



L&T IDPL

L&T Panipat Elevated Corridor Limited

(A subsidiary of L&T IDPL)

Toll Plaza, Km.95, NH-1, Panipat - 132 110, Haryana, India

Tel : +91 180 661 2200 Fax : +91 180 661 2266.

NOTICE

Notice is hereby given for the **TENTH ANNUAL GENERAL MEETING** of **L&T PANIPAT ELEVATED CORRIDOR LIMITED** to be held on Thursday, 24th September 2015 at 10.00A.M at Mount Poonamallee High Road, Manapakkam, Chennai – 600 089 to discuss the following business:

ORDINARY BUSINESS:

1. To receive and adopt the audited Financial Statement for the period 1st April 2014 to 31st March 2015 and the report of the Directors and Auditors thereon.
2. To appoint the Statutory Auditors of the Company and to fix their Remuneration:

“RESOLVED THAT pursuant to Section 139 and other applicable provisions of the Companies Act, 2013, if any, M.K.Dandeker & Co., (Firm Reg no: 000679S) having its office at No. 244(Old 138), Angappa Naicken St., 2nd Floor, Chennai 600 001 who have given their consent and certificate under Section 139 of Companies Act 2013 and who have been recommended by the Audit Committee, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of fourth consecutive Annual General Meeting (i.e., Annual General Meeting 2018) of the Company at Rs.2,64,000/- per annum excluding Service Tax and Out of Pocket Expenses for the Financial year 2015-16”

“RESOLVED FURTHER THAT any one of the Directors of the Company be and are hereby severally authorized to file necessary forms with Registrar of Companies”

SPECIAL BUSINESS:

3. To consider and, if thought fit, to pass, with or without modifications if any, the following Resolution as **ORDINARY RESOLUTION:**

“RESOLVED THAT Mr.Sharad Goel (DIN No: 02294059) who was appointed as an Additional Director under Section 161 of the Companies Act 2013 holds office until the date of this Annual General Meeting, and in respect of whom notice has been received for appointment as Director from a Member under Section 160 of the Companies Act 2013, be and is hereby appointed as Director liable to retire by rotation”

“RESOLVED FURTHER THAT any one of the Directors of the Company be and are hereby severally authorized to file necessary forms with Registrar of Companies”

4. To consider and, if thought fit, to pass, with or without modifications if any, the following Resolution as **ORDINARY RESOLUTION:**

“RESOLVED THAT Dr.Esther Malini (DIN No: 07124748) who was appointed as an Additional Director under Section 161 of the Companies Act 2013 holds office until the date of this Annual General Meeting, and in respect of whom notice has been received for appointment as Director from a Member under Section 160 of the Companies Act 2013, be and is hereby appointed as Director liable to retire by rotation”

“RESOLVED FURTHER THAT any one of the Directors of the Company be and are hereby severally authorized to file necessary forms with Registrar of Companies”

5. To consider and, if thought fit, to pass, with or without modifications if any, the following Resolution as **ORDINARY RESOLUTION:**

“RESOLVED THAT Mr.Manoj Kumar Singh (DIN No: 05228599) who was appointed as an Additional Director under Section 161 of the Companies Act 2013 holds office until the date of this Annual General Meeting, and in respect of whom notice has been received for appointment as Director from a Member under Section 160 of the Companies Act 2013, be and is hereby appointed as Director liable to retire by rotation”

“RESOLVED FURTHER THAT any one of the Directors of the Company be and are hereby severally authorized to file necessary forms with Registrar of Companies”

By the Order of the Board
For L&T PANIPAT ELEVATED CORRIDOR LIMITED



SHARAD GOEL
DIRECTOR
DIN NO:02294059

B4, HARRINGTON COURT, 99, HARRINGTON ROAD,
CHETPET, CHENNAI, 600031, Tamil Nadu, INDIA

Date: 31.08.2015

Notes:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business under items no.3,4 & 5 set out above is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or where that is allowed, one or more proxies, to attend and vote instead of himself and that a proxy need not be a member.
3. Pursuant to provisions of Section 105 of the Companies Act, 2013, read with the applicable rules thereon, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy, who shall not act as a proxy for any other member.
4. Proxy form should be submitted to the company atleast 48 hours before the commencement of the meeting.
5. 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 authorizing their representative to attend and vote on their behalf at the meeting.
6. Details of Directors seeking appointment/re-appointment at the Annual General Meeting of the Company to be held on September 24, 2015 are provided in Annexure A of this Notice.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

As required under Section 102 of the Companies Act, 2013 the following explanatory statement sets out material facts relating to the business under item no.3, 4 & 5 of the accompanying Notice dated 31.08.2015.

Item No.3

TO CONSIDER AND APPROVE APPOINTMENT OF MR.SHARAD GOEL AS DIRECTOR OF THE COMPANY

The Board of Directors appointed Mr.Sharad Goel (DIN No: 02294059) as an Additional Director under Section 161 of the Companies Act, 2013 on 27.03.2015. Pursuant to Section 161 of the Companies Act 2013, he holds office upto the date of this Annual General Meeting.

The Company has received notice from one of its Members namely, L&T Infrastructure Development Projects Limited for appointing him as Director of the Company with effect from the date of this Annual General Meeting.

Hence, the Directors recommend the resolution under Item No.3 as an Ordinary Resolution for the approval of the Shareholders.

Mr.Sharad Goel is interested in the business to the extent of his appointment.

None of the other Directors except Mr.Sharad Goel or KMP of the Company or their relatives thereof are directly or indirectly concerned or interested in this resolution.

Item No.4

TO CONSIDER AND APPROVE APPOINTMENT OF DR.ESTHER MALINI AS DIRECTOR OF THE COMPANY

The Board of Directors appointed Dr.Esther Malini (DIN No: 07124748) as an Additional Director under Section 161 of the Companies Act, 2013 on 27.03.2015. Pursuant to Section 161 of the Companies Act 2013, she holds office until the date of this Annual General Meeting. Accordingly, she being eligible for appointment, offers herself to be appointed as Director in the Company.

