

32nd ANNUAL REPORT 2014-2015



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
MR. R. K BATRA
MS. MANIZA KHAN
MR. D.N. CHATURVEDI

REGISTRAR

BEETAL FINANCIAL AND COMPUTER
SERVICES PRIVATE LIMITED
Beetal House, 3rd Floor, 99 Madangir,
Behind Local Shopping Centre,
Near Dada Harsukhdas Mandir,
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 TRAVENCORE,
KAROL BAGH

INDEX

PARTICULARS	PAGE NO.
NOTICE	3
RESUMES OF DIRECTORS	12
DIRECTORS' REPORT	14
GENERAL SHAREHOLDER INFORMATION	46
AUDITORS' REPORT	46
BALANCE SHEET	59
STATEMENT OF PROFIT & LOSS	
CASH FLOW STATEMENT	
NOTES TO FINANCIAL STATEMENTS	

NOTICE

NOTICE is hereby given that 32nd Annual General Meeting of the shareholders of M/s AXIS RAIL INDIA LIMITED will be held on WEDNESDAY, the 30th day of September, 2015 at 01.00 P.M. at the 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. To receive, consider and adopt the Audited Financial Statement for the financial year ended 31st March 2015 and the Reports of the Board of Directors and Auditor's thereon.
2. To appoint a Director in place of Sh. R K Batra (DIN 00161631), who retires by rotation and being eligible, offers himself for reappointment.
3. To regularize Ms. Maniza Khan, who was appointed as an additional director on 31.03.2015, who being eligible, offers herself for the appointment as director.
4. 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 the Companies 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 reappointed 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 the Companies 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 2015-16 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 32nd Annual General Meeting on a remuneration plus Service tax as applicable, to be fixed by the Board of Directors of the Company"

SPECIAL BUSINESS:

5. **TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS ORDINARY RESOLUTION:**

RESOLVED THAT pursuant to the Provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors), Rules 2014 (including any statutory modification(s) or re-enactment (s) thereof for the time being in force and Clause 49 of the Listing Agreement, Ms. Maniza Khan (DIN 07146123), who was appointed as an additional Director (Independent Director) of the Company on 31.03.2015 by the Board of Directors with effect from March 31, 2015 and who holds office upto the date of this Annual General Meeting in terms of Section 161 of the Act and in respect of whom the Company has received a notice in writing from a Member of the Company under Section 160 (1) of the Act, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation to hold office for 5 (Five) consecutive years for a term upto the Annual General Meeting for the Financial Year 2019-20.

Place: Secunderabad
Date: September 04, 2015

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

NOTES:

- (1) The Explanatory Statement as required under Section 102 of the Companies Act, 2013, in respect of item Nos. 5 to 17 of the Notice convening the Meeting is annexed hereto.
- (2) 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 32nd ANNUAL GENERAL MEETING.
- (3) 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.
- (4) 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.
- (5) **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 Harsukhdas Mandir, 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.
- (6) 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.
- (7) 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
- (8) 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 2014-15 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 2014-15 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.

- (9) In case any Member has any query relating to the Annual Accounts he/she is requested to send the same to Sh. R.K. Batra (DIN 00131631) 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.
- (10) In terms of Section 152 of the Companies Act, 2013, Sh. R K Batra (DIN 00161631) and Sh. D N Chaturvedi (DIN 02219011), Directors, retire by rotation at the Meeting and being eligible, offer themselves for re-appointment and the Board of Directors of the Company recommends their re-appointment. Further, the term of Ms. Maniza Khan (DIN 07146123) is being expired on this ensuing AGM as she was appointed as an additional independent director on 31st March, 2015 and one of the members of the Company proposed his candidature for the appointment as an independent director. The members of the Company may inspect the candidature of Ms. Maniza Khan (DIN 07146123) from the website of the Company (see weblink). Brief resume of the Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is annexed herewith the Notice of the AGM
- (11) 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.
- (12) 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.
- (13) 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 26-09-2015 to 29-09-2015 (both days inclusive) for the purpose of AGM.
- (14) 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.
- (15) Members are advised to refer to the Shareholders Referencer provided in the Annual Report.
- (16)(a) This Notice is being sent to all the members whose name appears as on 26-09-2015, 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.
- (17)(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 26th 2015, being the cut-off date. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- (18) 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.
- (19) 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.
- (20) 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.

(21)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 Clause 35B of the Listing Agreement with Stock Exchanges, 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 appointed Mr. Yogesh Goel, Practicing Chartered Accountant (A 522641) as the Scrutinizer, for conducting the voting / poll and remote e-voting process in a fair and transparent manner.
- f. The cut-off date for the purpose of voting (including remote e-voting) is 26th September, 2015.
- 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, 2015
End of remote e voting	05:00 p.m. (IST) on September, 29, 2015

- 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 26th 2015, 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 Form should 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.
- vi. 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 yo ur 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.

