AXIS RAIL India Ltd
(Merged entity of KVR Rail Infra Projects Pvt. Ltd.)

Corporate office
Axis House
12-5-34-35/1, Vijaypuri
South Lallaguda
Secunderabad – 500 017.
Telangana, INDIA.

+91 40 27017617
+91 40 27000499
+91 40 27017660
+91 40 27001295
mail@axisrail.in
axisrail@gmail.com

30th September, 2017

The General Manager
Corporate Relationship Department
The BSE Limited
P. J. Towers,
Dalal Street, Fort
Mumbai- 400 001

Subject: Annual report of Axis Rail India Limited

In terms of Regulation 34(1) of SEBI Listing Regulations, 2015, we wish to submit copy of Annual Report for the FY 2016-17 for your records.

You are requested to kindly acknowledge the receipt of the same.

Thanking You,

Yours faithfully,

For & on behalf of the board
Axis Rail India Limited
(Formerly known as Gupta Carpets International Limited)

Ranjan Kapoor
(Whole Time Director)
DIN: 00479483
R/o: 82-C, MIG Flats, Rajouri Garden,
New Delhi- 110027

34th
ANNUAL REPORT
2016-2017

AXIS RAIL INDIA LIMITED

CIN: L45200AP1983PLC082576

Regd. Office :12-5-34 & 35/1, Vijapuri, South Lalaguda,
Secunderabad, Andhara Pradesh - 500017

CORPORATE INFORMATION

BOARD OF DIRECTORS

MR. RANJAN KAPOOR
MS. MANIZA KHAN
MR. AMIT BANSAL
MR. VENKATA PURUSHOTAMA RAO KOPPOLU
MR. SHAMIM AHMED QURESHI
MR. TAMADA SRINIVAS REDDY
MR. PAGA VENU GOPAL REDDY

COMPANY SECRETARY

Ms. CHANCHAL CHOUDHARY

REGISTRAR

BEETAL FINANCIAL AND COMPUTER SERVICES PRIVATE LIMITED
Beetal House, 3rd Floor, 99 Madangir,
Behind Local Shopping Centre,
Near Dada HarsukhdasMandir,
New Delhi- 110062

REGISTERED OFFICE

12-5-34 & 35/1, Vijapuri, South Lalaguda,
Secunderabad, Andhara Pradesh - 500017

CIN: L45200AP1983PLC082576

AUDITORS

M/S. B AGGARWAL & COMPANY
CHARTERED ACCOUNTANTS
8/19, GF, SMILE CHAMBER, WEA,
KAROL BAGH, NEW DELHI-110005

PRINCIPAL BANKERS

STATE BANK OF INDIA,
KAROL BAGH

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NOTICE

NOTICE is hereby given that 34th Annual General Meeting of the shareholders of M/s AXIS RAIL INDIA LIMITED will be held on FRIDAY, the 29th day of September, 2017 at 02.00 P.M. at the registered office of the Company 12-5-34 & 35/1, Vijapuri, South Lalaguda, Secunderabad, Rangaareddi, Andhra Pradesh- 500017, to transact the following businesses:

ORDINARY BUSINESS:

1. **ADOPTION OF FINANCIAL STATEMENTS, DIRECTORS AND AUDITORS REPORTS:**
   To receive, consider and adopt the Audited Financial Statement for the financial year ended 31st March 2017 and the Reports of the Board of Directors and Auditor's thereon.

2. **RATIFICATION OF APPOINTMENT OF AUDITORS:**
   To appoint Auditors and to fix their remuneration and for this purpose to consider and, if thought fit, to pass the following resolution with or without modification(s) as an ordinary resolution:

   "RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of theCompanies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) read with Companies (Audit & Auditors) Rules, 2014,the retiring Auditors M/s B Aggarwal & Company, Chartered Accountants, 8/19, GF, Smile Chambers, WEA, Karol Bagh, New Delhi- 110005 (Firm Regn. No. 004706N) be and are hereby ratified to be appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting of the Company for the Financial year 2018-2019 on a remuneration plus Service tax as applicable, to be fixed by the Board of Directors of the Company."

   "RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions of theCompanies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of M/s 8/19, GF, Smile Chambers, WEA, Karol Bagh, New Delhi- 110005 (Firm Regn. No. 004706N), as the Statutory Auditor of the Company for FY 2016-17 be and is hereby ratified and M/s B Aggarwal & Company, Chartered Accountants shall hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held for the Financial Year 2018-2019 on a remuneration plus Service tax as applicable, to be fixed by the Board of Directors of the Company"

   SPECIAL BUSINESS:

3. **TO APPOINTMENT MR. TAMADA SRINIVAS REDDY AS A INDEPENDENT DIRECTOR OF THE COMPANY**
   To consider and if thought fit, to pass with or without modification/s the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) ("the Act") and the applicable provisions of the Listing Agreement, **Mr. Tamada Srinivas Reddy, (DIN: 07736318)** Director of the Company who was appointed as a Additional Director on 27/02/2017, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to five consecutive years from the date of coming into effect of this resolution and not liable to retire by rotation."

   FURTHER RESOLVED THAT THAT for the purpose of giving effect to this resolution, Mr. Ranjan Kapoor, Director of the Company be and is hereby authorised, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution.

4. **TO ALTER OBJECT CLAUSE OF THE COMPANY**
   To consider and if thought fit, to pass with or without modification/s the following resolution as an Special Resolution

RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules framed there under, consent of the shareholders of the Company be and is hereby accorded, subject to the approval of the Registrar of Companies, NCT of Delhi & Haryana, to append following sub clause (4) after sub clause (3) of clause III (A) of the Memorandum of Association of Company:

(4) "To carry on the business of buying, selling, reselling, importing, exporting, transporting, storing, developing, promoting, marketing or supplying, , dealing in any manner whatsoever in all type of goods on retail as well as on wholesale basis in India or elsewhere and to do civil, mechanical, electrical, instrumentation, insulations, industrial works of construction and installation testing and inspection; to build, rebuild, demolish, dismantle, pull down, restore, repair, reconstruct, develop, maintain, alter buildings, workshops, factories, pipelines, embarkments motor or railway or other roads, airports, air strips, flats, factories, roads, yards, wharves, docks, piers, railways, tramways, waterways, bridges, mills, engines, machinery plants, ships, vessels, tanks, markets, drainage, sewage work, electrical works, gas works , trading in all kinds of Railway construction materials, civil construction materials, Rails, electrical and electronic products required for execution of Railway and Civil turnkey projects works of all varieties and descriptions

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, any of the Director of the Company be and is hereby authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form with the Registrar of Companies, NCT of Delhi and Haryana."

5. CHANGE OF NAME OF THE COMPANY

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

"RESOLVED THAT pursuant to Section 13(2) of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Incorporation) Rules, 2014, subject to approval of the Central Government (power delegated to Registrar of Companies) and any other Regulatory Authorities as may be necessary, consent of the members be and is hereby accorded to change the name of the Company from "**AXIS RAIL INDIA LIMITED**" to "**K&R RAIL ENGINEERING LIMITED**" as approved by the Central Government, Registrar of Companies.

FURTHER RESOLVED THAT the Name Clause being Clause I in the Memorandum of Association of the Company be altered accordingly and substituted by the following clause:

1. The Name of the Company is "**K&R RAIL ENGINEERING LIMITED**"

FURTHER RESOLVED THAT in terms of Section 14 of the Companies Act, 2013 the Articles of Association of the Company be altered by deleting the existing name of the Company wherever appearing and substituting it with the new name of the Company."

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, any of the Director of the Company be and is hereby authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form with the Registrar of Companies, NCT of Delhi and Haryana."

Place: Secunderabad
Date: September 01, 2017

By order of the Board of Directors
FORAXIS RAIL INDIA LIMITED
SD/-
RANJAN KAPOOR
(WHOLE TIME DIRECTOR)
(DIN: 00479483)

NOTES:

(1) A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and to vote on a poll instead of himself and the proxy need not be a member of the company. The instrument appointing the proxy in form no. MGT 11 is attached herewith and, if intended to be used, it should be returned duly completed and signed at the registered office of the company not less than (48) forty eight hours before the scheduled time of the commencement of 34th annual general meeting.

(2) A person can act as proxy on behalf of members not exceeding (50) fifty in number and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. However, a member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder

(3) Every member entitled to vote at the meeting, or on any resolution to be moved there at, shall be entitled during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days notice in writing of the intention so to inspect is given to the company.

(4) **A**. Members holding shares in physical form are requested to notify/send the following to the Registrar & Transfer Agent (RTA) of the Company M/s BEETAL FINANCIAL & COMPUTER SERVICES PRIVATE LIMITED, Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada HarsukhdasMandir, New Delhi, Delhi 110062 (INDIA) Ph No. : 011 2996 1281:-

a. their bank account details in order to receive payment of dividend, whenever declared, through electronic mode
b. their email id, in case the same have not been sent earlier, for the purpose of receiving the communication electronically
c. any change in their address/e-mail id/ECS mandate/ bank details
d. share certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholding into one account

B. Members holding shares in dematerialized form are requested to notify to their Depository Participant :-

a. their email id
b.. all changes with respect to their address, email id, ECS mandate and bank details.

(5) The Securities and Exchange Board of India has notified that the shareholders/ transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their Income Tax Permanent Account Number (PAN) card to the Company / RTA while transacting in the securities market including transfer, transmission or any other corporate action. Accordingly, all the shareholders/ transferees of shares (including joint holders) in physical form are requested to furnish a certified copy of their PAN Card to the Company/ RTA while transacting in the securities market including transfer, transmission or any other corporate action.

(6) In terms of notification issued by the Securities Exchange Board of India (SEBI), the shares of the Company are under compulsory Demat trading. Members holding shares in physical form are requested to convert their shares into dematerialized form in their own interest and convenience purpose

(7) In accordance with Section 20 of the Companies Act, 2013 service of documents on members by a company is allowed through electronic mode. Accordingly, as a part of Green Initiative, soft copy of the Annual Report 2016-17 is being sent to all the members whose email address (es) are registered with the Company/ Depository Participant(s) unless any member has requested for a hard copy of the same. Further, in accordance with Listing Agreement and Section 136 of the Companies Act, 2013 including Rule 10 of the Company (Accounts) Rules, 2014 the hard copies of Abridged Annual Report 2016-17 is being sent to all other members who have not registered their email address(es).

Members can also submit their form along with Attendance Slip at the Registration Counter at AGM. Members holding shares in dematerialized form are requested to register their email address with their Depository Participant only. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon receipt of request for the same, free of cost.

(8) In case any Member has any query relating to the Annual Accounts he/she is requested to send the same to Mr. Ranjan Kapoor(DIN:00479483) at the Registered Office of the Company at least 10 days before the date of AGM so as to enable the management to keep the information ready for replying at the meeting.

(9) All the documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days between 11.00 am to 1.00 pm up to the date of AGM. The Register of Directors and Key Managerial Personnel & their Shareholding and the Register of Contracts & Arrangements in which Directors are interested shall be open for inspection at the Annual General Meeting to any person having right to attend the meeting.

(10) Members holding shares in physical form and desirous of making a nomination or cancellation/ variation in nomination already made in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit to the RTA of the Company M/s Beetal Financial & Computer services Private Limited the prescribed Form SH.13 for nomination and Form SH.14 for cancellation/ variation as the case may be.

(11) Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from 23-09-2017 to 29-09-2017 (both days inclusive) for the purpose of AGM.

(12) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

(13) Members are advised to refer to the Shareholders Referencer provided in the Annual Report.

(14) (a) This Notice is being sent to all the members whose name appears as on 25-08-2017, in the register of members or beneficial owner as received from M/s Beetal Computer & Financial Services Private Limited, the Registrar and Transfer Agent of the Company.

(15) (b)The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on September 22, 2017, being the cut-off date. Members are eligible to cast vote electronically only if they are holding shares as on that date.

(16) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board resolution/power of attorney authorizing their representative(s) to attend and vote on their behalf at the Meeting.

(17) In terms of the provisions of Section 107 of the Companies Act, 2013, since the resolutions as set out in this Notice are being conducted through e-voting, the said resolutions will not be decided on a show of hands at the Meeting.

(18) Members holding shares in multiple folios in identical names or joint accounts in the same order of names are requested to consolidate their shareholdings into one folio.

(19) **E-VOTING:**

a. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI(New Listing Obligations & Disclosure Requirements) Regulations 2015, a member of the Company holding shares either in physical form or in dematerialized form may exercise his right to vote by electronic means in respect of the resolution(s) contained in this notice.

b. The Company is providing facility for voting by electronic means to its members to enable them to cast their votes through such voting. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide remote e-voting facility (i.e. the facility of casting votes by a member by using an electronic voting system from a place other than the venue of a general meeting).

c. The Company shall also provide facility for voting through Ballot or polling paper which shall be available at the meeting and members attending the meeting who have not already casted their vote by remote e-voting shall be able to exercise their right to vote at the meeting.
d. The members who have casted their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
e. The Board of Directors have delegated the power required to give effect to the AGM to Miss. Chanchal Choudhary(Company Secretary) and Mr. Ranjan Kapoor(Whole-Time Director) to do all acts, deeds, agreements etc including but not limited to appointment of scrutinizer
f. The cut-off date for the purpose of voting (including remote e-voting) is 22ND September, 2017
g. Members are requested to carefully read the instructions for remote e-voting before casting their vote.
h. The remote e-voting facility will be available during the following period after which the portal shall forthwith be blocked and shall not be available:

Commencement of remote e-voting	09:00 a.m. (IST) on September, 26, 2017
End of remote e voting	05:00 p.m. (IST) on September, 28, 2017

i. Any member, who have caste his/ her/ its vote through remote e-voting, may participate in the general meeting but shall not be allowed to vote at the AGM.
j. Persons who have acquired shares and became members of the Company after dispatch of the Notice of AGM but before the cut-off date of September 22ND 2017, may obtained their user ID and password for e-voting from the Company's Registrar and share transfer Agent or NSDL/CDSL.
k. The procedure and instructions for remote e-voting are as under:
   i. Log on to the e-voting website www.evotingindia.com.
   ii. Click on "Shareholders" tab.
   iii. Select "Axis Rail India Limited" from the drop down menu and click on "SUBMIT"
   iv. Enter your User ID - For CDSL: 16 digits beneficiary ID, , Members holding shares in Physical Formshould enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
v. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below

Fill up the following details in the appropriate boxes:

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the sequence number (available in the Address Label pasted in the cover and/ or in the e-mail sent to members) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name is Vasudevan with sequence number 1 then enter VA00000001 in the PAN field.

Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

vi. If you are already registered with CDSLfor e-voting, then you can use your existing User ID and Password for Login.

vii. If you are logging in for the first time, please follow the steps provided in this document.

viii. After entering these details appropriately, click on "SUBMIT" tab.

ix. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Set Password' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSLplatform.

x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi. Click on the Name of the Company i.e.Axis Rail India Limited.

xii. On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". Aconfirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote

xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xvii. If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code, click on Forgot Password & enter the details as prompted by the system.

xviii. Institutional shareholders (i.e. other than Individuals, HUF, NRI, etc.) are required to log on to www.evotingindia.com and register themselves as Corporate. A scanned copy of the Registration Form bearing the stamp and signature of the entity should be emailed to helpdesk.evoting@cdslindia.com. After receiving the login details, a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

xix. The facility for remote e-voting shall remain open from 9.00 AM on Tuesday the 26th September, 2017 to 5.00 PM on Thursday, the 28th September 2017. During this period, the members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, viz. Friday, the 22nd September, 2017, may opt for remote e-voting. In case you have any queries or issues regarding evoting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia. com.

xx. If any member has any problem/ query regarding e-voting then he may contact to the below person:

Name :Ranjan Kapoor
Designation : Whole Time Director
Address : 82- C , MIG Flats, Rajouri Garden, New Delhi-110027
E-mail id : axisrailindia@gmail.com
Phone No : 040-27000499

EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013 ('the Act").

Item No. 3

The Board of Directors of the Company had appointed Mr. TAMADA SRINIVAS REDDY (Din: 07736318), as an Independent Additional Director of the company at its meeting held on on 27/02/2017 pursuant to provisions of Section 161 of the Companies Act, 2013, who shall hold the office of Director up to the date of the ensuing Annual General Meeting.

The Company has received from Mr. TAMADA SRINIVAS REDDY, a consent in writing to act as Director in form DIR -2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section 2 of Section 164 of the Companies Act, 2013.

Mr. TAMADA SRINIVAS REDDY (Din: 07736318) has given a declaration stating that he meets the criteria of independence pursuant to section 149 of the Companies Act. In the opinion of the Board, Mr. TAMADA SRINIVAS REDDY fulfills the conditions specified in the Act and the rules made thereunder for appointment as Independent Director.

In compliance with the provisions of section 149,152 and 160 read with schedule IV to the Act, the members approval by way of ordinary resolution set out at item no. 3 is being sought for the appointment of Mr. TAMADA SRINIVAS REDDY as Independent Director of the Company.

Further, of Mr. TAMADA SRINIVAS REDDY being an Independent Director, shall not be liable to retire by rotation.

A brief profile of the Independent Director to be appointed is given below:

Mr. TAMADA SRINIVAS REDDY is a graduate having 7 years of Experience in devising marketing strategies for increasing company's market share, boosting top line sales and profitability. He is appointed as an Independent Director on the Board of Director of the Company for a period of 5 years subject to the approval of the shareholders at the ensuing annual general meeting of the Company .He has worked for for Nikon Electronics as Sr. Vice President for 4 years and also in Al Jeraisy CPPC as an Asst. Vice President for 3 years.

Item No.4

Your company intends to expand and diversify its present scope of operations and it is proposed to venture into new activities (as mentioned in resolution stated at Item No. 4 of the Notice)of which have good potential with respect to the future prospects of the company. The proposed alteration to the main of the memorandum of association shall enable the company to expand its activities and venture into new areas of business. The Board of Directors, at their meeting held on 01.09.2017 has approved the alteration of Memorandum of Association of the Company.

Item No.5

The Board of Directors of the Company in its meeting held on 31st July, 2017 decided to change the name of the Company from "**AXIS RAIL INDIA LIMITED**" to "**K&R RAIL ENGINEERING LIMITED**" because the name denotes the activity of the company and the Board considered the same as an auspicious name for the company. The Directors believe that the change in the name of the Company which is being undertaken as part of corporate rebranding would make the name of the Company simple, sharp and focused.

The name "**K&R RAIL ENGINEERING LIMITED**" has been duly approved and made available for changing the name by the Registrar of Companies, Delhi vide its name approval letter dated 9th August, 2017 which is valid for 60 days.

The proposed change of name will not affect any of the rights of the Company or of the shareholders/stakeholders of the Company. All existing share certificates bearing the current name of the Company will, after the change of name, continue to be valid for all purposes.

As per the provisions of Sections 13 of the Companies Act, 2014, approval of the shareholders is required to be accorded for changing the name of the Company & consequent alteration in the Memorandum of Association and Articles of Association by way of passing a Special Resolution. Hence, the resolution is put up for shareholders approval.

None of the directors, Key Managerial Personnel and their relatives is concerned or interested in the passing of the aforesaid resolution, except to the extent of their shareholding, if any.

Place: Secunderabad
Date: September 01, 2017

By order of the Board of Directors
FOR AXIS RAILINDIALIMITED
SD/-
RANJAN KAPOOR
(WHOLE TIME DIRECTOR)
(DIN: 00479483)

DIRECTOR'S REPORT

Dear Members,
Your Directors are pleased to present the Thirty Fourth Annual Report and the Company's audited financial statement for the financial year ended March 31, 2017.

FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2017 is summarized below:

(In Rupees)

PARTICULARS	**YEAR ENDED 31.03.2017**	**YEAR ENDED 31.03.2016**
Sales for the year	1,082,573,336	1,017,933,243
Other Income	16,006,875	10,587,822
Total Income	**1,098,580,211**	**1,028,521,065**
Profit before Financial Expenses, Preliminary expenses, Depreciation and Taxation	33,592,567	43,277,532
Less: Financial expenses	4,542,560	6,106,945
Operating profit before Preliminary expenses, Depreciation & Taxation	**29,050,007**	**37,170,587**
Less: Depreciation & Preliminary expenses written off	15,689,860	15,068,103
Profit before Taxation	**16,321,138**	**22,102,484**
Less : Provision for Taxation		
Current Tax	7,658,807	10,253,880
Earlier year Tax	(517,858)	(149,862)
Deferred Tax	(3,036,841)	(6,565,294)
Profit after Taxation	**12,217,030**	**18,563,760**

STATE OF COMPANY'S AFFAIRS/ BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/HIGHLIGHTS/OPERATIONS

Kindly refer to Management Discussion & Analysis and Corporate Governance Report which forms part of this report.

DIVIDEND:-

The Directors have decided to invest the earnings in the growth of business and for this reason, have decided to not to declare any Dividend for the year under review.

RESERVES:-

Your Directors propose to transfer the amount of Net Profit After Tax to General Reserve for the financial year ended March 31, 2017 as no dividend is declared during the year keeping in view the requirement to plough back the funds for internal growth of the company.

SHARE CAPITAL:-

The Capital Structure of the Company at the beginning of the Financial Year 2016-17 is as follows:

Particulars	**Amt.**
Authorised Share Capital	Rs. 310,000,000/-
Subscribed and Paid- up Share Capital	Rs. 25,793,500

During the year under review, the Board of Directors of the Company on June 30, 2016 has converted 33,00,000Fully Convertible Warrants ("Warrants") into equivalent number of Equity Shares of Rs. 10/- each and 99,00,000 7% Optionally Convertible Redeemable Preference Shares pursuant to Scheme of Amalgamation duly approved by Hon'ble High Court of Hyderabad.

Therefore, the Share Capital Structure as on 31st March, 2017 is as follows:

Particulars	**Amt.**
Authorised Share Capital	Rs. 310,000,000/-
Subscribed and Paid- up Share Capital	Rs. 157,793,550/-

The said shares are currently listed and traded on BSE Limited.

DIRECTORS:-

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Ranjan Kapoor, Whole-time Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment

In accordance with the provisions of Companies Act, 2013 The Board of Directors of the Company had appointed Mr. Tamada Srinivas Reddy as an Independent Additional Directors pursuant to provisions of Section 161 of the Companies Act, 2013, who shall hold the office of Director up to the date of the ensuing Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

The Company has in place a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the non-executive directors and executive directors.

On the basis of the Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors, feedback was obtained from all the Directors by way of a structured questionnaire for the evaluation of the Board, its Committees and the individual directors covering, inter-alia, various aspects of their performance including composition and skills, board dynamics, understanding of Company's operations, contribution at meetings and inter-personal skills. The responses received were evaluated by the Board.

KEYMANAGERIALPERSONNEL

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:

Sh. Ranjankapoor	Whole Time director
Miss. ChanchalChoudhary	Company Secretary
Mr. PAGA VENU GOPAL REDDY	CFO

MATERIALCHANGES AND COMMITMENTS

There are no material changes or commitments, effecting the Financial position of the Company happening between the end of the Financial Year of the Company and date of this Report.

CONSERVATION OF ENERGY, TECHNOLOGYABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

The requisite information has been given by way of an Annexure I to this Report

CHANGES HAPPENING DURING THE FINANCIALYEAR

Your Directors wish to inform that there have not been any changes during the Financial Year under review:

a. In the nature of Company's business

b. Generally in the class of business in which the Company has an interest Further, the Company has no Subsidiary and therefore information regarding any change in subsidiaries or in the nature of business carried on by them is not applicable to the Company.

BUSINESS RESPONSIBILITY REPORT

Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is not applicable to the Company.

POLICYON DIRECTORS APPOINTMENT AND POLICYON REMUNERATION

Pursuant to the requirement under Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the policy on appointment of Board members including criteria for determining qualifications, positive attributes, independence of a Director and the policy on remuneration of Directors, KMP and other employees is attached as Annexure II, which forms part of this report.

PARTICULARS OF REMUNERATION OF DIRECTORS/ KMP/EMPLOYEES

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there are no employees falling in the bracket as defined in Rule 5 (2) Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure III which forms part of this report.

NUMBER OF MEETINGS OF BOARD

During the year 2016-17, 14 (Fourteen) Board Meetings were held and 1 (One) Independent Directors meeting was held on 10.03.2017 as required under Schedule IV of Companies Act and as per Regulation 17 of the Listing Regulations, 2015. The dates on which the Board Meetings were held are 30-04-2016, 30-05-2016, 30-06-2016, 15-07-2016, 12-08-2016, 20-08-2016, 01-09-2016, 15-09-2016, 1-10-2016, 14-11-2016, 04-01-2017, 10-02-2017, 27-02-2017,08-03-2017.

STATUTORYAUDITORS & AUDITORS REPORT

M/s B Aggarwal & Company, Chartered Accountants, New Delhi, was appointed as Statutory Auditors of the Company in the last Annual General Meeting. Their appointment is hereby ratified and they hold the office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting of the Company for the Financial year 2018-2019.

The Company has obtained a Certificate from the Auditors under Rule 4 (1) of The Companies (Audit and Auditors) Rules, 2014. They have also issued a Certificate to the effect that they satisfy the criteria provided in Section 141 of the Companies Act, 2013.The Auditors have vide their letter dated August 31st, 2016 also confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India(ICAI) and holds a valid certificate issued by the Peer Review Board of the ICAI.The Auditors' Report being self-explanatory require no comments from the Directors. Further, there are no reservations, qualifications or adverse remarks in the Audit Report given by them in respect of the Financial Year 2016-17.

SECRETARIALAUDITORS AND THEIR REPORT

CS Vikas Bansal (ACS 42210), a Company Secretary in practice having **CP no. 15693**, was appointed as Secretarial Auditor of the Company for the financial year 2016-17 pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by him in the prescribed form MR- 3 is attached as Annexure IV and forms part of this report.

There are no qualifications or observations or other remarks of the Secretarial Auditors in the Report issued by them for the financial year 2016-17 which call for any explanation from the Board of Directors.

FRAUDS REPORTED BY AUDITORS

There are no frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government.

COST AUDIT

As per the Cost Audit Orders, Cost Audit is not applicable to the Company.

CONSOLIDATED FINANCIAL STATEMENTS

In terms of Rule 6 of Companies (Accounts) Rules, 2014, nothing contained in the said rule shall, subject to any other law or regulation, apply for the financial year commencing from the 1st day of April, 2016 and ending on the 31stMarch, 2017, in case of a company which does not have a subsidiary or subsidiaries but has one or more associate companies or joint ventures or both, for the consolidation of financial statement in respect of associate companies or joint ventures or both, as the case may be. As the Company does not have any Subsidiary, the accounts have not been consolidated for the FY 2016-17.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY.

According to Section 134(5)(e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the company 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.

The Company has a well placed, proper and adequate internal financial control system, commensurate with the size, scale and complexity of its operations. The scope and authority of the internal Audit function is well defined in the Organization. The internal financial control system ensures that all assets are safeguarded and protected and that the transactions are authorized, recorded and reported correctly. The Company's internal financial control system also comprises due compliances with Company`s policies and Standard Operating Procedures (SOPs) and audit and compliance by in-house Internal Audit Division, supplemented by Concurrent and Statutory Audit. The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms .Independence of the audit and compliance is ensured by regular supervision of the Audit Committee over Internal Audit. Significant audit observations and corrective actions suggested are presented to the Audit Committee of the Board.

DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT

The Company has in place comprehensive risk assessment and minimization procedures, which are reviewed by the Board periodically. During the year, as per the requirements of Listing Agreement with the Stock Exchanges, a Risk Management Committee was constituted by the Board of Directors with responsibility of preparation of Risk Management Policy, reviewing and monitoring the same on regular basis, to identify and review critical risks on regular basis, to update the Risk management on quarterly basis, to report key changes in critical risks to the Board on an ongoing basis, to report critical risks to Audit Committee in detail on yearly basis and such other functions as may be prescribed by the Board. The Committee holds quarterly meetings to review the critical risks identified. The risks faced by the Company and their minimization procedures are assessed categorically under the broad heads of High, Medium and Low risks. Further, the Company identifies risks, and control systems are instituted to ensure that the risks in each business process are mitigated. The Board provides oversight and reviews the Risk Management Policy on a regular basis. In the opinion of the Board there has been no identification of elements of risk that may threaten the existence of the Company.

SUBSIDIARIES/ASSOCIATES/JOINT VENTURES

The Company has no subsidiaries or Associates as defined in the Companies Act, 2013.

DEPOSITS

The Company has neither accepted nor renewed any deposits during the Financial Year 2016-17 in terms of Chapter V of the Companies Act, 2013. Information in this regard, therefore, is nil.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERNS STATUS AND COMPANY`S OPERATIONS IN FUTURE

The Company has not received any significant or material orders passed by any Regulatory Authority, Court or Tribunal which shall impact the going concern status and Company`s operations in future.

CODE OF CONDUCT

The Company continues to place emphasis on inclusive growth and has adopted a voluntary code of conduct for affirmative action.

AUDIT COMMITTEE

Your Directors wish to inform that in Compliance with Section 177 of the Companies Act,2013 and Regulation 18 Of SEBI Listing Regulation 2015, an audit committee has been duly constituted. The Audit Committee as on March 31, 2017 comprises of the following Independent Directors

Mrs. Maniza Khan	Independent Director, Chairman
Mr. Tamada Srinivas Reddy	Independent Director, Member
Mr. Shamim Ahmed Qureshi	Non executive Director, Member

Details of the Audit Committee have been separately given in the corporate governance report. Further, all recommendations of Audit Committee were accepted by the Board of Directors.

NOMINATION & REMUNERATION COMMITTEE, STAKEHOLDERS RELATIONSHIP COMMITTEE

In terms of Regulation 19 of SEBI Listing Regulation 2015 and pursuant to the provisions of Companies Act, 2013, the details pertaining to Nomination & Remuneration Committee. The Nomination & Remuneration Committee as on March 31, 2017 comprises of the following Directors:

Mrs. Maniza Khan	Independent Director, Chairman
Mr. Tamada Srinivas Reddy	Independent Director, Member
Mr. Shamim Ahmed Qureshi	Non executive Director, Member

The details of Remuneration Policy and the Committee are furnished in the Report on Corporate Governance, which is annexed herewith.

