



## K&R RAIL Engineering Limited

(Formerly Axis Rail India Ltd.)

### Corporate office

#12-5-34-35/1, Vijaypuri  
South Lallaguda  
Secunderabad - 500 017,  
Telangana, INDIA.



+91 40 27017617

+91 40 27000499



+91 40 27017660

+91 40 27001295



krailengg@gmail.com

04<sup>th</sup> September, 2020

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

**Subject: Annual Report 2019-20 submission of M/s K&R Rail Engineering Limited  
(Formerly Known as Axis Rail India Limited)**

In terms of Regulation 34(1) of SEBI Listing Regulations, 2015. we wish to submit copy of Annual Report for the FY 2019-20.

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

Thanking You,

Yours faithfully,

For & on behalf of the board  
M/S K&R RAIL ENGINEERING LIMITED  
(FORMERLY KNOWN AS AXIS RAIL INDIA LIMITED)

  
AMIT BANSAL  
CEO

# **37th ANNUAL REPORT 2019-2020**



## **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, Andhara Pradesh - 500017**

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

MS. MANIZA KHAN  
MR. AMIT BANSAL  
MR. RABINDRA KUMAR BARIK  
MR. TAMADA SRINIVAS REDDY  
MR. PAGA VENU GOPAL REDDY

### **COMPANY SECRETARY**

Ms. YAVANIKA SINGH

### **REGISTRAR**

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

### **REGISTERED OFFICE**

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

CIN: L45200AP1983PLC082576

### **AUDITORS**

M/S. CHOWDARY AND RAO  
CHARTERED ACCOUNTANTS  
#8-3-677/26, 1<sup>st</sup> FLOOR, SRIKRISHNA  
DEVARAYA NAGAR COLONY, OPP.  
RBI QUARTERS, YELLAREDDYGUDA,  
HYDERABAD 500073

### **PRINCIPAL BANKERS**

STATE BANK OF INDIA,  
KAROL BAGH

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## NOTICE

NOTICE is hereby given that 37th 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 Wednesday, the 30th day of September, 2020 at 02.00 P.M. at the registered office of the Company 12-5-34 & 35/1, Vijapuri, South Lalaguda, Secunderabad, Rangaareddi, Andhra Pradesh- 500017, to transact the following businesses:

### ORDINARY BUSINESS:

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

To receive, consider and adopt the Audited Financial Statement for the financial year ended 31st March 2020 and the Reports of the Board of Directors and Auditor's thereon.

2. To appoint a Director in place of Mr. Amit Bansal, (DIN: 06750775) 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. Amit Bansal (DIN: 06750775), 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 Rabindra Kumar Barik DIN: 08773785 as a Director:

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Rabindra Kumar Barik DIN: 08773785, who was appointed as Additional Director on 01st July, 2020 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation.

**RESOLVED FURTHER THAT** Directors/Company Secretary of the Company, be and is hereby severally authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

### SPECIAL BUSINESS

#### 4. Re-Appointment of Mrs. Maniza Khan (DIN: 07146123) as Independent Director of the Company

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, **Mrs. Maniza Khan (DIN: 07146123)**, who holds office of Independent Director up to 31st March, 2020 and who has submitted a declaration that she meets the criteria for

independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying her intention to propose Mrs. Maniza's candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 1st April, 2020 upto 31st March, 2025."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

Date: 01.09.2020  
Place: Hyderabad

By order of the Board of Directors  
For K&R Rail Engineering Limited  
(Formerly known as AXIS RAIL INDIA LIMITED)  
Sd/-  
Amit Bansal  
CEO

## NOTES:

- (1) A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and to vote on a poll instead of himself and the proxy need not be a member of the company. The instrument appointing the proxy in form no. MGT 11 is attached herewith and, if intended to be used, it should be returned duly completed and signed at the registered office of the company not less than (48) forty eight hours before the scheduled time of the commencement of 37<sup>th</sup> Annual General Meeting.
- (2) A person can act as proxy on behalf of members not exceeding (50) fifty in number and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. However, a member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
- (3) Every member entitled to vote at the meeting, or on any resolution to be moved there at, shall be entitled during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days notice in writing of the intention so to inspect is given to the company.
- (4) **A.** Members holding shares in physical form are requested to notify/send the following to the Registrar & Transfer Agent (RTA) of the Company M/s BEETAL FINANCIAL & COMPUTER SERVICES PRIVATE LIMITED, Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi, Delhi 110062 (INDIA) Ph No. : 011 2996 1281:-
  - a. their bank account details in order to receive payment of dividend, whenever declared, through electronic mode
  - b. their email id, in case the same have not been sent earlier, for the purpose of receiving the communication electronically
  - c. any change in their address/e-mail id/ECS mandate/ bank details
  - d. share certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholding into one account**B.** Members holding shares in dematerialized form are requested to notify to their Depository Participant :-
  - a. their email id
  - b. all changes with respect to their address, email id, ECS mandate and bank details.
- (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 2019-20 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 2019-20 is being sent to all other members who have not registered their email address(es). Members can also submit their form along with Attendance Slip at the Registration Counter at AGM. Members holding shares in dematerialized form are requested to register their email address with their Depository Participant only. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon receipt of request for the same, free of cost.

- (8) In case any Member has any query relating to the Annual Accounts he/she is requested to send the same to Mr. AMIT BANSAL at the Registered Office of the Company at least 10 days before the date of AGM so as to enable the management to keep the information ready for replying at the meeting.
- (9) All the documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days between 11.00 am to 1.00 pm up to the date of AGM. The Register of Directors and Key Managerial Personnel & their Shareholding and the Register of Contracts & Arrangements in which Directors are interested shall be open for inspection at the Annual General Meeting to any person having right to attend the meeting.
- (10) Members holding shares in physical form and desirous of making a nomination or cancellation/variation in nomination already made in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit to the RTA of the Company M/s Beetal Financial & Computer services Private Limited the prescribed Form SH.13 for nomination and Form SH.14 for cancellation/ variation as the case may be.
- (11) Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from 24-09-2020 to 30-09-2020 (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 23-08-2020, 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 paidup equity share capital of the Company as on September 23, 2020, 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. Yavanika Singh (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 23<sup>rd</sup> September, 2020.
- 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, 27,2020
End of remote e voting	05:00 p.m. (IST) on September, 29, 2020

- 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 23<sup>rd</sup> 2020, 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](http://www.evotingindia.com).
  - ii. Click on "Shareholders" tab.
  - iii. Select "K&R RAIL ENGINEERING LIMITED" from the dropdown 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](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a firsttime user follow the steps given below

Fill up the following details in the appropriate boxes:

PAN*	Enter your 10digit 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 CDSL for 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 CDSL platform.
  - 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". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - 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](http://www.evotingindia.com) and register themselves as Corporate. A scanned copy of the Registration Form bearing the stamp and signature of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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 Sunday the 27th September, 2020 to 5.00 PM on Tuesday, the 29th September 2020. 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. Wednesday, the 23<sup>rd</sup> September, 2020, may opt for remote e-voting. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at

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

Mrs. Maniza Khan, was appointed as Independent Director of the Company pursuant to Section 149 of the Companies Act, 2013 (“the Act”) read with Companies (Appointment and Qualification of Directors) Rules, 2014, by the Shareholders at the General Meeting held on 29th September, 2015 to hold office upto 31st March, 2020 (“first term” as per the explanation to Section 149(10) and 149(11) of the Act.)

The Nomination & Remuneration Committee at its Meeting held on 17th March, 2020 after taking into account the performance evaluation of the Independent Director, during her first term of five years and considering the knowledge, acumen, expertise and experience in their respective fields and the substantial contribution made by her during her tenure as an Independent Director since her appointment, has recommended to the Board that continued association of her as an Independent Director would be in the interest of the Company. Based on the above, the Nomination & Remuneration Committee and the Board has recommended the re-appointment of her as Independent Director on the Board of the Company, to hold office for the second term of five consecutive years commencing from 1st April, 2020 upto 31st March, 2025 and not liable to retire by rotation. The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mrs. Maniza Khan for her appointment to the office of Independent Director.

Brief profile of the Mrs. Maniza Khan, Independent Director (Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) is as under:

Name of the Director	Mrs. Maniza Khan
Date of Birth	31-08-1984
Date of Appointment	01-04-2020
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

**Date: 01.09.2020**  
**Place: Hyderabad**

**By order of the Board of Directors  
 for K&R Rail Engineering Limited  
 (Formerly known as AXIS RAIL INDIA LIMITED)**

**Sd/-  
 Amit Bansal  
 CEO**

## **DIRECTOR'S REPORT**

Dear Members,

Your Directors are pleased to present the Thirty Seventh Annual Report and the Company's audited financial statement for the financial year ended March 31, 2020.

### **1. FINANCIAL RESULTS**

The Company's financial performance, for the year ended March 31, 2020 is summarized below:

(In Lakhs)

<b>PARTICULARS</b>	<b>YEAR ENDED 31.03.2020</b>	<b>YEAR ENDED 31.03.2019</b>
Sales for the year	12807.18	6071.93
Other Income	117.64	157.35
<b>Total Income</b>	<b>12924.82</b>	<b>6229.28</b>
Profit before Financial Expenses, Preliminary expenses, Depreciation and Taxation	941.85	382.53
Less: Financial expenses	213.24	33.60
<b>Operating profit before Preliminary expenses, Depreciation &amp; Taxation</b>	<b>728.61</b>	<b>348.92</b>
Less: Depreciation & Preliminary expenses written off	128.81	91.51
<b>Profit before Taxation</b>	<b>599.80</b>	<b>257.41</b>
Less : Provision for Taxation		
Current Tax	136.00	78.65
Earlier year Tax	227.86	-
Deferred Tax	37.66	(29.13)
<b>Profit after Taxation</b>	<b>198.27</b>	<b>207.88</b>
<b>Other Comprehensive Income</b>		
(i) Items that will not be reclassified to profit or loss	(0.85)	-
(ii) (i) Items that will be reclassified to profit or loss	-	-
<b>Total Comprehensive Income for the period</b>	<b>197.42</b>	<b>207.88</b>

**2. 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.

**3. 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.

**4. RESERVES:-**

Your Directors propose to transfer the amount of Net Profit After Tax to General Reserve for the financial year ended March 31, 2020 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:

<b>Other equity</b>		
	<b>31 March 2020</b>	<b>31 March 2019</b>
<b>General reserve</b>		
Opening balance	1,214	970
Additions during the year	197	243
Closing balance	<b>1,411</b>	<b>1,214</b>
<b>Retained earnings</b>		
Opening balance	(0)	-
Profit/(loss) for the year	198	197
Less: Adjustment due to Depreciation	-	(0)
Add: Other comprehensive income	(1)	46
Less: Transfer to General reserve	(197)	(243)
Closing balance	<b>(0)</b>	<b>(0)</b>
<b>Total other equity</b>	<b>1,411</b>	<b>1,214</b>

**5. SHARE CAPITAL:**

	<b><u>In Lakhs</u></b>		
	<b>31 March 2020</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>Authorised Share Capital</b>			
<b>Equity Shares</b>			
3,10,00,000 (March 31, 2019: 3,10,00,000; April 1, 2018: 3,10,00,000) equity shares of ₹ 10/- each	3,100.00	3,100.00	3,100.00
<b>Preference Shares</b>			
2,40,50,000 7% Optionally Convertible Preference Shares(March 31, 2019: 2,40,50,000; April 1, 2018: 2,40,50,000) equity shares of ₹ 10/- each	2,405.00	2,405.00	2,405.00
<b>Issued, subscribed and fully paid-up</b>			

<b>Equity Shares</b>			
1,57,80,105 (March 31, 2019: 1,57,80,105; April 1, 2018: 1,57,80,105) equity shares of ₹ 10/- each fully paid-up	1,578.01	1,578.01	1,578.01
Less: Unpaid calls on 750 shares of Rs.10/-each	0.08	0.08	0.08
	<b>1,577.94</b>	<b>1,577.94</b>	<b>1,577.94</b>
<b>Preference Shares</b>			
1,41,14,556 (March 31, 2019: 1,41,14,556; April 1, 2018: 1,41,14,556) equity shares of ₹ 10/- each fully paid-up	1,411.46	1,411.46	1,411.46
	<b>1,411.46</b>	<b>1,411.46</b>	<b>1,411.46</b>

## 6. DIRECTORS:-

In accordance with the provisions of the Companies Act 2013 and the Articles of Association of the Company, Mr. Amit Bansal, Director of the Company, retires by rotation in the ensuing Annual General Meeting and being eligible has offered himself 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.

