
<b>Sh. R. K. Batra**</b>	Non-Executive and Independent	Member
<b>Sh. Ranjan Kapoor**</b>	Non-Executive and Independent	Chairman

\*Sh. Moti Lal Gupta ceased to hold Directorship of the Company with effect from 15.12.2011.

\*\* Sh. Baldev Singh ceased to hold Directorship AND Chairmanship of the Audit Committee of the Company with effect from 31.01.2011 and Sh. R.K. Batra and Sh. Ranjan Kapoor was appointed as Additional Directors in the Meeting of Board of Directors of the Company held on 31.01.2012.

### Summary of complaints received

<b>Nature</b>	<b>No. of Complaints Received</b>	<b>No. of Complaints Resolved</b>
Non receipt of share certificate duly transferred	Nil	Nil
Non receipt of dividend warrant	Nil	Nil
Miscellaneous	3	3

The Share Transfer cum Shareholder Grievance Committee is responsible to supervise the mechanism of share transfers, resolving investor grievances and to ensure cordial investor relations.

### **COMPLIANCE OFFICER**

Mr. Ranjan Kapoor is the Compliance Officer of the Company to deal with the requirements of Listing Agreement with the Stock Exchanges.

### **CODE OF CONDUCT FOR THE DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY**

In compliance with the Clause 49 of the Listing Agreement, the board of directors has laid down the code of conduct for the directors and the senior management of the company. The code has been circulated to all the members of the board and senior management and they have affirmed compliance with the code of conduct. A declaration signed by Sh. Ranjan Kapoor, Director to this effect is attached to the Annual Report.

### **REMUNERATION TO DIRECTORS**

As the company is running in losses, no remuneration has been paid to any director for the financial year ended 31<sup>st</sup> March 2012. Further no sitting fees has been paid to any non- executive director for meetings attended during the year.

### **SHAREHOLDERS INFORMATION**

#### Annual General Meeting

The last three annual general meetings of the company were held as under:

<b>Financial Year</b>	<b>Category</b>	<b>Venue</b>	<b>Date (Day)</b>	<b>Time</b>
2010-2011	AGM	Ajnala Road , Opposite Petrol Pump , Amritsar	Friday 30 <sup>th</sup> September 2011	12:00 noon

2009-2010	AGM	Ajnala Road , Opposite Petrol Pump , Amritsar	Thursday 30 <sup>th</sup> September 2010	12:00 noon
2008-2009	AGM	Ajnala Road , Opposite Petrol Pump , Amritsar	Wednesday 30 <sup>th</sup> September 2009	12:00 noon

#### **Details of Postal Ballot**

During the Financial Year ending 31<sup>st</sup> March 2012, the Company has conducted Postal Ballot for according assent of the members for Change in Registered Office from the State of Punjab to Hyderabad.

#### **Details of Special Resolutions passed in the Last Three Annual General Meetings**

<b>Date of AGM</b>	<b>Special Resolutions Passed</b>
2010-2011	No Special Resolution was passed.
2009-2010	No Special Resolution was passed.
2008-2009	No Special Resolution was passed.

#### **Disclosures**

There were no materially significant related party transactions with the promoters, directors, the management or relatives that have a potential conflict with the interest of the Company. The Company is regular in complying with the provisions of the acts applicable. Also, all the requirements pursuant to listing agreement with the exchanges, for the year under consideration, have been fulfilled. The listing fees have been duly paid to the exchanges.

The Company has duly complied with all mandatory requirements of Clause 49 of the Listing Agreement.

#### **Dividend**

There being no profits, the Board of Directors do not recommend any dividend for the financial year ending 31<sup>st</sup> March 2012.

#### **Means of Communication**

The unaudited quarterly results of the Company for the four quarters ending 30<sup>th</sup> June 2011, 30<sup>th</sup> September 2011, 31<sup>st</sup> December 2011, 31<sup>st</sup> March 2012 and audit annual results for the financial year ending 31<sup>st</sup> March, 2012 stood taken on record and approved by the board of directors and the same were published in the news paper(s) within due time.

There is no official news release to be displayed and the company has not made any presentation to the institutional investors or to the analysts.