CORPORATE SOCIALRESPONSIBILITY(CSR)COMMITTEE

In terms of Section 135 of the Companies Act, 2013, the Company doesn't fall under the requirements of CSR. So there was no CSR Committee.

CHANGE IN CAPITAL STRUCTURE AND LISTING OF SHARES

During the year under review, the Board of Directors of the Company on June 30, 2016 has converted 33,00,000Fully Convertible Warrants ("Warrants") into equivalent number of Equity Shares of Rs. 10/- each and 99,00,000 7% Optionally Convertible Redeemable Preference Shares pursuant to Scheme of Amalgamation duly approved by Hon'ble High Court of Hyderabad.

Furthermore, The Company has received listing approval for 33,00,000 Equity Shares of Rs. 10/- each on December 09, 2016 and trading approval for the aforesaid shares on March 14, 2017.The Company has received listing approval for 99,00,000 Equity Shares of Rs. 10/- each on February 08, 2017and trading approval for the aforesaid shares on March 21, 2017.

EXTRACT OF ANNUALRETURN

The extract of Annual Return as on March 31st, 2017 in the prescribed Form No. MGT-9, pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014 is attached herewith as Annexure V and forms part of this Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OFTHE COMPANIES ACT, 2013

Pursuant to Section 134(3)(g) of the Companies Act, 2013 particulars of loans, guarantees or investments under Section 186 of the Act as at end of the Financial Year 2016-17 forms part of this report.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188(1) OF THE COMPANIES ACT, 2013

With reference to Section 134(3)(h) of the Companies Act, 2013, all contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year, were in the ordinary course of business and on an arm's length basis. Hence, provisions of Section 18 (1) are not applicable. However, as these transactions were in the ordinary course of business and on an arm's length basis, in the opinion of the Board these transactions are justified to be executed.

During the year, the Company had not entered into any contract or arrangement with related parties which could be considered 'material' according to the policy of the Company on Materiality of Related Party Transactions. Your attention is drawn to the Related Party disclosures set out in Note no. 32 of the Financial Statements

VIGILMECHANISM

The Company has established a Vigil Mechanism in terms of Section 177 (10) of the Companies Act, 2013 and also in terms of Regulation 22 of SEBI Listing Regulations, 2015 The detail of the Vigil Mechanism is given in the Corporate Governance Section, which is annexed herewith at ANNEXURE-VI the Vigil Mechanism cum Whistle Blower Policy is also available on the Company's website **www.axisrail.in**.

DIRECTOR'S RESPONSIBILITYSTATEMENT

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
d) the directors had prepared the annual accounts on a going concern basis;
e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INDUSTRIAL RELATIONSHIPS

Relations between the Management and the employees at all levels have been cordial and the Directors wish to express their appreciation for the cooperation and dedication of the employees of the Company.

COMPLIANCE

The company has devised proper systems to ensure compliance of all laws applicable to the company and the compliance reports issued by the Departmental Heads are placed before the Board every Quarter confirming compliance by the Company with all applicable Laws.

LISTING AND LISTING AGREEMENT

The equity shares of the company are listed at BSE with the sole intent of providing liquidity to the existing Shareholders

The company has already paid listing fees for the year 2017-2018 to BSE Limited.

DEMATERIALIZATION OF SHARES

As mentioned in Company's earlier Annual Reports, the Company's equity shares are in compulsory Demat mode in terms of SEBI Guidelines. This has been facilitated through arrangement with NSDL and CDSL. M/s Beetal Computer & Financial Services Private Limited is acting as the Registrar and Share Transfer Agents for this purpose and acts as common share agency in terms of SEBI Guidelines.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

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

FINANCIAL STATEMENTS

Full version of the Annual Report 2016-17 containing complete Balance Sheet, Statement of Profit & Loss, other statements and notes thereto, prepared as per the requirements of Schedule III to the Companies Act,

2013, Directors' Report (including Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report) are being sent via email to all shareholders who have provided their email address (es). To others, the Full version of the Annual Report is being sent by post. Full version of Annual Report 2016-17 is also available for inspection at the registered office of the Company during working hours up to the date of ensuing Annual General Meeting (AGM). It is also available at the Company`s websitewww.axisrailindia.com. Please note that you will be entitled to be furnished, free of cost, the full Annual Report 2016-17, upon receipt of written request from you, as a member of the Company.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2016-17. No. of Complaints received :**Nil**

No. of Complaints disposed off :**Nil**:

ACKNOWLEDGEMENT

The Directors sincerely acknowledge the trust and confidence that has been placed by the employees, shareholders and investors in the Company. The Directors are thabkful to all the employees and the officers of the Company, for their dedication, support and co-operation.

For & On Behalf of the Board **PLACE: SECUNDERABAD**

SD/- **Date: September 01, 2017**

(RANJAN KAPOOR)
WHOLE TIME DIRECTOR
(DIN 00479483)

ANNEXURE I TO THE DIRECTORS'REPORT:-

A. **Conservation of Energy:**
Though energy does not form a significant portion of the cost for the Company yet wherever possible and feasible, continuous efforts are being put for conservation of energy and minimize power cost. The Energy conservation measures include replacement of incandescent lights with low power consuming LRD lights, compact Fluorescent and IT Lights, replacement of old electrical units with new energy efficient units. Staff of the Company is regularly sensitized about conservation of power

B. Technology Absorption:
The Company continues to absorb and upgrade modern technologies in its operations and back end support functions like Accounts, Human Resource Management and Compliance functions.

C. **Foreign exchange earnings and outgo:**
There are no foreign currency dealing in the Company.

For & On Behalf of the Board **PLACE: SECUNDERABAD**

SD/- **Date: September 01, 2017**

(RANJAN KAPOOR)
WHOLE TIME DIRECTOR
(DIN 00479483)

ANNEXURE D- II TO THE DIRECTOR'S REPORT

NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

ROLE OF COMMITTEE

3.1 Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The Committee shall:

3.1.1 Formulate the criteria for determining qualifications, positive attributes and independence of a director.

3.1.2 Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.

3.1.3 Recommend to the Board, appointment and removal of Director, KMPand Senior Management Personnel.

3.2 Policy for appointment and removal of Director, KMP and Senior Management

3.2.1 Appointment criteria and qualifications

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level in line with the Business of the Company and recommend to the Board his / her appointment.

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

3.2.2 Term / Tenure

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2016 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

3.2.3 Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly) on the basis of following criteria:-

a. Criteria for evaluation of the Board of Directors as a whole:

i. The Frequency of Meetings.
ii. Quantum of Agenda
iii. Administration of Meetings
iv. Flow and quantity of Information from the Management to the Board
v. Number of Committees and their role.
vi. Overall performance of the Company

b. Criteria for evaluation of the Individual Directors;
i. Experience and ability to contribute to the decision making process
ii. Problem solving approach and guidance to the Management
iii. Attendance and Participation in the Meetings
iv. Personal competencies and contribution to strategy formulation
v. Contribution towards statutory compliances, monitoring of controls and Corporate Governance

3.2.4 Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

3.2.5 Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

6. MEMBERSHIP OF COMMITTEE

4.1 The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
4.2 Minimum two (2) members shall constitute a quorum for the Committee meetings.
4.3 Membership of the Committee shall be disclosed in the Annual Report
4.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

7. CHAIRPERSON

5.1 Chairperson of the Committee shall be an Independent Director
5.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee
5.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
5.4 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries

8. FREQUENCYOF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

9. COMMITTEE MEMBERS' INTERESTS

7.1 The disclosure of Interest and participation in the meetings by a member of the Committee shall be as per the provisions of the Act and Rules made thereunder from time to time.
7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee

10. VOTING

8.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

8.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote

11. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

For & On Behalf of the Board
SD/-
(RANJAN KAPOOR)
WHOLE TIME DIRECTOR
(DIN 00479483)

PLACE: SECUNDERABAD
Date: September 01, 2017

ANNEXURE III

POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

General:

a.) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

b.) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.

c.) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.

d.) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

1) Remuneration to Managing Director / Whole-time Directors:

a. The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

b. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c. Provisions for excess remuneration:
If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

2) Remuneration to Non- Executive / Independent Directors

a. The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

b. All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

c. An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participatein any share based payment schemes of the Company.

d. Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

i. The Services are rendered by such Director in his capacity as the professional; and

ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession

e. The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

3) Remuneration to Key Managerial Personnel and Senior Management:

a) The remuneration to Key Managerial Personnel and Senior Management shall be in compliance with the applicable provisions of the Companies Act, 2013 and in accordance with the Company's Policy

b) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.

c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

d) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

ANNEXURE IV

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR- 1st April, 2016 to 31st March, 2017
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Member,
AXIS RAIL INDIA LIMITED

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion , the Company has , during the audit period covering the financial year ended on March 31, 2017 complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained and provided by the Company for the financial year ended on March 31, 2017 according to the provisions of;

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956(SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder;
4. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India , 1992 (' SEBI Act');
   (a) The Securities and Exchange Board of India(Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines , 1999;
   (e) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993;
   (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

5. **Other Laws applicable to the Company** ;
   i. The Reserve Bank of India Act, 1934.
   ii. The Payment of Wages Act, 1936 and rules made thereunder.
   iii. The Minimum Wages Act, 1948 and rules made thereunder.
   iv. Employee State Insurance Act, 1948 and rules made thereunder.
   v. The Employee Provident Fund and Miscellaneous Provisions Act, 1952

vi. The Payment of Bonus Act, 1965
vii. The Payment of Gratuity Act, 1972
viii. Indian Contract Act, 1872
ix. The Maternity Benefits Act, 1961
x. The Apprentices Act, 1961.
xi. The Income Tax Act, 1961
xii. The Workmen's Compensation Act, 1923
xiii. Sexual Harassment of Women at work Place (Prevention, Prohibition & Redressal) Act, 2013
xiv. Prevention of MONAY LAUNDERING ACT, 2002 and the prevention of Money-Laundering (Amendment) Act 2012

I have also examined compliance with the applicable clause of the following;

I. The Secretarial Standards issue by the Institute of Company Secretaries of India.
II. The Listing Agreements entered into by the Company with Bombay Stock Exchange

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above.

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

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

All decision at Board Meetings and Committee Meetings are carried unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board.

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

BANSAL VIKAS & ASSOCIATES
(Company Secretaries)
SD/-
Vikas Bansal
(Proprietor)
M. No. : 42210
COP No. : 15693

Place: Delhi
Date: 03.08.2017

Note: This report is to be read with my letter of even date which is annexed as "ANNEXURE A" and forms an integral part if this report.

"ANNEXURE A"

To,
The Member,
AXIS RAIL INDIA LIMITED
My report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Where ever required, I have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.

5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

BANSAL VIKAS & ASSOCIATES
(Company Secretaries)
SD/-
Vikas Bansal
(Proprietor)
M. No. : 42210
COP No. : 15693

Place: Delhi
Date: 03.08.2017

ANNEXURE-V

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON 31.03.2017

[PURSUANT TO SECTION 92(3) OF THE COMPANIES ACT, 2013 AND RULE 12(1) OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014]

I. REGISTRATION AND OTHER DETAILS:

1	**CIN**	**L45200AP1983PLC082576**
2	RegistrationDate	30/08/1983
3	NameoftheCompany	AXIS RAIL INDIA LIMITED
4	Category/Sub-CategoryoftheCompany	Public Company limited by Shares
5	AddressoftheRegisteredofficeandcontactdetails	12-5-34 & 35/1 Vijapuri, South LalagudaSecunderabad AP 500017
6	Whetherlistedcompany	Yes
7	Name, Address and Contact details of Registrar and TransferAgent,if any	Beetal Computer & Financial Services Private Limited Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada HarsukhdasMandir, New Delhi, Delhi 110062, Ph: 011 2996 1281

PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing10%or more of the total Turnover of the Company shall be stated:-

Sr. No.	Name and Description of mainproducts/ services	NIC Code of the Product/ service	% to total turnover of the company
1	**Contract of Railway Tracks for Private Sectors**		**100**

PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	NameAnd AddressOf The Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section

			NOT APPLICABLE		

SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	**No.of Shares held at the beginning of the year (As on 1 April 2016)**				**No.of Shares held at the end of the year (As on 31 March 2017)**				**% change during The year**
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promoter									
(1) Indian									
a)Individual/ HUF		1026865	1026865	39.80		5113365	5113365	32.41	(7.39%)
b)Central Govt		-	-	0.00%		-	-	0.00%	0.00%
c)State Govt(s)		-	-	0.00%		-	-	0.00%	0.00%
d)Bodies Corp		890015	890015	34.49		6703515	6703515	42.48	7.99%
e)Banks / FI		-	-	0.00%		-	-	0.00%	0.00%
f)Any Other		-	-	0.00%		-	-	0.00%	0.00%
Sub-total(A)(1):-		1916880	1916880	74.29%		11816880	11816880	74.89%	0.6%
(2)Foreign									
a)NRIs-Individuals		-	-	0.00%		-	-	0.00%	0.00%

b)Other-Individuals		-	-	0.00%		-	-	0.00%	0.00%
c)Bodies Corp.		-	-	0.00%		-	-	0.00%	0.00%
Banks / FI		-	-	0.00%		-	-	0.00%	0.00%
d)Any Other....		-	-	0.00%		-	-	0.00%	0.00%
Sub-total(A)(2):-		-	-	0.00%		-	-	0.00%	0.00%
TOTAL (A)		1916880	1916880	74.29%		11816880	11816880	74.89%	0.6%
B.Public Shareholding									
1.Institutions									
a)Mutual Funds		-	-	0.00%		-	-	0.00%	0.00%
b)Banks / FI		-	-	0.00%		-	-	0.00%	0.00%
c)Central Govt		-	-	0.00%		-	-	0.00%	0.00%
d)State Govt(s)		-	-	0.00%		-	-	0.00%	0.00%
e)Venture Capital Funds		-	-	0.00%		-	-	0.00%	0.00%
f)Insurance Companies		-	-	0.00%		-	-	0.00%	0.00%
g)FIIs		-	-	0.00%		-	-	0.00%	0.00%
h)Foreign Venture Capital Funds		-	-	0.00%		-	-	0.00%	0.00%
i)Others (specify)		-	-	0.00%		-	-	0.00%	0.00%
		-	-	0.00%		-	-	0.00%	0.00%

Sub-total(B)(1)									
2. Non Institutions									
A)Bodies Corp.									
(i) Indian	-	27425	27425	1.06%		27425	27425	0.18%	(0.88%)
(ii) Overseas	-	-	0.00%		-	-	0.00%	0.00%	
B)Individuals									
(i) Individual shareholders holding nominal share capital uptoRs. 2 lakh	75	575325	575400	22.30%	7450	567925	575375	3.64%	(18.66 %)
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh		60400	60400	2.34%	2800000	60400	286040 0	18.12%	15.78%
c)Others(Specify) **Individual HUF** **NRI Non Repatriable**	-	-	-	0.00%	500000 25	500000 25	500000 25	3.16% 0.001	**3.16%** **0.001 %**
Sub-total(B)(2)	75	663150	663225	25.71%	3307475	655750	3963225	25.12%	**(0.59%)**
TotalPublicShareholding	**75**	663150	663225	25.71%	3307475	655750	3963225	25.12%	**(0.59%)**