## 7. 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
Ms. Yavanika Singh	Company Secretary
Mr. Paga Venu Gopal Reddy	CFO

## 8. MATERIALCHANGES AND COMMITMENTS

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

**9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO**

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

**10. CHANGES HAPPENING DURING THE FINANCIAL YEAR**

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

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

**11. BUSINESS RESPONSIBILITY REPORT**

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

**12. POLICY ON DIRECTORS APPOINTMENT AND POLICY ON REMUNERATION**

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

**13. 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.

**14. NUMBER OF MEETINGS OF BOARD**

During the year 2019-20, 19 Nineteen Board Meetings were held and 1 (One) Independent Directors meeting was held on 09.05.2019 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 04-04-2019, 12-04-2019, 16-04-2019, 06-05-2019, 29-05-2019, 01-07-2019, 03-07-2019, 20-07-2019, 01-08-2019, 01-09-2019, 07-09-2019, 16-09-2019, 10-10-2019, 14-11-2019, 06-01-2020, 08-01-2020, 12-02-2020, 04-03-2020, 17-03-2020.

**15. STATUTORY AUDITORS & 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), were appointed as the Statutory Auditors of the Company in

the last Annual General Meeting for the term of five years commencing from the company's financial year 01<sup>st</sup> April, 2019 to hold the office from the conclusion of 36<sup>th</sup> Annual General Meeting of the Company till the conclusion of 41<sup>st</sup> Annual 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 RailEngineering Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, 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. Further, there are no reservations, qualifications or adverse remarks in the Audit Report given by them in respect of the Financial Year 2019-20.

#### **16. SECRETARIAL AUDITORS AND THEIR REPORT**

M/s Abdul Q. & Co. (COP No.17468), was appointed as Secretarial Auditor of the Company for the financial year 2019-20 pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by him in the prescribed form MR- 3 is attached as **Annexure IV** and forms part of this report.

There are no qualifications or observations or other remarks of the Secretarial Auditors in the Report issued by them for the financial year 2019-20 which call for any explanation from the Board of Directors.

#### **17. 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.

#### **18. COST AUDIT**

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

#### **19. CONSOLIDATED FINANCIAL STATEMENTS**

In terms of Rule 6 of Companies (Accounts) Rules, 2014, nothing contained in the said rule shall, subject to any other law or regulation, apply for the financial year commencing from the 1<sup>st</sup> day of April, 2019 and ending on the 31<sup>st</sup> March, 2020, in case of a company which does not have a subsidiary or subsidiaries but has one or more associate companies or joint ventures or both, for the consolidation of financial statement in respect of associate companies or joint ventures or both, as the case may be. As the Company does not have any Subsidiary, the accounts have not been consolidated for the FY 2019-20.

## **20. INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY.**

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

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

## **21. 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.

## **22. SUBSIDIARIES/ASSOCIATES/JOINT VENTURES**

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

## **23. DEPOSITS**

The Company has neither accepted nor renewed any deposits during the Financial Year 2019-20 in terms of Chapter V of the Companies Act, 2013. Information in this regard, therefore, is nil.

## **24. 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.



## **25. CODE OF CONDUCT**

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

## **26. 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, 2020 comprises of the following Independent Directors

Mrs. Maniza Khan	Independent Director, Chairman
Mr. Tamada Srinivas Reddy	Independent Director, Member
Mr. Mohd Kaleem Siddiqui Khan	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.

## **27. 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, 2020 comprises of the following Directors:

Mrs. Maniza Khan	Independent Director, Chairman
Mr. Tamada Srinivas Reddy	Independent Director, Member
Mr. Mohd Kaleem Siddiqui Khan	Non executive Director, Member

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

## **28. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

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

## **29. CHANGE IN CAPITAL STRUCTURE 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

### **30. EXTRACT OF ANNUAL RETURN**

The extract of Annual Return as on March 31<sup>st</sup>, 2020 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.

### **31. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

Pursuant to Section 134(3)(g) of the Companies Act, 2013 particulars of loans, guarantees or investments under Section 186 of the Act as at end of the Financial Year 2019-20 forms part of this report.

### **32. 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. 34 of the Financial Statements

### **33. VIGIL MECHANISM**

The Company has established a Vigil Mechanism in terms of Section 177 (10) of the Companies Act, 2013 and also in terms of 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](http://www.axisrail.in)**.

### **34. DIRECTOR'S RESPONSIBILITY STATEMENT**

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

### **35. 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.

### **36. 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.

### **37. 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 2020-21 to BSE Limited.

### **38. 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.

### **39. 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).

### **40. FINANCIAL STATEMENTS**

Full version of the Annual Report 2019-20 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 2019-20 is also available for inspection at the registered office of the Company during working hours up to the date of ensuing Annual General Meeting (AGM). It is also available at the Company's website [www.axisrailindia.com](http://www.axisrailindia.com). Please note that you will be entitled to be furnished, free of cost, the full Annual Report 2019-20, upon receipt of written request from you, as a member of the Company

### **41. 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 2019-20.

No. of Complaints received :**Nil**

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

#### **42. 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.

The Directors also thank the Government of India, Governments of various states in India, Governments of various countries and concerned Government departments and agencies for their co-operation.

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

The Directors appreciate and value the contribution made by every member of the K&R Rail Engineering Limited family.

**Date: 01.09.2020**  
**Place: Hyderabad**

**By order of the Board of Directors**  
**For K&R Rail Engineering Limited**  
**(Formerly known as AXIS RAIL INDIA LIMITED)**  
**Sd/-**  
**Amit Bansal**  
**CEO**

#### **43. 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.

**Date: 01.09.2020**  
**Place: Hyderabad**

**By order of the Board of Directors**  
**For K&R Rail Engineering Limited**  
**(Formerly known as AXIS RAIL INDIA LIMITED)**  
**Sd/-**  
**Amit Bansal**  
**CEO**

#### **44. ANNEXURE -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.

#### **45. ROLE OF COMMITTEE**

##### **45.1 Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee**

The Committee shall:

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

**45.1.2** 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.

**45.1.3** Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

##### **45.2 Policy for appointment and removal of Director, KMP and Senior Management**

###### **45.2.1 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.

###### **45.2.2 Term / Tenure**

**a)** Managing Director/Whole-time Director:

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

**b)** Independent Director:

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

— No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to

become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 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.

#### **45.2.3 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

#### **45.2.4 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.

#### **45.2.5 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.

### **46. MEMBERSHIP OF COMMITTEE**

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

### **47. CHAIRPERSON**

**47.1** Chairperson of the Committee shall be an Independent Director.

**47.2** Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee

**47.3** In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

**47.4** 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

#### **48. FREQUENCY OF MEETINGS**

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

#### **49. COMMITTEE MEMBERS' INTERESTS**

**49.1** 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.

**49.2** The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee

#### **50. VOTING**

**50.1** 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.

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

#### **51. 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.

**Date: 01.09.2020**  
**Place: Hyderabad**

**By order of the Board of Directors**  
**For K&R Rail Engineering Limited**  
**(Formerly known as AXIS RAIL INDIA LIMITED)**  
**Sd/-**  
**Amit Bansal**  
**CEO**

## **52. ANNEXURE III**

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

#### **General:**

- a.) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b.) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- c.) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- d.) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

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

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

- I. 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.

##### **II. 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.

##### **III. 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 participate in any share-based payment schemes of the Company.
- d. Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
  - ii. 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.

## **53. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

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 transactions have taken place during the year under review that may have potential conflict with the interests of the Company at large. Further, details of related

party transactions form part of Notes to the Accounts of the Annual Report. While entering into the above transactions, the Company had made full disclosures before the Board Meetings as well as Audit Committee Meetings and interested directors duly disclosed their interest in the said Board Meetings. The details of the Related Party Transactions, entered by the Company in the ordinary course of business at Arm's length basis are given 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](http://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](http://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 Depository Services (India) Limited (CDSL) and the total issued & listed capital. The audit inter alia confirms that the total issued/paid up capital is in agreement with the total number of shares held in physical form and the total number of dematerialized shares with NSDL& CDSL.

**(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](http://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. Amit Bansal Director of the Company retire by rotation in the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Mrs. Maniza Khan, Independent Director, of the Company whose term expire on 31<sup>st</sup> March 2020, being eligible offer herself 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](http://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, 2020. 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 Annual Results of the Company are sent to BSE LIMITED in accordance with the Listing Regulations. The said Results are normally published in Financial Express (English) and Janatha (Telugu) and also displayed on Company's website [www.axisrail.in](http://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.

**ANNEXURE-IV**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR- 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020**

[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, 2020 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, 2020 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 MONEY 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)**  
SD/-  
**Abdul Quadir**  
**(Proprietor)**  
**M. No. : 47721**  
**COP No. : 17468**

**UDIN number: A047721B000557791**

**Place: Delhi**  
**Date: 07/08/2020**

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

**“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)  
SD/-  
Abdul Quadir  
(Proprietor)  
M. No. : 47721  
COP No. : 17468**

**UDIN number: A047721B000557791**

**Place: Delhi  
Date: 07/08/2020**

**ANNEXURE-V**

**FORM NO.MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**AS ON THE FINANCIAL YEAR ENDED ON 31.03.2020**

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

**I. REGISTRATION AND OTHER DETAILS:**

1	CIN	L45200AP1983PLC082576
2	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 contributing 10% 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.	Name And Address Of	CIN/GLN	Holding/	% of shares	Applicable
-----	---------------------	---------	----------	-------------	------------

No.	The Company		Subsidiary /Associate	held	Section
			<b>NOT APPLICABLE</b>		

#### 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 2019)				No. of Shares held at the end of the year (As on 31 March 2020)				% change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promoter									
(1) Indian									
a)Individual/HUF	4678865	434500	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	4548500	2155015	6703515	42.48%	6703515	-	6703515	42.48%	0.00%
e)Banks / FI		-	-	0.00%		-	-	0.00%	0.00%
f)Any Other		-	-	0.00%		-	-	0.00%	0.00%
Sub-total(A)(1):-	9227365	2589515	11816880	74.89%	11382380	434500	11816880	74.89%	0.00%



