36th
ANNUAL REPORT
2018-2019

K&R RAIL ENGINEERING LIMITED

(FORMERLY KNOWN AS *AXIS RAIL INDIA LIMITED*)

CIN: L45200AP1983PLC082576

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

MS. MANIZA KHAN
MR. AMIT BANSAL
MR. SHAMIM AHMED QURESHI
MR. TAMADA SRINIVAS REDDY
MR. PAGA VENU GOPAL REDDY

COMPANY SECRETARY

Ms. CHANCHAL CHOUDHARY

REGISTRAR

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

REGISTERED OFFICE

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

CIN: L45200AP1983PLC082576

AUDITORS

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

PRINCIPAL BANKERS

STATE BANK OF INDIA,
KAROL BAGH

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NOTICE

NOTICE is hereby given that 36th Annual General Meeting of the shareholders of M/s K&R RAIL ENGINEERING LIMITED (Formerly known as AXIS RAIL INDIA LIMITED) will be held on MONDAY, the 30th day of September, 2019 at 02.00 P.M. at the registered office of the Company 12-5-34 & 35/1, Vijapuri, South Lalaguda, Secunderabad, Rangaareddy, Telangana- 500017, to transact the following businesses:

ORDINARY BUSINESS:

1. **ADOPTION OF FINANCIAL STATEMENTS, DIRECTORS AND AUDITORS REPORTS:**

   To receive, consider and adopt the Audited Financial Statement for the financial year ended 31st March 2019 and the Reports of the Board of Directors and Auditor's thereon.

2. To appoint a Director in place of Mr. SHAMIM AHMED QURESHI, Director, who retires by rotation and being eligible offers himself for re-appointment in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

   "RESOLVED THAT Mr. SHAMIM AHMED QURESHI, who retire by rotation in terms of Section 152 of Companies Act, 2013 and being eligible be and is hereby re-appointed as Director of the Company whose office shall be liable to retirement by rotation".

3. **Appointment of Statutory Auditors**

   To consider and, if thought fit, to pass with or withoutmodification(s),the following resolution as an **OrdinaryResolution**.

   "RESOLVED THAT pursuant to the provisions of Section 139 ,142 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, including any statutory modification(s) or rec-enactment(s) thereof for the time being in force, M/s Chowdary and Rao, Chartered Accountants (ICAI Firm Registration No. 000656S),be and is hereby appointed as the Statutory Auditors of the Company (in place of M/s B. Aggarwal& Company, Chartered Accountants, the retiring Auditors) for the term of five years commencing from the company's financial year 01st April, 2019 to hold the office from the conclusion of 36th Annual General Meeting of the Company till the conclusion of 41stAnnual General meeting to be held in 2024at such remuneration plus service tax, out-of-pocket, traveling and living expenses, etc., as may be mutually agreed between the Board of the Directors of the Company and the Auditors."

4. **SPECIAL BUSINESS**

Appointment of Mr. Amit Bansal as Whole Time Director of the Company

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

"RESOLVED THAT Mr. Amit Bansal, who was appointed as an Additional Director w.e.f. 16th April, 2019 in terms of Section 161 of the Companies Act, 2013 and Article 101 of the Articles of Association of the Company, to hold the office till the conclusion of the ensuing General Meeting, be and is hereby appointed as Director of the Company".

"RESOLVED FURTHER THAT pursuant to provision of Section 2013 and other applicable provisions if any, of the Companies Act, 2013, the approval of Members be and is hereby accorded to the appointment of Mr. Amit Bansal as Whole Time Director of the Company w.e.f. 16.04.2019 for the period of 5 years."

By order of the Board of Directors
FORK&R RAIL ENGINEERINGLIMITED
(Formerly known as AXIS RAIL INDIA LIMITED)
SD/-
AMIT BANSAL
(Director)

Date: September 01, 2019
Place: Secunderabad

NOTES:

(1) A member entitled to attend and vote atthe AnnualGeneralMeeting (AGM) is entitled to appoint a proxy to attend and to vote on a poll instead of himself andthe 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 36th annualgeneralmeeting.

(2) A person can actas 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 proxyand such person shall not actas proxy for any other person or shareholder

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

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

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

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

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

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

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

(7) In accordance with Section 20 of the Companies Act, 2013 service of documents on members by a company is allowed through electronic mode. Accordingly, as a part of Green Initiative, soft copy of the Annual Report 2018-19 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 2018-19is being sent to all other members who have not registered their email address(es). Members can also submit their form along with Attendance Slip at the Registration Counter at AGM. Members holding shares in dematerialized form are requested to register their email address with their Depository Participant only. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon receipt of request for the same, free of cost.

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

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

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

(11) Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from 24-09-2019 to 30-09-2019 (both days inclusive) for the purpose of AGM.

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

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

(14) (a) This Notice is being sent to all the members whose name appears as on 23-08-2019, in the register of members or beneficial owner as received from M/s Beetal Computer & Financial Services Private Limited, the Registrar and Transfer Agent of the Company.

(15) (b)The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as onSeptember 23, 2019, being the cut-off date. Members are eligible to cast vote electronically only if they are holding shares as on that date.

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

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

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

(19) **E-VOTING:**

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

b. The Company is providing facility for voting by electronic means to its members to enable them to cast their votes through such voting. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide remote e-voting facility

(i.e. the facility of casting votes by a member by using an electronic voting system from a place other than the venue of a general meeting).

c. The Company shall also provide facility for voting through Ballot or polling paper which shall be available at the meeting and members attending the meeting who have not already casted their vote by remote e-voting shall be able to exercise their right to vote at the meeting.

d. The members who have casted their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

e. The Board of Directors have delegated the power required to give effect to the AGM to Miss. ChanchalChoudhary(Company Secretary) and Mr. AMIT BANSAL(CEO) to do all acts, deeds, agreements etc including but not limited to appointment of scrutinizer

f. The cut-off date for the purpose of voting (including remote e-voting) is 23RD September, 2019

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, 27,2019
End of remote e voting	05:00 p.m. (IST) on September, 29, 2019

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 23RD2019, 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 "K&R RAIL ENGINEERING LIMITED" from the drop down menu and click on "SUBMIT"

iv. Enter your User ID - For CDSL: 16 digits beneficiary ID, , Members holding shares in Physical Formshould enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.

v. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below

Fill up the following details in the appropriate boxes:

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

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

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

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

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

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

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

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

xi. Click on the Name of the Company i.e. K&R RAIL ENGINEERING LIMITED.

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

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

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

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

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

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

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

xix. The facility for remote e-voting shall remain open from 9.00 AM on Friday the 27th September, 2019 to 5.00 PM on Sunday, the 29th September 2019. During this period, the members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, viz. Friday, the 23RD September, 2019, may opt for remote e-voting. In case you have any queries or issues regarding evoting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at

www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia. com.

xx. If any member has any problem/ query regarding e-voting then he may contact to the below person:
Name :AMIT BANSAL
Designation :CEO
Address :1-7-110, FLAT NO.301, KESHAVANAGAR COLONY SMR VINAY HEIGHTS, METTUGUDA SECUNDERABAD 500017
E-mail id : axisrailindia@gmail.com/Krrailengineering@gmail.com
Phone No : 040-27000499

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No-4

Pursuant to Article 101 of the Articles of Association of the Company, the Board of Directors at their meeting held on 16th April, 2019 appointed Mr. Amit Bansal as an Additional Director. Mr. Amit Bansal is Chief Executive Officer of the company.

The Board now recommends the appointment of Mr. Amit Bansal as a whole Time Director w.e.f. 16.04.2019 for the period of 5 years.

Due Notice under Section 161 of the Companies Act, 2013 , along with deposit of Rs. 1,00,000 has been received from a member proposing the appointment of Mr. Amit Bansal as a Director of the Company.

Except Mr. Amit Bansal, no other Director of the Company is in any way concerned or interested in the proposed resolution,

DETAILS OF DIRECTORS SEEKING APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

(Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of the Director	Mr. Amit Bansal
Date of Birth	11.08.1972
Date of Appointment	16.04.2019
Qualification	Graduate
Directorship in other Public Limited Companies/excluding Private Companies which are subsidiary of Public Company	0
Member/Chairman of Committee of the Board of the Public Limited Companies on which he is Director	0

By order of the Board of Directors
FORK&R RAIL ENGINEERINGLIMITED

Date: September 01, 2019

Place: Secunderabad

SD/-
AMIT BANSAL
(Director)

DIRECTOR'S REPORT

Dear Members,

Your Directors are pleased to present the Thirty Sixth Annual Report and the Company's audited financial statement for the financial year ended March 31, 2019.

FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2019 is summarized below:

(In Rupees)

PARTICULARS	**YEAR ENDED 31.03.2018**	**YEAR ENDED 31.03.2018**
Sales for the year	607,193,155	806,982,812
Other Income	15,735,004	13,560,372
Total Income	**622,928,159**	**820,543,184**
Profit before Financial Expenses, Preliminary expenses, Depreciation and Taxation	38,253,123	24,473,193
Less: Financial expenses	3,360,458	6,592,452
Operating profit before Preliminary expenses, Depreciation & Taxation	**34,892,665**	**17,880,741**
Less: Depreciation & Preliminary expenses written off	9,151,896	14,724,961
Profit before Taxation	**25,740,769**	**3,155,780**
Less : Provision for Taxation		
Current Tax	8,919,500	4,002,951
Earlier year Tax	-	-
Deferred Tax	(2,912,709)	(1,210,154)
Profit after Taxation	**19,733,978**	**362,983**
Other Comprehensive Income		
(i) Items that will not be reclassified to profit or loss	**14,774**	**4,954,253**
(ii) (i) Items that will not be reclassified to profit or loss	**(4,110)**	**(1,637,876)**
Total Comprehensive Income for the period	**19,744,642**	**3,679,360**

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

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

DIVIDEND:-

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

RESERVES:-

Your Directors propose to transfer the amount of Net Profit After Tax to General Reserve for the financial year ended March 31, 2019 as no dividend is declared during the year keeping in view the requirement to plough back the funds for internal growth of the company. Detailed view of Reserves/Other Equity is as follows:

Particulars	**31-03-2019**	**31-03-2018**
Retained Earning		
As per Last Balance Sheet	9,70,18,997	9,66,56,015
Add : Transfer from Statement of Profit and Loss	1,97,33,978	3,62,983
Total	11,67,52,975	9,70,18,997
Other Comprehensive Income (OCI)		
As per last Balance Sheet	45,92,380	(3,61,873)
Add/Less: Movement in OCI (Net) during the year	14,774	49,54,253
Total	46,07,154	45,92,380
Total	**12,13,60,129**	**10,16,11,377**

SHARE CAPITAL:

	A. Equity Share Capital		B. Preference Share Capital	
	No of shares	**Amount in Rs**	**No of shares**	**Amount in Rs**
Share of Rs 10 each fully paid up				
As at April 01, 2017	25,80,105	2,58,01,050	2,40,14,556	24,01,45,560
Less Unpaid Calls	-	7,500	-	-
Issued/redeemed during the year	1,32,00,000	13,20,00,000	(99,00,000)	(9,90,00,000)
As at March 31, 2018	1,57,80,105	15,77,93,550	1,41,14,556	14,11,45,560
Issued during the year	-	-	-	-
As at March 31, 2019	**1,57,80,105**	**15,77,93,550**	**1,41,14,556**	**14,11,45,560**

A. Other Equity	**Retained earning**	**Other Comprehensive Income**	**Total**
As at April 01, 2017	9,66,56,015	(3,61,873)	9,62,94,142
Profit Transfer to retained earning during the period	3,62,983	-	3,62,983
Total Comprehensive Income for the period	-	49,54,253	49,54,253
As at March 31, 2018	9,70,18,997	45,92,380	10,16,11,377
Profit Transfer to retained earning during the period	1,97,33,978		1,97,33,978
Total Comprehensive Income for the period		14,774	14,774
As at March 31, 2019	**11,67,52,975**	**46,07,154**	**12,13,60,129**

DIRECTORS:-

In accordance with the provisions of the Companies Act2013 and the Articles of Association of the Company, Mr. SHAMIM AHMED QURESHI ,Director of the Company, retires by rotation in the ensuing Annual General Meeting and being eligible has offered themselves for reappointment

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

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

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

KEYMANAGERIALPERSONNEL

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

Mr. Amit Bansal	CEO
Miss. ChanchalChoudhary	Company Secretary
Mr. PAGA VENU GOPAL REDDY	CFO

MATERIALCHANGES AND COMMITMENTS

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

CONSERVATION OF ENERGY, TECHNOLOGYABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

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

CHANGES HAPPENING DURING THE FINANCIALYEAR

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

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

BUSINESS RESPONSIBILITYREPORT

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

POLICYON DIRECTORS APPOINTMENT AND POLICYON REMUNERATION

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

PARTICULARS OF REMUNERATION OF DIRECTORS/ KMP/EMPLOYEES

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

NUMBER OF MEETINGS OF BOARD

During the year 2018-19, 11 (Eleven) Board Meetings were held and 1 (One) Independent Directors meeting was held on 09.05.2017 as required under Schedule IV of Companies Act and as per Regulation 17 of the Listing Regulations, 2015. The dates on which the Board Meetings were held are 10-04-2018, 28-06-2018, 03-07-2018, 13-07-2018, 22-08-2018, 01-09-2018, 01-10-2018, 14-11-2018, 03-01-2019, 12-02-2019, 18-03-2019.

STATUTORYAUDITORS & AUDITORS REPORT

In pursuant to the provisions of Section 139 ,142 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, including any statutory modification(s) or rec-enactment(s) thereof for the time being in force, M/s Chowdary and Rao, Chartered Accountants (ICAI Firm Registration No. 000656S),be and is hereby appointed as the Statutory Auditors of the Company (in place of M/s B. Aggarwal& Company, Chartered Accountants, the retiring Auditors) for the term of five years commencing from the company's financial year 01st April, 2019 to hold the office from the conclusion of 36th Annual General Meeting of the Company till the conclusion of 41stAnnual General meeting to be held in 2024 at such remuneration plus service tax, out-of-pocket, traveling and living expenses, etc., as may be mutually agreed between the Board of the Directors of the Company and the Auditors."

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 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

The financial statements of K&R Rail
Engineering Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, has certain balances standing to the debit/credit of sundry creditors, sundry debtors, advances, various parties' accounts, and GST accounts which are subject to confirmation and reconciliation. We have relied solely on management confirmation for the same. The company has also not complied with Ind AS19. Our audit opinion on the financial statements for the year ended 31 st March 2019 is qualified in respect of this matter.

SECRETARIALAUDITORS AND THEIR REPORT

M/s Abdul Q. & Co.(COP No.17468), was appointed as Secretarial Auditor of the Company for the financial year 2018-19 pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by him in the prescribed form MR- 3 is attached as Annexure IV and forms part of this report.

There are no qualifications or observations or other remarks ofthe Secretarial Auditors in the Report issued by them for the financial year 2018-19 which call for any explanation from theBoard 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 FINANCIALSTATEMENTS

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, 2017 and ending on the 31stMarch, 2019, 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, theaccounts have not been consolidated for the FY2018-19.

INTERNALFINANCIALCONTROLS AND THEIR ADEQUACY.

According to Section 134(5)(e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

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

DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT

The Company has in place comprehensive risk assessment and minimization procedures, which are reviewed by the Board periodically. During the year, as per the requirements 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 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 2018-19 in terms of Chapter V of the Companies Act, 2013. Information in this regard, therefore, is nil.

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

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

CODE OF CONDUCT

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

AUDIT COMMITTEE

Your Directors wish to inform that in Compliance with Section 177 of the Companies Act,2013 and Regulation 18 Of SEBI Listing Regulation 2015, an audit committee has been duly constituted. The Audit Committee as on March 31, 2019 comprises of the following Independent Directors

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

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

NOMINATION & REMUNERATION COMMITTEE, STAKEHOLDERS RELATIONSHIP COMMITTEE

In terms of Regulation 19 of SEBI Listing Regulation 2015 and pursuant to the provisions of Companies Act, 2013, the details pertaining to Nomination & Remuneration Committee. The Nomination & Remuneration Committee as on March 31, 2019 comprises of thefollowing Directors:

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

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

CORPORATE SOCIALRESPONSIBILITY(CSR)COMMITTEE

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

CHANGE IN CAPITALSTRUCTURE AND LISTING OF SHARES

During the year under review the Company has issued Equity Share Capital of Rs. 15,780,1050 and Preference Share Capital of Rs.14,114,5560, 7% Optionally Convertible Redeemable Preference Shares of Rs. 10/- each.

The company has listed 1,57,79,755 equity shares with BSE stock exchange

EXTRACT OF ANNUALRETURN

The extract of Annual Return as on March 31st, 2019 in the prescribed Form No. MGT-9, pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014 is attached herewith as Annexure V and forms part of this Report.

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

Pursuant to Section 134(3)(g) of the Companies Act, 2013 particulars of loans, guarantees or investments under Section 186 of the Act as at end of the Financial Year 2018-19 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. 26 of the Financial Statements

VIGILMECHANISM

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

DIRECTOR'S RESPONSIBILITYSTATEMENT

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

e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INDUSTRIAL RELATIONSHIPS

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

COMPLIANCE

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

LISTING AND LISTING AGREEMENT

The equity shares of the company are listed at BSE with the sole intent of providing liquidity to the existing Shareholders
The company has already paid listing fees for the year 2019-2019 to BSE Limited.

DEMATERIALIZATION OF SHARES

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

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

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

FINANCIALSTATEMENTS

Full version of the Annual Report 2018-19 containing complete Balance Sheet, Statement of Profit & Loss, other statements and notes thereto, prepared as per the requirements of Schedule III to the Companies Act, 2013, Directors' Report (including Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report) are being sent via email to all shareholders who have provided their email address (es). To others, the Full version of the Annual Report is being sent by post.Full version of Annual Report 2018-19is also available for inspection at the registered office of the Company during working hours up to the date of ensuing Annual General Meeting (AGM). It is also available at the Company`s websitewww.axisrailindia.com. Please note that you will be entitled to be furnished, free of cost, the full Annual Report 2018-19, upon receipt of written request from you, as a member of the Company

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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 2018-19. 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 **PLACE: SECUNDERABAD**
SD/- **Date: September 01, 2019**
(AMIT BANSAL)
CEO

ANNEXURE I TO THE DIRECTORS'REPORT:-

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

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

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

For & On Behalf of the Board **PLACE: SECUNDERABAD**
SD/- **Date: September 01, 2019**
(AMIT BANSAL)
DIRECTOR

ANNEXURE D- II TO THE DIRECTOR'S REPORT

NOMINATION AND REMUNERATION POLICY

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

ROLE OF COMMITTEE

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

The Committee shall:

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

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

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

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

3.2.1 Appointment criteria and qualifications

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

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

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

3.2.2 Term / Tenure

a) Managing Director/Whole-time Director:

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

b) Independent Director:

— An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

— No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who hasalready served as an Independent Director for 5 years or more in the Company as on October 1, 2017 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.

— At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

3.2.3 Evaluation

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

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

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

b. Criteria for evaluation of the Individual Directors;

i. Experience and ability to contribute to the decision making process
ii. Problem solving approach and guidance to the Management
iii. Attendance and Participation in the Meetings

iv. Personal competencies and contribution to strategy formulation
v.Contribution towards statutory compliances, monitoring of controls and Corporate Governance

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

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

1. MEMBERSHIPOF 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.

2. 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

3. FREQUENCYOF MEETINGS

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

4. 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

5. 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

6. 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/-
(AMIT BANSAL)
DIRECTOR

PLACE: SECUNDERABAD
Date: September 01, 2019

ANNEXURE III

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

General:

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

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

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

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

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

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

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

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

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

2) Remuneration to Non- Executive / Independent Directors

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

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

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

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

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

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

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

3) Remuneration to Key Managerial Personnel and Senior Management:

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

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

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

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

I. PENALTIES/PUNISHMENT/COMPOUNDINGOFOFFENCES:

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

1. DISCLOSURES

(i) Related Party Transactions

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

(ii) Details of Non-Compliances

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

(iii) Whistle Blower Policy

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

(iv) Disclosure of Accounting Treatment

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

(v) Reconciliation Of Share Capital Audit

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

(vi) Code For Prevention Of Insider Trading

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

(vii) Material Subsidiaries

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

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

Mr. SHAMIM AHMED QURESHI Director of the Company retire by rotation in the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

(ix) Code of Conduct

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

(ii) The Members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code applicable to them during the year ended March 31, 2019. The Annual Report of the Company contains a Certificate duly signed by the CEO in this regard.