- vii. If you are already registered with CDSL for e-voting, then you can use your existing User ID and Password for Login
- viii. If you are logging in for the first time, please enter the User ID and Password provided in this document.
- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. 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 CDSL platform.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the relevant EVSN (E- Voting Even Number) for Paul Merchants Limited.
- xiii. 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.
- xiv. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- xv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xviii. 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.
- xix. Institutional shareholders (i.e. other than Individuals, HUF, NRI, etc.) are required to log on to www.evotingindia.com and register themselves as Corporates. 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.
- xx. The facility for remote e-voting shall remain open from 9.00 AM on Saturday, the 26th September, 2015 to 5.00 PM on Tuesday, the 29th September 2015. During this period, the members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date, viz. Saturday, the 26th September, 2015, may opt for remote e-voting. V. In case you have any queries or issues regarding e-voting, 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.
- xxi. 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

- xxii. The e-voting module shall be disabled by CDSL for voting after 29-09-2015 (05.00 pm).
- xxiii. The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 26-09-2015.
- xxiv. The Chairman shall, at the annual general meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting, with the assistance of scrutiner, by use of ballot or polling paper or by using an electronic voting system for all those members who are present at the general meeting but have not cast their votes by availing the remote e-voting facility.
- xxv. The Scrutinizer after conclusion of voting by eligible members (whether through remote e-voting or ballot paper) shall prepare consolidated report and forward it to the Chairman of the Company, or any other director so authorized, who shall counter sign the same and declare the result within 48 hours of conclusion of the AGM. The result shall be declared by intimating to the stock exchanges and by placing on the website of the Company and Agency i.e. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting. i.e. _30.09.2015

For members who wish to vote through Ballot Forms

- i. The Ballot Form is provided for the benefit of Members, who do not have access to e-voting facility.
- ii. Pursuant to clause 35B of the Listing Agreement, members who do not have access to e voting facility, may exercise their right to vote on business to be transacted at the Annual General Meeting of the Company by submitting the Ballot Form enclosed to this Notice.
- iii. Members may fill in the Ballot Form enclosed with the Notice and they may exercise their right of vote by tick marking as () against 'FOR' and 'AGAINST' as his/her choice may be, on the agenda item in the Ballot Paper (no other form or photocopy of the form will be accepted) and send the same in a sealed envelope addressed to the Scrutinizer, viz. Yogesh Goel, Practicing Chartered Accountant, 1877/90, 1st floor, Near Metro Pillar No. 222, Shanti Nagar, Tri Nagar, New Delhi- 110035, so as to reach by 5.00 pm on 30th September 2015. The Ballot Form received thereafter will be strictly treated as not received.
- iv. A Member can opt for only one mode of voting i.e. either through e-voting or by the Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and the Ballot Form shall be treated as invalid.

In such an event, votes cast under Poll taken together with the votes cast through remote e-voting shall be counted for the purpose of passing of resolution(s).

Please follow the instructions as mentioned in the Ballot Form

Place: Secunderabad
Date: September 03, 2015

By order of the Board of Directors
for AXIS RAIL INDIA LIMITED

SD/-
RANJAN KAPOOR
(WHOLE TIME DIRECTOR)
(DIN: 00479483)

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

ITEM NO. 5

The Board of Directors of the Company, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, had appointed Smt Maniza Khan (DIN 07146123) as Additional Director (Independent Director) of the Company with effect from 31-03-2015. In terms of the provisions of Section 161 (1) of the Act, Smt. Maniza Khan (DIN 07146123) would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Smt Maniza Khan (DIN 07146123) for the office of Director of the Company.

Smt Maniza Khan (DIN 07146123) is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as Director.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and as per Section 152 she shall not be included in the total number of directors for retirement by rotation.

The Company has received declaration from Smt Maniza Khan (DIN 07146123) that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Smt Maniza Khan (DIN 07146123) possesses appropriate skills, experience and knowledge; inter alia, in the field of Banking and also Corporate Affairs.

In the opinion of the Board, Smt Maniza Khan (DIN 07146123) fulfills the conditions for his appointment as Independent Director as specified in the Act and the Listing Agreement. Smt Maniza Khan (DIN 07146123) is independent of the management.

Brief resume of Smt Maniza Khan (DIN 07146123), nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Bombay Stock Exchange, is provided as a part of the Corporate Governance Report forming part of this Annual Report.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Smt Maniza Khan (DIN 07146123) is appointed as Independent Director.

Copy of the draft letter of appointment of Smt Maniza Khan (DIN 07146123) as Independent Director setting out the terms and conditions of their appointment are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Bombay Stock Exchange.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice, except the appointee Director.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

Place: Secunderabad
Date: September 03, 2015

By order of the Board of Directors
for AXIS RAIL INDIA LIMITED

SD/-
RANJAN KAPOOR
(WHOLE TIME DIRECTOR)
(DIN: 00479483)

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting before you their 32nd tAnnual Report together with the Audited Accounts of the Company for the year ended 31st March, 2015 .

FINANCIAL RESULTS :-

The financial results of the Company for the year under review are summarized for your consideration:

(In Rupees)

Particulars	2014-2015	2013-14
Gross Income	1,061,945,970	-
Profit/(Loss) Before Interest and Depreciation	50,754,136	(632,949)
Interest	719,420	-
Gross Profit	94118940	-
Provision for Depreciation	12,611,363	-
Net Profit/(Loss) Before Tax	37,423,353	(632,949)
Provision for Tax	4,174,873	-
Deferred Tax	(936,432)	-
Net Profit After Tax	24,184,912	(632,949)
Balance of Profit/(Loss) brought forward	82,827,848	(94,053,288)
Balance available for appropriation	(11,762,269)	(94686237)
Proposed Dividend on Equity Shares	-	-
Tax on proposed Dividend	-	-
Transfer to General Reserve	-	-
Surplus carried to Balance Sheet	66,430,742	(49,424,976)

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:-

As the company has recently gained some profits because of the Merger your 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, 2015 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:-

No share capital was issued during the year. The company has not issued any equity shares with differential rights, bonus shares, Sweat Equity Shares, Employee stock options or shares under right issue.

DIRECTORS:-

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. R K Batra (DIN 00161631) ,Director of the Company retire by rotation in the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Ms. Maniza Khan (DIN: 07146123) had been appointed as an additional Directors, designated as Independent Directors of the Company by the Board of Directors. They hold office upto the date of the ensuing Annual General Meeting and are proposed to be appointed as an Independent Director by the Members. The Company has received requisite notices in writing from members proposing them for appointment as Independent Directors.