(2)Foreign									
<b>a)NRIs- Individuals</b>		-	-	0.00%		-	-	0.00%	0.00%
<b>b)Other- Individuals</b>		-	-	0.00%		-	-	0.00%	0.00%
<b>c)Bodies Corp.</b>		-	-	0.00%		-	-	0.00%	0.00%
<b>Banks / FI</b>		-	-	0.00%		-	-	0.00%	0.00%
<b>d)Any Other....</b>		-	-	0.00%		-	-	0.00%	0.00%
Sub- total(A)(2):-		-	-	0.00%		-	-	0.00%	0.00%
<b>TOTAL (A)</b>	<b>9227365</b>	<b>2589515</b>	<b>11816880</b>	<b>74.89%</b>	<b>11382380</b>	<b>434500</b>	<b>11816880</b>	<b>74.89%</b>	<b>0.00%</b>
B.Public Shareholding									
1.Institutions									
<b>a)Mutual Funds</b>		-	-	0.00%		-	-	0.00%	0.00%
<b>b)Banks / FI</b>		-	-	0.00%		-	-	0.00%	0.00%
<b>c)Central Govt</b>		-	-	0.00%		-	-	0.00%	0.00%
<b>d)State Govt(s)</b>		-	-	0.00%		-	-	0.00%	0.00%
<b>e)Venture Capital Funds</b>		-	-	0.00%		-	-	0.00%	0.00%
<b>f)Insurance Companies</b>		-	-	0.00%		-	-	0.00%	0.00%
<b>g)FIIs</b>		-	-	0.00%		-	-	0.00%	0.00%
<b>h)Foreign Venture Capital Funds</b>		-	-	0.00%		-	-	0.00%	0.00%
<b>i)Others</b>		-	-	0.00%		-	-	0.00%	0.00%

<b>(specify)</b>									
Sub-total(B)(1)		-	-	0.00%		-	-	0.00%	0.00%
2. Non Institutions									
<b>A)Bodies Corp.</b>									
<b>(i) Indian</b>	25	27400	27425	0.18%	5175	27250	32425	0.20%	0.00%
<b>(ii) Overseas</b>	-	-	0.00%		-	-	0.00%	0.00%	
<b>B)Individuals</b>									
<b>(i) Individual shareholders holding nominal share capital uptoRs. 2 lakh</b>	13112	558550	571662	3.62%	30135	554050	584535	3.70%	0.00%
<b>(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh</b>	3303700	60400	3364100	21.31%	3275500	60400	3335900	21.14 %	.008
<b>c)Others(Specify)</b>									
<b>Individual HUF</b>	0	0	0	0	10025	0	10025	0.06	<b>0.06</b>
<b>NRI Non Repatriable</b>	38	0	38	0.001	38	0	38	0.002	<b>00</b>
<b>Other -</b>									

<b>Clearing Member</b>	0	0	0	0	302	0	302	.0019	<b>.0019</b>
<b>Sub-total(B)(2)</b>	3316875	646000	3962875	25.12%	3321175	641700	3962875	25.12%	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	3316875	646000	3962875	25.12%	3321175	641700	3962875	25.12%	<b>0</b>
C. Shares held by Custodian for GDRs & ADRs		-	-	0.00%		-	-	0.00%	0.00%
<i>Grand Total (A+B+C)</i>	<b>12544240</b>	<b>3235865</b>	<b>15780105</b>	<b>100</b>	<b>14703555</b>	<b>1076550</b>	<b>15780105</b>	<b>100</b>	

**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 share holding during the year
1.	Ajaz Farooqi	<b>3868365</b>	<b>24.51%</b>	-	<b>3868365</b>	<b>24.51%</b>	-	0.00%
2.	Asma Farooqi	<b>1245000</b>	<b>7.89%</b>	-	<b>1245000</b>	<b>7.89%</b>	-	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
<b>1.</b>	<b>NAME</b>	<b>Ajaz Farooqi</b>			
	At the beginning of the year	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
	At the End of the year	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
<b>2.</b>	<b>NAME</b>	<b>Asma Farooqi</b>			
	At the beginning of the year	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase-/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
	At the End of the year	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>

**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 Share holding 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

*In lacs*

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
<b>i) Principal Amount</b>	31.90	-	-	31.90
<b>ii) Interest due but not paid</b>	-	-	-	-
<b>iii) Interest accrued but not</b>	-	-	-	-
<b>Total(i+ii+iii)</b>	31.90	-	-	31.90
Change in Indebtedness during the financial year				
<b>- Addition</b>	71.23	-	-	71.23
<b>- Reduction</b>	-	-	-	-
<b>Net Change</b>	71.23	-	-	71.23
Indebtedness at the end of the financial year				
<b>i) Principal Amount</b>	103.12	-	-	103.12
<b>ii) Interest due but not paid</b>	-	-	-	-

iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	103.12	-	-	103.12

## II. **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL 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-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others specify		
5.	Others, please specify (SITTING FEE PER MEETING)		
6.	<b>Total(A)</b>		
	Ceiling as per the Act		

### **B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of MD /WTD/ Manager	Total Amount
	<u>Independent Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify	Rs. 5000/meeting sitting fees	Rs. 95000/-
	<u>EXECUTIVE DIRECTOR</u>  Fee for attending board committee meetings · Commission · Others, please specify	0	0

	Total(1)	0	0
	<u>Other Non-Executive Directors</u> · Fee for attending board committee meetings · Commission · Salary	0	0
	Total(2)	0	0
	Total(B)=(1+2)	0	0
	Total Managerial Remuneration	0	0
	Overall Ceiling as per the Act	0	0

**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 contained in section 17(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 section 17(3) Income-tax Act, 1961	-	0	-	<u>0</u>
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total	-	0	-	0

## **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.

### **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, 2020, 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.

Nineteen Board meetings were held during FY 2019-20. 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 FY2019-20, 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 2019-20

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 2019-20 is listed as follows:

<b>Meetings attended/held</b>					
Name of director	Board meeting	Audit Committee meeting	Nomination and Remuneration Committee meeting	Stakeholders Relationship Committee meeting	General meeting
<b>Executive Director</b>					
Venkata Purushotama Rao Koppolu	19/19	NIL	1/1	NIL	1
<b>Independent Non-executive directors</b>					
Maniza Khan	19/19	4/4	1/1	1/1	1
Tamada Srinivas Reddy	19/19	4/4	1/1	1/1	1
<b>Non Independent non-executive directors:</b>					
Shamim Ahmed Qureshi	16/19	3/4	1/1	1/1	1
Mohd Kaleem Siddiqui Khan	3/19	1/4	0	0	0

### 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, 2020. The dates on which the Meetings were held are as follows

28<sup>TH</sup>MAY, 2019, 13<sup>TH</sup>AUGUST, 2019, 14th November, 2019 and 12th February, 2020.

#### **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. Deepika, the Company Secretary of the Company is the Secretary of the Committee.

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

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

- A. Guiding Principles for remuneration: The Company shall remunerate all its personnel reasonably and sufficiently as per industry benchmarks and standards. The remuneration shall be commensurate to retain and motivate the human resources of the Company. The compensation package will, inter alia, take into account the experience of the personnel, the knowledge and skill required including complexity of the job, work duration and risks associated with the work, and attitude of the worker like positive outlook, team workloyalty etc.
- B. Components of Remuneration: The following will be the various remuneration components which may be paid to the personnel of the Company based on the designation and class of the personnel
  - a. Fixed compensation: The fixed salaries of the Company's personnel shall be competitive and based on the individual personnel's responsibilities and performance.
  - b. Variable compensation: The personnel of the Company may be paid remuneration by way of variable salaries based on their performance evaluation. Such variable salaries should be based on the performance of the individual against his short and long term performance objectives and the performance of the Company.
  - c. Share based payments: The Board may, on the recommendation of the Nomination and Remuneration Committee, issue to certain class of personnel a share and share price related incentive program.
  - d. Non-monetary benefits: Senior management personnel of the Company may, on a case to case basis, be awarded customary non-monetary benefits such as discounted salary advance / credit facility, rent free accommodation, Company cars with or without chauffeur'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, 2020 are given below:-

Name of the director	Fixed salary				Bonus / incentives	Commission
	Basic Salary	Perquisites / allowances	Retiral benefits	Total fixed salary		
Maniza Khan	Rs. 5000/meeting sitting fees				NIL	NIL

## 7. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee presently comprises of Mrs. Maniza Khan Mr. Tamada Srinivas Reddy, and Mr. Shamim Ahmed Qureshi. Mrs. Maniza Khan is the Chairman of the Committee. The constitution of the Stakeholders' Relationship Committee meets with the requirements of Section 178 of the Companies Act 2013 and also of

Regulation 20 of the Listing Regulations, 2015. Ms. Chanchal choudhary, the Company Secretary of the Company is the Secretary of the Committee.

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

The Board has designated severally, Ms.Deepika, Company Secretary

One Meeting of the Stakeholders' Relationship Committee was held during the year ended 31st March, 2020. The dates on which Meetings was held is 16-09-2019.

#### **ANNEXURE TO CORPORATE GOVERNANCE REPORT:**

CERIFICATE OF NON DISQUALIFICATON OF DIRECTORS:

**K.RAJANI KUMAR & ASSOCIATES  
COMPANY SECRETARIES**

**Office No: 31, First Floor,  
H No: 5-8-316 to 322  
Raghavratna Towers  
Chirag Ali Lane, Abids,  
Hyderabad -500001  
Cell No:9908355909**

**E Mail id:rajanikumarkanneganti@gmail.com**

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**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  
M/s K&R RAIL ENGINEERING LIMITED  
12-5-34 & 35/1 Vijayapuri, South Lalaguda,  
Secunderabad, Telangana- 500017  
CIN:L45200AP1983PLC082576**

I, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s K&R Rail Engineering Limited** having CIN: L45200AP1983PLC082576 and having registered office at 12-5-34 & 35/1 Vijayapuri, South Lalaguda, Secunderabad Telangana- 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](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 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.

Sl No	Name of the Director	DIN	Date of appointment in company
1	Mr. AMIT BANSAL	06750775	16/04/2019
2	Ms. MANIZA KHAN	07146123	31/03/2015
3	Mr. TAMADA SRINIVAS REDDY	07736318	27/02/2017

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.

K.RAJANI KUMAR &ASSOCIATES  
Company Secretaries

RAJANI KUMAR KANNEGANTI  
Membership No: F5726  
CP No.: 4584

**UDIN: F005726B000603697**

Place: Hyderabad  
Date : 21.08.2020

## 1. GENERAL SHAREHOLDER INFORMATION

AGM : Date, time	Wednesday, the 30th day of September, 2020 at 2:00 P.M.
AGM venue	12-5-34 & 35/1, Vijapuri, South Lalaguda, Secunderabad, Rangaareddi, Andhra Pradesh- 500017
Financial year	April 1st, 2019 to March 31st, 2020
Date of Book closure	24-09-2020 to 30-09-2020 (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 2019-20.
Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc	NIL.
Registrar and Transfer Agents	Beetal Computer & Financial Services Private Limited, Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi, Delhi 110062 #Ph No. : 011 2996 1281
Share Transfer System	To expedite the share transfer process in the physical segment, the process is undertaken by Common Registry Beetal Computer & Financial Services Private Limited, New Delhi. Share Transfers are processed and approved by them and taken note of by Share Transfer Committee, i.e. Stakeholders' Relationship Committee. The said Committee of the Company meets on regular basis to review the work of Transfer, transmission and issue of duplicate share certificates etc. The shares of the Company are traded in dematerialized form only
Dematerialization of shares and liquidity	Liquidity:- The shares of the company are in 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, Andhra Pradesh- 500017 Ph. 040-27000499, Fax 040-27017660 email: <a href="mailto:axisrailindia@gmail.com">axisrailindia@gmail.com</a>
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#### **Shareholding Pattern as on 31st March, 2020:-**

<b>Category</b>	<b>No. of Shares held</b>
Promoters	<b>11816880</b>
Institutional Investors	<b>0</b>
Mutual Funds & UTI	<b>0</b>
Banks, Financial Institutions and	<b>0</b>
NII's	<b>3920435</b>
Others	<b>10365</b>
Private Corporate Bodies	<b>32425</b>
Indian Public	<b>0</b>
NRIs/OCBs	<b>0</b>
Trust	<b>0</b>