The Company has received notice from one of its Members namely, L&T Infrastructure Development Projects Limited for appointing her as Director of the Company with effect from the date of this Annual General Meeting.

Hence, the Directors recommend the resolution under Item No.4 as an Ordinary Resolution for the approval of the Shareholders.

Dr.Esther Malini is interested in the business to the extent of her appointment.

None of the other Directors except Dr.Esther Malini or KMP of the Company or their relatives thereof are directly or indirectly concerned or interested in this resolution.

Re

Item No.5

TO CONSIDER AND APPROVE APPOINTMENT OF MR.MANOJ KUMAR SINGH AS DIRECTOR OF THE COMPANY

The Board of Directors appointed Mr.Manoj Kumar Singh (DIN No: 05228599) as an Additional Director under Section 161 of the Companies Act, 2013 on 27.03.2015. Pursuant to Section 161 of the Companies Act 2013, he holds office until the conclusion of this Annual General Meeting. Accordingly, he being eligible for appointment, offers himself to be appointed as Director in the Company.

The Company has received notice from one of its Members namely, L&T Infrastructure Development Projects Limited for appointing him as Director of the Company with effect from the conclusion of this Annual General Meeting.

Hence, the Directors recommend the resolution under Item No.5 as an Ordinary Resolution for the approval of the Shareholders.

Mr.Manoj Kumar Singh is interested in the business to the extent of his appointment.

None of the other Directors except Mr.Manoj Kumar Singh or KMP of the Company or their relatives thereof are directly or indirectly concerned or interested in this resolution.

No Directors are liable to retire by rotation, and they all are being appointed under Section 161 of the Companies Act 2013, at the Annual General Meeting as per the item no.3, 4 & 5 of the notice.

By the Order of the Board
For L& T PANIPAT ELEVATED CORRIDOR LIMITED



**SHARAD GOEL
DIRECTOR**

DIN NO:02294059

B4, HARRINGTON COURT, 99, HARRINGTON ROAD,
CHETPET, CHENNAI, 600031, Tamil Nadu, INDIA

Date: 31.08.2015

Place: Chennai

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Annexure A

Details of the directors seeking Appointment/ Re-Appointment in the forthcoming Annual General Meeting

| Name of Director | Mr.Sharad Goel | Dr.Esther Malini | Mr.Manoj Kumar Singh |
|----------------------------------|--|---|---|
| Date of Birth | 30/04/1957 | 28/04/1969 | 18/04/1964 |
| Nationality | Indian | Indian | Indian |
| Date of Appointment on the Board | 27/03/2015 | 27/03/2015 | 27/03/2015 |
| Qualification | Masters (M.Tech) in Mechanical Engineering from IIT Kharagpur | Ph.D. in Management Studies at the Indian Institute of Science | BSc, Civil Engineering, M-Tech from IIT Kharagpur |
| Experience | Thirty Three (33) years in Larsen & Toubro Limited with 24 years in Design & Engineering, Execution and Marketing of Material Handling Systems in Bulk Material Handling Business Unit and Nine Years with L&T IDPL in Marketing & Business Development, Implementation, Construction and Operationalization of Dhamra Port including Sale of the asset in 2014. | Research Experience-5 Years, Corporate Experience -17 Years | 10 years experience in Design And Project Management and 15 Years experience in Road Projects on BOT. |
| Directorships in other companies | 1.L&T BPP Tollway Limited 2.L&T Port Kachchigarh Limited 3.L&T Sambalpur - Rourkela Tollway Limited 4.L&T Vadodara Bharuch Tollway Limited 5.L&T Interstate Road Corridor Limited 6.L&T Western India Tollbridge Limited 7.Kudgi Transmission Limited | 1.L&T Krishnagiri Walajahpet Tollway Limited 2.L&T Krishnagiri Thopur Toll Road Limited 3. L& T Interstate Road Corridor Limited 4. L&T Ahmedabad - Maliya Tollway Limited 5. L&T Halol - Shamlaji Tollway Limited 6. L&T Rajkot - Vadinar Tollway Limited | 1. L&T Western Andhra Tollways Limited 2. L&T BPP Tollway Limited 3. L&T Krishnagiri Thopur Toll Road Limited 4. L&T Ahmedabad - Maliya Tollway Limited 5. L&T Halol - Shamlaji Tollway Limited 6. L&T Rajkot - Vadinar Tollway Limited 7. L&T Sambalpur - Rourkela Tollway Limited |

| | | | |
|---|--|--|-----|
| Memberships/ Chairmanships of committees across all companies | <u>L&T Sambalpur - Rourkela Tollway Limited</u> 1.Audit Committee 2.Nomination and Remuneration Committee <u>L&T Panipat Elevated Corridor Limited</u> 1.Audit Committee 2.Nomination and Remuneration Committee <u>L&T Interstate Road Corridor Limited</u> 1.Audit Committee 2.Nomination and Remuneration Committee 3.Corporate Social Responsibility Committee <u>L&T Western India Tollbridge Limited</u> 1. Audit Committee 2.Nomination and Remuneration Committee | <u>L&T Krishnagiri Thopur Toll Road Limited</u> 1.Audit Committee 2.Nomination and Remuneration Committee | Nil |
| Shareholding in the Company | 1 share jointly with L&T Infrastructure Development Projects Limited | Nil | Nil |
| Relationship with Directors | Nil | Nil | Nil |

BOARD'S REPORT

The Directors of your Company are pleased to present their Report and the Company's audited financial statement for the financial year ended March 31, 2015.