(B)=(B)(1)+ (B)(2)									
C.ShareheldbyCustodianforGDRs&ADRs		-	-	0.00%		-	-	0.00%	0.00%
GrandTotal (A+B+C)	*75*	***2580105***	***2580105***	***100***	***3307475***	***12472630***	***15780105***	***100***	

ii.*Shareholding of Promoters*

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbe red to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbe red to total shares	**% change in share holdingd urin g the year**
1.	AjazFarooqi	**861865**	**33.40%**	**-**	**3868365**	**24.51%**	**-**	(8.89%)
2.	AsmaFarooqi	**165000**	**6.39%**	**-**	**1245000**	**7.89%**	**-**	1.5%

iii.*Changein Promoters' Shareholding (please specify,ifthere is no change)*

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**NAME**	**Ajaz Farooqi**			
	At the beginning of the year	**861865**	**33.40%**	**861865**	**33.40%**

	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	**3006500**	(8.89%)	**3006500**	(8.89%)
	At the End of the year	**3868365**	**24.51%**	**3868365**	**24.51%**
2.	**NAME**	**Asma Farooqi**			
	At the beginning of the year	**165 000**	**6.39%**	**165 000**	**6.39%**
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase-/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	**1080000**	1.5%	**1080000**	1.5%
	At the End of the year	**1245000**	**7.89%**	**1245000**	**7.89%**

iv. *Shareholding* of Directors and Key Managerial Personnel:

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	**2,950**	**0.07%**	**2,950**	**0.07%**
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	**Increase by 750**	**Increase by 750**	**Increase by 750**	**Increase by 750**
	At the END of the year	**3,700**	**0.02%**	**3,700**	**0.02%**
INDEBTEDNESS					

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not	-	-	-	-
Total(i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
- **Addition**	4,291,415	-	-	4,291,415
- **Reduction**	-	-	-	-
Net Change	4,291,415	-	-	4,291,415
Indebtedness at the end of the financial year				
i) Principal Amount	4,291,415	-	-	4,291,415
ii) Interest due but notpaid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	4,291,415	-	-	4,291,415

II. REMUNERATIONOFDIRECTORSANDKEYMANAGERIAL PERSONNEL

A. Remunerationto ManagingDirector,Whole-timeDirectors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Gross salary (a)Salaryasperprovisionscontainedinsection17(1) of the Income-taxAct,1961 (b)Value of perquisitesu/s17(2)Income-tax Act,1961 (c)Profitsinlieuofsalaryundersection17(3)Income- taxAct,1961		
2.	StockOption		
3.	SweatEquity		
4.	Commission		

	- as % of profit - others specify		
5.	Others, please specify(SITTING FEE PER MEETING)	RANAJN KAPOOR	Rs. 5000/meeting sitting fees
6.	Total(A)		Rs.5000
	Ceiling as per the Act		

B.Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of MD /WTD/ Manager	Total Amount
	Independent Directors ·Fee for attending board committee meetings ·Commission ·Others,pleasespecify	Maniza Khan Rs. 5000/meeting sitting fees	
	Total(1)		
	Other Non-Executive Directors ·Fee for attending board committee meetings ·Commission ·Salary	Shamim Ahmed Qureshi	Rs. 2,70,000 P.A
	Total(2)		Rs. 2,70,000 P.A
	Total(B)=(1+2)		Rs. 2,70,000 P.A
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

***C.*Remunerationto Key Managerial Personnel Other Than MD/Manager/WTD**

Sl.No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Grosssalary (a)Salaryasperprovisions containedinsection17(1)of theIncome-tax Act,1961 (b)Valueofperquisitesu/s 17(2)Income-tax Act,1961 (c)Profits in lieu of salary under section17(3) Income-tax Act,1961	-	3,60,000/-PA	-	3,60,000/-PA

2.	StockOption	-	-	-	-
3.	SweatEquity	-	-	-	-
4.	Commission - as%ofprofit -others,specify…	-	-	-	-
5.	Others,please specify	-	-	-	-
6.	Total	-	3,60,000/- PA	-	3,60,000/- PA

III. PENALTIES/PUNISHMENT/COMPOUNDINGOFOFFENCES:

There had not been any penalty or punishment or compounding of offences in the Company.

1. DISCLOSURES

(i) Related Party Transactions

No material significant related party transactionshave taken place during the year under review that may have potential conflict with the interests of the Company at large. Further, details of related party transactions form part of Notes to the Accounts of the Annual Report. While entering into the above transactions, the Company had made full disclosures before the Board Meetings as well as Audit Committee Meetings and interested directors duly disclosed their interest in the said Board Meetings. The details of the Related Party Transactions, entered by the Company in the ordinary course of business at Arm's length basis are given in Financial Statements of the Company. The company has framed its Policy on dealing with Related Party Transactions and the same is available on its website **www.axisrail.in**.

(ii) Details of Non-Compliances

There is no non-compliance by the Company and there are no penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets, during the last three years.

(iii) Whistle Blower Policy

The 'Whistle Blower Policy' cum Vigil Mechanism is in place which is reviewed by the Audit Committee on regular basis and the text of the same is given at the end of this Corporate Governance Report. No personnel has been denied access to the Audit Committee. The same is also available on the Website of the Company **www.axisrail.in**

(iv) Disclosure of Accounting Treatment

The Financial statement of Company are prepared as per the prescribed Accounting standards and reflects true and fair view of the business transactions in the Corporate Governance.

(v) Reconciliation Of Share Capital Audit

A reconciliation of Share Capital Audit was carried out by a qualified practicing Company secretary on quarterly basis for reconciling the total admitted capital with National Securities Depository Limited (NSDL) and Central Depositary Services (India) Limited (CDSL) and the total issued & listed capital. The audit inter alia confirms that the total issued/paid up capital is in agreement with the total number of shares held in physical form and the total number of dematerialized shares with NSDL& CDSL.

(vi) Code For Prevention Of Insider Trading

The Company has instituted a comprehensive Code of Conduct for Prevention of Insider Trading for its designated employees, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time. Further, the Code of Fair Disclosure and Prevention of Insider Trading Code under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 have been adopted and displayed on the website of the Company **www.axisrail.in**. These Codes lay down guidelines vide which it advises the designated employees on

procedures to be followed and disclosures to be made, while dealing with the shares of the Company and caution them of the consequences of violations.

(vii) Material Subsidiaries

The Company does not have any material subsidiary as defined under Regulation 2 of SEBI Listing Regulations, 2015. In fact, the Company has no subsidiary Company.

(viii) Disclosure Regarding Appointment Or Re-appointment Of Directors

Mr. Ranjan Kapoor , WT. Director of the Company retire by rotation in the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

(ix) Code of Conduct

(i) The Board of Directors has laid down Code of Conduct for all Board Members and Senior Management of the Company. The copy of Code of Conduct as applicable to the Directors (including Senior Management of the Company) is uploaded on the website of the Company www.axisrailindia.com

(ii) The Members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code applicable to them during the year ended March 31, 2017. The Annual Report of the Company contains a Certificate duly signed by the Managing Director in this regard.

(x) Board Disclosures - Risk Management

The Company manages risks as an integral part of its decision making process. The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Audit Committee and the Board of Directors review these procedures periodically

(xi) Proceeds from public issues, rights issues, preferential issues, etc.

During the year under review, no money has been raised by the Company by way of Public Issues, Rights Issues, Preferential Issues Etc.

2. MEANS OF COMMUNICATIONS

a) **Quarterly Results :**

The Quarterly, Half yearly and AnnualResults of the Company are sent to BSE LIMITED in accordance with the Listing Regulations. The said Results are normally published in Financial Express (English) and Janatha(Telegu) and also displayed on Company's website **www.axisrail.in**.

b) **Presentations to the Institutional Investors or to the Analysts:**

No presentations have been made to institutional investors or to the analysts during the year under review.

c) **BSE Corporate Compliance and Listing Centre:**

All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Quarterly Results etc. are filed electronically with the Listing Centre of BSE.

CORPORATE GOVERNANCE REPORT

1. Our corporate governance philosophy

Corporate governance is most often viewed as both the structure and the relationships which determine corporate direction and performance. The board of directors is typically central to corporate governance. Its relationship to the other primary participants, typically shareholders and management, is critical. Additional participants include employees, customers, suppliers, and creditors.

- James McRitchie

The Company has complied with all the applicable code provisions in the Corporate Governance Code set out in Schedule II of the Listing Regulation 2015.

Further in the Financial Year 2016-17 corporate Governance become applicable in the third quarter.

Corporate governance guidelines

The Board has developed corporate governance guidelines to help fulfill our corporate responsibility towards our stakeholders. These guidelines ensure that the Board will have the necessary authority and processes to review and evaluate our operations when required. Further, these guidelines allow the Board to make

decisions that are independent of the Management. The Board may change these guidelines regularly to achieve our stated objectives.

2. Board composition

Size and composition of the Board

We believe that our Board needs to have an appropriate mix of executive and independent directors to maintain its independence, and separate its functions of governance and management. Listing regulations mandate that for a company with a non-executive chairman, at least one-third of the board should be independent directors. On March 31, 2017, our Board consists of Seven members, of whom two are independent directors Including one Women director, one non independent non executive director, one whole time director and one CFO, remaining all are executive directors. The Board periodically evaluates the need for change in its composition and size.

Board Meetings

The Board meets regularly at least four times a year at quarterly intervals and holds additional meetings as and when the Board thinks appropriate.

Fourteen Board meetings were held during FY 2016-17. Notice of not less than 14 days was given to directors for the regular Board meetings. Draft agenda for Board meetings were prepared by the Company Secretary and were circulated to all directors for comments before each meeting. Directors were given an opportunity to include any other matters in the agenda. The agenda, together with Board papers, were sent in full to the directors not less than three business days before the intended date of the Board meeting.

Minutes of Board meetings were prepared by the Company Secretary with details of decisions reached, any concerns raised and dissenting views expressed. The draft minutes were sent to all directors within a reasonable time after each meeting for their comment before being formally signed by the chairman of the meeting. Copies of the final version of minutes of the Board meetings were sent to the directors for information and record.

At each regular Board meeting, executive directors of the Company made presentations to the Board on various aspects, including the business performance, financial performance, corporate governance and outlook, etc. A written report reviewing all the key operational aspects of the Group was provided to the directors before each regular Board meeting to enable them to make informed decisions for the benefit of the Company.

Throughout FY2016-17, directors of the Company also participated in the consideration and approval of matters of the Company by way of written resolutions circulated to them. Supporting written materials were provided in the circulation and verbal briefings were given by the subject executive directors or the Company Secretary when required.

Pursuant to the bye-laws of the Company, a director, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first considered. Furthermore, a director shall not vote (nor be counted in the quorum) on any resolution of the directors in respect of any contract or arrangement or proposal in which he or any of his associate(s) is to his knowledge materially interested. Matters to be decided at Board meetings are decided by a majority of votes from directors allowed to vote. These bye-laws were strictly observed throughout FY 2016-17.

Directors of the Company play an active role in participating the Company's meetings through contribution of their professional opinions and active participation in discussion. The attendance record of each of the directors for the Board meetings, the board committees meetings and the general meeting held during FY 2017 is listed as follows:

	Meetings attended/held				
Name of director	Board meeting	Audit Committee meeting	Nomination and Remuneration	Stakeholders Relationship Committee	General meeting

			Committee meeting	meeting	
Executive Director					
Ranjan Kapoor	14/14	4/4	-	12/14	1/1
Amit Bansal	6/14	4/4	-	12/14	1/1
Venkata Purushotama Rao Koppolu	6/14	-	-	-	1/1
Independent Non-executive directors					
Maniza Khan	7/14	4/4	-	14/14	1/1
Tamada Srinivas Reddy	1/14	-	-	2/14	NA
Non Independent non-executive directors:					
Shamim Ahmed Qureshi	7/14	-	-	2/14	1/1

3. **CODE OF CONDUCT**

The Board of Directors has laid down a Code of Conduct for all Board members, and all employees, including the senior management of the Company. All the Directors and senior management have affirmed compliance with the Code of Conduct as approved and adopted by the Board of Directors and a declaration to this effect signed by the Managing Director has been annexed to the Corporate Governance Report.

4. **AUDIT COMMITTEE**

The Audit Committee of the Company presently comprises of Three independent non-executive Directors viz. Mrs. Maniza Khan Mr. Tamada Srinivas Reddy, and Mr. Shamim Ahmed Qureshi. Mrs. Maniza Khan is the Chairman of the Committee. The constitution of Audit Committee meets with the requirements as laid down under Section 177 of the Companies Act, 2013 and also of Regulation 18 of the Listing Regulations, 2015. Ms. Chanchal Choudhary, the Company Secretary of the Company is the Secretary of the Audit Committee.

The terms of reference of the Audit Committee inter alia include: overseeing the Company's financial reporting process, reviewing the quarterly/ half yearly/ annual financial statements, reviewing with the management the financial statements and adequacy of internal audit function, management letters issued by the statutory auditor, recommending the appointment/re-appointment of statutory auditors and fixation of audit fees, reviewing the significant internal audit findings/ related party transactions, reviewing the Management Discussion and Analysis of financial condition and result of operations, scrutiny of inter corporate loans, review of internal financial control and risk management, review functioning of Whistle Blower/Vigil Mechanism, approval of appointment of CFO, and also statutory compliance issues, etc.

The Committee acts as a link between the management, external and internal auditors and the Board of Directors of the Company

Executives from the Finance Department, representatives of the Statutory Auditors and Internal Auditors are also invited to attend the Audit Committee Meetings, whenever necessary.

The Committee has discussed with the Statutory and Internal auditors about their audit methodology, audit planning and significant observations/ suggestions made by them

In addition, the Committee has discharged such other role/ function as envisaged under Regulation 18 of the Listing Regulations, 2015 and the provisions of Section 177 of the Companies Act, 2013.

Four Audit Committee Meetings were held during the year ended 31st March, 2017. The dates on which the Meetings were held are as follows

20th May, 2016, 12th August, 2016, 12th November, 2016 and 9th February, 2017.

5. **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee presently comprises of three Directors viz. Mrs. Maniza Khan Mr. Tamada Srinivas Reddy, and Mr. Shamim Ahmed Qureshi.. Mrs. Maniza Khan is the Chairman of the Committee. The constitution of the Nomination and Remuneration Committee meets with the requirements of Section 178 of the Companies Act, 2013 as also the requirements laid down in Regulation 19 of the Listing Regulations, 2015. Ms. Chanchal choudhary, the Company Secretary of the Company is the Secretary of the Committee.