In the opinion of the Board, Ms. Maniza Khan (DIN: 07146123) fulfill the conditions for their appointment as Independent Directors as specified in the Act and the Listing Agreement. Ms. Maniza Khan (DIN: 07146123) is independent of the management.

The Brief Resumes and other details relating to the Directors who are proposed to appointed/re-appointed, as required to be disclosed under Clause 49 of the Listing Agreement, form part of the Notice of Annual General Meeting.

KEY MANAGERIAL PERSONNEL

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

Sh. Ranjan kapoor	Whole Time director
-------------------	---------------------

MATERIAL CHANGES 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, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

The requisite information has been given by way of an Annexure D-1 to this Report.

CHANGES HAPPENING DURING THE FINANCIAL YEAR

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

Clause 55 of the Listing Agreement is not applicable to the Company.

POLICY ON DIRECTORS APPOINTMENT AND POLICY ON 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 D-2, 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 D-4 which forms part of this report.

NUMBER OF MEETINGS OF BOARD

During the year 2014-15, 5 (Five) Board Meetings were held and 1 (One) Independent Directors meeting was held on 11.02.2015 as required under Schedule IV of Companies Act, 2013 and as per Clause 49 of the Listing Agreement. The dates on which the Board Meetings were held are 30-05-2014, 13-08-2014, 02-09-2014, 14-11-2014 and 17-03-2015.

STATUTORY AUDITORS & 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. As their term expires at the ensuing Annual General Meeting, they have offered themselves for re- appointment as they are eligible for re-appointment. They are proposed to be re-appointed 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, 2015 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 2014-15.

SECRETARIAL AUDITORS AND THEIR REPORT

Mr. Kapil Chaand (ACS 36673), a Company Secretary in practice having CP no. 13654, was appointed as Secretarial Auditor of the Company for the financial year 2014-15 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 D-5 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 2014-15 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, 2014 and ending on the 31st March, 2015, 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 2014-15.

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 authorised, 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 2014-15 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 Clause 49 of listing agreement with the stock exchange, an audit committee has been duly constituted. The Audit Committee as on March 31, 2015 comprises of the following Independent Directors:

Sh. R K Batra	Independent Director, Chairman
Sh. D N Chaturvedi	Independent Director, Member
Smt. Maniza Khan	Independent 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 Clause 49 of the Listing Agreement and pursuant to the provisions of Companies Act, 2013, the details pertaining to Nomination & Remuneration Committee. The Nomination & Remuneration Committee as on March 31, 2015 comprises of the following Directors:

Sh. Ranjan Kapoor	Independent Director, Member
Sh. R K Batra	Whole Time Director, Chairman
Smt. Maniza Khan	Independent Director, Member

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

CORPORATE SOCIAL RESPONSIBILITY (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

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.,

EXTRACT OF ANNUAL RETURN

The extract of Annual Return as on March 31, 2015 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 D-8 and forms part of this Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE 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 2014-15 are attached as Annexure D-9 which 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.

VIGIL MECHANISM

The Company has established a Vigil Mechanism in terms of Section 177 (10) of the Companies Act, 2013 and also in terms of Clause 49 of the Listing Agreement. The details of the Vigil Mechanism is given in the Corporate Governance Section, which is annexed herewith. The Vigil Mechanism cum Whistle Blower Policy is also available on the Company's website www.paulmerchants.net

DIRECTORS' RESPONSIBILITY STATEMENT:-

- (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 2015-2016 to the Bombay Stock Exchange.

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).

Pursuant to the provisions of the Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e. 30-09-2014) with the Ministry of Corporate Affairs.

FINANCIAL STATEMENTS

Full version of the Annual Report 2014-15 containing complete Balance Sheet, Statement of Profit & Loss, other statements and notes thereto, including Consolidated Financial Statements, 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 2014-15 is also available for inspection at the registered office of the Company during working hours upto the date of ensuing Annual General Meeting (AGM). It is also available at the Company's website www.axisrailindia.com. Please note that you will be entitled to be furnished, free of cost, the full Annual Report 2014-15, 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 2014-15:

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 thankful to all the employees and the officers of the Company, for their dedication, support and co-operation.

For & On Behalf of the Board

SD/-

(RANJAN KAPOOR)

WHOLE TIME DIRECTOR

(DIN 00479483)

PLACE: SECUNDERABAD

Date: September 03, 2015

For & On Behalf of the Board

SD/-

DIRECTOR

ANNEXURE D-1 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

SD/-

(RANJAN KAPOOR)

WHOLE TIME DIRECTOR

(DIN 00479483)

PLACE: SECUNDERABAD

Date: September 03 , 2015

ANNEXURE D- 2 TO THE DIRECTORS' 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 and Clause 49 of the Listing Agreement, as amended from time to time. 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.

3. 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, KMP and 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, 2014 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 thereunder, 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.

3.3. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

3.3.1. 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.

3.3.2. 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.
- 1. 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 participate in 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 time 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.

4. 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.

5. 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.

6. FREQUENCY OF MEETINGS

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

7. 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.

8. 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.