FINANCIAL RESULTS

| Particulars | 2014-15 | 2013-14 |
|---|------------------|-----------------|
| | ₹ | ₹ |
| Profit / (loss) before depreciation, exceptional and extra ordinary items & Tax | 175,712,888 | (22,946,896) |
| Less: Depreciation and amortisation | 443,535,826 | 442,627,728 |
| Profit / (loss) before exceptional and extraordinary items and tax | (267,822,938) | (465,574,624) |
| Profit / (loss) before extraordinary items and tax | (267,822,938) | (465,574,624) |
| Profit /(loss) before tax | (267,822,938) | (465,574,624) |
| Profit / (loss) after tax from continuing operations | (267,822,938) | (465,574,624) |
| Profit / (loss) after tax for the year carried to the balance sheet | (267,822,938) | (465,574,624) |
| Add: Balance brought forward from previous year | (2,481,508,583) | (2,015,933,959) |
| Balance carried to Balance Sheet | (2,74,93,31,521) | (2,481,508,583) |

CAPITAL EXPENDITURE

As at March 31, 2015 the gross tangible and intangible assets including leased assets, stood at ₹ 7,61,52,23,029 and the net fixed and intangible assets, including leased assets, at ₹ 4,65,53,12,214. Capital Expenditure incurred during the year amounted to ₹ 10,97,546.

DEPOSITS

The Company has not accepted deposits from the public hence no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

The Company did not have any requirement to transfer funds to Investor Education and Protection Fund during the year.

SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES

The Company does not have any Subsidiary/Associate/Joint Venture, Companies.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY

Since the Company is engaged in the business of developing infrastructure facility, the provisions of Section 186 except sub-section (1) are not applicable to the Company. However the details of loans given, investments made and guarantees/securities provided by the Company are given in the Notes G (I) of the audited financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has not entered into such contracts or arrangements or transactions during the year.

The Company will adhere to the RPT Policy of the Holding Company and guidelines thereunder.

As per the provisions of the Companies Act, 2013 disclosure in Form AOC-2 has been enclosed in Annexure I to this Report.

RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

Total income including other income for the financial year under review was ₹ 58,60,21,228 as against ₹ 52,86,36,852 for the previous financial year. The gross toll collections grew by 11.77% over the previous year thereby bringing down the net losses for the year. The Company has been rated [ICRA]BBB - by ICRA Limited, an independent professional investment information and credit rating agency in India.

AMOUNT TRANSFERRED TO RESERVES

The Company incurred a loss during the financial year and no appropriation of profits to any specific reserve has been made.

DIVIDEND

The Company has posted losses during the year and no dividend is recommended.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT

No material changes and commitments have occurred affecting the financial position of the Company between the end of the financial year and the date of this report.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS

No significant and material orders have been passed by the regulators or courts or tribunals impacting the going concern status of the Company and the Company's operations in future.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

In view of the nature of activities which are being carried on by the Company, Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, conservation of energy and technology absorption does not apply to the Company.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, your Company has incurred a sum of ₹ 3,87,247 on foreign currency expenditure.

There were no foreign exchange earnings during the year.

RISK MANAGEMENT POLICY

The Risk Management Policy of Holding Company is applicable to our Company.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board. The Internal Audit functions are carried out by M/s Grant Thornton, LLP. The firm monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the report of internal audit function, process owners undertake corrective action, if any, in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions, if any are presented to the Audit Committee.

CORPORATE SOCIAL RESPONSIBILITY

Since your Company does not exceed any of the threshold limits specified under section 135 of the Companies Act 2013, it is not required under the said Act to spend during the year any amount on Corporate Social Responsibility.

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL ("KMP") APPOINTED/RESIGNED DURING THE YEAR**CHANGES IN DIRECTORS AND KMP**

The entire Board was reconstituted by inducting additional directors on March 27, 2015 and existing directors have resigned from the board. Hence, none of the directors are liable to retire by rotation in the forthcoming Annual General Meeting.

Mr. Sharad Goel who has been appointed as Additional Director of the Company on 27th March 2015, holds office upto the conclusion of this Annual General Meeting. The Members are requested to consider his appointment as Director.

Mr. Manoj Kumar Singh who has been appointed as Additional Director of the Company on 27th March 2015, holds office upto the conclusion of this Annual General Meeting. The Members are requested to consider his appointment as Director.

Dr. Esther Malini who has been appointed as Additional Director of the Company on 27th March 2015, holds office upto the conclusion of this Annual General Meeting. The Members are requested to consider her appointment as Director.

Mr. N.Raghavan was appointed as Independent Director, in the Extraordinary General Meeting of the Company held on 30th March, 2015

Dr. Ashwin Mahalingam was appointed as Independent Director, in the Extraordinary General Meeting of the Company held on 30th March, 2015

Mr. K.Venkatesh, Mr. B.Ramakrishnan and Mr. Manoj Anil Dave resigned as Directors of the Company on 27th March, 2015. The Directors record their sincere and deep gratitude for the invaluable contribution made by him towards the development of the Company since inception.

Mr. Sanjay Tikku was re-appointed as Manager of the Company on 4th November, 2014.

Mr. Priya Ranjan Giri was appointed as Chief Financial Officer of the Company on 4th November, 2014.

The Board of Directors of the Company as on March 31, 2015 are as follows:

| Sr. No. | Name | Designation |
|---------|-----------------------|----------------------|
| 1 | Mr. Sharad Goel | Additional Director |
| 2 | Mr. Manoj Kumar Singh | Additional Director |
| 3 | Dr. Esther Malini | Additional Director |
| 4 | Mr. N. Raghavan | Independent Director |
| 5 | Dr. Ashwin Mahalingam | Independent Director |

The Key Managerial Personnel (KMP) of the Company as on March 31, 2015 are as given below:

| Sr. No. | Name | Designation |
|---------|-----------------------|-------------------------|
| 1 | Mr. Priya Ranjan Giri | Chief Financial Officer |
| 2 | Mr. Sanjay Tikku | Manager |

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. Additional Meetings of the Board of Directors are held when necessary.

During the year under review 5 meetings were held. The details of the Board meetings conducted during the year under review are given below:

| Date | Board Strength | No of Directors Present |
|-------------------|----------------|-------------------------|
| May 5, 2014 | 3 | 3 |
| July 14, 2014 | 3 | 2 |
| November 04, 2014 | 3 | 2 |
| February 23, 2015 | 3 | 2 |
| March 27, 2015 | 6 | 6 |

The Agenda of the Meeting is circulated to the Directors in advance. Minutes of the Meetings of the Board of Directors are circulated amongst the Members of the Board for their perusal.