The terms of reference of the Nomination and Remuneration Committee inter alia include; to determine the Company's policy on specific remuneration packages for executive directors, to review, recommend and/or approve remuneration to Whole-time Directors, to review and approve the Remuneration Policy of the Company, to formulate criteria for evaluation of Independent Directors and the Board, to devise a policy on Board Diversity, to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board the appointment or removal of such persons and to discharge such other functions and exercise such other powers as may be delegated/ directed by the Board of Directors from time to time. Further details on evaluation of performance of the Board, its Committees and Individual Directors, is provided in the Board's Report.

The key highlights of the Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company which has been approved by the Nomination and Remuneration Committee and the Board of Directors are as follows

A. Guiding Principles for remuneration: The Company shall remunerate all its personnel reasonably and sufficiently as per industry benchmarks and standards. The remuneration shall be commensurate to retain and motivate the human resources of the Company. The compensation package will, inter alia, take into account the experience of the personnel, the knowledge and skill required including complexity of the job, work duration and risks associated with the work, and attitude of the worker like positive outlook, team work,loyalty etc

B. Components of Remuneration: The following will be the various remuneration components which may be paid to the personnel of the Company based on the designation and class of the personnel

a. Fixed compensation: The fixed salaries of the Company's personnel shall be competitive and based on the individual personnel's responsibilities and performance.

b. Variable compensation: The personnel of the Company may be paid remuneration by way of variable salaries based on their performance evaluation. Such variable salaries should be based on the performance of the individual against his short and long term performance objectives and the performance of the Company.

c. Share based payments: The Board may, on the recommendation of the Nomination and Remuneration Committee, issue to certain class of personnel a share and share price related incentive program.

d. Non-monetary benefits: Senior management personnel of the Company may, on a case to case basis, be awarded customary non-monetary benefits such as discounted salary advance / credit facility, rent free accommodation, Company cars with or without chauffer's, share and share price related incentive, reimbursement of electricity and telephone bills etc.

e. Gratuity/group insurance: Personnel may also be awarded to group insurance and other key man insurance protection. Further as required by the law necessary gratuity shall be paid to the personnel

f. Commission: The directors may be paid commission if approved by the shareholders. The shareholders may authorise the Board to declare commission to be paid to any director of the Board.

6. **REMUNERATION OF DIRECTORS**

The details of Remuneration paid/payable to the Directors of the Company for the year ended 31st March, 2017 are given below:-

Name of the director	Fixed salary				Bonus / incentives	Commission
	Basic Salary	Perquisites / allowances	Retiral benefits	Total fixed salary		
Ranjan Kapoor	Rs. 5000/meeting sitting fees				NIL	NIL
Venkata Purushotama Rao Koppolu	Rs. 5000/meeting sitting fees				NIL	NIL
Amit Bansal	480000				NIL	NIL
Maniza Khan	Rs. 5000/meeting sitting fees				NIL	NIL
Shamim Ahmed Qureshi	270000				NIL	NIL
Tamada Srinivas Reddy	Rs. 5000/meeting sitting fees				NIL	NIL

7. **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholders' Relationship Committee presently comprises of Mrs. Maniza Khan Mr. Tamada Srinivas Reddy, and Mr. Shamim Ahmed Qureshi. Mrs. Maniza Khan is the Chairman of the Committee. The constitution of the Stakeholders' Relationship Committee meets with the requirements of Section 178 of the Companies Act 2013 and also of Regulation 20 of the Listing Regulations, 2015. Ms. Chanchal choudhary, the Company Secretary of the Company is the Secretary of the Committee.

The terms of reference of the Committee inter alia includes the following: To look into redressal of grievances of shareholders, debenture holders and other security holders of the Company, to consider and resolve grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc, to approve issue of duplicate share certificates and to oversee and review all matters connected with the transfer, transmission and issue of securities, to oversee the performance of the Registrar and Transfer Agents and recommend measures for overall improvement in the quality of investor services, to investigate any activity within its terms of reference, to seek information from share transfer agents, to obtain outside legal or other professional advice and to secure attendance of outsiders with relevant expertise, if it considers necessary and have full access to the information contained in the records of the Company

The Board has designated severally, Ms. Chanchal choudhary , Company Secretary and Mr. Ranjan Kapoor as Compliance Officers

Thirteen Meetings of the Stakeholders' Relationship Committee were held during the year ended 31st March, 2017. The dates on which Meetings were held are as follows: 8th April, 2016, 12th April, 2016, 28th April, 2016, 12th May, 2016, 24th May, 2016, 31st May, 2016 and 22nd June, 2016, 8th July, 2016, 17th August, 2016, 24th August, 2016, 8th October 2016, 14th November, 2016, 1st March, 2017, 8th March, 2017.

1. **GENERALSHAREHOLDER INFORMATION**

AGM : Date, time	Friday, the 29th day of September, 2017 at 2:00 P.M.
AGM venue	12-5-34 & 35/1, Vijapuri, South Lalaguda, Secunderabad, Rangaareddi, Andhra Pradesh- 500017
Financial year	April 1st, 2016 to March 31st, 2017
Date of Book closure	23-09-2017 to 29-09-2017 (both days inclusive)
Dividend Payment Date	N/A
Listing on Stock Exchanges	BSE LIMITED
ISIN	INE 078 T 01026
Scrip Code	514360
Market Price Data: High, Low during each month in last financial year	There is no trading in the shares of the company in the Financial Year 2016-17. Further, The Company has received listing approval for 33,00,000 Equity Shares of Rs. 10/- each on December 09, 2016 and trading approval for the aforesaid shares on March 14, 2017 Also, the Company has received listing approval for 99,00,000 Equity Shares of Rs. 10/- each on February 08, 2017and trading approval for the aforesaid shares on March 21, 2017
Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc	NIL.
Registrar and Transfer Agents	Beetal Computer & Financial Services Private Limited, Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada HarsukhdasMandir, New Delhi, Delhi 110062 #Ph No. : 011 2996 1281
Share Transfer System	To expedite the share transfer process in the physical segment, the process is undertaken by Common Registry Beetal Computer & Financial Services Private Limited, New Delhi. Share Transfers are processed and approved by them and taken note of by Share Transfer Committee, i.e. Stakeholders' Relationship Committee. The said Committee of the Company meets on regular basis to review the work of Transfer, transmission and issue of duplicate share certificates etc. The shares of the Company are traded in dematerialized form only
Dematerialization of shares	Liquidity:- The shares of the company are in physical form, an

and liquidity	application for dematerialization has been filed with the RTA.
Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity	14,114,556, 7% Optionally Convertible Redeemable Preference Shares of face value of Rs. 10/- each are outstanding as on the date, which are convertible into equivalent number of Equity Shares of Rs. 10/- each, within a period of 5 years from the date of allotment i.e., December 15, 2015.
Address for correspondence	Ranjan Kapoor, 12-5-34 & 35/1, Vijapuri, South Lalaguda, Secunderabad, Rangaareddi, Andhra Pradesh- 500017Ph. 040-27000499, Fax 040-27017660 email: axisrailindia@gmail.com

Shareholding Pattern as on 31st March, 2017:-

Category	**No. of Shares held**
Promoters	**11816880**
Institutional Investors	**0**
Mutual Funds & UTI	**0**
Banks, Financial Institutions and	**0**
NII's	**3935800**
Others	**0**
Private Corporate Bodies	**27425**
Indian Public	**0**
NRIs/OCBs	**0**
Trust	**0**

ANNEXURE -VI

VIGILMECHANISM CUM WHISLTE BLOWER POLICY

1. PREAMBLE

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, Legality, integrity and ethical behavior. Any actual or potential violation of the same, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations cannot be undermined. Accordingly, this Vigil Mechanism has been formulated with a view to provide a mechanism for employees of the Company to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

Corporate Governance of SEBI Listing Regulation, 2015 between the Company and Bombay Stock Exchange, inter alia, provides for a nonmandatory requirement to establish a mechanism called 'Whistle Blower Policy' for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the company's code of conduct or ethics policy.

Section 177 of the Companies Act, 2013 also provides that the Company shall establish a Vigil Mechanism for Directors and Employees to report genuine concerns. This Vigil Mechanism is meant to serve the purpose of Section 177 of the Companies Act, 2013 as well as 'Whistle Blower Policy' under Listing Agreement.

2. OBJECTIVE

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. This policy aims to provide an avenue for employees & Directors to raise concerns of any violations of legal or regulatory requirements, unethical behavior, fraud, violation of
Company's code of conduct, incorrect or misrepresentation of any financial statements and reports, etc.

3. POLICY

The Vigil Mechanism intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company. The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation. No adverse personnel action shall be taken or recommended against an employee or Director in retaliation to his disclosure in good faith of any unethical and improper practices or alleged wrongful conduct. This protects such employees or Director from unfair termination and unfair prejudicial employment practices.

However, this policy does not protect an employee from an adverse action which occurs independent of his disclosure of unethical and improper practice or alleged wrongful conduct, poor job performance, any other disciplinary action, etc. unrelated to a disclosure made pursuant to this policy.

4. SCOPE

Various stakeholders of the Company are eligible to make Protected Disclosures under the Policy. These stakeholders may fall into any of the following broad categories:

a. Employees of the Company
b. Directors of the Company
c. Employees of other agencies deployed for the Company's activities, whether working from any of the Company's offices or any other location
d. Contractors, vendors, suppliers or agencies (or any of their employees) providing any material or service to the Company.
e. Customers of the Company
f. Any other person having an association with the Company.

A person belonging to any of the above mentioned categories can avail of the channel provided by this Policy for raising an issue covered under this Policy.

NOTE: Policy should not be used to be a route for raising malicious or unfounded allegations against colleagues.

5.GUIDING PRINCIPLES

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will

i. Ensure that the Whistleblower and/or the person processing the Protected Disclosure is not victimized for doing so
ii. Treat victimization as a serious matter, including initiating disciplinary action on such person/(s)
iii. Ensure complete confidentiality
iv. Not attempt to conceal evidence of the Protected Disclosure
v. Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made
vi. Provide an opportunity of being heard to the persons involved especially to the Subject

6.ANONYMOUS ALLEGATION

Whistleblowers must put their names to the allegations made by them because follow-up action & investigation may not be possible unless the source of the information is identified. Disclosures expressed anonymously will ordinarily NOTbe investigated.

7. PROTECTION TO WHISTLEBLOWER

A. If one raises a concern under this Policy, he/she will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance in any manner. Company's employee will not be at the risk of losing her/ his job or suffer loss in any other manner like transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistleblower's right to continue to perform his/her duties/functions including making further Protected Disclosure, as a result of reporting under this Policy. The protection is available provided that:

i. The communication/ disclosure is made in good faith

ii. He/She reasonably believes that information, and any allegations contained in it, are substantially true; and

iii. He/She is not acting for personal gain

iv. Anyone who abuses the procedure (for example by maliciously raising a concern knowing it to be untrue) will be subject to disciplinary action, as will anyone who victimizes a colleague by raising a concern through this procedure. If considered appropriate or necessary, suitable legal actions may also be taken against such individuals.

However, no action will be taken against anyone who makes an allegation in good faith, reasonably believing it to be true, even if the allegation is not subsequently confirmed by the investigation

B. The Company will not tolerate the harassment or victimization of anyone raising a genuine concern. As a matter of general deterrence, the Company shall publicly inform employees of the penalty imposed and discipline of any person for misconduct arising from retaliation. Any investigation into allegations of potential misconduct will not influence or be influenced by any disciplinary or redundancy procedures already taking place concerning an employee reporting a matter under this policy.

Any other Employee/business associate assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

8. ACCOUNTABILITIES – WHISTLEBLOWERS

I. Bring to early attention of the Company any improper practice they become aware of. Although they are not required to provide proof, they must have sufficient cause for concern. Delay in reporting may lead to loss of evidence and also financial loss for the Company.

II. Avoid anonymity when raising a concern

III. Follow the procedures prescribed in this policy for making a Disclosure

IV. Co-operate with investigating authorities, maintaining full confidentiality

V. The intent of the policy is to bring genuine and serious issues to the fore and it is not intended for petty Disclosures. Malicious allegations by employees may attract disciplinary action

VI. A whistleblower has the right to protection from retaliation. But this does not extend to immunity for involvement in the matters that are the subject of the allegations and investigation

VII. Maintain confidentiality of the subject matter of the Disclosure and the identity of the persons involved in the alleged Malpractice. It may forewarn the Subject and important evidence is likely to be destroyed.

VIII. In exceptional cases, where the whistleblower is not satisfied with the outcome of the investigation carried out by the Whistle Officer or the Committee, he/she can make a direct appeal to the CMD of the Company or the Audit Committee.

9. ACCOUNTABILITIES – OMBUDSMAN AND WHISTLE COMMITTEE

i. Conduct the enquiry in a fair, unbiased manner

ii. Ensure complete fact-finding

iii. Maintain strict confidentiality

iv. Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom

v. Recommend an appropriate course of action - suggested disciplinary action, including dismissal, and preventive measures.

vi. Minute Committee deliberations and document the final report.

10. RIGHTS OF ASUBJECT

i. Subjects have right to be heard and the Ombudsman or the Committee must give adequate time and opportunity for the subject to communicate his/her say on the matter.
ii. Subjects have the right to be informed of the outcome of the investigation and shall be so informed in writing by the Company after the completion of the inquiry/investigation process

11. MANAGEMENT ACTION ON FALSE DISCLOSURES

An employee/person who knowingly makes false allegations of unethical & improper practices or alleged wrongful conduct shall be subject to disciplinary action, up to and including termination of employment, in accordance with Company rules, policies and procedures. Further this policy may not be used as a defense by an employee against whom an adverse personnel action has been taken independent of any disclosure of intimation by him and for legitimate reasons or cause under Company rules and policies.

12. PROCEDURE FOR REPORTING & DEALING WITH DISCLOSURES

The procedure as per Annexure will be followed.

13. ACCESS TO REPORTS AND DOCUMENTS

All reports and records associated with 'Disclosures' are considered confidential information and access will be restricted to the Whistleblower, the Whistle Committee and Ombudsman. 'Disclosures' and any resulting investigations, reports or resulting actions will generally not be disclosed to the public except as required by any legal requirements or regulations or by any corporate policy in place at that time.

14. RETENTION OF DOCUMENTS

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of 03 years from the date of conclusion of the investigation

15. REPORTS

A quarterly status report on the total number of complaints received during the period, with summary of the findings of the Whistle Committee and the corrective actions taken will be sent to the Audit Committee as well as Board of Directors of the Company.

The contents of this Policy will be displayed by the Company on its Website and will also be included in the Directors Report.

16. COMPANY'S POWERS

The Company is entitled to amend, suspend or rescind this policy at any time. Whilst, the Company has made best efforts to define detailed procedures for implementation of this policy, there may be occasions when certain matters are not addressed or there may be ambiguity in the procedures. Such difficulties or ambiguities will be resolved in line with the broad intent of the policy and the applicable Law. The Company may also establish further rules and procedures, from time to time, to give effect to the intent of this policy and further the objective of good corporate governance. The Audit Committee shall review the policy and its implementation
on regular basis.