9. 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)

(DIN 00479483)

PLACE: Secunderabad

Date: September 03rd, 2015

ANNEXURE D-5 TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

TO THE MEMBERS, 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 a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **AXIS RAIL INDIA LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the audit period covering the Financial Year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **AXIS RAIL INDIA LIMITED** ("the Company") for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) 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 (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) OTHER APPLICABLE ACTS :

- (a) The Reserve Bank of India Act , 1934
- (b) Prevention of Money Laundering Act, 2002 and the prevention of Money-Laundering (Amendment) Act 2012.
- (c) Payment of Wages Act, 1936, and rules made thereunder
- (d) The Minimum Wages Act, 1948, and rules made thereunder
- (e) Employee's State Insurance act, 1948, and rules made thereunder
- (f) The Employee's Provident Fund and Miscellaneous Provisions Act, 1952 and rules made thereunder
- (g) The Payment of Bonus Act, 1956, and rules made thereunder
- (h) The Payment of Gratuity Act, 1972
- (i) Indian Contract Act, 1872
- (j) The Apprentices Act, 1961
- (k) The Workmen's Compensation act, 1923
- (l) Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013

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

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

1. Secretarial Standards issued by The Institute of Company Secretaries of India **(Not Applicable For The Financial Year 2014-15)**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines 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 and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review are carried out in compliance with the provisions of the Act. Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent atleast seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes

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.

PLACE: NEW DELHI

DATE:03/09/2015

(KAPIL S CHAAND)
COMPANY SECRETARY
ACS NO. 36673CP NO.3645

“Annexure –A”

TO
THE MEMBERS,
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 my audit.
2. I have followed the audit practices and processes as are appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that the 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. Whenever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws. Rules, regulations, standards are the responsibility of the management. My examination was limited to the extent of 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 the efficacy or effectiveness with which the management has conducted the affairs of the company.

PLACE:NEW DELHI

DATE:03/09/2015

(KAPIL S CHAAND)
COMPANY SECRETARY
ACS NO. 36673
CP NO.13654

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	The Company has no Joint Venture
Latest audited Balance Sheet Date	N A
Shares of Associate/Joint Ventures held by the company on the year end	Nil
No.	Nil
Amount of Investment in Associates/Joint Venture	Nil
Extend of Holding%	Nil
Description of how there is significant influence	Not Applicable
Reason why the associate/joint venture is not consolidated	In terms of Rule 6 of Companies (Accounts) Rules, 2014
Net worth attributable to shareholding as per latest audited Balance Sheet	RsNil
Profit/Loss for the year	Nil
Considered in Consolidation	N/a
Not Considered in Consolidation	N/a

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified

Sd/-

Ranjan Kapoor

Whole Time Director

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

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

SL. No.	Particulars	Details
	Name (s) of the related party & nature of relationship	
	Nature of contracts/arrangements/transaction	
	Duration of the contracts/arrangements/transaction	
	Salient terms of the contracts or arrangements or transaction including the value, if any	
	Justification for entering into such contracts or arrangements or transactions'	
	Date of approval by the Board	
	Amount paid as advances, if any	
	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

8. DISCLOSURES

(i) Related Party Transactions

No material significant related party transactions have 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 as Annexure D – 9 to the Directors Report. The company has framed its Policy on dealing with Related Party Transactions and the same is available on its website www.axisrailindia.com.

(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.axisrailindia.com

(iv) Compliance With Mandatory Requirements Of Clause 49

The Company has complied with all the mandatory conditions of Corporate Governance and is planning to adopt non-mandatory requirements also in a phased manner.

(v) 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.

(vi) 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 Depository 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.

(vii) 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.paulmerchants.net. 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.

(viii) Material Subsidiaries

The Company does not have any material subsidiary as defined under Clause 49 of the Listing Agreement. In fact, the Company has no subsidiary Company.

(vii) Disclosure Regarding Appointment Or Re-appointment Of Directors:

Mr R K Batra, Director of the Company retire by rotation in the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Sh Ranjan Kapoor is being re-appointed as Whole Time Director of the Company. Their brief Resumes are already given as part of the Notice of Annual General Meeting.

(viii) 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, 2015. The Annual Report of the Company contains a Certificate duly signed by the Managing Director in this regard.

(ix) **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.

(x) **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.

09. MEANS OF COMMUNICATIONS

a. **Quarterly Results :**

The Quarterly, Half yearly and Annual Results of the Company are sent to Delhi Stock Exchange in accordance with the Listing Agreement. The said Results are normally published in The Financial Express (English) and Jansatta (Hindi) and also displayed on Company's website www.axisrailindia.com.

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.

10. GENERAL SHAREHOLDER INFORMATION

AGM : Date, time	Wednesday, the 30 th day of September, 2015 at 10:00 P.M.
AGM venue	12-5-34 & 35/1, Vijapuri, South Lalaguda, Secunderabad, Rangaareddi, Andhra Pradesh- 500017
Financial year	April 1 st , 2014 to March 31 st , 2015
Date of Book closure	26-09-2015 to 30-09-2015 (both days inclusive)
Dividend Payment Date	N/A
Listing on Stock Exchanges	Bombay Stock Exchange
ISIN	INE 078 T 01018
Scrip Code	514360
Market Price Data: High, Low during each month in last financial year	NIL.
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 Harsukhdas Mandir, 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 and liquidity	Liquidity:- The shares of the company are in physical form, an application for dematerialization has been filed with the RTA.
Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity	The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments
Address for correspondence	Ranjan Kapoor, 12-5-34 & 35/1, Vijapuri, South Lalaguda, Secunderabad, Rangaareddi, Andhra Pradesh- 500017 Ph. 040-27000499, Fax 040-27017660 email: axisrailindia@gmail.com

Shareholding Pattern as on 31st March, 2015:-

Category	No. of Shares held
Promoters	747448
Institutional Investors	0
Mutual Funds & UTI	0
Banks, Financial Institutions and Insurance Companies	0
FII's	0
Others	280552
Private Corporate Bodies	102355
Indian Public	0
NRI's/OCBs	0
Trust	0

VIGIL MECHANISM 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.