<b>General Shareholder Information</b>	
<b>Annual General Meeting</b>	
<b>Day</b>	Saturday
<b>Date &amp; Time</b>	29 <sup>th</sup> September 2012 . 12 <sup>th</sup> noon
<b>Venue</b>	12-5-34 & 35/1 ,Vijapuri , South Lalaguda , Secunderbad – 500017 , Andhra Pradesh
<b>Book Closure Date</b>	26 <sup>th</sup> September 2012, to 29 <sup>th</sup> September 2012 , both days inclusive
<b>Financial Year</b>	2011-2012

### Listing on Stock Exchange

- (1) Bombay Stock Exchange Limited, Mumbai
- (2) Delhi Stock Exchange Limited
- (3) The Ludhiana Stock Exchange Limited

### Stock Market Price Data

Due to negligible trading on Bombay Stock exchange no data related to Stock Market prices is available. Further, the trading in shares of the company is still suspended from Delhi Stock Exchange and Ludhiana Stock Exchange

### **EQUITY SHARE HOLDING PATTERN OF THE COMPANY\***

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
(A) Shareholding							

<b>of Promoter and Promoter Group</b>							
<b>(1) Indian</b>							
Individuals / Hindu Undivided Family	1.00	1738000.00	-	39.58	39.58		
<b>Sub Total</b>	<b>1.00</b>	<b>1738000.00</b>	<b>-</b>	<b>39.58</b>	<b>39.58</b>		
<b>(2) Foreign</b>							
<b>Total shareholding of Promoter and Promoter Group (A)</b>	<b>1.00</b>	<b>1738000.00</b>		<b>39.58</b>	<b>39.58</b>		
<b>(B) Public Shareholding</b>							
<b>(1) Institutions</b>							
<b>(2) Non-Institutions</b>							
Bodies Corporate	28.00	109700.00	-	2.50	2.50		
<b>Individuals</b>							
Individual shareholders holding nominal share capital up to Rs. 1 lakh	15512.00	2115200.00	-	48.17	48.17		
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	15.00	428000.00	-	9.75	9.75		
<b>Any Others (Specify)</b>	-	-	-	-	-		
Non Resident							

Indians							
<b>Sub Total</b>	<b>15555.00</b>	<b>2652900.00</b>	<b>-</b>	<b>60.42</b>	<b>60.42</b>		
<b>Total Public shareholding (B)</b>	15555.00	2652900.00	-	60.42	60.42		
<b>Total (A)+(B)</b>	<b>15556.00</b>	<b>4390900.00</b>	<b>-</b>	<b>100.00</b>	<b>100.00</b>		
<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>							
<b>Total (A)+(B)+(C)</b>	<b>15556.00</b>	<b>4390900.00</b>	<b>-</b>	<b>100.00</b>	<b>100.00</b>		

\*as on 31<sup>st</sup> March 2012

**Registrar and Share Transfer Agent**

The Company has appointed 'Beetal Financial and Computer Services private Limited' as it's Registrar and Share Transfer Agent having its office at Beetal House , 3<sup>rd</sup> Floor , 99 Madangir, Behind Local Shopping Complex , New Delhi 110062"

**Address for Correspondence**

Registered Office: 12-5-34 & 35/1 , Vijapuri , South Lalaguda , Secunderbad – 500017 , Andhra Pradesh

**By order of the Board of Directors**

**For Axis Rail India Limited  
(Formerly known as Gupta Carpets International Limited)**

**Date :** 3<sup>rd</sup> September, 2012

**Place:** New Delhi

**Ranjana Kapoor**

**DIN: 00479483**

## CERTIFICATION TO THE BOARD

To

**The Board of Directors  
Axis Rail India Limited**

*(Formerly known as Gupta Carpets International Limited)*

I, Ranjan Gupta, Director of the company hereby certify to the board that:

- a. I have reviewed financial statements and the cash flow statement for the fifteen months financial year ended 31<sup>st</sup> March 2012 and to the best of my knowledge and belief I am in a position to say that:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the company during the financial year which are fraudulent, illegal or violative of the company's code of conduct.
- c. I accept full responsibility for establishing and maintaining internal control for financial reporting and I have evaluated the effectiveness of internal control system in the Company pertaining to financial reporting and state that there is no deficiency in design and operation of the internal control system.
- d. I have intimated the auditors and the audit committee
  - i. that no changes took place in the internal control over financial reporting during the financial year ending 31<sup>st</sup> March 2012.
  - ii. that no changes in the accounting policies have been made during the financial year.
  - iii. there were no frauds committed in the company in which the management was involved.

**Ranjan Kapoor**  
**DIN: 00479483**

**Date:** 3<sup>rd</sup> September, 2012  
**Place:** New Delhi

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**DECLARATION BY CHAIRMAN CUM DIRECTOR FOR COMPLIANCE WITH  
CODE OF CONDUCT**

I hereby confirm that all the Board Members and Senior Management Personnel of the Company have affirmed their compliance of the '**Code of Conduct for Members of the Board and Senior Management**' for the period starting from 1st April 2011 to 31st March 2012 in terms of Clause 49(1)(D)(ii) of the Listing Agreement with the Stock Exchanges.