AUDIT COMMITTEE

The Company has constituted an Audit Committee in terms of the requirements of the Companies Act, 2013. The Members of the Audit Committee are Mr.Sharad Goel, Mr.N.Raghavan and Dr.Ashwin Mahalingam.

During the year under review, 4 meetings were held. The details of the meetings conducted during the year under review are given below:

| Date | Strength of the Committee | No. of members present |
|-------------------|---------------------------|------------------------|
| May 5, 2014 | 3 | 3 |
| July 14, 2014 | 3 | 2 |
| November 11, 2014 | 3 | 2 |
| February 23, 2015 | 3 | 2 |

In accordance with the requirements of the Companies Act, 2013, the Company has established a Vigil Mechanism framework for Directors and employees to report genuine concerns. The Chief Internal Auditor of the Holding Company was the co-ordinator for the Vigil Mechanism and responsible for receiving, validating, investigating and reporting to the Audit Committee during the year.

The Whistle Blower Policy of the Company meets the requirement of the Vigil Mechanism framework under the Companies Act, 2013.

COMPANY POLICY ON DIRECTOR APPOINTMENT AND REMUNERATION

The Company has constituted the Nomination and Remuneration Committee in accordance with the requirements of the Companies Act, 2013 read with the rules made thereunder. The Members of the Nomination and Remuneration Committee are Mr.Sharad Goel, Mr.N.Raghavan and Dr.Ashwin Mahalingam.

The Committee has formulated a policy on Director's appointment and remuneration including recommendation of remuneration of the key managerial personnel and other employees and the criteria for determining qualifications, positive attributes and independence of a Director.

DECLARATION OF INDEPENDENCE

The Company has received a declaration of independence as stipulated under Section 149(7) of the Companies Act, 2013 confirming that he/she is not disqualified from continuing as an Independent Director.

EXTRACT OF THE ANNUAL RETURN

The extract of the annual return in Form No. MGT – 9 is enclosed as Annexure II to this Report.

DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures:
- The Directors have 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 or loss of the Company for that period:
- The Directors have 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:
- The Directors have prepared the Annual Accounts on a going concern basis:
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS

The Company had appointed Independent Directors only on 30th March, 2015. Hence, this process is being taken up in this calendar year.

DISCLOSURE OF REMUNERATION

There are no employees in the company covered by the provisions of the sub rule 2 of rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

AUDITORS AND AUDITORS' REPORT

STATUTORY AUDITORS

M/s.M.K.Dandeker & Co, hold office until the conclusion of the ensuing Annual General Meeting ("AGM"). The Board recommends the appointment of M/s.M.K.Dandeker & Co as Auditors of the Company from the conclusion of the ensuing AGM until the conclusion of the fourth consecutive AGM. Certificate from the said audit firm has been received to the effect that they are eligible to act as auditors of the Company under Section 141 of the Companies Act, 2013.

The Auditors' Report for the financial year 2014-15 is unqualified. The Notes to the accounts referred to in the Auditors' Report are self-explanatory and do not call for any further clarifications under section 134(3)(f) of the Companies Act, 2013.

SECRETARIAL AUDITORS

M/s.Alagar & Associates, a firm of Company Secretaries in practice, was appointed to conduct the secretarial audit of the Company for the financial year 2014-15, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The secretarial audit report for the financial year 2014-15 is attached as Annexure III to this Report and it does not contain any qualification, reservation or adverse remark.

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank the employees, Financial Institutions, Banks, NHAI and Central and State Government authorities, Regulatory authorities and all the other stakeholders for their continued co-operation and support to the Company.

For and on behalf of the Board

MR. SHARAD GOEL

Director

DIN: 02294059

DR. ESTHER MALINI

Director

DIN: 07124748

Place: Chennai

Date: April 28, 2015

ANNEXURE I

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis

The Company has not entered into such transactions during the year.

2. Details of material contracts or arrangement or transactions at arm's length basis

| Name of the related party | Nature of relationship | Nature of contract/ arrangement/ transactions | Duration of contract/ arrangement/ transactions | Salient terms of contract/ arrangement/ transactions | Amount paid as advance |
|---|------------------------|---|---|--|------------------------|
| The Company has not entered into material contracts or arrangement or transactions entered during the year. | | | | | |

For and on behalf of the Board

MR. SHARAD GOEL

Director

DIN: 02294059

DR. ESTHER MALINI

Director

DIN: 07124748

Place: Chennai

Date: April 28, 2015

ANNEXURE II**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2015**

[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:

| | |
|---|---|
| CIN | U45203TN2005PLC056999 |
| Registration Date | 21/07/2005 |
| Name of the Company | L & T PANIPAT ELEVATED CORRIDOR LIMITED |
| Category / Sub-Category of the Company | Company Limited by shares/Indian Non-government Company |
| Address of the Registered office and contact details | P.O.BOX.979, MOUNT POONAMALLEE ROAD, MANAPAKKAM, CHENNAI- 600089 |
| Whether listed company Yes / No | No |
| Name, Address and Contact details of Registrar and Transfer Agent, if any | Sharepro Services India Pvt. Ltd. 13 AB Samitha Warehousing Complex,2nd Floor, Saki Naka Telephone Exchange Lane, Sakinaka, Andheri East Mumbai – 400072 (Phone: +91 22 67720329)Mobile: +919833515383 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1 | Construction and maintenance of motorways, streets, roads, other vehicular and pedestrian ways, highways, bridges, tunnels and subways, if any | 42101 | 100% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| S. No | Name And Address of the Company | CIN/GLN | Holding/ Subsidiary /Associate | % of Shares held | Applicable Section |
|-------|---|-----------------------|--------------------------------|------------------|--------------------|
| 1 | L&T Infrastructure Development Projects Limited | U65993TN2001PLC046691 | Holding | 99.99% | 2(46) |

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)**i) Category-wise Share Holding**