#### **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 not be investigated.

## **7. PROTECTION TO WHISTLEBLOWER**

- A. If one raises a concern under this Policy, he/she will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance in any manner. Company's employee will not be at the risk of losing her/ his job or suffer loss in any other manner like transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistleblower's right to continue to perform his/her duties/functions including making further Protected Disclosure, as a result of reporting under this Policy. The protection is available provided that:
- i. The communication/ disclosure is made in good faith
  - ii. He/She reasonably believes that information, and any allegations contained in it, are substantially true; and
  - iii. He/She is not acting for personal gain
  - iv. Anyone who abuses the procedure (for example by maliciously raising a concern knowing it to be untrue) will be subject to disciplinary action, as will anyone who victimizes a colleague by raising a concern through this procedure. If considered appropriate or necessary, suitable legal actions may also be taken against such individuals.
- However, no action will be taken against anyone who makes an allegation in good faith, reasonably believing it to be true, even if the allegation is not subsequently confirmed by the investigation
- B. The Company will not tolerate the harassment or victimization of anyone raising a genuine concern. As a matter of general deterrence, the Company shall publicly inform employees of the penalty imposed and discipline of any person for misconduct arising from retaliation. Any investigation into allegations of potential misconduct will not influence or be influenced by any disciplinary or redundancy procedures already taking place concerning an employee reporting a matter under this policy.
- Any other Employee/business associate assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

## **8. ACCOUNTABILITIES – WHISTLEBLOWERS**

- I. Bring to early attention of the Company any improper practice they become aware of. Although they are not required to provide proof, they must have sufficient cause for concern. Delay in reporting may lead to loss of evidence and also financial loss for the Company.
- II. Avoid anonymity when raising a concern
- III. Follow the procedures prescribed in this policy for making a Disclosure
- IV. Co-operate with investigating authorities, maintaining full confidentiality
- V. The intent of the policy is to bring genuine and serious issues to the fore and it is not intended for petty Disclosures. Malicious allegations by employees may attract disciplinary action
- VI. A whistleblower has the right to protection from retaliation. But this does not extend to immunity for involvement in the matters that are the subject of the allegations and investigation
- VII. Maintain confidentiality of the subject matter of the Disclosure and the identity of the persons involved in the alleged Malpractice. It may forewarn the Subject and important evidence is likely to be destroyed.
- VIII. In exceptional cases, where the whistleblower is not satisfied with the outcome of the investigation carried out by the Whistle Officer or the Committee, he/she can make a direct appeal to the CMD of the Company or the Audit Committee.

## **9. ACCOUNTABILITIES – OMBUDSMAN AND WHISTLE COMMITTEE**

- i. Conduct the enquiry in a fair, unbiased manner
- ii. Ensure complete fact-finding
- iii. Maintain strict confidentiality
- iv. Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom
- v. Recommend an appropriate course of action - suggested disciplinary action, including dismissal, and preventive measures.
- vi. Minute Committee deliberations and document the final report.

## **10. RIGHTS OF ASUBJECT**

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

## **11. MANAGEMENT ACTION ON FALSE DISCLOSURES**

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

## **12. PROCEDURE FOR REPORTING & DEALING WITH DISCLOSURES**

The procedure as per Annexure will be followed.

## **13. ACCESS TO REPORTS AND DOCUMENTS**

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

## **14. RETENTION OF DOCUMENTS**

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

## **15. REPORTS**

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

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

## **16. COMPANY'S POWERS**

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

The above policy has been reviewed by the Audit Committee

Sd/-

(Maniza khan)

CHAIRMAN OF AUDIT COMMITTEE

31.08.2020

## **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](mailto: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](http://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, 2020.

**Place: SECUNDERABAD**  
**Date: 01.09.2020**

**SD/-**  
**AMIT BANSAL**  
**CEO**

**CEO and CFO DECLARATION**

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

**Date: September 01 , 2020**

We hereby certify that for the financial year ending 31-03-2020, 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 LIMITED for the Financial year ending 31-03-2020, 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 Auditor's Report**

**To**  
**The Members of**  
**K&R Rail Engineering Limited**  
**(Formerly known as Axis Rail India Limited)**

Report on the Audit of the Standalone Financial Statements

### **Opinion**

We have audited the Standalone Financial Statements of M/s K&R Rail Engineering Limited ("The Company"), which comprise the Standalone Balance Sheet as at 31st March, 2020 and the Standalone Statement of Profit & Loss including Other Comprehensive Income, Standalone Statement of Changes in Equity and Standalone statement of Cash Flows for the year then ended, and notes to the Standalone financial statements, including a summary of a significant accounting policies and other explanatory information ( hereinafter referred to as 'Standalone Financial Statements').

In our opinion and to the best of our information and to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020 and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key Audit Matters ("KAM") are those matters that, in our professional judgement, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters:

Key Audit Matters	How our audit addressed the Key Audit Matter
Revenue Recognition The Company engages in Fixed Price Contracts, wherein, revenue is recognized using the percentage of completion method i.e. as and when the work executed by the Company is certified by the Contractee, the Company recognize income to that extent. (Refer Not 20 to the Standalone Financial Statements)	Our audit procedures on revenue recognized from the fixed price contracts included the following: <ul style="list-style-type: none"><li>- Obtained an understanding of the systems, processes, and controls implemented by the Company for recording and computing revenue and the associated Work in Progress</li><li>- Assessed the IT environment in which the</li></ul>

<p>We identified revenue recognition of fixed price contracts as a Key Audit Matter since</p> <ul style="list-style-type: none"> <li>- There is inherent risk and presumed fraud risk around the accuracy and existence of revenues recognized considering the customized and complex nature of these contracts.</li> <li>- Application of revenue recognition accounting standard (Ind As 115) is complex and involves a number of key judgements and estimates mainly in identifying performance obligations, related transaction price and estimating the future cost-to-completion of these contracts, which is used to determine the percentage completion of the relevant performance obligation;</li> <li>- These contracts may involve onerous obligations which requires critical assessment of foreseeable losses to be made by the Company at the year end, significant amount of work in progress related to these contracts are recognized on the balance sheet.</li> </ul>	<p>business systems operate and tested system controls over computation of revenue recognized;</p> <ul style="list-style-type: none"> <li>- On selected / specific contracts, we tested that the revenue is recognized in accordance with Revenue recognised Standard.</li> <li>- Inspected the underlying documents to determine reasonableness of contract costs.</li> </ul>
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### **Other Information**

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Company has revenue from different segments ie. Sale of products, construction contracts and consultancy services. The Company has not maintained separate books or records to know the profit or loss of respective segment.

### **Management's responsibility for the Standalone financial statements**

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit or loss (including other Comprehensive Income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of assets of the Company and for preventing and detecting frauds and other irregularities. Selection and application of appropriate



accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### Auditor's responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit.

#### Report on Other Legal and Regulatory requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we given in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Standalone Balance Sheet, the Standalone Statement of Profit and loss including other comprehensive income, the Standalone statement of Cash flows dealt with by the Report are in agreement with the books of accounts.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
- (e) On the basis of the written representation received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March, 2020 from being appointed as a director in terms of section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, we reported in the separate annexed herewith as "Annexure B".

(B) With reference to the other matters to be included in 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:

- (a) The Company has disclosed the impact of pending litigations as at 31st March, 2020 on its standalone financial statements -Refer Note 42 to the standalone financial statements.
- (b) The Company did not have any longterm Contracts including derivative contracts for which there were any material foreseeable losses.
- (c) The Company does not have any amounts, which are required to be transferred to the Investor Education and Protection Fund.

(C) With respect to the matters to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.

For CHOWDARY AND RAO  
Chartered Accountants  
Firm Regn.No. 000656S  
SD/-  
**(MANDAVA SUNIL KUMAR)**  
Partner  
Mem No. 217061  
UDIN:20217061AAAAD9434

#### **Annexure A to the Independent Auditor's Report**

**With reference to the Annexure A referred to in the Independent Auditor's Report to the Members of the Company on the standalone financial statements for the year ended on 31st March, 2020, we report the following:**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its fixed assets. Pursuant to the programme certain fixed assets were physically verified during the year and 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, there were no immovable properties in the name of the Company. Hence the verification of title deeds of immovable properties does not arise.

In respect of immovable properties taken on lease, the lease agreements are in the name of the Company.

- (ii) The Inventory has been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory.
- (iii) According to the information and explanations given to us, 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. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to loans given, investments made, guarantees and securities given. Accordingly paragraph 3(iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148 of the Act for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees State Insurance, Income tax, Goods and Service Tax, duty of customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees State Insurance, Income tax, Goods and Service Tax, duty of Customs, Cess and other material statutory dues were in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable. But GST Audit for the Financial Year 2017-18 was not yet completed, pending outcome of the audit, if any, not provided for in the books of accounts.

(b) According to the information and explanations given to us, there are no dues of Income tax or Sales Tax or Service Tax or Goods and Service Tax or duty of Customs or duty of Excise or Value Added Tax which have not been deposited by the Company on account of dispute or pending assessments in the relevant authorities, except the following:

Name of the Statute	Period	Forum where dispute is pending
The Finance Act, 1994 - Service Tax	FY 2015-16, 2016-17 and FY 2017-18 (From April 17 to June 2017)	The Commissioner Secunderabad Commissionerate GST Bhawan, Hyderabad

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The

Company did not have any outstanding loans or borrowings from financial institutions or Government and there are no dues to debenture holders during the year.

- (ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) To the best of our knowledge and 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.
- (xi) In our opinion and according to the information and explanations given to us, and based on the examination of the records of the Company, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as specified under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all 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 Standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons concerned with him / her. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For CHOWDARY AND RAO  
Chartered Accountants  
Firm Regn.No: 000656S  
Sd/-  
**(MANDAVA SUNIL KUMAR )**  
Partner  
Mem No.217061

Place: Hyderabad  
Date: 31-07-2020

UDIN:20217061AAAADE9434

## **Annexure B to the Independent Auditor's Report**

Annexure B to the Independent Auditor's Report on the Standalone Financial Statements of K&R Rail Engineering Limited

Report on the Internal Financial Controls with reference to the aforesaid Standalone Financial Statements under clause (1) of Sub section 3 of Section 143 of the Companies Act, 2013.

### **Opinion**

We have audited the internal financial controls with reference to Standalone financial statements of K&R Rail Engineering Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to the standalone financial statements and such internal financial controls were operating effectively as at 31st March, 2020, based on the internal financial controls with reference to the standalone financial statements criteria established by the Company considering the essential components of internal control as stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note").

### **Management's Responsibility for internal financial controls**

The Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to the standalone financial statements criteria established by the Company considering the essential components of internal control as stated in the Guidance Note. 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 the 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 ("the Act").

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and 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 with reference to standalone financial statements were established, maintained and whether such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls and their operating effectiveness. Our audit of internal financial controls included obtaining and understanding of such internal financial controls, assessing the risk, testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone 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 with reference to the standalone financial statements.

#### Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A Company's internal financial controls is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls include those policies and procedures that (1) pertain to the maintenance of records that 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made in accordance with authorization of Management and Board of Directors of the Company; (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 standalone financial statements.