Clause 49 of the Listing Agreement between the Company and Delhi Stock Exchange, inter alia, provides for a non-mandatory 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 NOT be investigated.

8. 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.

9. 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

10. 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

11. RIGHTS OF A SUBJECT

- 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

12. 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.

13. PROCEDURE FOR REPORTING & DEALING WITH DISCLOSURES

The procedure as per Annexure will be followed.

14. 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.

15. 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.

16. 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.

17. 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/-

(R K Batra)

CHAIRMAN OF AUDIT COMMITTEE

14.08.2015

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.paulmerchants.net. 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, 2015.

Place: SECUNDERABAD
Date: 03.09.2015

SD/-
RANJAN KAPOOR
WHOLE TIME DIRECTOR

CEO and CFO DECLARATION

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

Date: September 03 , 2015

We hereby certify that for the financial year ending 31-03-2015, 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 31-03-2015, 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 AUDITOR'S REPORT

**To the Members of
Axis Rail India Limited**

Report on the Financial Statements

We have audited the accompanying standalone financial statements of Axis Rail India Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and 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 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 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 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 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 31 March 2015 and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matter(s) in the Notes to the Financial Statements:

Note 26 to the Financial Statements which describes the Order passed by The Honorable High Court of Hyderabad (State of Telangana and Andhra Pradesh) dated 30th October 2014 related to the merger of the company with KVR Rail Infra Projects Private Limited.

The Company has complied with the Provisions of AS-14, Companies Act 1956 and/or any other law for the time being in force.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
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 purposes of our audit.
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the balance sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; 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 – Refer Note 22 to the financial statements;
 - 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.

29th May, 2015
Hyderabad

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

KAPIL AGGARWAL
(Partner)
Membership No. 082908

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, 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, is reasonable, having regard to the size of the Company and nature of the assets. No material discrepancies were noticed on such verification.
- 2) a) The stocks of the finished goods, stores and spare parts have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable 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 stocks followed by the management are reasonable and 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 discrepancies noticed on physical verification of stocks, as compared to book records.
- 3) We are informed that the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013.
- 4) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and sale of services. We have not observed any major weakness in the internal control system during the course of the audit.
- 5) The Company has not accepted any deposits from the public within the meaning of Section 73-76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- 6) The Company is not required to maintain cost records as prescribed under section 148(1) of the Companies Act, 2013
- 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, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year 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.
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.
b) According to the information and explanations given to us, there are no material dues of wealth tax, sales tax, service tax, duty of customs or duty of excise and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us.
c) According to the information and explanations given to us the amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
- 8) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- 9) The Company has not defaulted in repayment of principal amount or interest on any loans (either secured or unsecured) from financial institutions or banks or debenture holders.
- 10) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 11) The Company has term loans outstanding during the year which can be referred in note no.3.
- 12) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

Hyderabad
29th May, 2015

KAPIL AGGARWAL
(Partner)
Membership No. 082908

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

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

BALANCE SHEET AS AT 31-03-2015

Particulars	Note No.	31-03-2015	31-03-2014
		Rs.	Rs.
I. EQUITY AND LIABILITIES			
1. Shareholders Funds :			
Share Capital	1	10,969,750	43,901,500
Shares Pending Allotment	1	254,969,360	-
Reserves and Surplus	2	66,430,742	(49,424,976)
2. Non Current Liabilities :			
a) Long Term Borrowings	3	4,508,684	-
b) Deferred Tax Liabilities (Net)		3,520,928	-
3. Current Liabilities :			
a) Trade Payables	4	18,334,560	-
b) Other Current Liabilities	5	112,999,842	5,060,000
c) Short Term Provisions	6	10,920,960	7,514,887
TOTAL		482,654,826	7,051,411
II. ASSETS			
1. Non-Current Assets :			
a) Fixed Assets			
- Tangible Assets		63,118,034	-
b) Non-Current Investments	8	500,000	-
c) Non Current Loans and Advances	9	-	7,035,000
d) Other Non-Current Assets	10	10,768,430	-
		74,386,464	7,035,000
2. Current Assets :			
a) Inventories	11	8,662,500	-
b) Trade Receivables	12	146,570,785	-
c) Cash and Cash Equivalents	13	84,984,831	16,411
d) Short-Term Loans and Advances	14	137,050,247	-
e) Other Current Assets	15	31,000,000	-
		408,268,362	16,411
TOTAL		482,654,826	7,051,411

Significant Accounting Policies and Notes to the
Financial Statements

- -

The accompanying notes are an integral part of the financial statements

For B. Aggarwal & Co.

Chartered Accountants

FRN: 004706N

FOR AND ON BEHALF OF THE BOARD

Kapil Aggarwal

Partner

M. No. 082908

Place: Hyderabad

Date: 29/05/2015

Ranjan Kapoor

Whole Time Director

DIN- 00479483

R K Batra

Director

DIN- 00161631

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2015 (MERGED)

Particulars	Note No.	2014-15	2013-14
		Rs.	Rs.
INCOME :			
Revenue from Operations	16	1,047,476,934	-
Other Income	17	14,469,036	-
Total Revenue		1,061,945,970	-
EXPENDITURE :			
Cost of Materials Consumed	18	976,489,530	-
Changes in Inventories of Work-in-Process and Finished Goods	19	(8,662,500)	-
Employees Benefits Expenses	20	16,418,238	-
Finance Costs	21	3,119,311	3,433
Depreciation	7	12,611,363	-
Other Expenses	22	24,546,675	629,516
Total Expenses		1,024,522,617	632,949
PROFIT BEFORE TAX		37,423,353	(632,949)
Tax Expense :			
Current Tax - Current Year		13,199,442	-
Current Tax - Earlier Years		975,431	-
Deferred Tax		(936,432)	-
PROFIT AFTER TAX		24,184,912	(632,949)

Significant Accounting Policies and Notes to the
Financial Statements

The accompanying notes are an integral part of the financial statements

For B. Aggarwal & Co.