**Ranjan Kapoor**  
DIN: 00479483

**Date:** 3<sup>rd</sup> September, 2012

**Place:** New Delhi

:



REF.NO.SGA/CC CET-11/2011-2012

## Compliance Certificate

CIN: L17223PB1983PLC5555

Authorized Capital: Rs. 110,000,000/-

Paid up Capital: 4,39,01,500/-

To the Members of  
**Gupta Carpets International Limited**

We have examined the registers, records, books and papers of **Gupta Carpets International Limited** (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on March 31, 2012. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies during the period under consideration.
3. The Company has the minimum prescribed paid-up capital and its maximum number of members during the said financial year was 15,556.
4. The Board of Directors duly met 18 (Eighteen) times, during the year, on April 30, 2011, May 16, 2011, June 3, 2011, June 6, 2011, July 5, 2011, August 13, 2011, September 5, 2011, October 25, 2011, November 10, 2011, December 19, 2011, December 19, 2011, December 22, 2011, December 31, 2011, January 31, 2012, February 06, 2012, February 07, 2012, February 10, 2012, March 7, 2012 and in respect of these meetings proper notices were given and the proceedings were properly recorded in the Minutes Book maintained for this purpose.
5. The Company closed its Register of Members and/or debenture holders from September 29, 2011 to September 30, 2011, and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on March 31, 2011 was held on September 30, 2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting of the Company was held during the year ended March 31, 2012.





# S. GROVER & ASSOCIATES

## Company Secretaries

8. The Company has not advanced any loan to its director and/or persons or firms or Companies referred in Section 295 of the Act thus not required to comply with the said provisions.
9. The Company has not entered into any contract falling within the purview of section 297 of the Act and not required to comply with said provisions.
10. The Company has made requisite entries in the register maintained under Section 301 of the Act for disclosure u/s 299(3) of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company was not required to obtain any approvals from the Board of Directors, members or the Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company certified that it has
  - i. Delivered all the certificates on the lodgement thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
  - ii. has not declared any dividend thus need to comply with the provisions of depositing the dividend amount in a separate bank account did not arise.
  - iii. was not required to comply with the provisions of issuing warrant as no dividend has been declared.
  - iv. has not transferred any money to the unpaid or unclaimed dividend account as no dividend has been declared.
  - v. has duly complied with the requirements of Section 217 of the Act
14. The Board of Directors of the Company is duly constituted and the appointment of Mr. R K Batra Mr. D N Chaturvedi, and Mr. Ranjan Kapoor as additional directors have been made during the financial year 2011-2012.
15. The Company was not required to comply with the requirements of Section 269 of the Act with regard to appointment of Managing Director/ Whole-time Director/ Manager are not applicable.
16. The Company has not appointed any sole-selling agent during the financial year.
17. The Company has not obtained any approval of Registrar of Companies/ Central Government/Regional Director during the financial year.
18. The Directors have disclosed their interest in any other firms/companies to the Board of Directors u/s 299 of the Act.
19. The Company has not issued any shares/securities during the financial year.
20. The Company has not bought back any shares during the financial year.

Compliance Certificate 2011-2012 Gupta Carpets International Ltd  
E-173, Lower Ground Floor, Kalkaji, New Delhi 110019  
Email: [groversanjay13@gmail.com](mailto:groversanjay13@gmail.com) M: 9891027839, TEL/FAX- 011-41315790





**S. GROVER & ASSOCIATES**  
Company Secretaries

21. There was no preference shares issued during the financial year, so this clause is not applicable.
22. There was no transaction necessitating the company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited/ accepted any deposits including any unsecured loans falling within the purview of section 58A of the Act, during the financial year.
24. The amount borrowed by the Company from directors, members, public, financial institutions, bank and others during the financial year ended March 31, 2012 is within the permissible limits of the Company.
25. As per information given to us, the Company has not made any loans or given guarantee or provided any securities to other body corporate and thus not required to comply with the relevant provisions of the Act.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during financial year.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the financial year.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the financial year.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the financial year.
30. The Company has not altered its Articles of Association during the financial year.
31. There was nothing on record to suggest that any prosecution initiated against or show cause notice received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the year.
33. As per information and explanation given to us, provisions of Section 418 of the Act is not applicable to company.