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|-----------|-----------------|-------------------|---|-----------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| 1) Indian | | | | | | | | | |
| a) Individual/HUF | – | – | – | – | – | – | – | – | – |
| b) Central Govt | – | – | – | – | – | – | – | – | – |
| c) State Govt (s) | – | – | – | – | – | – | – | – | – |
| d) Bodies Corp. | 84299994 | 6* | 84300000 | 100 | 84299992 | 6* | 84299998 | 99.9999 | (0.0001) |
| e) Banks / FI | – | – | – | – | – | – | – | – | – |
| f) Any Other.... | – | – | – | – | – | – | – | – | – |
| Sub-total (A) (1):- | 84299994 | 6* | 84300000 | 100 | 84299992 | 6* | 84299998 | 99.9999 | (0.0001) |
| 2) Foreign | | | | | | | | | |
| a) NRIs - Individuals | – | – | – | – | – | – | – | – | – |
| b) Other - Individuals | – | – | – | – | – | – | – | – | – |
| c) Bodies Corp. | – | – | – | – | – | – | – | – | – |
| d) Banks / FI | – | – | – | – | – | – | – | – | – |
| e) Any Other.... | – | – | – | – | – | – | – | – | – |
| Sub-total (A) (2):- | – | – | – | – | – | – | – | – | – |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | 84299994 | 6* | 84300000 | 100 | 84299992 | 6* | 84299998 | 99.9999 | (0.0001) |

L&T PANIPAT ELEVATED CORRIDOR LIMITED

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|-----------|-----------------|-------------------|---|-----------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | | | | | | | | | |
| b) Banks / FI | | | | | | | | | |
| c) Central Govt | | | | | | | | | |
| d) State Govt(s) | | | | | | | | | |
| e) Venture Capital Funds | | | | | | | | | |
| f) Insurance Companies | | | | | | | | | |
| g) FIs | | | | | | | | | |
| h) Foreign Venture Capital Funds | | | | | | | | | |
| i) Others (specify) | | | | | | | | | |
| Sub-total (B)(1):- | | | | | | | | | |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| i) Indian | - | - | - | - | - | - | - | - | - |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | - | - | - | - | - | - | - | - | - |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakh | - | - | - | - | 2 | - | 2 | 0.0001 | 0.0001 |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | - | - | - | - | - | - | - | - | - |
| c) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(2):- | - | - | - | - | 2 | - | 2 | 0.0001 | 0.0001 |
| Total Public Shareholding (B) = (B)(1) + (B)(2) | - | - | - | - | 2 | - | 2 | 0.0001 | 0.0001 |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 84299994 | 6* | 84300000 | 100% | 84299994 | 6* | 84300000 | 100% | - |

* Shares held by nominees of L&T Infrastructure Development Projects limited

(ii) Shareholding of Promoters

| SI No | Shareholders Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in Shareholding during the year |
|-------|---|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Share | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | L&T Infrastructure Development Projects Limited(including nominees) | 84300000 | 100% | Nil | 84299998 | 99.999% | Nil | 0.001% |
| | Total | 84300000 | 100% | Nil | 84299998 | 99.999% | Nil | 0.001% |

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

| Sl. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | At the beginning of the year | 84300000 | 100% | 84300000 | 100% |
| 2 | 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): | 09.12.2014-2 (decrease) | 0.001% | 84299998 | 99.99% |
| 3 | At the End of the year | 84299998 | 99.99% | 84299998 | 99.99% |

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sl. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the Company |
| 1 | At the beginning of the year | – | – | – | – |
| 2 | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): | 2 | – | 2 | – |
| 3 | At the End of the year (or on the date of separation, if separated during the year) | 2 | – | 2 | – |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | For Each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the Company |
| 1 | At the beginning of the year | – | – | – | – |
| 2 | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): | – | – | – | – |
| 3 | At the End of the year (or on the date of separation, if separated during the year) | – | – | – | – |

V. INDEBTEDNESS

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

(Amount in ₹)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|---------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 2,45,00,00,000 | 63,31,45,636 | – | 2,66,43,45,636 |
| ii) Interest due but not paid | – | – | – | – |
| iii) Interest accrued but not due | 24,49,05,060 | – | – | 24,49,05,060 |
| Total (i+ii+iii) | 2,69,49,05,060 | 63,31,45,636 | – | 2,90,92,50,696 |
| Change in Indebtedness during the financial year | | | | |
| Addition | – | – | – | – |
| Reduction | 13,13,51,481 | 2,52,89,708 | – | 15,66,41,189 |
| Net Change | 13,13,51,481 | 2,52,89,708 | | 15,66,41,189 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 2,35,00,00,000 | 60,78,55,928 | – | 2,95,78,55,928 |
| ii) Interest due but not paid | – | – | – | – |
| iii) Interest accrued but not due | 21,35,53,579 | – | – | 21,35,53,579 |
| Total (i+ii+iii) | 2,56,35,53,579 | 60,78,55,928 | – | 3,17,14,09,507 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(In ₹)

| Sl. no. | Particulars of Remuneration | Name of MD/WTD/Manager | Total Amount |
|---------|---|--------------------------|---------------------|
| | | Mr.Sanjay Tikku, Manager | |
| 1. | Gross salary | 18,06,986 | 18,06,986 |
| | (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 | Nil | Nil |
| 3. | Sweat Equity | Nil | Nil |
| 4. | Commission | Nil | Nil |
| | - as % of profit | | |
| | - others, specify... | | |
| 5. | Others, please specify | Nil | Nil |
| | Total (A) | 18,06,986 | 18,06,986 |
| | Ceiling as per the Act | 62,26,800 per annum | 62,26,800 per annum |