Chartered Accountants
FRN: 004706N

FOR AND ON BEHALF OF THE BOARD

Kapil Aggarwal
Partner
M. No. 082908

Ranjan Kapoor
Whole Time Director
DIN- 00479483

R K Batra
Director
DIN- 00161631

Place: Hyderabad
Date: 29/05/2015

AXIS RAIL INDIA LIMITED
 (Merged entity with KVR Rail Infra Projects Pvt. Ltd.)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2015

Particulars	Year Ended 31 March 2015	Year Ended 31 March 2014
	Rs	Rs
A. Cash Flow from Operating Activities :		
Net Profit before Tax	37,423,353	(632,949)
Add: Transfer to reserves *	177,514,085	
Adjustments for non cash, non operating items:		
Depreciation	12,611,363	-
Finance Costs	3,119,311	3,433
Non operating income	(14,469,036)	-
<i>Operating Profit before Working Capital Changes</i>	216,199,076	(629,516)
(Increase) / Decrease in Trade Receivable*	(146,570,785)	-
(Increase) / Decrease in Inventories*	(8,662,500)	-
(Increase) / Decrease in Short Term Loans & Advances*	(137,050,247)	-
(Increase) / Decrease in Other Current Assets*	(31,000,000)	-
Increase / (Decrease) in Short Term Provisions*	3,406,073	-
Increase / (Decrease) in Other Current Liabilities*	107,939,842	26,979
Increase / (Decrease) in Trade Payables*	18,334,560	-
<i>Cash generated from Operating Activities before Tax</i>	22,596,020	(602,537)
Direct Taxes Paid	(14,174,873)	-
<i>Cash generated from Operating Activities before Exceptional Items</i>	8,421,147	(602,537)
Opening Balance of Deferred Tax Liability of Merged Entity	4,457,360	
Net Cash Flow from Operating Activities	12,878,507	(602,537)
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(464,498)	-
(Increase) / Decrease in Non-Current Investments*	(500,000)	-
(Increase) / Decrease in Other Non Current Assets*	(10,768,430)	565,000
(Increase) / Decrease in Non Current Loans & Advances*	7,035,000	
Sale of Fixed Assets	100,000	-
Interest /Dividend and Other Income	14,469,036	-
<i>Net Cash Flow from Investing Activities before exceptional items</i>	9,871,108	565,000
Opening balance of Fixed Assets of Merged Entity*	(87,408,568)	-
Net Cash Flow from Investing Activities	(77,537,460)	565,000
C. Cash Flow from Financing Activities :		
Long Term Loans raised*	4,508,684	10,000
(Increase) / Decrease in Share Capital*	148,238,000	
Finance Costs	(3,119,311)	(3,433)
Net Cash Flow from Financing Activities	149,627,373	6,567
Net Increase/(decrease) in Cash and Cash Equivalents	84,968,420	(30,970)
Opening Cash and Cash Equivalents	16,411	47,381
Closing Cash and Cash Equivalents	84,984,831	16,411

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.

3	Cash and cash equivalents comprises of:	For the year ended 31.03.2015	For the year ended 31.03.2015
	a) Balances with Banks :		
	- in Current Accounts	(68,152,312)	13,505
	- in Fixed Deposits	148,202,903	-
	- BG Margin Money Fixed Deposits	3,486,855	-
	- Cheques and Drafts on hand	100,000	-
	b) Cash on Hand	1,347,385	2,906
		84,984,831	16,411

4 Items marked with an asterisk (*) are stated after adjustment pursuant to merger. (Refer Note No. 26)

For B. Aggarwal & Co.

Chartered Accountants

FRN: 004706N

FOR AND ON BEHALF OF THE BOARD

Kapil Aggarwal

Partner

M. No. 082908

Ranjan Kapoor

Whole Time Director

DIN- 00479483

R K Batra

Director

DIN- 00161631

Place : Hyderabad

Date 29.05.2015

AXIS RAIL INDIA LIMITED

Merged entity with KVR Rail Infra Projects Pvt. Ltd.

SIGNIFICANT ACCOUNTING POLICIES AND 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.

The financial statements have been prepared on an accrual basis and under the historical cost convention.

A. SIGNIFICANT ACCOUNTING POLICIES :

(As per Annexure)

B. 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	31-03-2015 Rs.	31-03-2014 Rs.
Authorized :		
<i>KVR Rail Infra Projects Pvt. Ltd.</i>		
1,50,00,000 Equity Shares of Rs. 10 each	150,000,000	-
<i>Axis Rail India Ltd.</i>		
1,09,00,000 Equity Shares of Rs. 10 each	109,000,000	109,000,000
5,000 6% Redeemable Non Cumulative Preference Shares of Rs. 100 each	500,000	500,000
5,000 6% Irredeemable Non Cumulative Preference Shares of Rs. 100 each	500,000	500,000
Total	260,000,000	110,000,000
Issued, Subscribed and Paid-up :		
43,90,900 shares of Rs. 10 each	-	43,909,000
Less: Unpaid call	-	7,500
	-	43,901,500
10,97,725 Equity shares of Rs. 10/- each pursuant to High Court's order	10,977,250	-
Less: Unpaid call	7,500	-
	10,969,750	-
Total	10,969,750	43,901,500

1.2 Details of Shares Pending for Allotment

Particulars	31-03-2015 Rs.	31-03-2014 Rs.
14,82,380 Equity shares of Rs. 10/- each pursuant to High Court's order	14,823,800	-
2,40,14,556 7% Optionally Convertible Redeemable Preference shares of Rs. 10/- each pursuant to High Court's order	240,145,560	-
Total	254,969,360	-