For S. Grover & Associates  
  
(Company Secretaries)

Place: New Delhi

Date: 3<sup>rd</sup> September 2012

Compliance Certificate 2011-2012 Gupta Carpets International Ltd  
E-173, Lower Ground Floor, Kalkaji, New Delhi 110019  
Email: [groversanjay13@gmail.com](mailto:groversanjay13@gmail.com) M: 9891027839, TELFAX: 011-41315790

**Annexure A**

Registers as maintained by the Company: -

1. Register of Members under section 150 of the Act;
2. Minutes Book of the Board Meetings;
3. Minutes Books of the General Meetings;
4. Books of Accounts under section 209 of the Act;
5. Register of Directors, Managing Director, Manager and Secretary under section 303 of the Act;
6. Register of Directors' shareholding under section 307 of the Act;
7. Register of contracts u/s 301 of the act;



**Annexure B**

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ending on March 31, 2012

Sr. No.	Form no./ Return	Filed under sec.	For	Date of filing	Whether filed within prescribed time
1.	Form 23B (for the period 1.04.2010 to 31.03.2011)	224	Intimation for appointment of statutory auditors	27/02/2012	Yes
2.	Form 23B (for the period 1.04.2011 to 31.03.2012)	224	Intimation for appointment of statutory auditors	29/11/2011	Yes
3.	Form 32	303(2)	Changes among Directors	17/06/2011	Yes
4.	Form 32	303(2)	Changes among Directors	11/01/2012	Yes
5.	Form 32	303(2)	Changes among Directors	17/02/2012	Yes
6.	Form 32	303(2)	Changes among Directors	21/02/2012	Yes
7.	Form 23AC XBRL and 23ACA XBRL	220	Filing of Annual Report of the Company	29/12/2011	Yes
8.	Form 66	383A	Submission of Compliance Certificate	11/11/2011	Yes
9.	Form 20B	159 and Schedule V	Filing Annual Return by the Company	29/11/2011	Yes





Ref. No.: 73 / 2012 / 03.09.2012

**CERTIFICATE ON CORPORATE GOVERNENCE**

To

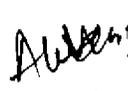
**The Board of Directors**  
**Axis Rail India Limited**  
*(Formerly known as Gupta Carpets International Limited)*

We/I have examined the compliance of conditions of Corporate Governance by Axis Rail India Limited (formerly known as Gupta Carpets International Limited) for the year ended 31<sup>st</sup> March 2012 as stipulated by Clause 49 of Listing agreement of the Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the provisions relating to Corporate Governance. It is neither an audit nor an opinion on financial statements of the Company.

In our opinion and to the best of our information and according to explanations given to us, we certify that the Company has complied with all material aspects and conditions of Corporate Governance as stipulated in the Listing Agreement.

**For B. AGGARWAL & CO.**  
**CHARTERED ACCOUNTANTS**

  
(Alok Jain)  
M. No. 510960  
PARTNER



New Delhi, 3<sup>rd</sup> September, 2012



**AUDITOR'S REPORT**

To

The Members

Axis Rail India Limited

(Formerly known as Gupta Carpets International Ltd.),

1. We have audited the attached Balance Sheet of **AXIS RAIL INDIA LIMITED (Formerly known as Gupta Carpets International Ltd.)**, Hyderabad, as at 31<sup>ST</sup> March 2012, and also Profit & Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the accounting standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of Sub – Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a Statement in the matters specified in Paragraph 4 and 5 of the said order.
4. Further to our comments in the annexure referred to above, we report as under:
  - a) We have obtained all information and explanations, which to the best our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far appears from our examination of those books.
  - c) The Balance Sheet and Profit and Loss Account as dealt with by this report are in Agreement with the Books of Accounts.
  - d) In our opinion, the Balance Sheet and the Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in section 211(3c) of the Companies Act, 1956.
  - e) As informed to us and taken in record by Board, no Director of the Company is disqualified from being appointed as a Director under clause (g) of sub section (1) of Section 274 of the Companies Act, 1956



- f) In our opinion, to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon and give the information required by the Companies Act, 1956 in manner so required and give a true and fair view
- i. In case of Balance Sheet of the State of Affairs of the Company as on 31<sup>st</sup> March, 2012
  - ii. In case of Profit and Loss account of the Loss for the Year ended on that date.
  - iii. In the case of the Cash Flow Statement, of the Cash Flow for the year ended on that date

As per our Report of even date attached

For and on behalf of

**B. Aggarwal & Co.**

Chartered Accountants

FRN – 004706 N

  
Alok Jain

Partner

M. No. 510960



Place : New Delhi

Date : 03.09.2012

## ANNEXURE TO THE AUDITOR'S REPORT

Annexure referred to in paragraph 1 of our Report to the Shareholders of Axis Rail India Limited (Formerly known as Gupta Carpets International Ltd.) on the accounts for the year ended 31<sup>st</sup> March, 2012

**As required by the Companies (Auditor's Report) Order, 2003** issued by the central Government and on the basis of such checks of the Books and Records of the Company as we considered appropriate and the information and explanation given to us during the course of our Audit, we further state as under:

- (i) As the Company is not holding any fixed assets, therefore the provisions of this clause of the Order relating to Fixed Assets are not applicable to the Company
- (ii) As the Company is not operating, therefore the provisions of clause 4(ii) (a)/b)/(c) of the Order relating to Inventory verification are not applicable to the Company.
- (iii) The company has neither granted any loans or advances, secured or unsecured, from companies, firms or other Parties covered in the register maintained under section 301 of the Companies Act, 1956. As the Company has not granted any loans, secured or unsecured to parties listed in the register maintained under section 301 of the companies Act, 1956 the provisions of the clauses iii(b), iii(c) and iii (d) iii (e) iii (f) of Paragraph 4 of the Order are not applicable..
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control systems commensurate with the size of the company and the nature of its business, for the purchase of Inventory and fixed Assets and for the Sale of Goods and there is no major continuing failure to correct major weakness in internal control system.
- (v)
  - a) According to the information and explanation given to us, there was no contract or arrangement during the year needed to be entered in the register maintained under Section 301 of the Companies Act, 1956
  - b) The Company has not conducted transactions during the year in respect of the Party in pursuance of Contracts or arrangement entered in register maintained under section 301 of the Companies Act, 1956.
- (vi) The company has not accepted any deposit from the public during the year, hence provision of Section 58A and 58AA or any other relevant provision of the companies Act, 1956 and the rules framed there under do not apply.
- (vii) In our opinion internal control procedures commensurate with the size of the company and the nature of its business although no separate internal audit department is functioning.
- (viii) As explained to us and as far as we are aware, the central government has not prescribed maintenance of cost records u/s 209(1)(d) of the Companies Act, 1956 *in respect of the activities carried on by the Company.*



- (ix) a) According to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including Income tax, Service Tax and any other statutory dues as applicable with appropriate authorities. There were no dues on account of cess under section 441A of the Companies Act, 1956 since the Central Government has not notified the date of the commencement of the Section.
- (b) According to the information and explanations given to us, at the year end, there are no undisputed dues payable for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty and Excise Duty, as applicable which have not been deposited on account of any dispute.
- (x) ***Accumulated Losses at the end of the immediately preceding financial year have exceeded the net worth of the company. Further the company has also incurred cash losses during the financial year covered by our audit and as well in the immediately preceding financial year.***
- (xi) According to the information and explanation given to us and records produced to us, the company has not granted loans and advances on the Basis of Security by way of pledge of shares, debentures and other securities.
- (xii) According to the information and explanation given to us, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the companies (Auditor's Report) order, 2003 are not applicable to the company.
- (xiii) According to the information and explanation given to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the companies ( Auditor's Report) order, 2003 are not applicable to the company
- (xiv) According to the information and explanation given to us, the terms and conditions on which the company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the company.
- (xv) According to the information and explanation given to us, the company has not applied for or raised any term loan during the year.
- (xvi) The company has not raised any funds during the year.
- (xvii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of Act.
- (xviii) Company has not issued any debentures. Therefore provisions of clause 4(xix) of



the companies (Auditor's Report) order, 2003 are not applicable to the company.

- (xix) The company has not made any public issue during the year.
- (xx) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

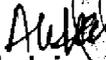
As per our Report of even date attached

For and on behalf of

**B. Aggarwal & Co.**

Chartered Accountants

FRN – 004706 N

  
**Alok Jain**

**Partner**

**M. No. 510960**



Place : New Delhi

Date : 03.09.2012

Axis Rail India Ltd. (Formerly known as Gupta Carpets International Ltd.)  
Balance Sheet as at 31.03.2012

( Fig in ` )

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
		31.03.2012	31.03.2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) <u>Share capital</u>	1	43,901,500.00	43,901,500.00
(b) <u>Reserves and surplus</u>	2	-55,547,579.14	-91,180,969.14
(c) Money received against share warrants		-	-
<b>2 Share application money pending allotment</b>		-	-
<b>3 Non-current liabilities</b>			
(a) <u>Long-term borrowings</u>	3	5,000,000.00	-
(b) <u>Deferred tax liabilities (Net)</u>		-	-
(c) <u>Other Long term liabilities</u>		-	-
(d) <u>Long-term provisions</u>		-	-
<b>4 Current liabilities</b>			
<u>Other current liabilities</u>	4	6,648,138.01	47,286,567.01
<u>Short-term provisions</u>		-	-
<b>TOTAL</b>		<b>2,058.87</b>	<b>7,097.87</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>1 (a) <u>Fixed assets</u></b>			
(b) <u>Non-current investments</u>		-	-
(c) <u>Deferred tax assets (net)</u>		-	-
(d) <u>Long-term loans and advances</u>		-	-
(e) <u>Other non-current assets</u>		-	-
<b>2 Current assets</b>			
(a) <u>Current investments</u>		-	-
(b) <u>Inventories</u>		-	-
(c) <u>Trade receivables</u>		-	-
(d) <u>Cash and cash equivalents</u>	5	2,058.87	7,097.87
(e) <u>Short-term loans and advances</u>		-	-
(f) <u>Other current assets</u>		-	-
<b>TOTAL</b>		<b>2,058.87</b>	<b>7,097.87</b>
		0.00	0.00