#### Inherent limitations of Internal Financial Controls with reference to Standalone Financial Statements

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

For CHOWDARY AND RAO  
Chartered Accountants  
Firm Regn.No: 000656S  
Sd/-  
**(MANDAVA SUNIL KUMAR )**  
Partner  
Mem No.217061

Place: Hyderabad  
Date: 31-07-2020

UDIN:20217061AAAAD9434

<b>K&amp;R RAIL ENGINEERING LIMITED</b> <b>(Formerly Known as AXIS RAIL INDIA LIMITED)</b> <b>Balance Sheet as at 31st March 2020</b> (All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)			
₹ in Lakhs			
	Note	As at 31 March 2020	As at 31 March 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	1,343.31	192.87
Financial assets			
Loans	5	-	-
Deferred Tax Assets net	6	54.27	91.92
		<b>1,397.58</b>	<b>284.79</b>
<b>Current assets</b>			
Inventories	7	340.09	120.44
Financial assets			
Trade receivables	8	2,580.86	1,981.52
Cash and cash equivalents	9	442.08	1,405.09
Other Bank balances	10	2,400.42	1,101.60
Loans	5	1,819.34	1,092.59
Others	11	6.31	7.16
Current tax assets, net	12	154.02	46.02
Other current assets	13	248.73	385.07
		<b>7,991.85</b>	<b>6,139.50</b>
<b>Total assets</b>		<b>9,389.43</b>	<b>6,424.28</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	14	1,577.94	1,577.94
Preference share capital	14	1,411.46	1,411.46
Other equity	15	1,411.02	1,213.60
<b>Total equity</b>		<b>4,400.41</b>	<b>4,202.99</b>
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	16	473.90	-
Other non current liabilities	17	-	-
Provisions	18	30.11	31.73
		<b>504.01</b>	<b>31.73</b>
<b>Current liabilities</b>			
Financial Liabilities			
Borrowings	16	103.12	31.90
Trade payables	19	1,652.19	476.24
Other financial liabilities	20	30.21	23.87
Other current liabilities	17	2,550.06	1,578.89
Provisions	18	13.44	-
Current tax liabilities, net	21	136.00	78.65
		<b>4,485.02</b>	<b>2,189.56</b>
<b>Total liabilities</b>		<b>4,989.03</b>	<b>2,221.29</b>
<b>Total equity and liabilities</b>		<b>9,389.43</b>	<b>6,424.28</b>
Summary of significant accounting policies	3		
The accompanying notes are an integral part of the financial statements.			
As per our report of even date			
<b>For CHOWDARY AND RAO</b>		for and on behalf of the Board of Directors of	
<i>Chartered Accountants</i>		<b>K&amp;R RAIL ENGINEERING LIMITED</b>	
ICAI Firm Registration Number: 000656S		CIN: L45200AP1983PLC082576	
<i>Partner</i>	<b>Amit Bansal</b>	<b>Rabindra Kumar Barik</b>	
<b>MANDAVA SUNIL KUMAR</b>	CEO	Director	
Mem No. 217061	PAN:ACFPB7608E	DIN 08773785	
Place: Hyderabad	<b>P.Venu gopal reddy</b>	<b>Yavanika Singh</b>	
Date: 31-07-2020	Chief Financial Officer	Company Secretary	
	PAN: AGHPR0992F	M.No. A24864	

<b>K&amp;R RAIL ENGINEERING LIMITED</b> <b>(Formerly Known as AXIS RAIL INDIA LIMITED)</b> <b>Statement of Profit and Loss for the year ended 31st March, 2020</b> (All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)			
₹ in Lakhs			
		For the year ended	For the year ended
	Note	31 March 2020	31 March 2019
Revenue from operations	22	12,807.18	6,071.93
Other income	23	117.64	157.35
<b>Total income</b>		<b>12,924.82</b>	<b>6,229.28</b>
<b>Expenses</b>			
Cost of materials consumed	24	8,074.07	3,494.15
Change in inventories of stock in trade	25	(219.65)	1,003.37
Other operating expenses	26	3,190.91	543.14
Employee benefits expense	27	279.74	203.99
Depreciation and amortisation expense	28	128.81	91.52
Finance costs	29	213.24	33.60
Other expenses	30	657.90	602.10
<b>Total expense</b>		<b>12,325.03</b>	<b>5,971.87</b>
<b>Profit before tax and Exceptional Items</b>		599.80	257.41
Exceptional Items	31	-	-
<b>Total Profit before tax</b>		<b>599.80</b>	<b>257.41</b>
<b>Tax expenses</b>			
Current tax	32	136.00	78.65
Prior year tax	32	227.86	
Deferred tax	32	37.66	(29.13)
<b>Total tax expense</b>		<b>401.52</b>	<b>49.53</b>
<b>Profit for the year</b>		<b>198.27</b>	<b>207.88</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Re-measurement gains/ (losses) on mutual funds		(0.85)	-
Income-tax effect	32	-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>(0.85)</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>197.42</b>	<b>207.88</b>
<b>Earnings per equity share (nominal value of ₹ 10) in INR</b>			
Basic		1.26	1.32
Diluted		1.26	1.32
Summary of significant accounting policies	3		
The accompanying notes are an integral part of the financial statements. As per our report of even date attached <b>For CHOWDARY AND RAO</b> Chartered Accountants ICAI Firm Registration Number: 000656S			
for and on behalf of the Board of Directors of <b>K&amp;R RAIL ENGINEERING LIMITED</b> CIN: L45200AP1983PLC082576			
Partner	<b>Amit Bansal</b> CEO PAN:ACFPB7608E	<b>Rabindra Kumar Barik</b> Director DIN 08773785	
MANDAVA SUNIL KUMAR			
<b>Place: Hyderabad</b> <b>Date: 31-07-2020</b>	<b>P.Venu gopal reddy</b> Chief Financial Officer PAN: AGHPR0992F	<b>Yavanika Singh</b> Company Secretary M.No. A24864	



<b>K&amp;R RAIL ENGINEERING LIMITED</b> <b>(Formerly Known as AXIS RAIL INDIA LIMITED)</b> <b>statement of Cash Flows</b> (All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)		
₹ in Lakhs		
PARTICULARS	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>I. Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>599.80</b>	<b>257.41</b>
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation of tangible assets	128.81	91.52
Provision for doubtful debts	-	-
Finance costs (including fair value change in financial instruments)	(92.08)	(152.26)
<b>Operating profit before working capital changes</b>	<b>636.53</b>	<b>196.66</b>
<i>Changes in working capital:</i>		
Adjustment for (increase)/decrease in operating assets		
Trade receivables	(599.34)	5,125.76
Inventories	(219.65)	1,003.37
Loans	(726.74)	(585.28)
Other financial assets - current	0.85	799.32
Other assets	136.33	47.87
Adjustment for (increase)/decrease in operating liabilities		
Trade payables	1,175.95	(3,998.15)
Other financial liabilities - current	17.30	(1.17)
Other current liabilities	971.16	(924.01)
<b>Cash generated from operations</b>	<b>1,392.39</b>	<b>1,664.38</b>
Direct & Indirect taxes paid	(414.51)	(107.14)
<b>Net cash generated from/(used in) operating activities</b>	<b>977.88</b>	<b>1,557.24</b>
<b>II. Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangibles (including capital work in progress)	(1,279.28)	(32.39)
Proceeds from sale of property, plant and equipment	-	-
<b>Net cash used in investing activities</b>	<b>(1,279.28)</b>	<b>(32.39)</b>
<b>III. Cash flows from financing activities</b>		
Proceeds from/(repayment of) long-term borrowings, net	473.90	(15.42)
Proceeds from/(repayment of) short-term borrowings, net	71.23	(2.13)
Interest paid	92.08	152.26
<b>Net cash provided by financing activities</b>	<b>637.20</b>	<b>134.71</b>
<b>Net increase in cash and cash equivalents (I+II+III)</b>	<b>335.80</b>	<b>1,659.56</b>
Cash and cash equivalents at the beginning of the year	2,506.69	847.13
<b>Cash and cash equivalents at the end of the year (refer note below)</b>	<b>2,842.49</b>	<b>2,506.69</b>
<b>Note:</b>		
<b>Cash and cash equivalents comprise:</b>		
Cash on hand	0.25	0.15
Balances with banks:		
- in current accounts & Fixed Deposits	2,842.26	2,506.54
	<b>2,842.49</b>	<b>2,506.69</b>
Summary of significant accounting policies 3		
The accompanying notes are an integral part of the financial statements. As per our report of even date attached For CHOWDARY AND RAO Chartered Accountants ICAI Firm Registration Number: 000656S		
for and on behalf of the Board of Directors of <b>K&amp;R RAIL ENGINEERING LIMITED</b> CIN: L45200AP1983PLC082576		
Partner MANDAVA SUNIL KUMAR	Amit Bansal CEO PAN:ACFPB7608E	Rabindra Kumar Barik Director DIN 08773785
Place: Hyderabad Date: 31-07-2020	P.Venu gopal reddy Chief Financial Officer PAN: AGHPR0992F	Yavanika Singh Company Secretary M.No. A24864

<b>K&amp;R RAIL ENGINEERING LIMITED</b> <b>(Formerly Known as AXIS RAIL INDIA LIMITED)</b> <b>Statement of Changes in Equity for the year ended March 31, 2020</b> (All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)			
			₹ in Lakhs
<b>a. Equity Share Capital</b>			
	<b>No. of shares</b>	<b>Amount</b>	
Balance as at April 1, 2018	157.79	1,577.94	
Balance as at March 31, 2019	157.79	1,577.94	
Balance as at March 31, 2020	157.79	1,577.94	
<b>b. Preference Share Capital</b>			
	<b>No. of shares</b>	<b>Amount</b>	
Balance as at April 1, 2018	141.15	1,411.46	
Balance as at March 31, 2019	141.15	1,411.46	
Balance as at March 31, 2020	141.15	1,411.46	
Total Share Capital			2,989.39
<b>c. Other equity</b>			
Particulars	Reserves and Surplus		Total
	General reserve	Retained earnings	
<b>At April 1, 2018</b>	970.19		970.19
Profit for the year		197.34	197.34
Less: Adjustment to depreciation			-
Other comprehensive income		46.07	46.07
Transfer from Retained earnings to General reserve	243.41	(243.41)	-
<b>At March 31, 2019</b>	1,213.60	-	1,213.60
Profit for the year		198.27	198.27
Other comprehensive income		(0.85)	(0.85)
Transfer from Retained earnings to General reserve	197.42	(197.42)	-
<b>Balance as of 31 March 2020</b>	1,411.02	-	1,411.02
Summary of significant accounting policies			
The accompanying notes are an integral part of the financial statements.			
As per our report of even date attached			
<b>For CHOWDARY AND RAO</b>		for and on behalf of the Board of Directors of	
Chartered Accountants		<b>K&amp;R RAIL ENGINEERING LIMITED</b>	
ICAI Firm Registration Number: 000656S		CIN: L45200AP1983PLC082576	
Partner		<b>Amit Bansal</b>	<b>Rabindra Kumar Barik</b>
MANDAVA SUNIL KUMAR		CEO	Director
		PAN:ACFPB7608E	DIN 08773785
<b>Place: Hyderabad</b>		<b>P.Venu gopal reddy</b>	<b>Yavanika Singh</b>
<b>Date: 31-07-2020</b>		Chief Financial Officer	Company Secretary
		PAN: AGHPR092F	M.No. A24864

**K&R RAIL ENGINEERING LIMITED**  
**(Formerly Known as AXIS RAIL INDIA LIMITED)**

**Notes forming part of the financial statements**

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

**1 General Information**

K&R Rail Engineering Limited ('the Company') is a Public Limited Company having its registered office at Hyderabad, India. The Company is carrying on the business of laying of private Railway Sidings on turnkey basis.

**2 Basis of preparation of financial statements**

**2.1 Statement of Compliance**

The financial statements have been prepared in accordance of Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 notified under Section 133 of Companies Act 2013 (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on July 31, 2020.

Details of the accounting policies are included in Note 3.

**2.2 Basis of measurement**

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the statement of financial position:

Certain financial assets are and liabilities are measured at fair value;

long term borrowings are measured at amortised cost using effective interest rate method.

**2.3 Functional currency**

The financial statements are presented in Indian rupees, which is the functional currency of the Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

All amounts are in Indian Rupees except share data, unless otherwise stated.

**2.4 Operating cycle**

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

**Assets:**

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realized within twelve months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

**Liabilities:**

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of non-current assets/ liabilities respectively. All other assets/ liabilities are classified as non-current.