(x) Board Disclosures - Risk Management

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

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

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

2. MEANS OF COMMUNICATIONS

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

b) **Presentations to the Institutional Investors or to the Analysts:**
No presentations have been made to institutional investors or to the analysts during the year under review.

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

CORPORATE GOVERNANCE REPORT

1. Our corporate governance philosophy

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

- James McRitchie

The Company has complied with all the applicable code provisions in the Corporate Governance Code set out in Schedule II of the Listing Regulation 2015.
Further in the Financial Year 2018-19corporate Governance become applicable in the third quarter.

Corporate governance guidelines

The Board has developed corporate governance guidelines to help fulfill our corporate responsibility towards our stakeholders. These guidelines ensure that the Board will have the necessary authority and processes to review and evaluate our operations when required. Further, these guidelines allow the Board to make decisions that are independent of the Management. The Board may change these guidelines regularly to achieve our stated objectives.

2. Board composition

Size and composition of the Board

We believe that our Board needs to have an appropriate mix of executive and independent directors to maintain its independence, and separate its functions of governance and management. Listing regulations mandate that for a company with a non-executive chairman, at least one-third of the board should be independent directors. On March 31, 2019, our Board consists of FOUR members, of whom two are independent directors Including one Women director, one non independent non executive director, one CEO one CFO, remaining all are executive directors. The Board periodically evaluates the need for change in its composition and size.

Board Meetings

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

Thirteen Board meetings were held during FY 2018-19. Notice of not less than 14 days was given to directors for the regular Board meetings. Draft agenda for Board meetings were prepared by the Company Secretary and were circulated to all directors for comments before each meeting. Directors were given an opportunity to include any other matters in the agenda. The agenda, together with Board papers, were sent in full to the directors not less than three business days before the intended date of the Board meeting.

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

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

Throughout FY 2018-19, directors of the Company also participated in the consideration and approval of matters of the Company by way of written resolutions circulated to them. Supporting written materials were provided in the circulation and verbal briefings were given by the subject executive directors or the Company Secretary when required.

Pursuant to the bye-laws of the Company, a director, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first considered. Furthermore, a director shall not vote (nor be counted in the quorum) on any resolution of the directors in respect of any contract or arrangement or proposal in which he or any of his associate(s) is to his knowledge materially interested. Matters to be decided at Board meetings are decided by a majority of votes from directors allowed to vote. These bye-laws were strictly observed throughout FY 2018-19.

Directors of the Company play an active role in participating the Company's meetings through contribution of their professional opinions and active participation in discussion. The attendance record of each of the directors for the Board meetings, the board committees meetings and the general meeting held during FY 2018-19is listed as follows:

Meetings attended/held					
Name of director	Board meeting	Audit Committee meeting	Nomination and Remuneration Committee meeting	Stakeholders RelationshipCommittee meeting	General meeting
Executive Director					
Venkata Purushotama Rao Koppolu	11/11	NIL	NIL	NIL	1
Independent Non-executive directors					
Maniza Khan	11/11	4/4	NIL	12/12	1
Tamada Srinivas Reddy	11/11	4/4	NIL	12/12	1
Non Independent non-executive directors:					
Shamim Ahmed Qureshi	11/11	4/4	NIL	12/12	1

3. **CODE OF CONDUCT**

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

4. **AUDIT COMMITTEE**

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

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

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

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

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

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

Four Audit Committee Meetings were held during the year ended 31st March, 2019. The dates on which the Meetings were held are as follows

28TH JUNE, 2018, 14thAUGUST, 2018, 14th November, 2018 and 12th February, 2019.

5. NOMINATION AND REMUNERATION COMMITTEE

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

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

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

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

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

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

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

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

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

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

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

6. **REMUNERATION OF DIRECTORS**

The details of Remuneration paid/payable to the Directors of the Company for the year ended 31st March, 2019 are given below:-

Name of the director	Fixed salary				Bonus / incentives	Commission
	Basic Salary	Perquisites / allowances	Retiral benefits	Total fixed salary		
Venkata Purushotama Rao Koppolu	Rs. 5000/meeting sitting fees				NIL	NIL
Maniza Khan	Rs. 5000/meeting sitting fees				NIL	NIL
Shamim Ahmed Qureshi	240000				NIL	NIL

7. **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

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

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

The Board has designated severally, Ms. Chanchal choudhary , Company Secretary

TWELVE Meetings of the Stakeholders' Relationship Committee were held during the year ended 31st March, 2019. The dates on which Meetings were held are as follows: 31th June, 2018, 12th September, 2018, 22nd September, 2018, 13th October 2018, 14th November 2018, 26th November 2018, 8th December, 2018, 14th December 2018, 05th January 2019,25thFrbruary2019, 18th March, 2019, 28th March, 2019

ANNEXURE TO CORPORATE GOVERNANCE REPORT:

CERIFICATE OF NON DISQUALIFICATON OF DIRECTORS:

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of
K&R RAIL ENGINEERINGLIMITED
12-5-34 & 35/1, Vijapuri, South Lalaguda, Secunderabad - 500017.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of K&R Rail Engineering Limited having CIN L45200AP1983PLC082576 and having registered office at 12-5-34 & 35/1, Vijapuri, South Lalaguda, Secunderabad - 500017 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. MANIZAKHAN	7146123	31/03/2015
2	Mr. SHAMIMAHMED QURESHI	7559136	15/07/2016
3	Mr. TAMADASRINIVASREDDY	7736318	27/02/2017
4	Mr. K. V. PURUSHOTAMARAO	2593069	01/09/2016

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

Place: Hyderabad
Date: 24/05/2019

Signature:
Name: N. Madhavi
Membership No.: A16866
CP No.: 11732

1. **GENERALSHAREHOLDER INFORMATION**

AGM : Date, time	Monday, the 30th day of September, 2019 at 2:00 P.M.
AGM venue	12-5-34 & 35/1, Vijapuri, South Lalaguda, Secunderabad, Rangaareddi, Telangana- 500017
Financial year	April 1st, 2018 to March 31st, 2019
Date of Book closure	24-09-2019 to 30-09-2019 (both days inclusive)
Dividend Payment Date	N/A
Listing on Stock Exchanges	BSE LIMITED
ISIN	INE 078 T 01026
Scrip Code	514360
Market Price Data: High, Low during each month in last financial year	There is no trading in the shares of the company in the Financial Year 2018-19.
Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc	NIL.
Registrar and Transfer Agents	Beetal Computer & Financial Services Private Limited, Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada HarsukhdasMandir, New Delhi, Delhi 110062 #Ph No. : 011 2996 1281
Share Transfer System	To expedite the share transfer process in the physical segment, the process is undertaken by Common Registry Beetal Computer & Financial Services Private Limited, New Delhi. Share Transfers are processed and approved by them and taken note of by Share Transfer Committee, i.e. Stakeholders' Relationship Committee. The said Committee of the Company meets on regular basis to review the work of Transfer, transmission and issue of duplicate share certificates etc. The shares of the Company are traded in dematerialized form only
Dematerialization of shares and liquidity	Liquidity:- The shares of the company are in dematerialized and updated with the RTA.
Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity	14,114,556, 7% Optionally Convertible Redeemable Preference Shares of face value of Rs. 10/- each are outstanding as on the date, which are convertible into equivalent number of Equity Shares of Rs. 10/- each, within a period of 5 years from the date of allotment i.e., December 15, 2015.

Address for correspondence	AMIT BANSAL, 12-5-34 & 35/1, Vijapuri, South Lalaguda, Secunderabad,Rangaareddi, Telangana-500017Ph. 040-27000499, Fax 040-27017660 email: axisrailindia@gmail.com

Shareholding Pattern as on 31st March, 2019:-

Category	No. of Shares held
Promoters	**11816880**
Institutional Investors	**0**
Mutual Funds & UTI	**0**
Banks, Financial Institutions and	**0**
NII's	**3935450**
Others	**0**
Private Corporate Bodies	**27425**
Indian Public	**0**
NRIs/OCBs	**0**
Trust	**0**

ANNEXURE -VI

VIGILMECHANISM CUM WHISLTE BLOWER POLICY

1. PREAMBLE

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

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

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

2. OBJECTIVE

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. This policy aims to provide an avenue for employees & Directors to

raise concerns of any violations of legal or regulatory requirements, unethical behavior, fraud, violation of
Company's code of conduct, incorrect or misrepresentation of any financial statements and reports, etc.

3. POLICY

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

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

4. SCOPE

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

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

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

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

5.GUIDING PRINCIPLES

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

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

6.ANONYMOUS ALLEGATION

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

1. 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.

2. <u>ACCOUNTABILITIES – WHISTLEBLOWERS</u>

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.

3. <u>ACCOUNTABILITIES – OMBUDSMAN AND WHISTLE COMMITTEE</u>

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.

4. <u>RIGHTS OF ASUBJECT</u>

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

5. 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.

6. PROCEDURE FOR REPORTING & DEALING WITH DISCLOSURES

The procedure as per Annexure will be followed.

7. 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.

8. 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

9. 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.

10. COMPANY'S POWERS

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

The above policy has been reviewed by the Audit Committee

Sd/-
(Maniza khan)
CHAIRMAN OF AUDIT COMMITTEE
14.08.2019

ANNEXURE

PROCEDURE FOR REPORTING & DEALING WITH DISCLOSURES

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

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

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

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

a) Name, address and contact details of the Whistleblower (add Employee ID if the Whistleblower is an employee).