As per our Report of even date

For and on behalf of

**B. Aggarwal & Co.**

Chartered Accountants

FRN/004706 N

  
Alok Jain  
Partner

M.No. 510960

Place: New Delhi

Date: 03.09.12

For and on behalf of the Board

  
R. K. Batra  
Director

  
Ranjan Kapoor  
Director

Axis Rail India Ltd. (Formerly known as Gupta Carpets International Ltd.)  
Profit and loss statement for the year ended 31.03.2012

(Fig in `)

Particulars	Refer Note No.	Figures for the current reporting period	Figures for the previous reporting period
I. Revenue From Operations			
<u>In respect of a company other than a finance company:</u>			
Sale of services		-	-
II. Other income		-	-
III. Total Revenue (I + II)		-	-
IV. Expenses:			
Employee benefits expense		-	-
Finance costs	6	2,039.00	1,185.00
Depreciation and amortization expense		-	-
Other expenses	7	1,375,832.00	144,925.00
Total expenses		1,377,871.00	146,110.00
V. Profit before exceptional and extraordinary items and tax (III-IV)		-1,377,871.00	-146,110.00
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		-1,377,871.00	-146,110.00
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		-1,377,871.00	-146,110.00
X Tax expense:		-	-
(1) Current tax		-	-
(2) Deferred tax		-	-
XI Profit (Loss) for the period from continuing operations (IX - X)		-1,377,871.00	-146,110.00
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV Profit (Loss) for the period (XI + XIV)		-1,377,871.00	-146,110.00
XVI Earnings per equity share:			
(1) Basic		-0.314	-0.0333
(2) Diluted		-0.314	-0.0333

As per our Report of even date

For and on behalf of

B. Aggarwal & Co.

Chartered Accountants

FRN- 004706 N.

Alok Jain  
Partner

M.No. 510960

Place: New Delhi

Date 03.09.12

For and on behalf of the Board

R. K. Bhat  
R. K. Bhat  
Director

Ranjan Kapoor  
Ranjan Kapoor  
Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2012**

Sr. No.	Particulars	31.03.2012	31.03.2011
A	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net profit/(Loss) before tax & extraordinary items	(1,377,871.00)	(146,110.00)
	Depreciation	-	-
	Adjustment for :		
	Profit/Loss on Sale of Fixed Assets	-	-
	Adjustment for diminution in Investments	-	-
	Sale / Adjustment of Fixed Assets	-	-
	Operating Profit before working Capital Changes	(1,377,871.00)	(146,110.00)
	Adjustment for		
	Current Assets	-	609,574.00
	Current Liabilities	1,372,832.00	(483,046.00)
	Cash Generated from operations	1,372,832.00	126,528.00
	Net Cash Generated from operating Activities	(5,039.00)	(19,582.00)
B	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Sale / (Decrease) in Investments	-	-
	Sale / Adjustments in Fixed Assets	-	-
	Net Cash used in Investing Activities		
C	<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
	Net Increase / Decrease in Cash and Cash Equivalents	(5,039.00)	(19,582.00)
	Cash and Cash Equivalent at the beginning of the Year	7,097.87	26,679.87
	Cash and Cash Equivalent at the Close of the Year	2,058.87	7,097.87

For and on Behalf of The Board

**Ranjan Kapoor**     **R. K. Batra**  
Director                     Director

**AUDITORS' CERTIFICATE**

We have examined the attached cash flow statement of M/S Axis Rail India Limited (formerly known as Gupta Carpet International Limited) for the year ended 31.03.2012.

The statement has been prepared by the Company in accordance with the requirements of Clause 32 of Listing agreements with various stock exchanges and is based on and is in agreement with the corresponding Balance Sheet of the Company covered by our report dated 03.09.2012 to the members of the company.