## **2.5 Critical accounting judgements and key sources of estimation uncertainty Operating cycle**

In the application of the Company's accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

**K&R RAIL ENGINEERING LIMITED**  
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**Notes forming part of the financial statements**

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

***Provision and contingent liability***

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

***Useful lives of depreciable assets***

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2020 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

**2.6 Measurement of fair values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**3 Significant Accounting Policies**

**3.1 Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

- Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, volume rebates and GST are recognised when all significant risks and rewards of ownership of the goods sold are transferred.
- The recognition of revenue and expenses by reference to the stage of complete of a contract is referred to as the percentage of completion method. Under this method, contract revenue is matched with the contract costs incurred in reaching the stage of completion, resulting in the reporting of revenue, expenses and profit which can be attributed to the proportion of work completed at the reporting date as per the IAS and Income Disclosure Standards.
- Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### **3.2 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Assets held under leases that do not transfer substantially all the risks and reward of ownership are not recognized in the balance sheet.

Lease payments under operating lease are generally recognised as an expense in the statement of profit and loss on a straight-line basis over the term of lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Further, at the inception of above arrangement, the Company determines whether the above arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Company separates a payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values.

If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

**K&R RAIL ENGINEERING LIMITED**  
**Notes forming part of the financial statements**

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

**3.3 Foreign currencies**

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

**3.4 Borrowing costs**

Specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost includes interest expense, amortization of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

**3.5 Taxation**

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax

liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### **3.6 Earnings per share**

The Company presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

### **3.7 Property, plant and equipment**

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

### **3.8 Expenditure during construction period**

Expenditure during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under “Other non-current Assets”.



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### **3.9 Depreciation**

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a Straight Line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company

The Company has componentised its PPE and has separately assessed the life of major components. In case of certain classes of PPE, the Company uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets.

Such classes of assets and their estimated useful lives are as under:

<b>Particulars</b>	<b>Useful life</b>
Buildings	30 years
Plant and Machinery	9 years
Office Equipment	5 years
Computers	3 years
Furniture and Fixtures	10 years
Vehicles	8 years

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the date of deduction/disposal.

### **3.10 Intangible assets and amortisation**

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use.

#### **Amortization**

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

### **3.11 Cash and cash equivalents**

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

### **3.12 Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated. Bank overdrafts are classified as part of cash and cash equivalent, as they form an integral part of an entity's cash management.

### **3.13 Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the Company receives non-monetary grants, the asset and the grant are accounted at fair value and recognised in the statement of profit and loss over the expected useful life of the asset.

### **3.14 Impairment of non financial assets**

The carrying amounts of the Company's non-financial assets, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized in the income statement if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Goodwill that forms part of the carrying amount of an investment in an associate is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognized in the income statement, and reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

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**3.15 Employee benefits**

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

The Company's contributions to defined contribution plans are charged to the income statement as and when the services are received from the employees.

Defined benefit plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. The current service cost of the defined benefit plan, recognized in the income statement in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

**3.16 Provisions**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### **3.17 Contingent liabilities & contingent assets**

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

### **3.18 Financial instruments**

#### **a. Recognition and Initial recognition**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

#### **b. Classification and Subsequent measurement**

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL

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Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition. Financial assets: Subsequent measurement and gains and losses.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, Subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

### **c. Derecognition**

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit.

### **d. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### **e. Impairment**

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost;

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income (FVOCI) are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

#### **Measurement of expected credit losses**

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

#### **Presentation of allowance for expected credit losses in the balance sheet**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

**Write-off:** The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the trade receivable does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

**K&R RAIL ENGINEERING LIMITED**  
**FORMERLY KNOWN AS AXIS RAIL INDIA LIMITED**

**Notes forming part of the financial statements**

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

₹ in Lakhs

**4 Property, plant and equipment**

Particulars	Land	Office Equipment	Furniture	Computers	Vehicles	Buildings	Plant & Machinery	Total
<b>Deemed Cost</b>								
<b>At April 1, 2018</b>	66.24	193.70	33.33	24.28	544.03	136.05	208.27	1,205.89
Additions	-	7.36	-	0.66	22.21	-	2.16	32.39
Deletions	-	-	-	-	-	-	-	-
<b>At March 31, 2019</b>	66.24	201.05	33.33	24.94	566.24	136.05	210.42	1,238.27
Additions	-	0.29	-	0.44	1,422.46	-	0.24	1,423.43
Deletions	66.24	-	-	-	-	77.94	-	144.18
<b>At March 31, 2020</b>	-	201.34	33.33	25.38	1,988.70	58.11	210.66	2,517.53
<b>Accumulated depreciation</b>								
<b>At April 1, 2018</b>	-	167.21	32.00	24.28	504.20	53.79	172.40	953.89
Charge for the year	-	26.96	1.33	0.17	42.21	4.31	16.54	91.52
Less: Adjustments	-	-	-	-	-	-	-	-
<b>At March 31, 2019</b>	-	194.17	33.33	24.45	546.41	58.11	188.94	1,045.41
Charge for the year	-	3.22	-	0.58	109.49	0.00	15.53	128.81
<b>At March 31, 2020</b>	-	197.39	33.33	25.03	655.89	58.11	204.47	1,174.22
<b>Carrying amount</b>								
At April 1, 2018	66.24	26.49	1.33	0.00	39.83	82.25	35.86	252.00
At March 31, 2019	66.24	6.88	0.00	0.49	19.83	77.94	21.48	192.87
<b>At March 31, 2020</b>	-	3.95	0.00	0.36	1,332.81	(0.00)	6.19	1,343.31

During the year the value of buildings were written off. The value of buildings represents the interiors and other fixtures. During the year the same were demolished and hence charged to profit & loss account.



**K&R RAIL ENGINEERING LIMITED**  
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**Notes forming part of the financial statements**  
**(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)**

₹ in Lakhs

**5 Loans**

**Non-Current**

Unsecured, considered good

Security Deposits

**Total**

**Current**

Unsecured, considered good

Retention Money

**Total**

**6 Deferred Tax Assets, net**

Deferred tax asset/(Liability)

- Tangible assets

- Provision allowed under tax on payment basis

**Total**

**7 Inventories**

Work in Progress

Stock-in-Trade

**Total**

**8 Trade receivables**

Unsecured, considered good

Less: Allowance for doubtful receivables

**Total**

**9 Cash and cash equivalents**

Balances with banks:

- On current accounts

Cash on hand

**Total**

**10 Other Bank Balances**

Term deposits with Banks with original maturities of more than 3 months and less than 1 year\*

**Total**

\*Represents margin money deposits against bank guarantees .

**11 Other financial assets**

**Current**

Investments in Mutual Funds

(Net of impairment in value of investments)

**Total**

**12 Current tax assets, net**

Advance taxes and TDS receivable

**Total**

**13 Other assets**

**Current**

Unsecured, considered good

Advances other than capital advances

Advances for Supplies

Service Tax Deposit

Income Tax Deposit

Salary Advances

Prepaid Expenses

GST Input

Advance for works contracts

**Total**

	31 March 2020	31 March 2019	31 March 2018
<b>Non-Current</b>			
Unsecured, considered good	-	-	-
Security Deposits	-	-	-
<b>Total</b>			
<b>Current</b>			
Unsecured, considered good	1,819.34	1,092.59	507.31
Retention Money			
<b>Total</b>	<b>1,819.34</b>	<b>1,092.59</b>	<b>507.31</b>
<b>6 Deferred Tax Assets, net</b>			
Deferred tax asset/(Liability)			
- Tangible assets	54.27	91.92	62.78
- Provision allowed under tax on payment basis	-	-	-
<b>Total</b>	<b>54.27</b>	<b>91.92</b>	<b>62.78</b>
<b>7 Inventories</b>			
Work in Progress	250.72	31.07	721.54
Stock-in-Trade	89.37	89.37	402.27
<b>Total</b>	<b>340.09</b>	<b>120.44</b>	<b>1,123.81</b>
<b>8 Trade receivables</b>			
Unsecured, considered good	2,580.86	1,981.52	7,107.28
Less: Allowance for doubtful receivables	-	-	-
<b>Total</b>	<b>2,580.86</b>	<b>1,981.52</b>	<b>7,107.28</b>
<b>9 Cash and cash equivalents</b>			
Balances with banks:			
- On current accounts	441.83	1,404.94	847.01
Cash on hand	0.25	0.15	0.12
<b>Total</b>	<b>442.08</b>	<b>1,405.09</b>	<b>847.13</b>
<b>10 Other Bank Balances</b>			
Term deposits with Banks with original maturities of more than 3 months and less than 1 year*	2,400.42	1,101.60	-
<b>Total</b>	<b>2,400.42</b>	<b>1,101.60</b>	<b>-</b>
<b>11 Other financial assets</b>			
<b>Current</b>			
Investments in Mutual Funds	6.31	7.16	806.48
(Net of impairment in value of investments)			-
<b>Total</b>	<b>6.31</b>	<b>7.16</b>	<b>806.48</b>
<b>12 Current tax assets, net</b>			
Advance taxes and TDS receivable	154.02	46.02	-
<b>Total</b>	<b>154.02</b>	<b>46.02</b>	<b>-</b>
<b>13 Other assets</b>			
<b>Current</b>			
Unsecured, considered good			
Advances other than capital advances			
Advances for Supplies	49.71	45.29	44.60
Service Tax Deposit	-	100.00	100.00
Income Tax Deposit	-	210.00	210.00
Salary Advances	1.24	1.48	0.05
Prepaid Expenses	10.75	3.20	0.20
GST Input	-	-	-
Advance for works contracts	187.03	25.10	78.09
<b>Total</b>	<b>248.73</b>	<b>385.07</b>	<b>432.94</b>

**K&R RAIL ENGINEERING LIMITED**  
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**Notes forming part of the financial statements**  
(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

₹ in Lakhs

**14 Share Capital**

	31 March 2020	31 March 2019	31 March 2018
<b>Authorised Share Capital</b>			
<b>Equity Shares</b>			
3,10,00,000 (March 31, 2019: 3,10,00,000; April 1, 2018: 3,10,00,000) equity shares of ₹ 10/- each	3,100.00	3,100.00	3,100.00
<b>Preference Shares</b>			
2,40,50,000 7% Optionally Convertible Preference Shares(March 31, 2019: 2,40,50,000; April 1, 2018: 2,40,50,000) equity shares of ₹ 10/- each	2,405.00	2,405.00	2,405.00
<b>Issued, subscribed and fully paid-up</b>			
<b>Equity Shares</b>			
1,57,80,105 (March 31, 2019: 1,57,80,105; April 1, 2018: 1,57,80,105) equity shares of ₹ 10/- each fully paid-up	1,578.01	1,578.01	1,578.01
Less: Unpaid calls on 750 shares of Rs.10/-each	0.08	0.08	0.08
	1,577.94	1,577.94	1,577.94
<b>Preference Shares</b>			
1,41,14,556 (March 31, 2019: 1,41,14,556; April 1, 2018: 1,41,14,556) equity shares of ₹ 10/- each fully paid-up	1,411.46	1,411.46	1,411.46
	1,411.46	1,411.46	1,411.46

**(a) Reconciliation of shares outstanding at the beginning and end of the reporting year**

**Equity Shares**

Particulars	31 March 2020		31 March 2019	
	No. of equity shares	Amount	No. of equity shares	Amount
Outstanding at the beginning of the year	157.79	1,577.94	157.79	1,577.94
Issued during the year	-	-	-	-
Outstanding at the end of the year	157.79	1,577.94	157.79	1,577.94

**Preference Shares**

Particulars	31 March 2020		31 March 2019	
	No. of equity shares	Amount	No. of equity shares	Amount
Outstanding at the beginning of the year	141.15	1,411.46	141.15	1,411.46
Issued during the year	-	-	-	-
Outstanding at the end of the year	141.15	1,411.46	141.15	1,411.46

**(b) Terms / rights attached to the equity shares**

Equity shares of the Company have a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. 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.