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

3. What will happen after the Disclosure is submitted?

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

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

DECLARATION OF THE MANAGING DIRECTOR

This is to certify that the Company has laid down code of conduct for all Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company **www.axisrail.in**. Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the code applicable to them during the year ended March 31, 2019.

SD/-
AMIT BANSAL
DIRECTOR

Place: SECUNDERABAD
Date: 01.09.2019

CEO and CFO DECLARATION

The Board of Directors of, **Date: September 01 , 2019**
K&R Rail Engineering Limited
(Formerly known as Axis Rail India Limited)
Secunderabad

We hereby certify that for the financial year ending 31-03-2019, 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 K&R RAIL ENGINEERING LIMITEDfor the Financial year ending 31-03-2019, 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/-
AMIT BANSAL
(CEO)

Sd/-
PAGA VENU GOPAL REDDY
(CFO)

INDEPENDENT AUDITORS' REPORT

To The Members of K&R Rail Engineering Limited

Report on the Audit of the Financial Statements

We have audited the accompanying Financial Statements of K&R Rail Engineering Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, the Financial Statements give the information required by the Companies Act'2013 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 March 31, 2019, its Profit including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

Basis for Qualified Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of the Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statement under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with the said requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. The financial statements of K&R Rail Engineering Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, has certain balances standing to the debit/credit of sundry creditors, sundry debtors, advances, various parties' accounts, and GST accounts which are subject to confirmation and reconciliation. We have relied solely on management confirmation for the same. The company has also not complied with Ind AS19. Our audit opinion on the financial statements for the year ended 31st March 2019 is qualified in respect of this matter.

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 of these Financial Statements that give a true and fair view of the Financial Position, Financial Performance including Other Comprehensive Income, Cash Flows and the Statement of Changes in Equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial control 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.

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

Auditor's Responsibility for the Audit of the Financial Statements

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 thereunder. We conducted our audit of the Financial Statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 Financial Statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

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

2. As required by section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit, except for the information as stated above in the Basis for Qualified Opinion paragraph;

   b) In our opinion, except for the possible effects of the matter described above in the Basis for Qualified Opinion paragraph, 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, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity 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 Companies (Indian Accounting Standards) Rules, 2015, as amended; except as mentioned in Basis of Qualification para.

e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

f) On the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors , none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act;

g) The qualification relating to absence of reconciliation and confirmation of balances of debtors, creditors, advances, GST, VAT, Service Tax and other matters connected therewith are stated above in the Basis for Qualified Opinion paragraph.

h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure-II"**; and

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
   i. The Company has disclosed the contingent liability regarding disputes pending with taxation authorities.
   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

KapilDevAggarwal
Partner
Membership No. 082908

Place: New Delhi
Date:29.05.2019

Annexure-I to the Independent Auditor's Report the Financial Statements of K&R Rail Engineering Limited

(Referred to in paragraph 1, under 'Report on Other Legal and Regulatory Requirements' section of our Report)

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. In our opinion, the methods of verification adopted by the company need considerable improvement, having regard to the size of the Company and nature of the assets. No material discrepancies were noticed on such verification.
   (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties are held in the name of the Company.

2.
   (a) The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the methods and frequency of verification adopted by the company need considerable improvement, having regard to the size of the Company and the nature of its business.
   (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable but less adequate in relation to the size of the Company and the nature of its business.
   (c) The Company has maintained proper records of inventory. As explained to us, there was no material discrepancy noticed on physical verification of inventory, as compared to book records.

3. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the Register maintained under section 189 of the Act. However, company has given advances of business nature to two related parties for supply of goods and advance rent.

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

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public.

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

7.

a) According to the information and explanations given to us and on the basis of our examination of the records of the Company,the Company is not regular in depositing with appropriate authorities amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Goods and Services Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and Other Statutory Dues applicable to it. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.

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

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

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

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

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

14. Based upon the audit procedures performed and the information and explanations givenby the management, the company has not converted warrants and Preferential Shares, into equity during the year under review and in our opinion the requirement of section 42 and all other provisions of the Companies Act 2013 have been complied with and the amount raised have been used for the purposes (i.e. General) for which the amount have been raised.

15. According to the information and explanations give to us and based on our examination of the records of the Company, the company has not entered into any non-cash transactionswithdirectors or persons connected with them.

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

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

KapilDevAggarwal
Partner
Membership No. 082908

Place: New Delhi
Date: 29.05.2019

"Annexure II" to the Independent Auditor's Report of even date on the Financial Statements of K&R Rail Engineering Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of K&R Rail Engineering Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an internal financial controls system over financial reportingas at 31st March 2019, however, the system's effectiveness and efficiency is not commensurate with the growing needs of the company, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

KapilDevAggarwal
Partner
Membership No. 082908

Place: New Delhi
Date: 29.05.2019

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR- 1st April, 2018 to 31st March, 2019

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

To,
The Member,
K&R RAIL ENGINEERING LIMITED
(Formerly Known as 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 **K&R RAIL ENGINEERING LIMITED (Formerly Known as AXIS RAIL INDIA LIMITED)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion , the Company has , during the audit period covering the financial year ended on March 31, 2019 complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained and provided by the Company for the financial year ended on March 31, 2019 according to the provisions of;

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956(SCRA) and the rules made there under;

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

5. **Other Laws applicable to the Company** ;
   i. The Reserve Bank of India Act, 1934.
   ii. The Payment of Wages Act, 1936 and rules made thereunder.
   iii. The Minimum Wages Act, 1948 and rules made thereunder.
   iv. Employee State Insurance Act, 1948 and rules made thereunder.
   v. The Employee Provident Fund and Miscellaneous Provisions Act, 1952
   vi. The Payment of Bonus Act, 1965
   vii. The Payment of Gratuity Act, 1972
   viii. Indian Contract Act, 1872
   ix. The Maternity Benefits Act, 1961
   x. The Apprentices Act, 1961.
   xi. The Income Tax Act, 1961
   xii. The Workmen's Compensation Act, 1923
   xiii. Sexual Harassment of Women at work Place (Prevention, Prohibition & Redressal) Act, 2013
   xiv. Prevention of MONAY LAUNDERING ACT, 2002 and the prevention of Money-Laundering (Amendment) Act 2012

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

I. The Secretarial Standards issue by the Institute of Company Secretaries of India.

II. The Listing Agreements entered into by the Company with Bombay Stock Exchange

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

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

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

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

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

ABDUL Q & CO
(Company Secretaries)

Abdul Quadir
(Proprietor)
M. No. : 47721
COP No. : 17468

Place: Delhi
Date: 25/07/2019

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

R-294C 2nd FLOOR STREET NO 12, RAMESH PARK LAXMINAGAR NEW DELHI-110092
Email: Csabdulquadir@gmail.com
Contact No: 9718836263, 9582268067

"ANNEXURE A"

To,
The Member,
K&R RAIL ENGINEERING LIMITED
(Formerly Known as AXIS RAIL INDIA LIMITED)

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

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

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

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

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

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

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

ABDUL Q & CO
(Company Secretaries)

Abdul Quadir
(Proprietor)
M. No. : 47721
COP No. : 17468

Place: Delhi
Date: 25/07/2019

R-294C 2nd FLOOR STREET NO 12, RAMESH PARK LAXMINAGAR NEW DELHI-110092
Email: Csabdulquadir@gmail.com
Contact No: 9718836263, 9582268067

ANNEXURE-V

FORM NO.MGT-9
EXTRACTOFANNUALRETURN
AS ON THE FINANCIAL YEAR ENDED ON 31.03.2019

[PURSUANT TO SECTION92(3) OF THE COMPANIES ACT,2013 AND RULE12(1) OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014]

I. REGISTRATIONANDOTHERDETAILS:

1	**CIN**	**L45200AP1983PLC082576**
2	Registration Date	30/08/1983
3	Name of the Company	K&R RAIL ENGINEERING LIMITED*(Formerly known as AXIS RAIL INDIA LIMITED)*
4	Category/Sub-Category of the Company	Public Company limited by Shares
5	Address of the Registered office and contact details	12-5-34 & 35/1 Vijapuri, South Lalaguda Secunderabad AP 500017
6	Whether listed company	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	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: 011 2996 1281

PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
			NOT APPLICABLE		

SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1 April 2018)				No. of Shares held at the end of the year (As on 31 March 2019)				% change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promoter									
(1) Indian									
a)Individual/ HUF		5113365	5113365	32.41%	4678865	434500	5113365	32.41%	0.00%
b)Central Govt		-	-	0.00%		-	-	0.00%	0.00%
c)State Govt(s)		-	-	0.00%		-	-	0.00%	0.00%
d)Bodies Corp		6703515	6703515	42.48%	4548500	2155015	6703515	42.48%	0.00%
e)Banks / FI		-	-	0.00%		-	-	0.00%	0.00%
f)Any Other		-	-	0.00%		-	-	0.00%	0.00%
		11816880	11816880	74.89%	9227365	2589515	11816880	74.89%	0.00%