B. Remuneration to other directors:

(in ₹)

| Sl. no. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|---------|--|--|-----------------------------|-------------------------|--------------|
| | | Mr. N. Raghavan | Dr. Ashwin Mahalingam | | |
| 1. | Independent Directors | | | | |
| | Fee for attending board / committee meetings | | | | |
| | Commission | | | | |
| | Others, please specify | Nil | Nil | | |
| | Total (1) | Nil | Nil | | |
| | | Mr. Sharad Goel | Mr.Manoj Kumar Singh | Dr.Esther Malini | |
| 2. | Other Non-Executive Directors | | | | |
| | Fee for attending board / committee meetings | | | | |
| | Commission | | | | |
| | Others, please specify | Nil | Nil | Nil | |
| | Total (2) | Nil | Nil | Nil | |
| | Total (B) = (1 + 2) | Nil | Nil | Nil | |
| | Total Managerial Remuneration | | | | |
| | Overall Ceiling as per the Act (including sitting fees) | Not more than ₹ 1,00,000/- per meeting of Board or Committee. | | | |

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

| Sl. no. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---------|---|--------------------------|-------------------|------------------------------|------------|
| | | CEO | Company Secretary | CFO | Total |
| | | | | Mr. Priya Ranjan Giri | |
| 1. | Gross salary | Nil | Nil | Nil | Nil |
| | (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 | Nil | Nil | Nil | Nil |
| 3. | Sweat Equity | Nil | Nil | Nil | Nil |
| 4. | Commission | Nil | Nil | Nil | Nil |
| | - as % of profit | | | | |
| | - others, specify... | | | | |
| 5. | Others, please Specify | Nil | Nil | Nil | Nil |
| | Total | Nil | Nil | Nil | Nil |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|-------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |
| B. DIRECTORS | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |

For and on behalf of the Board

MR. SHARAD GOEL
Director
DIN: 02294059

DR. ESTHER MALINI
Director
DIN: 07124748

Place: Chennai
Date: April 28, 2015

ANNEXURE III

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR 2014-15

To,
The Members,
L&T Panipat Elevated Corridor Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by L & T Panipat Elevated Corridor Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the L & T Panipat Elevated Corridor Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the year ended March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the year ended March 31, 2015 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder – Not Applicable;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder - Not Applicable;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - Not Applicable;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- Not Applicable;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992- Not Applicable;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not Applicable;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not Applicable;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not Applicable;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not Applicable ;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not Applicable;
2. We 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 labour & industrial laws, Environmental laws, rules, regulations and guidelines. The list of labour and industrial laws covered under the internal compliance report by the company are as follows:
 - A. Bonded Labour System (Abolition) Act, 1976
 - B. Employees 'State Insurance Act, 1948 and the Employees State Insurance (General) Rules, 1950, and the Employees State Insurance (General) Regulations, 1950
 - C. Industrial Disputes Act, 1947
 - D. Maternity Benefit Act, 1961
 - E. The Child Labour (Prohibition And Regulation) Act, 1986
 - F. The Employees Provident Fund Scheme, 1952
 - G. The Contract Labour (Regulation And Abolition) Act, 1970
 - H. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
 - I. The Minimum Wages Act, 1948 And The Minimum Wages (Central) Rules, 1950
 - J. The Equal Remuneration Act, 1976
 - K. The Payment of Bonus Act, 1965
 - L. The Payment Of Gratuity Act, 1972
 - M. The Payment Of Wages Act, 1936

- N. The Personal Injuries (Compensation) Insurance Act, 1963
 - O. Information Technology Act, 2000
 - P. Electricity Rules, 1956
 - Q. Environment (Protection) Act, 1986
 - R. Forest Conservation Act, 1980
 - S. Motor Vehicles Act, 1988
 - T. Shops And Establishments Act And State Rules
 - U. The Building And Other Construction Workers' (Regulation Of Employment And Conditions Of Service) Central Rules, 1998
 - V. The National Highways (Collection of Fees by any Person for the use of section of national highways/ Permanent Bridge/ Temporary Bridge on National Highways) Rules, 1997.
3. We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Women Director. 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.
4. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent to at least seven days in advance.
5. We further report that during the audit period, there are no instances of:
- i. Public / Rights / Preferential issue of shares / debentures / sweat equity.
 - ii. Redemption / buy-back of securities.
 - iii. Merger / amalgamation / reconstruction etc.
 - iv. Foreign technical collaborations.

For M.Alagar & Associates

M. Alagar
FCS No: 7488
C P No.: 8196

Place: Chennai
Date : 22.04.2015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF L&T PANIPAT ELEVATED CORRIDOR LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **L&T PANIPAT ELEVATED CORRIDOR LIMITED**, which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment,

including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) In our opinion, the Company is a going concern as mentioned in Note Q (1) in the financial statements.
- (f) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we enclose in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order.

For M.K.DANDEKER & CO.,
(ICAI Reg. No. 000679S)
Chartered Accountants

Place: Chennai
Date: April 28, 2015

K. J. DANDEKER
Partner
Membership No. 018533

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date)

1. a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
b. The Fixed Assets have been physically verified by the Management at regular Intervals and no material discrepancies were noticed on such verification.
2. The Company is engaged in the business of infrastructure development and maintenance and hence, reporting under clause 3 (ii) (a), (b) & (c) of the Companies (Auditor's Report) Order 2015 relating to inventory are not applicable.
3. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Hence, reporting under clause 3 (iii) (a) & (b) of the Companies (Auditor's Report) Order 2015 does not arise.
4. According to the information and explanations given to us, the Company is having adequate Internal Control system commensurate with the size of the Company and the nature of its business. Also, there is no continuing failure to correct major weaknesses in internal control system.
5. The Company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company.
6. The Company is maintaining the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act in respect of services carried out by the Company.
7. a. The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.
b. According to the information and explanation given to us, the Company has no statutory dues which have not been deposited on account of disputes.
c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
8. The Company has accumulated losses of ₹ 2,749,331,521/- at the end of the financial year, which are more than fifty per cent of its net worth. Also, the Company has incurred cash loss in the immediately preceding financial year.
9. The Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
10. The Company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the Company.
11. The term loans were applied for the purpose for which the loans were obtained.
12. Based on the information and explanation given to us and based on the audit procedures followed by us, there were no frauds on or by the Company that has been noticed or reported during the year.