Place New Delhi  
Dated : 03.09.2012

For and on behalf of  
**B. Aggarwal & Co.**  
Chartered Accountants  
FRN- 004706 N

  
**Alok Jain**  
Partner  
M.No. 510960

**Note No. 1 : Share capital**

Share Capital	As at 31 March 2012		As at 31 March 2011	
	Number	Amount (In `)	Number	Amount (In `)
<b>Authorised</b>				
Equity Shares of ` 10 each	10,900,000.00	109,000,000.00	10,900,000.00	109,000,000.00
6% Redeemable Non Commulative Preference Shares of ` 100 each	5,000.00	500,000.00	5,000.00	500,000.00
6% Irredeemable Non Commulative Preference Shares of ` 100 each	5,000.00	500,000.00	5,000.00	500,000.00
<b>Total</b>		110,000,000.00		110,000,000.00
<b>Issued</b>				
Equity Shares of ` 10 each	4,390,900.00	43,909,000.00	4,390,900.00	43,909,000.00
<b>Subscribed &amp; fully Paid up</b>				
Equity Shares of ` 10 each fully paid	4,390,900.00	43,909,000.00	4,390,900.00	43,909,000.00
Less : Unpaid Call		7,500.00		7,500.00
<b>Total</b>	4,390,900.00	43,901,500.00	4,390,900.00	43,901,500.00

1a

**Terms/rights attached to equity shares**

The company has only one class of equity shares having a par value of ` 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

1b.

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Equity Shares			
	As at 31 March 2012		As at 31 March 2011	
	Number	Amount (In `)	Number	Amount (In `)
Shares outstanding at the beginning of the year	4,390,900.00	43,909,000.00	4,390,900.00	43,909,000.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	4,390,900.00	43,909,000.00	4,390,900.00	43,909,000.00





**Note No. 2 : Reserve & Surplus**

Disclosure pursuant to Note no. 6(B) of Part I of Schedule VI to the Companies Act, 1956

<u>Reserves &amp; Surplus</u>	As at 31 March 2012	As at 31 March 2011
<b>Capital Reserves</b>		
Opening Balance	-	-
(+) Current Year Transfer	37,011,261.00	-
(-) Written Back in Current Year	-	-
Closing Balance	37,011,261.00	-
<b>Reserve &amp; Surplus - Deficit</b>		
Opening balance	(91,180,969.14)	(91,034,859.14)
(+) Net Profit/(Net Loss) For the current year	(1,377,871.00)	(146,110.00)
	-	-
Closing Balance	(92,558,840.14)	(91,180,969.14)
<b>Total</b>	<b>(55,547,579.14)</b>	<b>(91,180,969.14)</b>

**Note No. 3 : Long-term borrowings**

<u>Long-term borrowings</u>	As at 31 March 2012	As at 31 March 2011
<b>Unsecured</b>		
Aspiring Equity Services Private Limited (Advance Received For Settlement of Bank Dues)	5,000,000.00	-
<b>Total</b>	<b>5,000,000.00</b>	<b>-</b>



**Note No. 4 : Other Current Liabilities**

Disclosure pursuant to Note no. 6(G) of Part I of Schedule VI to the Companies Act, 1956

<u>Other Current Liabilities</u>	As at 31 March 2012	As at 31 March 2011
(a) Current maturities of long-term debt		42,011,261.00
(j) Other payables		
- Opening O/s	3,373,455.01	3,373,455.01
- Directors Opening O/s	1,901,851.00	1,901,851.00
- Expenses Payable	1,372,832.00	
- Leave Salary Payable		
- Sundry Creditors		
- Statutory Dues		
<b>Total</b>	<b>6,648,138.01</b>	<b>47,286,567.01</b>

**Note No. 5 : Cash and cash equivalents**

<b>Cash and cash equivalents</b>	As at 31 March 2012	As at 31 March 2011
Cash and cash equivalents shall be classified as:		
Balances with banks	1,352.87	1,891.87
Cash on hand	706.00	5,206.00
<b>Total</b>	<b>2,058.87</b>	<b>7,097.87</b>

**Note No. 6 : Finance Cost**

<b>Finance Costs</b>	For the year ended 31 March 2012	For the year ended 31 March 2011
Bank Charges	2039	1185
<b>Total</b>	<b>2,039.00</b>	<b>1,185.00</b>



Note No. 7 : Other Expenses

Other Expenses	For the year ended	For the year
	31 March 2012	ended 31 March 2011
Legal & Professional Expenditure	35,407.00	18,125.00
Conveyance Expenses	747.00	
Printing, Stationary, Postage & Telephone Expenditure	1,329,201.00	111,800.00
Office / General Expenses	3,477.00	5,000.00
Payment to Auditor	7,000.00	10,000.00
Total	1,375,832.00	144,925.00

For and on behalf of the Board

R. K. Batra  
Director

Ranjan Kapoor  
Director



**FINANCIAL NOTE NO. 13**  
**ACCOUNTING POLICIES & NOTES ON ACCOUNTS**

Accounting Policies:

- a) The financial statements have been prepared to comply in all material respects with the accounting standards notified by Companies (Accounting Standard) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The accounts of the Company are prepared under the Historical Cost Convention and in accordance with applicable accounting Standards except otherwise Stated. Though the accumulated losses of the Company are in excess of the Paid up Capital, the Company does not have intention to suspend the operational activities. Therefore, the accounts are being prepared on 'going concern basis' and Accounting Standards of Materiality and Prudence has been taken into consideration in preparing the accounts.
- b) Inventory Valuation:  
i Raw Materials, Consumable, Stores & Spares at cost price.  
ii Finished Goods at cost of production or at realizable value by applying accepted cost methods.
- c) Fixed Assets:  
Fixed Assets are valued at cost less accumulated depreciation. The cost of the asset comprises its purchase price and any directly attributable cost of bringing the assets into working condition for its intended use
- d) Depreciation:  
Depreciation on fixed assets is being provided on the fixed assets on straight line method at the rates prescribed under schedule XIV of the Companies Act, 1956. In view of NIL depreciable Assets as on 31.03.2012 no depreciation for the period stood provided.
- e) Revenue Recognition:  
The revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
- f) Retirements and other Employee Benefits :  
The company does not have any employee / staff during the year.
- g) Earning Per Share  
Basic earning per share has been calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.  
For calculating the diluted earning per share the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted to the effect of all dilutive potential equity shares.



2. Contingent Liabilities not provided for : NIL (NIL)
3. In the Current Financial year i.e. 2012-13, the name of the Company has been changed from M/s Gupta Carpets International Limited to M/s Axis Rail India Limited and the main objects of the Memorandum of Association of the Company has been altered to include the new line of business i.e. Rail Infra Projects.
4. *There are no separate reportable segments under Accounting Standard -17 – “Segment Reporting”.*
5. The company had been providing for the Sales tax liability as per the return filed with the Sales Tax Department. Additional Liability, if any, arising at the time of assessment, shall be provided at the time of arising of such liability. However, as per the information & explanations given to us, no sale or purchase was undertaken by the company during the year on which sales tax / vat laws are applicable.
6. Gratuity and other post Employment Benefit Plans(AS-15):  
According to the information and explanations given to us, the company did not employ any worker/ staff during the year under consideration & hence company is not at all required to make any provision for leave encashment, gratuity & other retirement benefits on actuarial basis as required under section 211(3A), 211(3B) AND 211(3C) of the Companies Act read with Accounting standards issued by the ICAI.
7. In terms of **Accounting Standard (AS 22)**, 'Accounting for Taxes on Income ', the Company had determined deferred tax asset as on 31.03.2012. However same has not been recognized in view of uncertainty of future taxable income.
8. *In view of the administrative and functional activities confirmation of Balances are obtained from all the debtors & creditors and also for loans and advances.*
9. ***The Unsecured loan of bank of Maharashtra is settled in OTS (One Time Settlement) Scheme by payment as evidenced by No Due Certificate issued by Bank vide letter dated 19.09.2011.***
10. During the year under review, the Company has been taken over by Mr. Ajaz Farooqi, new promoter of the Company, pursuant to SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.





15. Additional Information pursuant to provisions of Part II of Schedule VI OF THE COMPANIES ACT, 1956.

Year Ended  
31/03/2012

- a) Licensed Capacity. (Tons) Nil\*
- b) Installed Capacity. (Tons) Nil\*
- c) Actual Production Nil\*
- d) Particulars in respect of Production Purchases, Sales and Stocks of Raw Material and Finished Goods:

\* as certified by management

('000 omitted in values)

Class of Goods	Opening Stock		Purchases		Sales		Closing Stocks	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Finished Cloth (Mts)								
2011	--	--	--	--	--	--	--	--
2010	--	--	--	--	--	--	--	--

\* Figures provided by the Company and certified by the Directors.

- g Value of Import on CIF Basis. (Rs.)
- |                |     |     |
|----------------|-----|-----|
| Capital Goods. | NIL | NIL |
| Raw Materials. | NIL | NIL |
- h Expenditure in Foreign Currency (in US\$) Nil NIL
- i) Earnings in Foreign Currency. Nil NIL
- j) Value of Raw Material Consumed Imported. Nil NIL

\* Previous Year Figures are given in brackets.

16. With effect from August 23, 2012, the Register Office of the Company gets shifted from the State of Punjab to the State of Andhra Pradesh.



17. On July 18, 2012, the Company has made allotment of 33,00,000 Fully Convertible Warrants to the person belonging to non-promoter category at an exercise price of Rs. 10/- each convertible into equal number of equity shares within a period of 18 months.
18. The allotment was made with the objective of meeting working capital requirements for the new line of business

As per our Report of even date attached

For and on behalf of

**B. Aggarwal & Co.**

Chartered Accountants

FRN – 004706 N

Alok Jain

Partner

M. No. 510960



For and on behalf of Board

**Ranjan Kapoor**  
Director

**R. K. Batra**  
Director

Place : New Delhi

Date : 03.09.2012