Sub-total(A)(1):-									
(2)Foreign									
a)NRIs-Individuals		-	-	0.00%		-	-	0.00%	0.00%
b)Other-Individuals		-	-	0.00%		-	-	0.00%	0.00%
c)Bodies Corp.		-	-	0.00%		-	-	0.00%	0.00%
Banks / FI		-	-	0.00%		-	-	0.00%	0.00%
d)Any Other....		-	-	0.00%		-	-	0.00%	0.00%
Sub-total(A)(2):-		-	-	0.00%		-	-	0.00%	0.00%
TOTAL (A)		11816880	11816880	74.89%	9227365	2589515	11816880	74.89%	0.00%
B. Public Shareholding									
1.Institutions									
a)Mutual Funds		-	-	0.00%		-	-	0.00%	0.00%
b)Banks / FI		-	-	0.00%		-	-	0.00%	0.00%
c)Central Govt		-	-	0.00%		-	-	0.00%	0.00%
d)State Govt(s)		-	-	0.00%		-	-	0.00%	0.00%
e)Venture Capital Funds		-	-	0.00%		-	-	0.00%	0.00%
f)Insurance Companies		-	-	0.00%		-	-	0.00%	0.00%

g)FIIs		-	-	0.00%		-	-	0.00%	0.00%
h)Foreign Venture Capital Funds		-	-	0.00%		-	-	0.00%	0.00%
i) Others (specify)		-	-	0.00%		-	-	0.00%	0.00%
Sub-total(B)(1)		-	-	0.00%		-	-	0.00%	0.00%
2. Non Institutions									
A)Bodies Corp.									
(i) Indian	-	27425	27425	0.18%	25	27400	27425	0.18%	0.00%
(ii) Overseas	-	-	0.00%		-	-	0.00%	0.00%	
B)Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	7450	567925	575375	3.64%	13112	558550	571662	3.62%	0.00%
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	2800 000	60400	2860400	18.12%	3303700	60400	3364100	21.31%	.1760%

c) Others (Specify)									
Individual HUF	500000	0	500000	3.16%	0	0	0	0	**3.16%**
NRI Non Repatriable	25	0	25	0.001%	38	0	38	0.001	**0.52%**
Sub-total(B)(2)	3307475	655750	3963225	25.12%	3316875	646000	3962875	25.12%	**(0.59%)**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	3307475	655750	3963225	25.12%	3316875	646000	3962875	25.12%	**(0.59 %)**
C. Shares held by Custodian for GDRs &ADRs		-	-	0.00%		-	-	0.00%	0.00%
Grand Total (A+B+C)	***3307475***	***12472630***	***15780105***	***100***	***12544240***	***3235865***	***15780105***	***100***	

ii. ***Shareholding of Promoters***

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	**% change in shareholding during the year**
1.	Ajaz Farooqi	**386836**	**24.51%**	**-**	**3868365**	**24.51%**	**-**	0.00%
2.	Asma Farooqi	**124500**	**7.89%**	**-**	**1245000**	**7.89%**	**-**	0.00%

iii. ***Change in Promoters' Shareholding (please specify, if there is no change): NO CHANGE***

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**NAME**	**Ajaz Farooqi**			
	At the beginning of the year	**0**	**0**	**0**	**0.00%**
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	**0**	**0**	**0**	**0.00%**
	At the End of the year	**0**	**0**	**0**	**0.00%**
2.	**NAME**	**Asma Farooqi**			
	At the beginning of the year	**0**	**0**	**0**	**0.00%**

	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase-/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	**0**	**0**	**0**	**0.00%**
	At the End of the year	**0**	**0**	**0**	**0.00%**

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

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	**0**	**0%**	**0**	**0%**
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	**0**	**0**	**0**	**0**
	At the END of the year	**0**	**0**	**0**	**0**

INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4,945,862	-	-	4,945,862
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not	-	-	-	-

Total (i+ii+iii)	4,945,862	-	-	4,945,862
Change in Indebtedness during the financial year				
- Addition	-	-	-	-
- Reduction	1,756,133	-	-	1,756,133
Net Change	1,756,133	-	-	1,756,133
Indebtedness at the end of the financial year				
i) Principal Amount	3,189,729	-	-	3,189,729
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3,189,729	-	-	3,189,729

II. REMUNERATIONOFDIRECTORSANDKEYMANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Gross salary (a)Salary as per provisions contained in section 17(1) of the Income-taxAct,1961 (b)Value of perquisites u/s17(2)Income-tax Act,1961 (c) Profits in lieu of salary under section17(3) Income- taxAct,1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others specify		
5.	Others, please specify(SITTING FEE PER MEETING)		
6.	Total(A)		
	Ceiling as per the Act		

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of MD /WTD/ Manager	Total Amount
	Independent Directors · Fee for attending board committee meetings · Commission · Others, please specify	Maniza Khan Rs. 5000/meeting sitting fees	
	EXECUTIVE DIRECTOR Fee for attending board committee meetings · Commission · Others, please specify	Venkata Purushotama Rao Koppolu Rs. 5000/meeting sitting fees	
	Total(1)		
	Other Non-Executive Directors · Fee for attending board committee meetings · Commission · Salary		0
	Total(2)		0
	Total(B)=(1+2)		0
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

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

Sl.No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a)Salary as per provisions containedinsection17(1)of the Income-tax Act,1961 (b)Value of perquisites u/s 17(2)Income-tax Act,1961 (c)Profits in lieu of salary under section17(3) Income-tax Act,1961	-	4,80,000/- PA	-	4,80,000/- PA

2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit -others, specify…	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total	-	4,80,000/- PA	-	4,80,000/- PA

K&R RAIL ENGINERRING LTD

CIN: L45200AP1983PLC0825276

FORMERLY KNOWN AS AXIS RAIL INDIA LIMITED

BALANCE SHEET

AS AT 31ST MARCH, 2019

Particulars	Notes	As at 31st March, 2019	As at 31st March, 2018
(1) ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	**1**	1,92,86,701	2,51,99,994
(b) Financial Assets			
(i) Investments	**2**	7,16,136	8,06,48,265
(c) Deferred tax assets (net)	**3**	91,92,667	62,79,959
(2) Current assets			
(a) Inventories (Including WIP)	**4**	1,20,44,379	11,23,81,483
(b) Financial Assets			
(i) Trade receivables	**5**	19,81,52,013	71,07,28,239
(ii) Cash and cash equivalents	**6**	25,06,69,353	8,47,14,102
(iii) Loans & Advances	**7**	11,41,58,575	5,52,17,512
(c) Other current assets	**8**	3,82,98,299	3,88,09,760
Total Assets		**64,25,18,124**	**1,11,39,79,313**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	**9**	15,77,93,550	15,77,93,550
(b) Preference Share Capital	**9**	14,11,45,560	14,11,45,560
(c) Other Equity	**10**	12,13,60,129	10,16,11,377
LIABILITIES			
Non-current liabilities			
(a) Borrowings	**11**	-	15,42,033
(b) Provisions	**12**	31,73,277	23,65,845
Current liabilities			
(a) Borrowings	**11**	31,89,729	34,03,829
(b) Trade payables	**13**	4,76,24,283	44,74,39,717
(c) Other current liabilities	**14**	15,78,89,205	25,19,05,157
(d) Provisions	**15**	24,77,187	17,00,189
(e) Current Tax Liabilities (Net)	**16**	78,65,204	50,72,054
Total Equity and Liabilities		**64,25,18,124**	**1,11,39,79,313**
Significant Accounting Policies	**27**		
See accompanying Notes to the Financial Statements	**1-27**		

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

Kapil Dev Aggarwal
Partner
M. No. 082908
Place: Delhi
Date : 29.05.2019

FOR AND ON BEHALF OF THE BOARD

Amit Bansal
CEO
PAN:ACFPB7608E

Paga Venu Gopal Reddy
CFO
PAN:AGHPR0992F

Shamim Ahmed Qureshi
Director
Din:07559136

Chanchal Choudhary
Company Secretary
M.No. A42226

K&R RAIL ENGINERRING LTD

CIN: L45200AP1983PLC0825276
FORMERLY KNOWN AS AXIS RAIL INDIA LIMITED
STATEMENT OF CHANGE IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2019

	A. Equity Share Capital		B. Preference Share Capital	
	No of shares	**Amount in Rs**	**No of shares**	**Amount in Rs**
Share of Rs 10 each fully paid up				
As at April 01, 2017	25,80,105	2,58,01,050	2,40,14,556	24,01,45,560
Less Unpaid Calls	-	7,500	-	-
Issued/redeemed during the year	1,32,00,000	13,20,00,000	(99,00,000)	(9,90,00,000)
As at March 31, 2018	1,57,80,105	15,77,93,550	1,41,14,556	14,11,45,560
Issued during the year	-	-	-	-
As at March 31, 2019	**1,57,80,105**	**15,77,93,550**	**1,41,14,556**	**14,11,45,560**

A. Other Equity	**Retained earning**	**Other Comprehensive Income**	**Total**
As at April 01, 2017	9,66,56,015	(3,61,873)	9,62,94,142
Profit Transfer to retained earning during the period	3,62,983	-	3,62,983
Total Comprehensive Income for the period	-	49,54,253	49,54,253
As at March 31, 2018	9,70,18,997	45,92,380	10,16,11,377
Profit Transfer to retained earning during the period	1,97,33,978		1,97,33,978
Total Comprehensive Income for the period		14,774	14,774
As at March 31, 2019	**11,67,52,975**	**46,07,154**	**12,13,60,129**

Significant Accounting Policies
See accompanying Notes to the Financial Statements
As per our Report of even date
For B. Aggarwal & Co.
Chartered Accountants
FRN: 004706N

FOR AND ON BEHALF OF THE BOARD

Amit Bansal
CEO
PAN:ACFPB7608E

Paga Venu Gopal Reddy
CFO
PAN:AGHPR0992F

Kapil Dev Aggarwal
Partner
M. No. 082908
Place: Delhi
Date : 29.05.2019

Shamim Ahmed Qureshi
Director
Din:07559136

Chanchal Choudhary
Company Secretary
M.No. A42226

K&R RAIL ENGINERRING LTD
CIN: L45200AP1983PLC0825276
FORMERLY KNOWN AS AXIS RAIL INDIA LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2019