**Terms / rights attached to the Preference shares**

Preference shares carried a fixed non cumulative dividend of 7% Optionally Convertible Redeemable Preference Shares of Rs. 10/- each. The Preference shares were issued on 15/12/2015 and the same should be converted or redeemed by 15/12/2020. 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.

**the Company**  
**Equity Shares**

Particulars	31 March 2020		31 March 2019	
	No. of equity shares held	% holding in the class	No. of equity shares held	% holding in the class
Ajaz Farooqi	38.68	24.52%	38.68	24.52%
Asma Farooqi	12.45	7.89%	12.45	7.89%
Aijaz Investments Pvt Limited	7.18	4.55%	7.18	4.55%
Asma Estates & Investments Pvt Limited	15.86	10.05%	15.86	10.05%
Shoeb Estates Pvt Limited	11.69	7.41%	11.69	7.41%
Zainab Investments Pvt Limited	10.76	6.82%	10.76	6.82%
Zara Investments Pvt Limited	21.55	13.66%	21.55	13.66%

**Preference Shares**

Particulars	31 March 2020		31 March 2019	
	No. of equity shares held	% holding in the class	No. of equity shares held	% holding in the class
Ajaz Farooqi	39.17	27.75%	39.17	27.75%
Asma Farooqi	15.93	11.29%	15.93	11.29%
Aijaz Investments Pvt Limited	8.82	6.25%	8.82	6.25%
Asma Estates & Investments Pvt Limited	20.60	14.60%	20.60	14.60%
Shoeb Estates Pvt Limited	15.19	10.76%	15.19	10.76%
Zainab Investments Pvt Limited	13.97	9.90%	13.97	9.90%
Zara Investments Pvt Limited	27.47	19.46%	27.47	19.46%

**15 Other equity**

	31 March 2020	31 March 2019
<b>General reserve</b>		
Opening balance	1,214	970
Additions during the year	197	243
Closing balance	<u>1,411</u>	<u>1,214</u>
<b>Retained earnings</b>		
Opening balance	(0)	-
Profit/(loss) for the year	198	197
Less: Adjustment due to Depreciation	-	(0)
Add: Other comprehensive income	(1)	46
Less: Transfer to General reserve	(197)	(243)
Closing balance	<u>(0)</u>	<u>(0)</u>
<b>Total other equity</b>	<u>1,411</u>	<u>1,214</u>

**Notes forming part of the financial statements**  
(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

## 16 Borrowings

### Secured loans

Vehicle Loans from Banks &amp; Financial Institutions (refer note 16A)

**Total**

### Current Borrowings

### Secured loans

Vehicle Loans from Banks &amp; Financial Institutions (refer note 16B)

**Total**

## 17 Other liabilities

### Non-Current

Advance received from customers

## Current

Advance received from customers

### Statutory liabilities

## 18 Provisions

### Non-Current

### Provision for Gratuity

## Current

### Provision for Gratuity

## 19 Trade payables

Trade payables

- Total outstanding dues of micro enterprises and small enterprises (refer note 37)

- Total outstanding dues of creditors other than micro enterprises and small enterprises

## 20 Other financial liabilities

## Current

Outstanding expenses

Employee salaries payable

Audit Fee Payable

**21 Current tax liabilities, net**

## Current

Provision for taxes

31 March 2020	31 March 2019
473.90	-
<b>473.90</b>	<b>-</b>
103.12	31.90
<b>103.12</b>	<b>31.90</b>
31 March 2020	31 March 2019
-	-
-	-
2,480.75	1,557.11
69.30	21.78
<b>2,550.06</b>	<b>1,578.89</b>
31 March 2020	31 March 2019
30.11	31.73
<b>30.11</b>	<b>31.73</b>
13.44	-
<b>13.44</b>	<b>-</b>
31 March 2020	31 March 2019
-	-
1,652.19	476.24
<b>1,652.19</b>	<b>476.24</b>
31 March 2020	31 March 2019
0.26	-
24.95	19.37
5.00	4.50
<b>30.21</b>	<b>23.87</b>
31 March 2020	31 March 2019
136.00	78.65
<b>136.00</b>	<b>78.65</b>

**Annexure-16A - Current**

The details of rate of interest and repayment terms of other term loans are as under

S.No.	Particulars	Number of loans outstanding as on date		Outstanding Balance as at (₹ in lakhs)		Interest range % per annum	Balance number of instalments as at		Frequency instalments	Commencing from – to
		31.03.2020	31.03.2019	31.03.2020	31.03.2019		31.03.2020	31.03.2019		
1	Axis Bank	-	4.00		15.87	9.25 to 11.5%	0	7	monthly	28.10.2017 to 31.10.2020
2	HDFC bank ltd	2.00	-	19.37	-	9.7 to 9.9%	27	0	monthly	11.06.2019 to 10.06.2022
3	ICICI Bank Ltd	1.00	1.00	4.70	16.03	8.66%	37	49	monthly	15.05.2018 to 14.05.2023
4	YES Bank	1.00	-	2.89	-	9.37%	52	0	monthly	19.07.2019 to 18.07.2024
5	Oriental Bank of Commerce	1.00	-	76.17	-	9.05	113	0	monthly	09.10.2019 to 09.08.2029
				103.12	31.90					

**Annexure-16B -Non Current**

The details of rate of interest and repayment terms of other term loans are as under

S.No.	Particulars	Number of loans outstanding as on date		Outstanding Balance as at (₹ in lakhs)		Interest range % per annum	Balance number of instalments as at		Frequency instalments	Commencing from – to
		31.03.2020	31.03.2019	31.03.2020	31.03.2019		31.03.2020	31.03.2019		
1	Axis Bank	-	4.00		-	9.25 to 11.5%	0	7	monthly	28.10.2017 to 31.10.2020
2	HDFC bank ltd	2.00	-	50.76	-	9.7 to 9.9%	27	0	monthly	11.06.2019 to 10.06.2022
3	ICICI Bank Ltd	1.00	1.00	7.89	-	8.66%	37	49	monthly	15.05.2018 to 14.05.2023
4	YES Bank	1.00	-	7.37	-	9.37%	52	0	monthly	19.07.2019 to 18.07.2024
5	Oriental Bank of Commerce	1.00	-	407.88	-	9.05	113	0	monthly	09.10.2019 to 09.08.2029
				473.90	-					

**Gratuity**

₹ in Lakhs

The Company provides its employees with benefits under a defined benefit plan, referred to as the “Gratuity Plan”. The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service (service of six months and above is rounded off as on year) at the time of retirement/exit, restricted to a sum of ₹ 2.00 Million.

The following tables summarize the components of net benefit expense recognised in the statement of profit or loss and the amounts recognised in the balance sheet for the plan:

Reconciliation of opening and closing balances of the present value of the defined benefit obligations:

Particulars	31-Mar-20	31-Mar-19	31-Mar-18
<b>Opening balance</b>	<b>31.73</b>	<b>23.66</b>	<b>23.66</b>
Current service cost	2.22	8.07	-
Past service cost	-	-	-
Interest cost	-	-	-
Benefits paid	-	-	-
Actuarial gain	9.60	-	-
<b>Closing balance</b>	<b>43.55</b>	<b>31.73</b>	<b>23.66</b>
Present value of projected benefit obligation at the end of the year	43.55	31.73	23.66
Fair value of plan assets at the end of the year	-	-	-
Net liability recognised in the balance sheet	<b>43.55</b>	<b>31.73</b>	<b>23.66</b>
Current provision	13.44	8.07	6.36
Non current provision	30.11	23.66	17.30

Expenses recognised in statement of profit and loss	31-Mar-20	31-Mar-19
Service cost	11.81	8.07
Interest cost	-	-
<b>Gratuity cost</b>	<b>11.81</b>	<b>8.07</b>
<b>Re-measurement gains/ (losses) in OCI</b>		
Actuarial gain / (loss) due to demographic assumption changes -	-	-
Actuarial gain / (loss) due to financial assumption changes	-	-
Actuarial gain / (loss) due to experience adjustments	-	-
Return on plan assets greater (less) than discount rate	-	-
<b>Total expenses routed through OCI</b>	<b>-</b>	<b>-</b>

Assumptions	31-Mar-20	31-Mar-19
Discount rate (per annum)	6.32%	6.32%
Future salary increases	3.00%	3.00%

**K&R RAIL ENGINEERING LIMITED**  
(Formerly Known as AXIS RAIL INDIA LIMITED)

**Notes forming part of the financial statements**

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

₹ in Lakhs

**22 Revenue from operations**

(a)

	31 March 2020	31 March 2019
Gross Contract Receipts	4,123.32	596.65
Sale of Products	8,666.37	5,475.28
Consultancy income	17.50	-
	-	-
	<b>12,807.18</b>	<b>6,071.93</b>

**23 Other income**

	31 March 2020	31 March 2019
Interest income	114.58	138.59
Dividend Income	-	18.76
Extraordinary Income	3.06	-
	<b>117.64</b>	<b>157.35</b>

**24 Cost of materials consumed**

	31 March 2020	31 March 2019
Purchases of materials	8,074.07	3,494.15
<b>Total</b>	<b>8,074.07</b>	<b>3,494.15</b>

**25 Changes in inventories of Stock in trade & WIP**

	31 March 2020	31 March 2019
Stock of land at the beginning of the year	89.37	402.27
WIP at the beginning of the year	31.07	721.54
Less: Stock of land at the end of the year	89.37	89.37
Less: WIP at the end of the year	250.72	31.07
(Increase) / Decrease in Stock in trade	<b>(219.65)</b>	<b>1,003.37</b>

**26 Other operating expenses**

	31 March 2020	31 March 2019
Work Expenses	2,319.27	397.25
Hire Charges	133.72	14.51
Site Expenses	17.08	18.33
Repairs & Maintenance	33.24	13.84
Transportation Charges	687.59	99.20
	<b>3,190.91</b>	<b>543.14</b>

**27 Employee benefits expense**

	31 March 2020	31 March 2019
Salaries & Other benefits	258.18	184.73
Contribution to Provident & Other funds	1.59	1.41
Staff welfare	8.16	9.79
Provision for Gratuity	11.81	8.07
	<b>279.74</b>	<b>203.99</b>

**28 Depreciation and amortisation expense**

Depreciation of tangible assets

31 March 2020	31 March 2019
128.81	91.52
<b>128.81</b>	<b>91.52</b>

**29 Finance costs**

Interest expenses on borrowings

Others

Bank Guarantee Commission

Bank Charges

31 March 2020	31 March 2019
25.56	5.09
33.10	10.39
152.68	16.11
1.90	2.02
<b>213.24</b>	<b>33.60</b>

**30 Other expenses**

Business Promotion

Donations

Power &amp; Fuel

Insurance

Office Maintenance

Printing and Stationery

Payment to Auditors

Statutory Audit

Advertisement

Legal &amp; Professional

Rates and Taxes

Rent

Communication Expenses

Travelling &amp; Conveyance

Debtors Written off

Assets written off

Service Tax

VAT

Other Expenses

31 March 2020	31 March 2019
0.62	0.65
5.21	0.65
14.91	9.10
11.47	2.61
19.89	13.01
7.27	6.24
5.00	5.00
3.59	2.85
32.99	17.26
33.23	399.91
28.68	26.91
7.74	12.46
125.09	79.02
159.57	4.99
144.18	-
37.24	-
5.91	-
15.34	21.44
<b>657.90</b>	<b>602.10</b>