The above policy has been reviewed by the Audit Committee

Sd/-
(Maniza khan)
CHAIRMAN OF AUDIT COMMITTEE
12.08.2017

ANNEXURE

PROCEDURE FOR REPORTING & DEALING WITH DISCLOSURES

1. How should a Disclosure be made and to whom?

A disclosure should be made in writing. Letters can be submitted by hand delivery, courier or by post addressed to the Ombudsman appointed by the Company. Emails can be sent to the email id: axisrailindia@gmail.com

2. Is there any specific format for submitting the Disclosure?

While there is no specific format for submitting a Disclosure, the following details MUST be mentioned:

a) Name, address and contact details of the Whistleblower (add Employee ID if the Whistleblower is an employee).
b) Brief description of the Malpractice, giving the names of those alleged to have committed or about to commit a Malpractice. Specific details such as time and place of occurrence are also important. Documentary evidence, wherever possible, should be appended.
c) In case of letters, the disclosure should be sealed in an envelope marked "Whistle Blower" and addressed to the Ombudsman or the Chairman, Audit Committee, depending on position of the person against whom disclosure is made.

3. What will happen after the Disclosure is submitted?

a. The Ombudsman shall acknowledge receipt of the Disclosure as soon as practical (preferably within 04 days of receipt of a Disclosure), to the address provided by the Whistleblower
b. The Ombudsman will proceed to determine whether the allegations (assuming them to be true only for the purpose of this determination) made in the Disclosure constitute a Malpractice by discussing with the Executive Directors and CMD of the Company (if required). If the Ombudsman determines that the allegations do not constitute a Malpractice, he/she will record this finding with reasons and communicate the same to the Whistleblower.
c. If the Ombudsman determines that the allegations constitute a Malpractice, he/she will proceed to investigate the Disclosure with the assistance of the Whistle Committee comprising of Senior Level Officers of HR, Internal Audit, Finance and Legal. The Whistle Committee, if it deems fit can also take assistance of Head of the Department where the breach has occurred. If the alleged Malpractice is required by law to be dealt with under any other mechanism, the Ombudsman shall refer the Disclosure to the appropriate authority under such mandated mechanism and seek a report on the findings from such authority.
d. If the Protected Disclosure has been made to the Chairman of the Audit Committee, he will proceed to investigate the matter with the help of CMD, Ombudsman or Whistle Committee or any other officer as he deems fit.
e. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
f. The investigation may involve study of documents and interviews with various individuals. Any person required to provide documents, access to systems and other information by the Ombudsman or Whistle Committee for the purpose of such investigation shall do so. Individuals with whom the Ombudsman or Whistle Committee requests an interview for the purposes of such investigation shall make themselves available for such interview at reasonable times and shall provide the necessary cooperation for such purpose.
g. If the Malpractice constitutes a criminal offence, the Ombudsman will bring it to the notice of the Executive Directors & CMD and take appropriate action including reporting the matter to the police.
h. The CMD of the Company may, at his/her discretion, participate in the investigations of any Disclosure.
i. The Whistle Committee shall conduct such investigations in a timely manner and shall submit a written report containing the findings and recommendations to the Ombudsman as soon as practically possible and in any case, not later than 90 days from the date of receipt of the Disclosure. The Ombudsman may allow additional time for submission of the report based on the circumstances of the case.
j. Whilst it may be difficult for the Ombudsman to keep the Whistleblower regularly updated on the progress of the investigations, he/she will keep the Whistleblower informed of the result of the investigations and its recommendations subject to any obligations of confidentiality.
k. The Ombudsman will ensure action on the recommendations of the Whistle Committee/ Officer and keep the Whistleblower informed of the same. Though no timeframe is being specified for such action, the Company will endeavor to act as quickly as possible in cases of proved Malpractice.
l. In case, the Whistle Blower is not satisfied with the investigation carried by the Whistle Committee, he can appeal to the Chairman of Audit Committee with all relevant details.

4. **What should a Whistleblower do if he/she faces any retaliatory action or threats of retaliatory action as a result of making a Disclosure?**

   If anyone faces any retaliatory action or threats of retaliatory action as a result of making a Disclosure, he/she should inform the Ombudsman in writing immediately. Ombudsman will treat reports of such actions or threats as a separate Disclosure and investigate the same accordingly and may also recommend appropriate steps to protect the Whistle Blower from exposure to such retaliatory action and ensure implementation of such steps for your protection. In case, the Whistle Blower is not satisfied with the resolution given by Ombudsman, he can appeal to the Chairman of Audit Committee with all relevant details.

DECLARATION OF THE MANAGING DIRECTOR

This is to certify that the Company has laid down code of conduct for all Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company **www.axisrail.in**. Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the code applicable to them during the year ended March 31, 2017.

SD/-

Place: SECUNDERABAD **RANJAN KAPOOR**
Date: 01.09.2017 **WHOLE TIME DIRECTOR**

CEO and CFO DECLARATION

The Board of Directors of, **Date: September 01 , 2017**
Axis Rail India Limited,
Secunderabad

We hereby certify that for the financial year ending 31-03-2017, on the basis of review of financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

1. These Statements of Axis Rail India Limited for the Financial year ending 31-03-2017, do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
3. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and we have taken steps from time to time to rectify these deficiencies.
5. We further certify that we have indicated to the Auditors and the Audit Committee that:
   - **a)** there have been no significant changes in internal control over financial reporting during the year;
   - **b)** there have been no significant changes in accounting policies during the year and
   - **c)** there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Sd/-
Ranjan Kapoor
(Whole Time Director)

INDEPENDENT AUDITORS' REPORT

To The Members of Axis Rail India Limited

Report on the (Standalone) financial statements

We have audited the accompanying (Standalone) financial statements of Axis Rail India Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility 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) financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these (Standalone) financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the (Standalone) financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2017 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of sub-section 11 of section 143 of the Act, we give in the **"Annexure-I"**, a statement on the matters specified in paragraphs 3 and 4 of the said Order.

2. As required by section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e) On the basis of the written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors , none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;

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-II"**; and

f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Company has disclosed the contingent liability regarding disputes pending with taxation authorities.

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

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company.

For and on behalf of
B. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 004706N

29th May, 2017
New Delhi

Kapil Aggarwal
(Partner)
Membership No. 082908

ANNEXURE-I TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2017, we report that:

1.

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner which, in our opinion, it shall need to improve reasonably, having regard to the size of the Company and nature of the assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties are held in the name of the Company.

2.

(a) The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification needs to improve having regard to the size of the Company and the nature of its business.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable but less adequate in relation to the size of the Company and the nature of its business.

(c) The Company has maintained proper records of inventory. As explained to us, there was no material discrepancy noticed on physical verification of inventory, as compared to book records.

3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act.

4. The company has not given any loan, guarantee and security to and on behalf of any of its Directors as stipulated under section 185 of the Act and the Company has not made any loan and investment for which compliance are to be complied with the provisions of section 186 of the Act.

5. The Company has not accepted any deposits from the public.

6. The Company is not required to maintain cost records as prescribed under section 148(1) of the Act.

7.

a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been deposited during the year but irregularly by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

b) According to the information and explanations given to us, there are certain dues of sales tax, service tax, duty of customs or duty of excise, income tax and cess which have not been deposited with the appropriate authorities on account of some dispute.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.

9. The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term Loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company and hence not commented upon.

10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company; hence clause (xii) of paragraph 3 of the Order is not applicable.

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. Based upon the audit procedures performed and the information and explanations given by the management, the company has converted 33,00,000 fully convertible warrants and 99,00,000 Preferential Shares, into equity during the year under review and in our opinion the requirement of

section 42 and all other provisions of the Companies Act 2013 have been complied with and the amount raised have been used for the purposes (i.e. General) for which the amount have been raised

15. According to the information and explanations give to us and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable.

16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For and on behalf of
B. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 004706N

29th May, 2017 **Kapil Aggarwal**
New Delhi (Partner)
Membership No. 082908

"Annexure II" to the Independent Auditor's Report of even date on the Standalone Financial Statements of Axis Rail India Limited

Report on the Internal Financial Controls 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 Axis Rail India Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial 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.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls

over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an internal financial controls system over financial reporting which shall require improvements considering the growing needs of the company, and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, 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.

For and on behalf of

For and on behalf of
B. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 004706N

29th May, 2017
New Delhi

Kapil Aggarwal
(Partner)
Membership No. 082908

AXIS RAIL INDIA LIMITED
(Merged Entity with KVR Rail Infra Projects Pvt. Ltd.)
CIN: L45200AP1983PLC0825276
BALANCE SHEET AS AT 31-03-2017

Particulars	Note No.	31-03-2017 Rs.	31-03-2016 Rs.
I. EQUITY AND LIABILITIES			
1. Shareholders Funds :			
Share Capital	1		
Equity Share Capital		157,793,550	25,793,550
Preference Share Capital		141,145,560	240,145,560
Money Received against Share Warrants		-	18,975,000
Reserves and Surplus	2	97,211,532	84,994,502
2. Non Current Liabilities :			
Long Term Borrowings	3	4,291,415	-
3. Current Liabilities :			
Trade Payables (Other than micro and small enterprises)	4	111,362,731	23,693,210
Other Current Liabilities	5	185,953,872	192,810,251
Short Term Provisions	6	7,615,202	15,188,585
TOTAL		**705,373,862**	**601,600,658**
II. ASSETS			
1. Non-Current Assets :			
Fixed Assets			
- Tangible Assets	7	39,525,091	48,799,366
Non-Current Investments	8	500,000	500,000
Other Non-Current Assets	9	1,882,930	10,832,930
Deferred Tax Asset (Net)		6,081,207	3,044,366

2. Current Assets :			
Inventories	10	40,227,129	47,558,834
Trade Receivables	11	205,702,089	174,875,588
Cash and Cash Equivalents	12	301,741,357	184,527,383
Short-Term Loans and Advances	13	71,004,059	96,736,654
Other Current Assets	14	38,710,000	34,725,537
TOTAL		**705,373,862**	**601,600,658**

Significant Accounting Policies and Notes to the Financial Statements 22-34

The accompanying notes are an integral part of the financial statements

As per our Report of even date

For B. Aggarwal & Co.

Chartered Accountants

FRN: 004706N

FOR AND ON BEHALF OF THE BOARD

Kapil Dev Aggarwal	**Ranjan Kapoor**	**Amit Bansal**	**Chanchal Choudhary**
Partner	WT-Director	Director	Company Secretary
M. No. 082908	DIN- 00479483	DIN- 06750775	M.No. A42226

Place: Delhi

Date : 29/05/2017

AXIS RAIL INDIA LIMITED
(Merged Entity with KVR Rail Infra Projects Pvt. Ltd.)
CIN: L45200AP1983PLC0825276
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2017

Particulars	Note No.	2016-17	2015-16 Rs.
INCOME :			
Revenue from Operations	15	1,082,573,336	1,017,933,243
Other Income	16	16,006,875	10,587,822
Total Revenue		**1,098,580,211**	**1,028,521,065**
EXPENDITURE :			
Cost of Materials Consumed	17	1,021,070,197	976,046,303
Changes in Inventories of Work-in-Process	18	5,045,991	(36,610,620)
and Finished Goods			
Employees Benefits Expenses	19	13,170,498	21,026,161
Finance Costs	20	4,542,560	6,106,945
Depreciation	7	15,689,860	15,068,103
Other Expenses	21	25,700,958	24,781,689
Total Expenses		**1,085,220,064**	**1,006,418,581**
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		**13,360,147**	**22,102,484**
Add : Exceptional Items :			-
-Profit / Loss on sale of Assets		2,960,991	-
PROFIT BEFORE TAX		**16,321,138**	**22,102,484**
Tax Expense :			
Current Tax - Current Year		7,658,807	10,253,880
Current Tax - Earlier Years		(517,858)	(149,862)
Deferred Tax		(3,036,841)	(6,565,294)
Profit After Tax		**12,217,030**	**18,563,760**

Significant Accounting Policies and Notes to the Financial Statements The accompanying notes are an integral part of the financial statements	22-34

As per our Report of even date

For B. Aggarwal & Co.

Chartered Accountants

FRN: 004706N

FOR AND ON BEHALF OF THE BOARD

Kapil Dev Aggarwal	**Ranjan Kapoor**	**Amit Bansal**	**Chanchal Choudhary**
Partner	WT-Director	Director	Company Secretary
M. No. 082908	DIN- 00479483	DIN- 06750775	M.No. A42226

Place: Delhi

Date : 29/05/2017

AXIS RAIL INDIA LIMITED
(Merged Entity with KVR Rail Infra Projects Pvt. Ltd.)
CIN: L45200AP1983PLC0825276
CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2017

Particulars	Year Ended 31 March 2017	Year Ended 31 March 2016
	Rs	Rs
A. Cash Flow from Operating Activities :		
Net Profit before Tax	16,321,138	22,102,484
Adjustments for :		
Provision for Gratuity	351,750	1,378,125
Depreciation	15,689,860	15,068,103
Finance Costs	4,542,560	6,106,945
Non Operating Income	(16,006,875)	(10,587,822)
Operating Profit before Working Capital Changes	20,898,433	34,067,835
(Increase) / Decrease in Trade Receivable	(30,826,501)	(28,304,803)
(Increase) / Decrease in Inventories	7,331,705	(38,896,334)
(Increase) / Decrease in Short Term Loans & Advances	25,732,595	40,313,593
(Increase) / Decrease in Other Current Assets	(3,984,463)	(3,725,537)
Increase / (Decrease) in Short Term Provisions	(7,011,957)	925,333
Increase / (Decrease) in Other Current Liablities	(8,751,245)	77,790,113
Increase / (Decrease) in Trade Payables	87,669,521	5,358,649
Cash generated from Operating Activities before Exceptional items :	**91,058,088**	**87,528,849**
(Profit)/ Loss on Sale of Assets	(2,960,991)	-
Direct Taxes Paid	(8,054,125)	(8,139,851)
Net Cash Flow from Operating Activities	**80,042,972**	**79,388,998**
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(10,554,594)	(749,435)
Fixed Assets Depreciation relating to Prior Periods	-	-
(Increase) / Decrease in Other Non-Current Assets	8,950,000	(64,500)
Sale of Fixed Assets	7,100,000	-
Interst / Dividend income	16,006,875	10,587,822
Net Cash Flow from Investing Activities	**21,502,281**	**9,773,887**
C. Cash Flow from Financing Activities :		

Long Term Loans raised	6,186,281	(2,488,388)
(Increase) / Decrease in Long Term Loans & Advances	-	-
(Increase) / Decrease in Non-Current Investments	-	-
Increase in Share Holders Fund	14,025,000	18,975,000
Finance Costs	(4,542,560)	(6,106,945)
Net Cash Flow from Financing Activities	**15,668,721**	**10,379,667**
Net Increase/(decrease) in Cash and Cash Equivalents	117,213,974	99,542,552
Opening Cash and Cash Equivalents	184,527,383	84,984,831
Closing Cash and Cash Equivalents	**301,741,357**	**184,527,383**

Notes:

1 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS 3) 'Cash Flow Statements' notified by the Central Govt under Companies (Accounting Standards) Rules, 2006.