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
	Rs	Rs
A. Cash Flow from Operating Activities :		
Net Profit before Tax	2,57,40,769	31,55,780
Adjustments for :		
Provision for Gratuity	8,07,432	6,35,970
Depreciation	91,51,896	1,40,56,145
Finance Costs	33,60,458	65,92,452
Non Operating Income	(1,57,35,004)	(1,35,60,372)
Operating Profit before Working Capital Changes	2,33,25,551	1,08,79,975
(Increase) / Decrease in Trade Receivable	51,25,76,225	(50,50,26,150)
(Increase) / Decrease in Inventories	10,03,37,104	(7,21,54,354)
(Increase) / Decrease in Loans & Advances	(5,89,41,064)	1,57,86,547
(Increase) / Decrease in Other Current Assets	5,11,461	(99,760)
Increase / (Decrease) in Short Term Provisions	7,76,998	(10,81,070)
Increase / (Decrease) in Other Current Liablities	(9,40,15,953)	6,98,66,447
Increase / (Decrease) in Trade Payables	(39,98,15,434)	33,60,76,987
Cash generated from Operating Activities before Exceptional items :	**8,47,54,888**	(14,57,51,377)
(Profit)/ Loss on Sale of Assets	-	6,68,816
Direct Taxes Paid	(61,26,350)	(20,34,964)
Net Cash Flow from Operating Activities	**7,86,28,538**	**(14,71,17,525)**
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(32,38,603)	(9,49,864)
Fixed Assets Depreciation relating to Prior Periods		-
(Increase) / Decrease in Other Non-Current Assets	-	18,82,930
Sale of Fixed Assets	-	5,50,000
Interst / Dividend income	1,57,35,004	1,35,60,372
Net Cash Flow from Investing Activities	**1,24,96,402**	**1,50,43,438**
C. Cash Flow from Financing Activities :		
Increase / (Decrease) in Borrowings	(17,56,133)	(32,60,715)
Increase / (Decrease) in Non-Current Investments (Net of OCI)	7,99,46,902	(7,51,00,000)
Increase in Share Holders Fund		-
Finance Costs	(33,60,458)	(65,92,452)
Net Cash Flow from Financing Activities	**7,48,30,311**	**(8,49,53,167)**
Net Increase/(decrease) in Cash and Cash Equivalents	16,59,55,251	(21,70,27,255)
Opening Cash and Cash Equivalents	8,47,14,102	30,17,41,356
Closing Cash and Cash Equivalents	**25,06,69,353**	**8,47,14,102**

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

Kapil Dev Aggarwal
Partner
M. No. 082908
Place: Delhi
Date : 29.05.2018

FOR AND ON BEHALF OF THE BOARD

Amit Bansal
CEO
PAN:ACFPB7608E

Paga Venu Gopal Reddy
CFO
PAN:AGHPR0992F

Shamim Ahmed Qureshi
Director
Din:07559136

Chanchal Choudhary
Company Secretary
M.No. A42226

K&R RAIL ENGINERRING LTD

CIN: L45200AP1983PLC0825276
FORMERLY KNOWN AS AXIS RAIL INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Note 1

Description	GROSS BLOCK							DEPRECIATION/ AMORTISATION/ DEPLETION							NET BLOCK		
	As at 01-04-2017	Adjustments / Addition	Adjustments / Deductions	As at 01-04-2018	Adjustments / Additional	Adjustments / Deductions	As at 31-03-2019	As at 01-04-2017	For the year	Adjustments / Deductions	As at 01-04-2018	For the year	Adjustments / Deductions	As at 31-03-2019	As at 31-03-2019	As at 01-04-2018	As at 01-04-2017
1. PROPERTY, PLANT & EQUIPMENT																	
Tangible Assets :																	
Own Assets :																	
a) Land	66,23,892	-	-	66,23,892	-	-	66,23,892	-			-	-	-	-	66,23,892	66,23,892	66,23,892
b) Office Building	1,36,04,780	-	-	1,36,04,780	-	-	1,36,04,780	49,26,372	4,53,039	-	53,79,412	4,31,272	-	58,10,683	77,94,097	82,25,368	86,78,408
c) Earth Moving Machinery	1,61,63,381	-	32,70,000	1,28,93,381	-	-	1,28,93,381	98,27,778	17,95,752	20,51,184	95,72,346	13,61,541	-	1,09,33,887	19,59,494	33,21,035	63,35,603
d) Furniture & Fixtures	33,32,924	-	-	33,32,924	-	-	33,32,924	28,66,739	3,33,292	-	32,00,031	1,32,892	-	33,32,923	1	1,32,893	4,66,185
e) Air Conditioner	4,32,419	-	-	4,32,419	5,18,938	-	9,51,357	4,32,410	-	-	4,32,410	37,162	-	4,69,572	4,81,785	9	9
f) Equipments	61,71,315	5,60,000	-	67,31,315	-	-	67,31,315	57,95,030	6,85,633	(4,207)	64,84,870	2,46,444	-	67,31,314	1	2,46,445	3,76,285
g) Office Equipments	1,87,97,149	1,40,000	-	1,89,37,149	2,16,663	-	1,91,53,812	1,25,18,309	37,59,430	(10,740)	1,62,88,478	26,59,015	-	1,89,47,494	2,06,318	26,48,671	62,78,840
h) Survey Instruments	11,83,140	19,000	-	12,02,140	2,15,500	-	14,17,640	11,83,139	-	-	11,83,139	45,898	-	12,29,037	1,88,603	19,001	1
i) Motor Vehicles	5,41,10,651	-	-	5,41,10,651	20,75,919	-	5,61,86,570	4,33,64,148	67,63,831	-	5,01,27,979	42,11,722	-	5,43,39,701	18,46,869	39,82,672	1,07,46,503
j) Motor Cycles	2,55,463	-	-	2,55,463	1,45,481	-	4,00,944	2,36,106	19,356	-	2,55,462	8,974	-	2,64,436	1,36,508	1	19,357
k) Scooter	36,611	-	-	36,611	-	-	36,611	36,604	-	-	36,604	-	-	36,604	7	7	7
l) Computer & Accessories	21,97,057	2,30,864	-	24,27,921	66,102	-	24,94,023	21,97,056	2,07,052	(23,812)	24,27,920	16,977	-	24,44,897	49,126	1	1
Total (A)	12,29,08,782	9,49,864	32,70,000	12,05,88,646	32,38,603	-	12,38,27,249	8,33,83,691	1,40,17,386	20,12,425	9,53,88,652	91,51,896	-	10,45,40,548	1,92,86,701	2,51,99,994	3,95,25,091

NOTES TO THE FINANCIAL STATEMENTS

2 Non-Current Investments

Particulars	Units	As at 31.03.2019	As at 31.03.2018
Investments measured at Fair ValueThrough OCI			
Axis Bank Mutual Fund	16,364	7,16,136	7,01,362
Birla Sunlife	7,95,827	-	7,99,46,902
Total		**7,16,136**	**8,06,48,265**

3 Defered Tax Assets (Net)

The movement on the deferred tax account is as follows:

Particulars	As at 31.03.2019	As at 31.03.2018
At The start of the year	62,79,959	50,69,805
Change/(Credit/Debit) to Statement of Profit and loss account	29,12,709	12,10,154
At the end of the year	**91,92,667**	**62,79,959**

4 Inventories :

Particulars	As at 31.03.2019	As at 31.03.2018
Stock of Lands	89,37,129	4,02,27,129
Work in Progress	31,07,250	7,21,54,354
Total	**1,20,44,379**	**11,23,81,483**

5 Trade Receivables :

Particulars	As at 31.03.2019	As at 31.03.2018
Sundry Debtors :		
(Unsecured, Unverified and Considered good unless otherwise stated)		
- Debts Outstanding for a period exceeding six months	1,44,69,177	-
- Other Debts	18,36,82,836	71,07,28,239
Total	**19,81,52,013**	**71,07,28,239**

6 Cash & Cash Equivalents :

Particulars	As at 31.03.2019	As at 31.03.2018
a) Balances with Banks :	25,06,54,289	8,47,01,674
b) Cash on Hand	15,064	12,428
Total	**25,06,69,353**	**8,47,14,102**

7 Short Term Loans & Advances :

Particulars	As at 31.03.2019	As at 31.03.2018
Loans and Advances :		
(Unsecured and Considered good unless otherwise stated)		
a) Retention Money (Provide Details)	10,92,59,331	5,07,31,217
b) Advances to Suppliers (Check Non Moving)	30,67,053	28,29,769
c) Advance to Mazda (Disputed)	16,31,026	16,31,026
d) Salary Advances	**1,50,165**	5,500
e) Rent Advance at Site	51,000	20,000
Total	**11,41,58,575**	**5,52,17,512**

8 Other Current Assets :

Particulars	As at 31.03.2019	As at 31.03.2018
(Unsecured and Unverified Considered good unless otherwise stated)		
a) Service Tax - Appellate Pre-Deposit	1,00,00,000	1,00,00,000
b) Income Tax (Under Appeal)	2,10,00,000	2,10,00,000
c) Advance others	26,06,335	78,09,760
d) Tax Deducted at Source	46,01,964	-
e) GST Input Credit	90,000	-
Total	**3,82,98,299**	**3,88,09,760**

K&R RAIL ENGINERRING LTD
CIN: L45200AP1983PLC0825276
FORMERLY KNOWN AS AXIS RAIL INDIA LIMITED
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	Notes	2018-19	2017-18
Revenue From Operations			
Sale of Products	17	54,75,27,686	77,00,86,837
Sale of Services	18	5,96,65,469	3,68,95,975
Other Income	19	1,57,35,004	1,35,60,372
Total Income		**62,29,28,159**	**82,05,43,184**
Expenses			
Cost of materials consumed	20	47,13,91,324	76,24,41,732
Changes in inventories of finished goods	21	3,12,90,000	-
Employee benefits expense	22	2,03,68,310	1,27,30,396
Finance costs	23	33,60,458	65,92,452
Depreciation and amortization expense	1	91,51,896	1,40,56,145
Other expenses	24	6,16,25,402	2,08,97,863
Total expenses		**59,71,87,391**	**81,67,18,588**
Profit before exceptional items and tax		2,57,40,769	38,24,596
Exceptional Items		-	(6,68,816)
Profit/(loss) before tax		**2,57,40,769**	**31,55,780**
Tax expense:		60,06,791	27,92,797
1. Current Tax - Current Year		78,65,204	40,02,951
2. Current Tax - Earlier Years		10,54,296	-
3. Deferred tax		(29,12,709)	(12,10,154)
Profit for the period		**1,97,33,978**	**3,62,983**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss		14,774	49,54,253
(ii) Income tax relating to items that will not be reclassified to profit or loss		(4,110)	(16,37,876)
Total Comprehensive Income for the period		**1,97,44,642**	**36,79,360**
Earnings per share	25		
(1) Basic		1.25	0.02
(2) Diluted		0.66	0.01