1.3 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

3 Long-Term Borrowings :

Secured Loans

Particulars	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.
a) Axis Bank Ltd. - Concrete Mixer Loan (Secured by hypothecation of Concrete Mixer)	1,249,124	-
b) Axis Bank Ltd. - Elantra Car Loan	853,904	-
c) Axis Bank Ltd. - Laura Car Loan	605,586	-
d) Axis Bank Ltd. - New Innova Car Loan	952,451	-
e) Axis Bank Ltd. - Innova Car Loan	652,315	-
f) Axis Bank Ltd. - TATA Xenon Car Loan (All the above Vehicle Loans are secured by hypothecation of Motor Cars)	195,304	-
	4,508,684	-

4 Trade Payables :

Particulars	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.
Sundry Creditors	18,334,560	-
	18,334,560	-

5 Other Current Liabilities :

Particulars	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.
Advances from Customers	96,567,682	-
Duties and Taxes	3,750	-
Advances with Staff	168,410	-
Aspiring Equity Services Private Limited (Advance Received For Settlement of Bank Dues)	5,000,000	5,000,000
- Mr. Ranjan Kapoor	60,000	60,000
- Incredible Capital Ltd.	11,200,000	-
	112,999,842	5,060,000

6 Short Term Provisions :

Particulars	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.
b) Current Income Tax	2,053,077	-
c) Expenses Payable	8,867,883	7,514,887
	10,920,960	7,514,887

8 Non-Current Investments

Particulars	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.
Axis Bank Mutual Fund	500,000	-
	500,000	-

9 Non Current Loans and Advances

Particulars	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.
Secured, considered good - Incredible Capital Ltd.	-	7,035,000
Total	-	7,035,000

10 Other Non-Current Assets :

Particulars	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.
a) Deposits :		
- Earnest Money Deposits	768,430	-
- Rites Limited - Deposit	10,000,000	-
	10,768,430	-

11 Inventories :

Particulars	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.
Stock of Lands	8,662,500	-
	8,662,500	-

12 Trade Receivables :

Particulars	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.
Sundry Debtors : (Unsecured and Considered good unless otherwise stated)	146,570,785	-
	146,570,785	-

13 Cash & Cash Equivalents :

Particulars	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.
a) Balances with Banks :		
- in Current Accounts	(68,152,312)	13,505
- in Fixed Deposits	148,202,903	-
- BG Margin Money Fixed Deposits	3,486,855	-
- Cheques and Drafts on hand	100,000	-
b) Cash on Hand	1,347,385	2,906
	-	
	84,984,831	16,411

14 Short Term Loans & Advances :

Particulars	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.
Loans and Advances :		
(Unsecured and Considered good unless otherwise stated)		
a) Retention Money	134,485,981	-
b) VAT Input Credit	881,740	-
c) Advance to Mazda	1,631,026	-
d) Salary Advances	1,500	-
e) Rent Advance at Site	50,000	-
	137,050,247	-

15 Other Current Assets :

Particulars	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.
(Unsecured and Considered good unless otherwise stated)		
a) Service Tax - Appeallate Pre-Deposit	10,000,000	-
b) Income Tax (Under Appeal)	21,000,000	-
	31,000,000	-

16 Revenue from Operations :

Particulars	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.
a) Execution of Works Contracts and Supplies 08,263 (Net of Discounts)	1,043,0	-
b) Services Income	4,468,671	-
	1,047,476,934	-

17 Other Income :

Particulars	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.
a) Bank Interest	13,715,034	-
b) Gains on Axis Bank Mutual Fund Redemption	754,002	-
	14,469,036	-

18 Cost of Inputs Consumed :

Particulars	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.
Opening Stock of Materials	-	-
Add : Purchases of Materials	896,155,996	-
Add : Construction Works and Direct Materials 56,687	49,4	-
Add : Purchase of Land on behalf of customers 2,500	8,66	-
Add : Freight Charges	5,658,915	-
Add : Diesel Charges	5,827,932	-
Add : Loading & Unloading Charges	108,000	-
Add : Hiring Charges	10,619,500	-
	976,489,530	-
Less : Closing Stock	-	-
	976,489,530	-

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

Particulars	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.
a) Opening :		
- Work-in-Process	-	-
- Finished Goods	-	-
	-	-
b) Closing :		
- Work-in-Process	-	-
- Finished Goods - Land purchased for customer s	8,662,500	-
	8,662,500	-
Net (Increase) / Decrease	(8,662,500)	-

20 Employee Benefits Expenses :

Particulars	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.
a) Salaries to Staff	15,858,568	-
b) Staff Welfare Expenses	225,702	-
c) E.S.I & Provident Fund Contribution	215,768	-
d) Medical Expenses	118,200	-
	16,418,238	-

21 Finance Costs :

Particulars	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.
a) Bank Charges	286,195	3,433
b) Interest on Hire Purchase - Vehicles	719,420	-
c) Processing Fee to Bank	1,500,205	-
d) Bank Guarantee Charges	613,491	-
	3,119,311	3,433

22 Other Expenses :

Particulars	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.
a) Administrative Expenses :		
- Directors Remuneration	1,300,000	-
- Travelling Expenses	7,966,998	-
- Legal and Consultancy Expenses	2,674,504	1,500
- Insurance Charges	282,381	-
- Rents - Site Offices	593,240	-
- Power Expenses	666,179	-
- Fuel Charges	54,512	-
- Auditors Remuneration	561,800	22,472
- Repairs & Maintenance Expenses :		
- Buildings	453,084	-
- Vehicles	2,046,861	-
- Machinery	542,118	-
- Computers	73,920	-
- Electricals	187,964	-
- Profession Tax	71,938	-
- Property Tax	11,588	-
- Service Tax Paid	223,837	-
- VAT	774,450	-
- Miscellaneous Expenses	6,061,301	605,544
	24,546,675	629,516