2 Previous year figures have been regrouped / rearranged, wherever necessary to conform to the current period classification.

As per our Report of even date

For B. Aggarwal & Co. FOR AND ON BEHALF OF THE BOARD

Chartered Accountants

FRN: 004706N

Kapil Dev Aggarwal	**Ranjan Kapoor**	**Amit Bansal**	**Chanchal Choudhary**
Partner	WT-Director	Director	Company Secretary
M. No. 082908	DIN- 00479483	DIN- 06750775	M.No. A42226

Place: Delhi

Date : 29/05/2017

AXIS RAIL INDIA LIMITED
(Merged Entity with KVR Rail Infra Projects Pvt. Ltd.)
CIN: L45200AP1983PLC0825276
NOTES TO THE FINANCIAL STATEMENTS

CORPORATE INFORMATION :

i) Nature of Operations :
The Company was incorporated in India on 30th August 1983.The company is primarily engaged in execution of Railway Contracts which includes works contracts and trading in railway supply materials, etc.

ii) Basis of Accounting :
The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all respects with the accounting standards notified. to comply in all respects with the accounting standards notified. The financial statements have been prepared on an accrual basis and under the historical cost convention.

NOTES TO THE FINANCIAL STATEMENTS :

1. Share Capital :

1.1 Details of the Authorized, Issued, Subscribed and Paid up share capital have been depicted in the table below :

Particulars	**31-03-2017** Rs.	**31-03-2016** Rs.
Authorized : Equity Share Capital (Post Amalgamation) 69,50,000 Equity Share of Rs. 10/- each	69,500,000	69,500,000
Preference Share Capital (Post Amalgamation) 2,40,50,000 7% Optionally Convertible Redeemable Preference Shares of Rs. 10/- each	240,500,000	240,500,000
Total	**310,000,000**	**310,000,000**
Issued, Subscribed and Paid-up :		
Equity Share Capital		
15,77,93,355 Equity Share of Rs. 10/- each *25,80,105 Equity Share of Rs. 10/- each*	157,801,050	25,801,050
Less: Unpaid Calls	7,500	7,500
	157,793,550	**25,793,550**
Preference Share Capital		

1,41,14,556, 7% Optionally Convertible Redeemable Preference Shares of **Rs.** 10/- each *2,40,14,556, 7% Optionally Convertible Redeemable Preference Shares of Rs. 10/- each*	141,145,560	240,145,560
	141,145,560	**240,145,560**
Total	**298,939,110**	**265,939,110**

During the FY 2015-16 the Authorised Share Capital was increased to 69,50,000/- equity shares of ` 10 each and 2,40,50,000 7% Optionally Convertible Redeemable Preference Shares of Rs. 10/- each pursuant to the amalgamation of M/s. KVR Rail Infra Projects Pvt. Ltd. with the company, has been considered, as the scheme of arrangement has been approved by the Hon'ble High Court of Hyderabad (for the state of Telangana and Andhra Pradesh), vide order dated 30th October, 2014. The said order has been filed with the office of the Registrar of Companies, Andhra Pradesh and Telangana on 10th January, 2015,

1.2

Reconciliation of number of shares	**As at March 31, 2017**		**As at March 31, 2016**	
	Number of Shares	**Amount**	**Number of Shares**	**Amount**
Equity shares				
Opening balance	2,579,355	25,793,550	1,096,975	10,969,750
*Issued during the year	13,200,000	132,000,000	1,4 82,380	14,823,800
Closing balance	**15,779,355**	**157,793,550**	**2,579,355**	**25,793,550**
Preference shares				
Opening balance	24,014,556	240,145,560	-	-
**Reduction during the year	(9,900,000)	(99,000,000)	24,014,556	240,145,560
Closing balance	**14,114,556**	**141,145,560**	**24,014,556**	**240,145,560**

* Pursuant to the request received from the warrant holders for conversation of 33,00,000 warrants issued earlier on December 15, 2016 on a preferential basis, the board of directors in their board meeting held on 30.06.2016 has, considered and approval the allotment of equivalent number of equity shares of Rs. 10/- each

** Pursuant to the scheme of arrangement ('the scheme ') as sanctioned by the Hon'ble court of judicature at Hyderabad for the states of Telengana and Andhra pradesh under the provision of section 391-394 of the companies Act 1956 the necessary consent, permission or approval of the securities and exchange board of India (SEBI), stock exchange, and other provisions of all the applicable regulations, guidelines, circulars, notifications, and other provision read with the enabling provision of the Memorandum and Articles of Association of the company, out of 24,014,556, 7% optionally Convertible Preference shares of face value of Rs. 10/- allotted to the shareholders of transferor company i.e. persons belonging to the promoter category in terms of the scheme 99,00,000, 7% optionally Convertible Preference shares were converted into equivalent number of equity shares of face value of Rs.10/- each as fully paid up.

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2017	% of Holding	As at March 31, 2016	% of Holding
Equity shares				
Ajaz Farooqi	3,868,365	25	861,865	33
Asma Farooqi	1,245,000	8	165,000	6
Aijaz Investments Pvt Limited	718,000	5	-	-
Asma Estates & Investments Pvt Limited	1,586,000	10	212,000	8
Shoeb Estates Pvt Limited	1,168,750	7	156,250	6
Zainab Investments Pvt Limited	1,075,750	7	143,750	6
Zara Investments Pvt Limited	2,155,015	14	285,015	11
Preference shares				
Ajaz Farooqi	3,916,813	26	6,923,313	26
Asma Farooqi	1,593,000	9	2,673,000	9
Aijaz Investments Pvt Limited	881,600	5	1,506,600	5
Asma Estates & Investments Pvt Limited	2,060,400	12	3,434,400	12
Shoeb Estates Pvt Limited	1,518,750	9	2,531,250	9
Zainab Investments Pvt Limited	1,396,750	8	2,328,750	8
Zara Investments Pvt Limited	2,747,243	16	4,617,243	16

1.3 Rights, preferences and restrictions attached to shares

Equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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.

Preference shares

Preference shares carried a fixed non cumulative dividend of 7% Optionally Convertible Redeemable Preference Shares of Rs. 10/- each. The preference share holders shall get a right over the equity shareholders in case of right to dividend as well as repayment of capital in case of winding up of the company. The preference share holders shall have limited voting right, which shall be confined to the rights to vote on those matters affecting their interest.

2. Reserves & Surplus

Particulars	As at 31.03.2017	As at 31.03.2016
Surplus in Statement of Profit & Loss :		
*Opening Balance	84,994,502	66,430,742
Add : Transfer from Statement of Profit and Loss	12,217,030	18,563,760
Total	**97,211,532**	**84,994,502**

3. Long- Term Borrowings

Secured Loans

Particulars	As at 31.03.2017	As at 31.03.2016
a) Axis Bank Ltd. - Scorpio Loan	568,829	
b) Axis Bank Ltd. - Tipper1 Loan	1,240,862	-
c) Axis Bank Ltd. - Tipper2 Loan	1,240,862	-
d) Axis Bank Ltd. - Tipper3 Loan	1,240,862	-
(All the above Vehicle Loans are secured by hypothecation of Motor Cars)		
Total	**4,291,415**	**-**

4 Trade Payables :

Particulars	As at 31.03.2017	As at 31.03.2016
Sundry Creditors (Other than micro and small enterprises)	111,362,731	23,693,210
Total	**111,362,731**	**23,693,210**

5 Other Current Liabilities :

Particulars	As at 31.03.2017	As at 31.03.2016
Advances from Customers	180,537,891	189,888,802
Duties and Taxes (Advance Received For Settlement of Bank Dues)	65,970	169,448
- Mr. Ranjan Kapoor	60,000	60,000
Others	811,849	671,705
TDS Payable	563,000	-
Current Maturity of Long Term Debt	3,915,162	2,020,296
Total	**185,953,872**	**192,810,251**

6 Short Term Provisions :

Particulars	As at 31.03.2017	As at 31.03.2016
a) Provisions for Expenses	1,089,889	2,123,096
b) Current Income Tax	3,104,068	4,017,244
c) Expenses Payable	645,120	7,670,120
d) Provision For Gratuity*	1,729,875	1,378,125
e) Audit Fee Payable	1,046,250	-
Total	**7,615,202**	**15,188,585**

* As per management estimate

8 Non-Current Investments

Particulars	As at 31.03.2017	As at 31.03.2016
Axis Bank Mutual Fund	500,000	500,000
Total	**500,000**	**500,000**

9 Other Non-Current Assets :

Particulars	As at 31.03.2017	As at 31.03.2016
a) Deposits :		
- Earnest Money Deposits	1,882,930	832,930
- Rites Limited - Deposit	-	10,000,000
Total	**1,882,930**	**10,832,930**

10 Inventories :

Particulars	As at 31.03.2017	As at 31.03.2016
Stock of Lands	40,227,129	45,273,120
D.G.Set	-	2,285,714
Total	**40,227,129**	**47,558,834**

11 Trade Receivables :

Particulars	As at 31.03.2017	As at 31.03.2016
Sundry Debtors :		
(Unsecured and Considered good unless otherwise stated)		
- Debts Outstanding for a period exceeding six months	45,662,851	174,875,588
- Other Debts	160,039,238	
Total	**205,702,089**	**174,875,588**

12 Cash & Cash Equivalents :

Particulars	As at 31.03.2017	As at 31.03.2016

a) Balances with Banks :	301,676,298	184,250,370
b) Cash on Hand	65,059	277,013
Total	**301,741,357**	**184,527,383**

13 Short Term Loans & Advances :

Particulars	As at 31.03.2017	As at 31.03.2016
Loans and Advances :		
(Unsecured and Considered good unless otherwise stated)		
a) Retention Money	56,297,111	75,197,623
b) Advances to Suppliers	12,275,922	19,793,755
c) Advance to Mazda	1,631,026	1,631,026
d) Salary Advances	-	44,250
e) Rent Advance at Site	800,000	70,000
Total	**71,004,059**	**96,736,654**

14 Other Current Assets :

Particulars	As at 31.03.2017	As at 31.03.2016
(Unsecured and Considered good unless otherwise stated)		
a) Service Tax - Appellate Pre-Deposit	10,000,000	10,000,000
b) Income Tax (Under Appeal)	21,000,000	21,000,000
c) Reimbursement of Commissioning Charges	-	3,725,537
d) Incredible capital limited	2,510,000	-

e) JBL Intervention	5,200,000	-
Total	**38,710,000**	**34,725,537**

15 Revenue from Operations :

Particulars	2016-17	2015-16
a) Execution of Works Contracts and Supplies (Net of Discounts)	1,063,110,037	1,004,992,664
b) Services Income	19,463,299	12,940,579
Total	**1,082,573,336**	**1,017,933,243**

16 Other Income :

Particulars	2016-17	2015-16
a) Bank Interest	15,336,875	10,587,822
b) Miscellaneous Income	670,000	-
Total	**16,006,875**	**10,587,822**

17 Cost of Inputs Consumed :

Particulars	2016-17	2015-16
Opening Stock of Materials	-	-
Add : Purchases of Materials	954,576,296	843,352,892
Add : Construction Works and Direct Materials	54,898,948	74,646,059

Add : Purchase of Land on behalf of customers	(5,045,991)	36,610,620
Add : Freight Charges	2,032,910	2,737,741
Add : Diesel Charges	1,699,539	2,801,689
Add : Loading & Unloading Charges	21,205	52,465
Add : Hiring Charges	-	3,183,529
Add : Labour Charges	1,237,361	1,018,726
Add : Survey Expenses	11,571,366	9,806,238
Add : Site Expenses	22,800	1,836,344
Add : Inspection Charges	55,763	-
	1,021,070,197	976,046,303
Less : Work-in-Progress	-	-
Total	**1,021,070,197**	**976,046,303**

18 Changes in Inventories of Work-in-Process and Finished Goods :

Particulars	**2016-17**	**2015-16**
a) Opening :		
- Work-in-Process	-	-
- Finished Goods	45,273,120	8,662,500
	45,273,120	8,662,500
b) Closing :		
- Work-in-Process		
- Finished Goods - Land purchased for customers	40,227,129	45,273,120
	40,227,129	45,273,120
Net (Increase) / Decrease	**5,045,991**	**(36,610,620)**

19 Employee Benefits Expenses :

Particulars	2016-17	2015-16
a) Salaries to Staff	12,419,191	19,206,907
b) Staff Welfare Expenses	53,440	39,470
c) E.S.I & Provident Fund Contribution	100,234	151,928
d) Medical Expenses	245,883	249,731
e) Provision for Gratuity	351,750	1,378,125
Total	**13,170,498**	**21,026,161**

20 Finance Costs :

Particulars	2016-17	2015-16
a) Bank Charges	743,787	542,889
b) Interest on Hire Purchase - Vehicles	471,585	362,562
c) Processing Fee to Bank	2,113,899	1,155,000
d) Bank Guarantee Charges	1,193,103	4,046,495
e) Interest paid	20,186	-
	4,542,560	**6,106,945**

21 Other Expenses :

Particulars	2016-17	2015-16
a) Administrative Expenses :		
- Directors Remuneration	750,000	200,000
- Travelling Expenses	3,495,815	

		6,908,061
- Legal and Consultancy Expenses	108,926	-
- Licences and Registration Charges	123,015	1,096,000
- Advertisement Charges	254,462	-
- Electricity Charges	988,388	-
- Conveyance Expenses	1,167,291	-
- Business Promotion Expenses	4,500	-
- Insurance Charges	232,807	209,438
- Printing & Stationery Expenses	814,069	-
- Postage & Courier Charges	244,937	-
- Rents - Site Offices	2,020,700	532,152
- Petrol & Diesel Charges	19,695	-
- Telephone & Internet Charges	579,715	-
- Power Expenses	-	858,175
- Fuel Charges	-	20,681
- Auditors Remuneration	545,000	572,500
- Office Maintenance Expenses	1,719,376	-
- Gulbarga Office Expenses	1,751,717	-
- Repairs & Maintenance Expenses :		-
- Buildings	207,491	668,541
- Vehicles	594,946	1,131,709
- Machinery	223,192	487,855
- Computers	56,100	182,790
- Electricals	472,606	284,711
- Listing Fees	361,658	863,859
- Tender Expenses	10,000	2,078,483

Taxes Paid	-	-
- Stamp Duty	6,005	-
- ROC Filing Charges	747,700	-
- Road Tax	298,590	-
- VAT Paid	55,198	-
- Profession Tax	32,400	-
- Service Tax Paid (Incl on GTA Services)	5,683,831	-
- Property Tax	4,896	-
- Consultancy Charges	2,125,932	293,874
- Miscellaneous Expenses	-	8,392,860
Total	**25,700,958**	**24,781,689**

22 Contingent Liabilities :

a) Counter Guarantees issued against Bank Guarantees issued by Banks :

Axis Bank Ltd. / State Bank of India Rs. 1,720 Lacs (Prev. Year : Rs. 1,981.91 Lacs)

b) Claims against the Company not acknowledged as debts :	**As at 31.03.2017**	**As at 31.03.2016**
(Claims under adjudication)		
i) Income Tax matter in dispute	29,357,425	29,357,425
ii) Commercial and other claims	NIL	NIL

23 Balances standing to the debit/credit of Sundry Creditors, Sundry Debtors, Advances and various parties accounts are subject to confirmation and reconciliation.