**31 Exceptional Items**

Extraordinary Item

31 March 2020	31 March 2019
-	-

**32 Tax expenses**

Current income tax:

Current income tax charge

Prior year tax

Deferred tax:

Relating to originating and reversal of temporary differences

**Income tax expense recognised in the statement of profit or loss**

31 March 2020	31 March 2019
136.00	78.65
227.86	-
-	-
37.66	(29.13)
<b>401.52</b>	<b>49.53</b>

**Deferred tax related to items considered in OCI during the year**

Re-measurement gains/ (losses) on defined benefit plan

**Income tax charge to OCI**

31 March 2020	31 March 2019
-	-
-	-



**K&R RAIL ENGINEERING LIMITED**  
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**Notes forming part of the financial statements**  
(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

₹ in Lakhs

**33 Contingent liabilities and commitments**

BGs outstanding as on 31st March 2020, is ₹1128 and as on 31st March, 2019 is ₹1708

**34 Related party disclosures**

a) The following table provides the name of the related party and the nature of its relationship with the Company:

Name of the parties	Relationship
Asma Estates & Investments Private Limited	Member / Shareholder
Zainab Investments Private Limited	Member / Shareholder
S V Multilogitech Private Limited	Member / Shareholder

b) Details of all transactions with related parties during the year:

Particulars	31-Mar-20	31-Mar-19
i) <b>Contract Income from</b>		
SV Multilogitech Pvt Ltd	34.55	68.63
ii) <b>Payment of Rent to</b>		
Zainab Investments Pvt Ltd	18.00	18.90
ii) <b>Advance for Contracts to</b>		
Asma Estates & Investments Private Limited	48.01	-
Zainab Investments Private Limited	172.50	-
iv) <b>Purchase of Materials from</b>		
SV Multilogitech Pvt Ltd	69.25	-
v) <b>Managerial remuneration/ consultancy fee to Key managerial personnel*</b>	-	-

c) Terms and conditions of transactions with related parties:

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free.

**K&R RAIL ENGINEERING LIMITED**  
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**Notes forming part of the financial statements**

(All amounts Lakhs in Indian Rupees (₹), except share data and where otherwise stated)

**35 Segment information**

Ind AS 108 "Operating Segment" ("Ind AS 108") establishes standards for the way that public business enterprises report information about operating and geographical segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments and geographical segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance and allocates resources on overall basis.

The Company has no reportable segments accordingly.

**36 Auditors' remuneration include:**

Particulars	31-Mar-20	31-Mar-19	31-Mar-18
Statutory audit fee (including limited review)	5.00	5.00	5.00
<b>Total</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>

**37 Dues to Micro, small and medium enterprises**

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2018 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ("The MSMED Act") is not expected to be material. The Company has not received

Particulars	31-03-202019	31-Mar-19	31-Mar-18
a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	Nil	Nil	Nil
b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil	Nil
c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED Act	Nil	Nil	Nil
d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil	Nil
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	Nil	Nil	Nil

**38 Leases**

**Where the Company is a lessee:**

The Company has taken various office premises under operating leases. The leases typically run for a term ranging from eleven months to five years, with an option to renew the lease after the term completion. The escalation clause in these arrangement ranges from 5% to 10%.

i) Future minimum lease payments under non-cancellable operating leases are as follows:

Particulars	31-Mar-21	31-Mar-20	31-Mar-19
Not later than 1 year	18.00	18.00	18.00
Later than 1 year and not later than 5 years			
Later than 5 years			

ii) Amounts recognised in statement of profit and loss:

Particulars	31-Mar-20	31-Mar-19
Cancellable lease expense	18.00	18.90
Non - cancellable lease expense		
<b>Total</b>	<b>18.00</b>	<b>18.90</b>

**39 Earnings per share**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity Shares.

The following table sets out the computation of basic and diluted earnings per share:

Particulars	31-Mar-20	31-Mar-19
Profit for the year attributable to equity share holders	198.27	207.88
<b>Shares</b>		
Weighted average number of equity shares outstanding during the year – basic	157.79	157.79
Weighted average number of equity shares outstanding during the year – diluted	157.79	157.79
<b>Earnings per share</b>		
Earnings per share of par value ₹ 10 – basic (₹)	1.26	1.32
Earnings per share of par value ₹ 10 – diluted (₹)	1.26	1.32

**K&R RAIL ENGINEERING LIMITED**  
**(Formerly Known as AXIS RAIL INDIA LIMITED)**  
**Notes forming part of the financial statements**

(All amounts Lakhs in Indian Rupees ₹), except share data and where otherwise stated)

₹ in Lakhs

**40 Financial risk management objectives and policies**

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and refundable deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

**a) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as commodity risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at March 31, 2020 and March 31, 2019. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt.

The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2020 and March 31, 2019.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of variable rate borrowings. The Company does not enter into any interest rate swaps.

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	<b>Increase/decrease in interest rate</b>	<b>Effect on profit before tax</b>
<b>March 31, 2020</b>		
INR	+1%	2.13
INR	-1%	(2.13)
<b>March 31, 2019</b>		
INR	+1%	0.34
INR	-1%	(0.34)

**b) Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables. The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

<b>Allowance for credit loss</b>	<b>31-Mar-20</b>	<b>31-Mar-19</b>
Opening balance	-	-
Credit loss provided/ (reversed)	-	-
Closing balance	-	-

There is no concentration of revenue as there is no customer which accounts for more than 10% of the revenue.

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

c) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	On demand	Less than 3 months	3 to 12 months	Total
<b>Year ended March 31, 2020</b>				
Borrowings	577.02			577.02
Trade payables		1,321.09	264.22	1,585.31
		-	-	
<b>Year ended March 31, 2019</b>		-	-	
Borrowings	31.90	-	-	31.90
Trade payables		376.23	79.01	455.24
		-	-	
<b>As at April 1, 2018</b>		-	-	
Borrowings	49.46	-	-	49.46
Trade payables		3,579.52	715.90	4,295.42

#### 41 Capital management

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

The capital structure as of March 31, 2020, March 31, 2019 and April 1, 2018 was as follows:

Particulars	31-Mar-20	31-Mar-19	31-Mar-18
Total equity attributable to the equity shareholders of the Company	4,400	4,203	4,006
As a percentage of total capital	88.41%	99.25%	98.78%
Long term borrowings including current maturities	474	-	15
Short term borrowings	103	32	34
Total borrowings	577	32	49
As a percentage of total capital	11.59%	0.75%	1.22%
Total capital (equity and borrowings)	4,977	4,235	4,055

#### 42 Legal cases:

The Company had signed an agreement with Paradip Port Trust under the name 'K.V.R. Rail Infra Projects Private Limited' for 'Railway Work for Deep Draught berths at Paradip Port' for the Contract price of Rs.98.67 Crores. The Letter of Intent (LOI) was issued on 06.06.2011 by the Paradip Port Trust. Subsequently by the order dated 13.10.2014 of Hon'ble High Court of Andhra Pradesh, Hyderabad, the Company has merged with 'Axis Rail India Limited'. Subsequently the name of the Company has been changed from 'Axis Rail India Limited' to 'K&R Rail Engineering Limited'.

The Paradip Port Trust (PPT) has terminated the contract and issued letter dated 26.09.2013 on the ground that the Company had sublet the contract to third party. Aggrieved by this termination of the Contract, the Company had filed a petition before the Arbitral Tribunal of Hon'ble Dr. Justice A.K. Rath, Former Judge, High Court of Orissa (Sole Arbitrator) vide Arbitration Proceeding No. 3 of 2020. The Company had claimed the following in the petition filed.

(i) Refund of Retention Money:

The Company claimed Refund of Retention Money for an amount of Rs 4.34 Crores with interest @9% p.a. with effect from 26.09.2013. Thus total Retention Money claimed with interest is Rs.8.64 Crore.

(ii) Refund of the invoked Bank Guarantee

The Company had furnished a Performance Bank Guarantee for a sum of Rs.97.67 lakhs. The PPT had issued a show cause notice on 18.06.2013. In response to the show cause notice the Company through its Lawyer replied on 27.06.2013. However, the PPT had encashed the Bank Guarantee on 24.07.2013. Hence the Company filed petition before the Arbitral Tribunal of Hon'ble Dr. Justice A.K. Rath, Former Judge, High Court of Orissa (Sole Arbitrator) vide Arbitration Proceeding No.3 of 2020 and claimed for refund of the Bank Guarantee of Rs. 97.67 lakhs with interest @9% p.a. with effect from 24.07.2013. Thus the total claim under this head is Rs.150.42 lakhs.

**Legal Cses (Contd..)**

(iii) Idling Charges:

The Company had incurred additional expenditure towards equipment hiring charges for the period from February 2013 to August 2013 amounted to Rs.700 lakhs. Hence the Company claimed towards idling charges for an amount of Rs.700 lakhs with interest @9% p.a. with effect from 01.09.2013. Thus the total claim under this head is Rs.11.09 Crore with interest.

(iv) Claim for Final Bill:

The Company raised final bill for Rs.95.37 lakhs on 07.06.2013 towards the work done and materials supplied. The PPT has not paid the same. Hence the

Company claimed for Rs.95.37 lakhs with interest @9% p.a. with effect from 01.09.2013. Thus total claim under this head is Rs.1.51 Crore.

The case is still under process. Pending the out come of the petition the claims for idling charges were not recognised in the financial statements as at 31.03.2020.

**43 Prior year comparatives**

The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's

As per our report of even date

**For CHOWDARY AND RAO**

*Chartered Accountants*

ICAI Firm Registration Number: 000656S

for and on behalf of the Board of Directors of

**K&R RAIL ENGINEERING LIMITED**

CIN: L45200AP1983PLC082576

**Partner**

**MANDAVA SUNIL KUMAR**

Amit Bansal

**CEO**

PAN:ACFPB7608E

Rabindra Kumar Barik

**Director**

DIN 08773785

Place: Hyderabad

**Date: 31-07-2020**

P.Venu gopal reddy

**Chief Financial Officer**

PAN: AGHPR0992F

Yavanika Singh

**Company Secretary**

**M.No. A24864**

**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 37<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, 30<sup>th</sup> September, 2020 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 2020 and the Reports of the Board of Directors and Auditor's thereon		
2.	Re-appointment of Mr. Amit Bansal as a Director who Retire by Rotation		
3.	Appointment of Rabindra Kumar Barik DIN: 08773785 as a Director		
4	<b>SPECIAL BUSINESS</b> Re-Appointment of Mrs. Maniza Khan (DIN: 07146123) as Independent Director of the Company.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2020

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)**

**37<sup>th</sup> ANNUAL GENERAL MEETING ON WEDNESDAY, 30<sup>Th</sup> DAY OF SEPTEMBER, 2020 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](http://www.axisrailindia.co.in); E-Mail:[axisrailindia@gmail.com](mailto:axisrailindia@gmail.com)/[krrailengineering@gmail.com](mailto: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
	<b>ORDINARY BUSINESS</b>			
1.	<b><u>Item No. 1</u></b> Adoption of Audited Financial Statement for the financial year ended 31st March 2020 and the Reports of the Board of Directors and Auditor's thereon			
2.	<b><u>Item No. 2</u></b> Re-appointment of Mr. Amit Bansal as a Director who Retire by Rotation			
3.	<b><u>Item No. 3</u></b> Appointment of Rabindra Kumar Barik DIN: 08773785 as a Director			
	<b>SPECIAL BUSINESS</b>			
4.	<b><u>Item No. 4</u></b> Re-Appointment of Mrs. Maniza Khan (DIN: 07146123) as Independent Director of the Company			
<b>PLACE:</b> <b>DATE:</b> <div style="float: right; text-align: right;"><b>Signature of the Shareholder</b></div>				