23 Contingent Liabilities :

a) Counter Guarantees issued against Bank Guarantees issued by Banks : Rs. 418.18 Lacs

b) Claims against the Company not acknowledged as debts :

(Claims under adjudication)

i) Service Tax and Income Tax levies . 3000.20 Lacs Rs

ii) Commercial and other claims Nil

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

25a) There were no employees drawings remuneration in excess of the limits laid down in Section 217(2A) of the Companies Act, 1956.

b) No provision for retirement benefits has been made in the accounts contrary to the requirements of Accounting Standard No. 15 issued by the Institute of Chartered Accountants of India.

26 Effect of changes in Accounting Policies :

Depreciation Policy on Fixed Assets :

Pursuant to the enactment of the Companies Act, 2013, the Company has, effective from 01-04-2014, reviewed and revised the useful lives of its Fixed Assets. Consequent to the change, additional depreciation of Prior Period of Rs. 1,20,43,669/- is adjusted to balance in Statement of Profit and Loss in the Reserves & Surplus.

27 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. L td. 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) Good will/ 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.

28 Additional Information :

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

a) Value of Inputs consumed during the year :

	2014-15		2013-14	
	Value (Rs.)	%	Value (Rs.)	%
Indigenous	965,863,314	100	970,082,712	100
Imported	-	-	-	-
	965,863,314	100	970,082,712	100

b) Foreign Exchange Inflow / Outflow : NIL

c) Related Party Disclosures :

i) Key Management Personnel :

ii) Related Party Transactions :

Nature of Transactions	Related Party	2014-15	2013-14
Remuneration	Directors	1,300,000	-
Sub-Contracts	Zara Investments Pvt. Ltd.	5,800,000	

29 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, 20 06 (as amended).

Particulars	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.
Profit after Tax	24,184,912	(632,949)
Number of Ordinary Shares	1,482,380	4,390,150
Weighted Average Number of Ordinary Shares 80	1,482,3	4,390,150
Earnings per Share (Rs.) - Basic and Diluted	16.31	(0.14)

30 Dues to Micro, Small and Medium Enterprises outstanding 2014-15 : Not Ascertained
for more than 45 days as at Balance Sheet date 3-14 : Not Ascertained

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

32 Auditors Remuneration represents charges for services relating to Audit and Taxation.

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

For B. Aggarwal & Co.

Chartered Accountants

FRN: 004706N

Kapil Aggarwal

Partner

M. No. 082908

Place : Hyderabad

Date : 29.05.2015

R K Batra

Director

DIN- 00161631

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

SIGNIFICANT ACCOUNTING POLICIES AND 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. The financial statements have been prepared on an accrual basis and under the historical cost convention.

A. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation :

- a) 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.
- b) 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
- c) 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.
- d) As per the Schedule III of Companies Act, 2013, "an operating cycle is the time between the acquisition of assets for processing and their realization 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.

1.2 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 is on receipt basis. Interest Income is recognized on time proportion basis.

1.3 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

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

1.1 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.

1.2 Capital Work in Progress :

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

1.3 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.

1.4 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.

1.5 Foreign Currency Transactions :

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

1.6 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.

1.7 Employee Benefits :

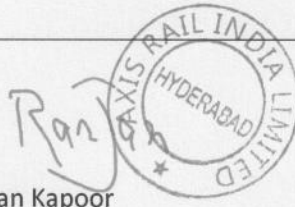
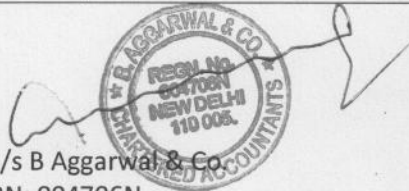
- a) Short term employee benefits :
Short term employee benefits based on expected obligation on undiscounted basis are recognised as expense in the Statement of Profit and Loss of the year in which the related service is rendered.

- 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.
- 1.8 **Merger/ Amalgamation:**
Amalgamations and mergers have been dealt with in accordance with Accounting Standard- 14: "Accounting for Amalgamations" as notified by the Central Government under the Companies (Accounting Standards) Rules, 2006.
- 1.9 **Segment Reporting :**
The company is primarily engaged in Execution of Railway contracts which include 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.
- 1.13 **Consolidated Financial Statements (AS – 21) :**
The Company does not have any subsidiaries, Joint Ventures or Associates. Hence, consolidated financial statements are not prepared.
- 1.14 **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 recognized 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.
In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.
- 1.15 **Provision, Contingent Liabilities and Contingent Assets :**
Provisions involving substantial degree of estimation in measurement are recognized 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 recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.
- 1.16 **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
(Formerly known as GUPTA CARPETS INTERNATIONAL LIMITED)
CIN: L45200AP1983PLC082576

FORM A

Covering letter of the Annual Audit Report to be filed with the Stock Exchange

Name of the Company	Axis Rail India Limited
Annual Financial Statements for the year ended	31 st March, 2015
Type of Audit Observation	Un-qualified
Frequency of Observation	N.A
To be signed by- <ul style="list-style-type: none">• Director cum Chairman of Audit Committee	 Ranjan Kapoor (Director)
<ul style="list-style-type: none">• Auditor of the Company	 M/s B Aggarwal & Co. FRN: 004706N Kapil Aggarwal M.N. 082908 Partner