For M.K.DANDEKER & CO.,
(ICAI Reg. No. 000679S)
Chartered Accountants

K. J. DANDEKER
Partner
Membership No. 018533

Place: Chennai
Date: April 28, 2015

BALANCE SHEET AS AT MARCH 31, 2015

| Particulars | Note No. | As at 31.03.2015 | | As at 31.03.2014 | |
|---|----------|------------------|----------------------|------------------|----------------------|
| | | ₹ | ₹ | ₹ | ₹ |
| EQUITY AND LIABILITIES | | | | | |
| Shareholders' Funds | | | | | |
| Share capital | A | 843,000,000 | | 843,000,000 | |
| Reserves and surplus | B | (2,749,331,521) | | (2,481,508,583) | |
| | | | (1,906,331,521) | | (1,638,508,583) |
| Non-current liabilities | | | | | |
| Long-term borrowings | C(I) | 5,712,476,508 | | 5,988,055,928 | |
| Other Long-term liabilities | C(II) | 542,716 | | 542,716 | |
| Long-term provisions | C(III) | 85,457,317 | | 26,403,082 | |
| | | | 5,798,476,541 | | 6,015,001,726 |
| Current liabilities | | | | | |
| Short-term borrowings | D(I) | 418,800,000 | | 418,800,000 | |
| Trade payables | D(II) | 19,273,402 | | 1,827,528 | |
| Other current liabilities | D(III) | 530,167,833 | | 452,952,468 | |
| Short-term provisions | D(IV) | 1,289,266 | | 188,555,061 | |
| | | | 969,530,501 | | 1,062,135,057 |
| TOTAL | | | 4,861,675,521 | | 5,438,628,200 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Fixed assets | | | | | |
| Tangible assets | E(I) | 12,180,691 | | 27,293,288 | |
| Intangible assets | E(II) | 4,643,131,523 | | 5,071,728,285 | |
| | | | 4,655,312,214 | | 5,099,021,573 |
| Long-term loans and advances | F | | 46,000 | | 10,000 |
| Current assets | | | | | |
| Current investments | G(I) | 194,840,795 | | 259,628,140 | |
| Cash and bank balances | G(II) | 9,115,829 | | 55,209,988 | |
| Short-term loans and advances | G(III) | 2,360,683 | | 24,758,499 | |
| | | | 206,317,307 | | 339,596,627 |
| TOTAL | | | 4,861,675,521 | | 5,438,628,200 |
| CONTINGENT LIABILITIES | H | | | | |
| COMMITMENTS | I | | | | |
| OTHER NOTES FORMING PART OF ACCOUNTS | P | | | | |
| SIGNIFICANT ACCOUNTING POLICIES | Q | | | | |

As per our report attached

For and on behalf of the Board

M. K. DANDEKER & CO.
Chartered Accountants
Firm's Registration No. 000679S
by the hand of

K. J. DANDEKER
Partner
Membership No. 018533

PRIYA RANJAN GIRI
CFO

SHARAD GOEL
Director
DIN: 02294059

ESTHER MALINI VICTOR
Director
DIN: 07124748

Place : Chennai
Date : April 28, 2015

Place : Chennai
Date : April 28, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

| Particulars | Note | 2014-15 | | 2013-14 | |
|---|------|-------------|----------------------|-------------|----------------------|
| | | ₹ | ₹ | ₹ | ₹ |
| REVENUE | | | | | |
| Revenue from Operations | J | 579,776,198 | | 518,702,690 | |
| Other income | K | 6,245,030 | | 9,934,162 | |
| | | | 586,021,228 | | 528,636,852 |
| TOTAL REVENUE | | | 586,021,228 | | 528,636,852 |
| EXPENSES | | | | | |
| Operating expenses | L | 116,573,900 | | 243,818,959 | |
| Employee benefit expenses | M | 10,650,759 | | 10,818,129 | |
| Finance costs | N | 267,345,295 | | 280,046,762 | |
| Depreciation and amortisation | E | 443,535,826 | | 442,627,728 | |
| Administration and other expenses | O | 15,738,386 | | 16,899,898 | |
| | | | 853,844,166 | | 994,211,476 |
| TOTAL EXPENSES | | | 853,844,166 | | 994,211,476 |
| Profit/(Loss) before tax | | | (267,822,938) | | (465,574,624) |
| Profit/(Loss) after tax for the year | | | (267,822,938) | | (465,574,624) |
| Earnings per equity share (Basic and Diluted) | P(8) | | (3.18) | | (5.52) |
| Face value per equity share | | | 10.00 | | 10.00 |
| OTHER NOTES FORMING PART OF ACCOUNTS | P | | | | |
| SIGNIFICANT ACCOUNTING POLICIES | Q | | | | |

As per our report attached

For and on behalf of the Board

M. K. DANDEKER & CO.
Chartered Accountants
Firm's Registration No. 000679S
by the hand of

K. J. DANDEKER
Partner
Membership No. 018533

PRIYA RANJAN GIRI
CFO

SHARAD GOEL
Director
DIN: 02294059

ESTHER MALINI VICTOR
Director
DIN: 07124748

Place : Chennai
Date : April 28, 2015

Place : Chennai
Date : April 28, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