Significant Accounting Policies 27
See accompanying Notes to the Financial Statements 1-27
As per our Report of even date
FOR AND ON BEHALF OF THE BOARD

For B. Aggarwal & Co.
Chartered Accountants
FRN: 004706N

Amit Bansal
CEO
PAN:ACFPB7608E

Paga Venu Gopal Reddy
CFO
PAN:AGHPR0992F

Kapil Dev Aggarwal
Partner
M. No. 082908
Place: Delhi
Date : 29.05.2019

Shamim Ahmed Qureshi
Director
Din:07559136

Chanchal Choudhary
Company Secretary
M.No. A42226

9 Share Capital :

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

Particulars	31-03-2019 Rs.	31-03-2018 Rs.
Authorized :		
Equity Share Capital (Post Amalgamation)		
69,50,000 Equity Share of Rs. 10/- each	6,95,00,000	6,95,00,000
Preference Share Capital (Post Amalgamation)		
2,40,50,000 7% Optionally Convertible Redeemable Preference Shares of Rs. 10/- each	24,05,00,000	24,05,00,000
Total	**31,00,00,000**	**31,00,00,000**
Issued, Subscribed and Paid-up :		
Equity Share Capital		
15,779,355 Equity Share of Rs. 10/- each	15,78,01,050	15,78,01,050
25,80,105 Equity Share of Rs. 10/- each		
Less: Unpaid Calls	7,500	7,500
	15,77,93,550	**15,77,93,550**
Preference Share Capital		
1,41,14,556, 7% Optionally Convertible Redeemable Preference Shares of Rs. 10/- each	14,11,45,560	14,11,45,560
2,40,14,556, 7% Optionally Convertible Redeemable Preference Shares of Rs. 10/- each		
	14,11,45,560	**14,11,45,560**
Total	**29,89,39,110**	**29,89,39,110**

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

9.2 **Reconciliation of number of shares**	31-03-2019 Number of Shares	31-03-2018 Number of Shares
Equity shares at the beginning of the year	1,57,79,355	1,57,79,355
*Issued during the year		-
Equity shares at the end of the year	**1,57,79,355**	**1,57,79,355**
Preference shares at the beginning of the year	1,41,14,556	1,41,14,556
**Reduction during the year		-
Preference shares at the end of the year	**1,41,14,556**	**1,41,14,556**

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

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

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

		31-03-2019	31-03-2018
	% of Holding	NOS	NOS
Equity shares			
Ajaz Farooqi	25	38,68,365	38,68,365
Asma Farooqi	8	12,45,000	12,45,000
Aijaz Investments Pvt Limited	5	7,18,000	7,18,000
Asma Estates & Investments Pvt Limited	10	15,86,000	15,86,000
Shoeb Estates Pvt Limited	7	11,68,750	11,68,750
Zainab Investments Pvt Limited	7	10,75,750	10,75,750
Zara Investments Pvt Limited	14	21,55,015	21,55,015
Preference shares			
Ajaz Farooqi	26	39,16,813	39,16,813
Asma Farooqi	9	15,93,000	15,93,000
Aijaz Investments Pvt Limited	5	8,81,600	8,81,600
Asma Estates & Investments Pvt Limited	12	20,60,400	20,60,400
Shoeb Estates Pvt Limited	9	15,18,750	15,18,750
Zainab Investments Pvt Limited	8	13,96,750	13,96,750
Zara Investments Pvt Limited	16	27,47,243	27,47,243

Rights, preferences and restrictions attached to shares

Equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Preference shares

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

9.4 **Money Received Against Share warrents**	31-03-2019	31-03-2018
	-	-

The Company has issued Rs. 33,00,000 fully Convertible Share Warrants of Rs 10/- each on Preferential Basis, Out of Which Rs. 18,975,000/ - was received (25% money was received from 1870000 warrants and 100% from 1430000 warrants) Warrants, are allotted to the persons belonging to Non-Promoter Category and the Equity Shares proposed to be allotted pursuant to the conversion of these Warrants shall be under lock in for such period as may be prescribed by the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Warrants shall, on the date of allotment of warrants, pay an amount equivalent to at least 25% of the price fixed per Warrant in terms of the SEBI (ICDR) Regulations, 2009. The balance 75% of the Issue Price shall be payable on or before the conversion of said Warrants into Equity Shares, within a maximum permissible period of 18 months from the allotment thereof.

In the event the Warrant Holder(s) does not exercise the Equity Warrants within the Warrant Exercise Period, the Equity Warrants shall lapse and the amount paid shall stand forfeited by the Company.

10 Other Equity

Particulars		31-03-2019	31-03-2018
Retained Earning			
As per Last Balance Sheet		9,70,18,997	9,66,56,015
Add : Transfer from Statement of Profit and Loss		1,97,33,978	3,62,983
	Total	11,67,52,975	9,70,18,997
Other Comprehensive Income (OCI)			
As per last Balance Sheet		45,92,380	(3,61,873)
Add/Less: Movement in OCI (Net) during the year		14,774	49,54,253
	Total	46,07,154	45,92,380
Total		**12,13,60,129**	**10,16,11,377**

NOTES TO THE FINANCIAL STATEMENTS :

11 Long-Term Borrowings :

Particulars		31-03-2019	31-03-2018
Secured Loans			
a) Axis Bank Ltd.Vehicle Loans*			
	Non Current	-	15,42,033
	Current	31,89,729	34,03,829
(Secured by hypothecation of Vehicle)			
	Total	**31,89,729**	**49,45,862**

12 Provision Non Current :

Particulars	31-03-2019	31-03-2018
a) Provision For Gratuity (As per management estimate)	31,73,277	23,65,845
	31,73,277	**23,65,845**

13 Trade Payables :

Particulars	31-03-2019	31-03-2018
Sundry Creditors (Other than micro and small enterprises)	4,76,24,283	44,74,39,717
	4,76,24,283	**44,74,39,717**

14 Other Current Liabilities :

Particulars	31-03-2019	31-03-2018
(Unsecured and Unverified)		
Advances from Customers	15,57,11,401	24,78,52,673
Duties and Taxes	21,27,804	23,88,737
(Advance Received For Settlement of Bank Dues)		
- Mr. Ranjan Kapoor	-	-
Others		16,13,747
TDS Payable	50,000	50,000
	15,78,89,205	**25,19,05,157**

15 Short Term Provisions :

Particulars		31-03-2019	31-03-2018
a) Provisions for Expenses		19,37,187	11,03,939
b) Expenses Payable		-	-
c) Audit Fee Payable		5,40,000	5,96,250
	Total	**24,77,187**	**17,00,189**

16 Current Tax Liabilities (Net)

Particulars		31-03-2019	31-03-2018
a) Current Income Tax		78,65,204	50,72,054
	Total	**78,65,204**	**50,72,054**

17 Sale of Products

Particulars	2018-19	2017-18
Sale of Building /Construction Material	-	90,42,397
Sale of Land	3,12,90,000	-
Sale of Morrum	10,51,27,527	30,74,50,544
Sale of OHE Material	8,54,57,376	-
Sale of Ordinery Soil	-	25,80,94,883
Sale of P.Way Material	4,58,25,031	1,91,37,625
Sale of RMC	-	36,68,427
Sale of Steel	43,94,320	98,56,640
Sale of Track Material Other Than P.Way	-	-
Sales of Rails	18,06,51,515	6,91,85,088
Sale of Sleepers	1,87,11,964	1,00,64,124
Sale of Tournouts	5,63,79,475	7,24,49,609
Sale Trap Switches	1,09,44,500	1,11,37,500
Sale of Ballast	6,32,770	-
Sale of Fish Plates	1,64,33,860	-
Sale of Points and Crossings	7,03,28,000	-
Sale of Railway Track Fixes & Fittings	10,50,000	-
GST on Sale of Goods (Explain this Entry) and bifurcate it in goods and services)	(7,96,98,652)	
Total	**54,75,27,686**	**77,00,86,837**

18 Sale of Services

Particulars	2018-19	2017-18
Constructions Work	99,69,269	1,53,58,150
Consultancy	97,35,000	18,27,050
Operations & Management	1,32,86,188	97,10,775
Earth Work	2,72,25,831	1,00,00,000
Laying & Linking Of Track	13,08,507	-
Service Income	73,84,440	-
Gst on Sale of Services	(92,43,766)	
Total	**5,96,65,469**	**3,68,95,975**

19 Other Income :

Particulars	2018-19	2017-18
a) Bank Interest	1,38,59,151	1,22,10,978
b) Profit on Vehicle Sold	-	-
c) Sundry Balances Written Back	-	9,89,420
d) Dividend from Aditya Birla Mutual Fund	18,75,853	3,59,974
Total	**1,57,35,004**	**1,35,60,372**

20 Cost of Inputs Consumed :

Particulars	2018-19	2017-18
Opening Stock of Materials	7,21,54,354	-
Add : Purchases of Materials	34,94,14,811	78,33,90,839
Add : Construction Works and Direct Materials	2,54,50,000	2,60,20,995
Add/Less : Purchase/Sale of Land on behalf of customers	-	-
Add : Freight Charges	99,20,461	1,09,69,591
Add : Diesel Charges	16,52,369	29,33,558
Add : Loading & Unloading Charges		-
Add : Labour Charges	22,11,789	7,93,552
Add : Survey Expenses		2,31,050
Add : Site Expenses	18,32,817	-
Add : Inspection Charges	1,00,000	-
Add : Earth Work Expenses	-	1,02,56,501
Add : Codal Charges	1,00,01,520	-
Add : Hiring Charges	14,51,328	-
Add : Survey Expenses	3,09,125	-
	47,44,98,574	83,45,96,086
Less : Work-in-Progress	31,07,250	7,21,54,354
Total	**47,13,91,324**	**76,24,41,732**

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

Particulars	2018-19	2017-18
a) Opening :		
- Work-in-Process		-
- Finished Goods - Land purchased for customers	4,02,27,129	4,02,27,129
	4,02,27,129	**4,02,27,129**
b) Closing :		
- Work-in-Process		
- Finished Goods - Land purchased for customers	89,37,129	4,02,27,129
	89,37,129	**4,02,27,129**
Net (Increase) / Decrease	**3,12,90,000**	**-**