24 a) There were no employees drawings remuneration in excess of the limits laid down in Section 197 of the Companies Act, 2013.

25 **Additional Information :**

(As given by Management and not verified by the Auditors)

a) Value of Inputs consumed during the year :

	2016-17 Value (Rs.)	%	2015-16 Value (Rs.)	%
Indigenous	1,021,070,197	100	976,046,303	100
Imported	-	-	-	-
	1,021,070,197		**976,046,303**	

b) Foreign Exchange Inflow / Outflow : NIL

2
6 Merger/ Amalgamation:

a) In the above financials, the effect of the scheme of arrangement for internal reorganisation of the Company and amalgamation of M/s. KVR Rail Infra Projects Pvt. Ltd. with the company, has been considered, as the scheme of arrangement has been approved by the Hon'ble High Court of Hyderabad (for the state of Telangana and Andhra Pradesh), vide order dated 30th October, 2014. The said order has been filed with the office of the Registrar of Companies, Andhra Pradesh and Telangana on 10th January, 2015, being the effective date for the scheme of arrangement which shall be operative from the Appointed date i.e. 1st April, 2012.In accordance with the said scheme of arrangement, the share capital of the company has been reduced by 75% and all the assets and liabilities of M/s. KVR Rail Infra Projects Pvt. Ltd., the transferor company, has been taken over at its existing book value.

b) Disclosures as per Accounting Standard 14:

i) Names of merged entities- M/s. Axis Rail India Limited
- M/s. KVR Rail Infra Projects Private Limited

Nature of business- Both the companies are primarily engaged in execution of Railway Contracts which includes works contracts and trading in railway supply materials, etc.

ii) Effective date of merger for accounting purposes-

iii) Pooling of interest method has been used to reflect the merger in the books of accounts.

iv) The scheme of arrangement for internal reorganisation of the Company has been sanctioned by the Hon'ble High Court of Hyderabad (for the state of Telangana and Andhra Pradesh), vide order dated 30th October, 2014; details of which are stated above in Note No. 26 (a).

v) Pursuant to the scheme of internal reorganisation, share capital of Axis Rail India Ltd. has been reduced by 75%, such that any shareholder holding 100 shares of Rs. 10/- each, shall stand reduced to 25 equity shares of Rs. 10/- each.

For every 100 shares held in M/s. KVR Rail Infra Projects Pvt. Ltd., Axis Rail India Ltd. shall issue 10(Ten) equity shares of Rs. 10/- each, fully paid up and 162 (One hundred sixty two) 7% Optionally Redeemable Convertible Preference Shares (ORCPS) of face value of Rs. 10 each.

vi) Goodwill/ Capital Reserve
Pursuant to the order passed by the Hon'ble High Court of Hyderabad (State of Telangana and Andhra Pradesh) an amount of Rs.106,731,360/- has been transferred from General Reserves to the account of Shares Pending for Allotment, which are to be issued to the shareholders of M/s KVR Infra Rail Projects (P) Ltd.

27 RELATED PARTY DISCLOSURES :

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

i) Key Management Personnel :	1. Ranjan Kapoor- Whole Time Director
	2.Mr. Amit Bansal- Director
ii) Member/Shareholder	3. Asma Estates & Investments Pvt Ltd
	4. Zainab Investments Pvt Ltd
	5. S V Multi Logitech Pvt Ltd

ii) Related Party Transactions :

Nature of Transactions	**Related Party**	**2016-17**	**2015-16**
		Rs.	**Rs.**
Remuneration	Directors	750,000	200,000
Contract Income	Asma Estates & Investments Pvt Ltd	12,974,953	8,705,668
Contract Income	Zainab Investments Pvt Ltd	9,210,762	17,765,902
Contract Income	S V Multi Logitech Pvt Ltd	793,800	71,296,392

28 Earnings Per Share (EPS) :

Earnings per Share is calculated in accordance with Accounting Standard 20 - `Earnings per Share' notified by the Company's (Accounting Standards) Rules, 2006 (as amended).

Particulars	**2016-17 Rs**	**2015-16 Rs.**
Net Profit as per Statement of Profit and Loss Account	12,217,030	18,563,760

Weighted average number of equity shares for EPS Computation Shares for Baisc Earning Per Share	29,080,212	2,580,105
Add: Potential diulated equity shares on account of shares in abeyance Number of Shares for Diluated Earning Per Share	**29,080,212**	**27,562,058**
Earning Per Share		
Face Value Per Share	10	10
Basic	0.42	7.19
Diluted	0.42	0.67

29 Dues to Micro, Small and Medium Enterprises outstanding for more than 45 days as at Balance Sheet date — NIL

30 Deferred Tax has been provided on timing differences relating to depreciation.

31

Payment to Auditors		**2016-17**	**2015-16**
		Rs	**Rs.**
Statutory Audit Fees		400,000	400,000
Certification and Consultation Fees		100,000	100,000
	Total	**500,000**	**500,000**

Details of Specified Bank Notes (SBNs) hald and transacted during the period from 8th November, 2016 to 30th December, 2016 :

32

	SBNs	Other Denomination Notes
Closing Cash in Hand as on 08-11-2016	500,000	142,100
Add : Permitted Receipts	-	-
Less : Permitted Payments	-	-

Less : Amount deposited in Banks	500,000	-
Closing Cash in Hand as on 30-12-2016	-	142,100

The term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic

33. Previous year's figures have been regrouped and reclassified wherever necessary.

As per our Report of even date
For B. Aggarwal & Co.
Chartered Accountants
FRN: 004706N

FOR AND ON BEHALF OF THE BOARD

Kapil Dev Aggarwal	**Ranjan Kapoor**	**Amit Bansal**	**Chanchal Choudhary**
Partner	WT-Director	Director	Company Secretary
M. No. 082908	DIN- 00479483	DIN- 06750775	M.No. A42226

Place: Delhi
Date : 29/05/2017

AXIS RAIL INDIA LIMITED
(Merged Entity with KVR Rail Infra Projects Pvt. Ltd.)
CIN: L45200AP1983PLC0825276

A. SIGNIFICANT ACCOUNTING POLICIES

a) **Basis of Preparation :**

b) The financial statements are prepared in accordance with the historical cost convention and the accrual basis of accounting. The accounting policies applied by the Company are consistent with those applied in the previous year except as otherwise stated elsewhere.

c) These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). These Financial Statements have been prepared to comply in all material respects with the Accounting Standards ('AS') notified under section 211(3C) of the Companies Act 1956 (The 1956 Act) [which continue to be applicable in respect of Section 133 of the Companies Act 2013 (The 2013 Act) in terms of general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs], relevant provisions of the 1956 Act / 2013 Act as applicable

d) The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities including Contingent Liabilities as of the date of the financial statements and the reported income and expenses for the reporting year. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

e) As per the Schedule III of Companies Act, 2013, "an operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents". For the company, there is generally no clearly identifiable normal operating cycle and hence the normal operating cycle for the company is assumed to have duration of 12 months.

1.1 **Revenue Recognition :**

Income from Execution of Railway Contracts which includes works contracts and Trading in Railway supply materials and other incomes are recognized in the Statement of Profit and Loss on accrual basis.

Income on investments in mutual fund schemes are on receipt basis.

Interest Income is recognized on time proportion basis.

1.2 **Fixed Assets and Depreciation / Amortization :**

a) Fixed Assets are stated at Cost less accumulated depreciation. Cost includes taxes, duties, freight and incidental expenses related to the acquisition and installation of the assets.

b) Intangible Assets comprising of computer software and licenses expected to provide future enduring economic benefits are carried at cost less accumulated amortization and impairment losses, if any. Cost comprises of purchase price and directly attributable expenditure on making the asset ready for its intended use. Any technology support cost or annual maintenance cost for such software is charged to the Statement of Profit and Loss.

c) Depreciation on tangible assets is provided on Straight Line Method ('SLM'), which reflects the management's estimate of the useful lives of the respective fixed assets. Pursuant to the enactment of the Companies Act 2013, the company has, effective 1st April 2014, reviewed and revised the useful lives of its fixed assets and such useful lives are equal to the corresponding useful life prescribed in Part C of Schedule II to Companies Act 2013 :

	Asset category	Useful Life of the Asset
I	**Assets for Own Use**	
i)	Office Building	30 Years
ii)	Earth Moving Machinery	9 Years
iii)	Furniture & Fixtures	10 years
iv)	Air Conditioners	8 Years
v)	Equipments	9 Years
vi)	Office Equipments	5 Years
vii)	Survey Instruments	5 Years
viii)	Motor Vehicles	8 Years
ix)	Motor Cycles / Scooter	10 Years
x)	Computers & Accessories	3 Years

d) Fixed Assets costing up to INR 5,000/- are depreciated fully over a period of 12 months from the date of purchase.

e) Depreciation on assets acquired/sold during the year is recognised in Statement of Profit and Loss on pro-rata basis from/till the date of purchase/sale.

1.3 **Impairment of Fixed Assets :**

Wherever events or changes in circumstances indicate that the carrying amount of fixed assets may be impaired, the Company subjects such assets to a test of recoverability, based on discounted cash flows expected from use or disposal thereof. If the assets are impaired, the Company recognizes an impairment loss as the excess of the carrying amount over the recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying amount after reversal is not increased beyond the carrying amount that would have prevailed by charging usual depreciation if there was no impairment.

1.4 **Capital Work in Progress :**

Capital work in progress is stated at cost and includes development and other expenses including interest during construction period.

1.5 **Borrowing Costs :**

Borrowing costs to the extent attributed to the acquisition/construction of qualifying assets are capitalized up to the date when such assets are ready for its intended use and all other borrowing costs are recognized as an expense in the year in which they are incurred.

1.6 **Investments :**

a) Investments which are readily realizable and intended to be held not more than one year from the date on which such investments are made, are classified as current investments. All Other investments are classified as long-term investments.

b) Current Investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long Term Investments are stated at cost. Provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. Commercial Papers are valued at Carrying cost.

1.7 **Foreign Currency Transactions :**

Foreign currency transactions are recorded at the exchange rates prevailing at the time of transaction.

1.8 **Prior Period and Extra Ordinary Items :**

Prior Period and Extra Ordinary items having material impact on the financial affairs of the Company are disclosed separately**.**

1.9 **Employee Benefits :**

a) **Short term employee benefits :**

Short term employee benefits based on expected obligation on undiscounted basis are recognised as expense in the Statement of Profit and Loss of the year in which the related service is rendered.

b) **Defined contribution plan :**

Company's contribution towards Regional Provident Fund Authority and Employee State Insurance Corporation are charged to the Statement of Profit and Loss.

c) **Defined benefit plan :**

Company's liabilities towards gratuity and leave benefits are defined benefit plans. Such liabilities are ascertained by an independent actuary as per the requirements of Accounting Standard – 15 (revised 2005) "Employee Benefits".

All actuarial gains and losses are recognized in Statement of Profit and Loss in the year in which they occur.

1.10 **Segment Reporting :**

The company is primarily engaged in Execution of Railway contracts which includes works contracts and Trading in railway supply materials. All the activities of the company revolved around this main business. As such there are no separate reportable segments as per Accounting Standard -17 "Segment Reporting" notified by the Central Government under the Companies (Accounting Standards) Rules, 2006. The company has only one geographic segment i.e., domestic segment.

1.11 **Consolidated Financial Statements (AS – 21) :**

The Company does not have any subsidiaries, Joint Ventures or Associates.

Hence, consolidated financial statements are not prepared.

1.12 Taxes on Income :

Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized on timing differences; being the differences between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets subject to the consideration of prudence are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

n situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

1.13 Provision, Contingent Liabilities and Contingent Assets :

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events; it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

1.15 Earnings per Share :

The Company reports basic and diluted earnings per equity share in accordance with Accounting Standard-20, Earnings per Share notified by the Central Government under the Companies (Accounting Standards) Rules, 2006. Basic earnings per equity share have been computed by dividing net profit /(loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing the net profit (loss) after tax for the year by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

AXIS RAIL INDIA LIMITED

CIN: L45200AP1983PLC0825276

Regd. Office: 12-5-34 & 35/1, Vijaypuri, South Lalaguda, Secunderabad, Andhara Pradesh- 500017

PROXY FORM (Form No. MHT-11)

Pursuant to Section 105(6) of the Companies Act 2013 and Rules 19(3) of the Companies (Management and Administration) Rules, 2014

Name of the Member(s) :
Regd. Address :
Email Id :
Folio No./ Client Id : DP ID:

I/We being the member of the _____shares of the above named Company, hereby appoint

1. Name : …… Address : …….
   Email Id : …… Signature : ……or failing him

2. Name : …… Address : …….
   Email Id : …… Signature : ……or failing him

3. Name : …… Address : …….
   Email Id : …… Signature : ……or failing him

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company to be held on Friday, 29th September, 2017 at 2:00 P.M at Regd. Office : 12-5-34 & 35/1, Vijaypuri, South Lalaguda, Secunderabad, Andhara Pradesh- 500017 and at any adjournment thereof in respect of such resolutions as indicated below:

Resolution No.	Resolution	Optional	
		For	Against
1.	Adoption of Audited Financial Statement for the financial year ended 31st March 2017 and the Reports of the Board of Directors and Auditor's thereon		
2.	Ratification of Appointment Of Auditors of the company and fix their remuneration		
3.	To appointment Mr. Tamada Srinivas Reddy as a Independent Director of the company		
4.	To alter object clause of the company		
5.	Change of name of the company		

Signed this _____ day of _____ 2017

Signature of Shareholder …… Signature of Proxy Holder

Affix Revenue Stamp Re. 1/-

Note:

1) This form in order to be effective should be dully completed and deposited at the Registered Office of the Company at 12-5-34 & 35/1, Vijaypuri, South Lalaguda, Secunderabad, Andhara Pradesh- 500017 48 hours before the commencement of the meeting.
2) Those members who have multiple folios with different joint holders may use copies of this attendance slip/Proxy.
3) It is optional to put a "X" in the appropriate column against the Resolution indicated in the box. If you leave the 'For' or ' Against' column blank against the Resolutions, your Proxy will be entitled to vote in the manner as He/ She thinks appropriate.

AXIS RAIL INDIA LIMITED
CIN: L45200AP1983PLC0825276
Regd. Office: 12-5-34 & 35/1, Vijaypuri, South Lalaguda, Secunderabad, Andhara Pradesh- 500017
ATTENDANCE SLIP
(To be presented at the entrance)
34th ANNUAL GENERAL MEETING ON FRIDAY, 29Th DAY OF SEPTEMBER, 2017 AT 02.00 P.M

Folio Number _____DPID No. _____ Client ID No._____

Name of the member_____Signature_____

Name of the Proxyholder_____Signature_____

1. **Only Member/Proxy holder can attend the meeting.**
2. **Member/Proxy holder should bring his/her copy of the Annual Report for the reference at the meeting.**