22 Employee Benefits Expenses :

Particulars	2018-19	2017-18
a) Salaries to Staff	1,84,72,582	1,08,47,556
b) Staff Welfare Expenses	7,43,895	6,46,500
c) E.S.I & Provident Fund Contribution	1,09,594	2,38,776
d) Medical Expenses	2,34,807	3,61,594
e) Provision for Gratuity	8,07,432	6,35,970
Total	**2,03,68,310**	**1,27,30,396**

23 Finance Costs :

Particulars	2018-19	2017-18
a) Bank Charges	2,01,778	2,82,295
b) Interest on Hire Purchase - Vehicles	5,08,769	7,28,925
c) Processing Fee to Bank	10,39,362	10,71,371
d) Bank Guarantee Charges	16,10,549	45,09,861
	33,60,458	**65,92,452**

24 Other Expenses :

Particulars	2018-19	2017-18
a) Administrative Expenses :		
- Directors Remuneration	-	2,40,000
- Travelling Expenses	65,73,351	56,92,606
- Legal and Consultancy Expenses	4,24,950	-
- Licences and Registration Charges	61,520	39,400
- Advertisement Charges	2,85,259	2,22,456
- Electricity Charges	9,09,711	7,06,136
- Conveyance Expenses	13,06,132	6,31,070
- Business Promotion Expenses	65,468	-
- Insurance Charges	2,60,561	1,47,242
- Printing & Stationery Expenses	6,24,162	12,34,587
- Postage & Courier Charges	10,02,642	3,75,200
- Rents - Site Offices	26,91,204	17,60,750
- Rents for Vehicle	6,67,816	-
- Petrol & Diesel Charges	23,000	16,223
- Telephone & Internet Charges	2,43,084	6,39,760
- Auditors Remuneration	5,00,000	5,00,000
- Office Maintenance Expenses	12,94,837	19,66,270
- Gulbarga Office Expenses		-
- Repairs & Maintenance Expenses :		-
- Buildings	3,01,716	2,23,566
- Vehicles	3,39,619	3,38,877
- Machinery	2,73,002	1,77,596
- Computers	2,24,448	1,15,347
- Electricals	2,45,610	2,06,455
- Listing Fees	6,23,355	3,01,690
- Tender Expenses	-	14,50,105
Taxes Paid		-
- Stamp Duty	79,801	2,64,788
- ROC Filing Charges	7,386	-
- GST Late Fees	23,350	-
- GST Paid	3,82,24,150	-
- Membership Fee	6,85,000	
- Profession Tax	31,000	21,750
- Other Deductions	13,74,735	-
- Service Tax Paid (Incl on GTA Services)		3,34,362
- Road&Toll Tax	2,30,327	-
- Professional & Consultancy Charges	**13,00,817**	22,61,091
- Donations Paid	65,000	10,100
- Debtors Written Off	4,98,826	
- Service Charges	22,475	9,24,355
- Miscellaneous Expenses	86	96,081
- ESIC Penalty	29,394	-
- TDS Late Fees/Penalty	15,608	
- Security Services	96,000	-
Total	**6,16,25,402**	**2,08,97,863**

NOTES TO THE FINANCIAL STATEMENTS

25

i **Contingent Liabilities :**

a) Counter Guarantees issued against Bank Guarantees issued by Banks :
Axis Bank Ltd. / State Bank of India Rs. 1,128 Lacs (Prev. Year : Rs. 1,708 Lacs)

b) Claims against the Company not acknowledged as debts :	As at 31.03.2019	As at 31.03.2017
(Claims under adjudication)		
i) Income Tax matter in dispute	2,93,57,425	2,93,57,425
ii) Commercial and other claims	NIL	NIL

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

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

ii

Payment to Auditors	**2018-19**	**2017-18**
	Rs	Rs
Statutory Audit Fees	4,00,000	4,00,000
Certification and Consultation Fees	1,00,000	1,00,000
Total	**5,00,000**	**5,00,000**

iii Earnings Per Share (EPS) :

Particulars	**2018-19**	**2017-18**
	Rs	Rs
Net Profit as per Statement of Profit and Loss Account	1,97,33,978	3,62,983
Weighted average number of equity shares for EPS Computation	1,57,79,355	1,57,79,355
Shares for Baisc Earning Per Share	**1,57,79,355**	**1,57,79,355**
Add: Potential diulated equity shares on account of shares in abeyance	1,41,14,556	1,41,14,556
Number of Shares for Diluated Earning Per Share	**2,98,93,911**	**2,98,93,911**
Earning Per Share		
Face Value Per Share	10	10
Basic	1.25	0.02
Diluted	0.66	0.01

iv RELATED PARTY DISCLOSURES :

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

i) Key Management Personnel :
1. V.P. Rao Koppolu CFO
2. Mr. Amit Bansal- CEO
3. Shamim Ahmed Qureshi Director

ii) Member/Shareholder
4. Asma Estates & Investments Pvt Ltd
5. Zainab Investments Pvt Ltd
6. S V Multi Logitech Pvt Ltd

ii) Related Party Transactions :

Nature of Transactions	**Related Party**	**2018-19**	**2017-18**
		Rs.	Rs.
Remuneration	Directors	-	2,40,000
Contract Income	Asma Estates & Investments Pvt Ltd		-
Contract Income	Zainab Investments Pvt Ltd		2,01,15,181
Rent Paid	Zainab Investments Pvt Ltd	16,65,000	
Contract Income	S V Multi Logitech Pvt Ltd	68,62,792	22,20,94,138

v Additional Information :

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

a) Value of Inputs consumed during the year :	**2017-18**		**2017-18**	
	Value (Rs.)	**%**	**Value (Rs.)**	**%**
Indigenous	47,13,91,324	100	76,24,41,732	100
Imported	-	-	-	-

b) Foreign Exchange Inflow / Outflow : NIL

vi Merger/ Amalgamation:

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

b) Disclosures as per Accounting Standard 14:
i) Names of merged entities- M/s. Axis Rail India Limited
- M/s. KVR Rail Infra Projects Private Limited
Nature of business- Both the companies are primarily engaged in execution of Railway Contracts which includes works contracts and trading in railway supply materials, etc.

ii) Effective date of merger for accounting purposes-

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

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

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

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

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

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

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

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

Kapil Dev Aggarwal
Partner
M. No. 082908
Place: Delhi
Date : 29.05.2019

FOR AND ON BEHALF OF THE BOARD

Amit Bansal
CEO
PAN:ACFPB7608E

Paga Venu Gopal Reddy
CFO
PAN:AGHPR0992F

Shamim Ahmed Qureshi
Director
Din:07559136

Chanchal Choudhary
Company Secretary
M.No. A42226

K&R RAIL ENGINEERING LIMITED

(Formerly known as Axis Rail India Limited)

CIN: L45200AP1983PLC0825276

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

PROXY FORM (Form No. MGT-11)

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

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

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

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

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

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

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th Annual General Meeting of the Company to be held on Monday, 30th September, 2019 at 2:00 P.M at Regd. Office : 12-5-34 & 35/1, Vijaypuri, South Lalaguda, Secunderabad, Andhara Pradesh- 500017 and at any adjournment thereof in respect of such resolutions as indicated below:

Resolution No.	Resolution	Optional	
		For	Against
1.	Adoption of Audited Financial Statement for the financial year ended 31st March 2019 and the Reports of the Board of Directors and Auditor's thereon		
2.	Re-appointment of Mr. SHAMIM AHMED QURESHI as a Director who Retire by Rotation.		
3.	Appointment of Statutory Auditors		
4	**SPECIAL BUSINESS** Appointment of Mr. Amit Bansal as Whole Time Director of the Company		

Signed this _____ day of _____ 2019

Signature of Shareholder …… Signature of Proxy Holder

Affix Revenue Stamp Re. 1/-

Note:

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

K&R RAIL ENGINEERING LIMITED
CIN: L45200AP1983PLC0825276
Regd. Office: 12-5-34 & 35/1, Vijaypuri, South Lalaguda, Secunderabad, Andhara Pradesh- 500017
ATTENDANCE SLIP
(To be presented at the entrance)
36th ANNUAL GENERAL MEETING ON MONDAY, 30Th DAY OF SEPTEMBER, 2019 AT 02.00 P.M

Folio Number _____DPID No. _____ Client ID No._____

Name of the member_____Signature_____

Name of the Proxyholder_____Signature_____

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

POLLING PAPER (Form No. MGT-12)

Pursuant to Section 109(5) of the Companies Act, 2013 and Rules 21(1)(c) of the Companies (Management and Administration) Rules, 2014

K&R RAIL ENGINEERING LIMITED

(Formerly known as Axis Rail India Limited)

CIN: L45200AP1983PLC0825276

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

Phones: 040-27000499 Fax:040-27017660

Website:-www.axisrailindia.co.in; E-Mail:axisrailindia@gmail.com/krrailengineering@gmail.com

BALLOT PAPER		
No.	**Particulars**	**Details**
1.	Name of First Named Shareholder (In Block Letters)	
2.	Postal Address	
3.	Registered Folio No/*Client ID No. (* Applicable to Investors holding shares in dematerialized form)	
4.	Class of share	

I hereby exercise my vote in respect of Ordinary/ Special Resolution enumerated below by recording my assent or dissent to the said resolutions in the following manner

No.	**Item No.**	**No. of Shares held by me**	**I assent to the resolution**	**I dissent from the resolution**
	ORDINARY BUSINESS			
1.	**Item No. 1** Adoption of Audited Financial Statement for the financial year ended 31st March 2019 and the Reports of the Board of Directors and Auditor's thereon			
2.	**Item No. 2** Re-appointment of Mr. SHAMIM AHMED QURESHI as a Director who Retire by Rotation			
3.	**Item No. 3** Appointment of Statutory Auditors			
	SPECIAL BUSINESS			
4.	**Item No. 4** Appointment of Mr. Amit Bansal as Whole Time Director of the Company			

PLACE:
DATE: **Signature of the Shareholder**