| Particulars | 2014-15 ₹ | 2013-14 ₹ |
|---|----------------------|----------------------|
| A Net profit / (loss) before tax and extraordinary items | (267,822,938) | (465,574,624) |
| Adjustment for | | |
| Depreciation and amortisation expense | 443,535,826 | 442,627,728 |
| Interest expense | 267,345,295 | 280,046,762 |
| Interest income | (224,156) | (79,216) |
| (Profit)/Loss on sale of current investments(net) | (5,416,906) | (9,629,541) |
| (Profit)/Loss on sale of fixed assets | 423,256 | (15,358) |
| Operating profit before working capital changes | 437,840,377 | 247,375,751 |
| Adjustments for: | | |
| Increase / (Decrease) in liabilities and provisions | (92,488,552) | 307,577,593 |
| (Increase) / Decrease in loans and advances | 22,361,816 | (22,331,260) |
| Net cash generated from/(used in) operating activities | 367,713,641 | 532,622,084 |
| Direct taxes paid (net of refunds) | — | — |
| Net Cash(used in)/generated from Operating Activities | 367,713,641 | 532,622,084 |
| B Cash flow from investing activities | | |
| (Purchase)/ Sale of fixed assets | (249,723) | (1,691,739) |
| Purchase of current investments | (556,016,906) | (1,303,832,672) |
| Sale of current investments | 626,221,157 | 1,053,834,073 |
| Interest received | 224,156 | 79,216 |
| Net cash (used in)/generated from investing activities | 70,178,684 | (251,611,122) |
| C Cash flow from financing activities | | |
| Repayment of long term borrowings | (125,289,708) | (195,289,708) |
| Repayment of deferred payment liability | (60,000,000) | — |
| Interest paid | (298,696,776) | (280,046,762) |
| Net cash (used in)/generated from financing activities | (483,986,484) | (475,336,470) |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | (46,094,159) | (194,325,508) |
| Cash and cash equivalents as at the beginning of the year | 55,209,988 | 249,535,496 |
| Cash and cash equivalents as at the end of the year | 9,115,829 | 55,209,988 |

Notes:

- Cash flow statement has been prepared under the 'Indirect Method'.
- Cash and cash equivalents represent cash and bank balances.
- Previous year's figures have been regrouped/reclassified wherever applicable.
- Components of cash and cash equivalents :-

Balances with banks:

- on current account

583,959

42,807

- on Fixed Deposits with less than 3 months maturity

1,936,142

50,034,247

- Margin money deposit

—

—

Cash in hand and transit

6,595,728

5,132,934

9,115,829

55,209,988

As per our report attached

For and on behalf of the Board

M. K. DANDEKER & CO.

Chartered Accountants

Firm's Registration No. 000679S

by the hand of

K. J. DANDEKER

Partner

Membership No. 018533

PRIYA RANJAN GIRI

CFO

SHARAD GOEL

Director

DIN: 02294059

ESTHER MALINI VICTOR

Director

DIN: 07124748

Place : Chennai

Date : April 28, 2015

Place : Chennai

Date : April 28, 2015

NOTES FORMING PART OF ACCOUNTS

NOTE A

SHARE CAPITAL

(i) Authorised, issued, subscribed and paid up

| Particulars | As at 31.03.2015 | | As at 31.03.2014 | |
|---|------------------|-------------|------------------|-------------|
| | No. of Shares | ₹ | No. of Shares | ₹ |
| Authorised: | | | | |
| Equity Shares of ₹ 10/- each | 85,000,000 | 850,000,000 | 85,000,000 | 850,000,000 |
| Issued, subscribed and fully paid up | | | | |
| Equity Shares of ₹ 10/- each | 84,300,000 | 843,000,000 | 84,300,000 | 843,000,000 |

(ii) Reconciliation of the number of equity shares and share capital issued, subscribed and paid-up:

| Particulars | As at 31.03.2015 | | As at 31.03.2014 | |
|--------------------------------------|------------------|-------------|------------------|-------------|
| | No. of Shares | ₹ | No. of Shares | ₹ |
| At the beginning of the year | 84,300,000 | 843,000,000 | 84,300,000 | 843,000,000 |
| Issued during the year as fully paid | — | — | — | — |
| Outstanding at the end of the year | 84,300,000 | 843,000,000 | 84,300,000 | 843,000,000 |

(iii) Terms / rights attached to shares

The Company has only one class of equity share having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

The Company has not issued any securities during the year with the right/option to convert the same into equity shares at a later date.

The Company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/disinvestment.

The shares issued carry equal rights to dividend declared by the company and no restrictions are attached to any class of shareholder.

No dividend has been declared by Board of Directors for the year ended 31st March, 2015. (Previous year ₹ Nil)

(iv) Details of Shares held by Holding Company/Ultimate Holding Company/its subsidiaries or associates:

| Particulars | As at 31.03.2015 | | As at 31.03.2014 | |
|--|------------------|-------------|------------------|-------------|
| | No. of Shares | ₹ | No. of Shares | ₹ |
| L&T Infrastructure Development Projects Limited (including nominee holding) | 84,299,998 | 842,999,980 | 84,300,000 | 843,000,000 |
| | 84,299,998 | 842,999,980 | 84,300,000 | 843,000,000 |

(v) Details of Shareholders holding more than 5% shares in the company:

| Particulars | As at 31.03.2015 | | As at 31.03.2014 | |
|--|------------------|-----|------------------|-----|
| | No. of Shares | % | No. of Shares | % |
| L&T Infrastructure Development Projects Limited (including nominee holding) | 84,299,998 | 100 | 84,300,000 | 100 |

(vi) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL

(vii) Calls unpaid : NIL; Forfeited Shares : NIL

NOTES FORMING PART OF ACCOUNTS (Contd.)

| Particulars | As at 31.03.2015 | | As at 31.03.2014 | |
|---|------------------------|------------------------|------------------------|------------------------|
| | ₹ | ₹ | ₹ | ₹ |
| NOTE B | | | | |
| RESERVES AND SURPLUS | | | | |
| Surplus/(Deficit) as per Statement of Profit and loss: | | | | |
| Balance as per the last financial statement | (2,481,508,583) | | (2,015,933,959) | |
| Add: Profit/(Loss) for the period | (267,822,938) | | (465,574,624) | |
| | <u>(2,749,331,521)</u> | | <u>(2,481,508,583)</u> | |
| | | (2,749,331,521) | | (2,481,508,583) |
| TOTAL | | <u>(2,749,331,521)</u> | | <u>(2,481,508,583)</u> |

NOTE C(I)**LONG TERM BORROWINGS**

| | | |
|---|----------------------|----------------------|
| Non Convertible Debentures (Secured) - C(I)(a) | 2,200,000,000 | 2,350,000,000 |
| Deferred Payment Liability - C(I)(b) | 3,374,000,000 | 3,449,000,000 |
| Loans and advances from related party (Unsecured) - C(I)(c) | 138,476,508 | 189,055,928 |
| TOTAL | <u>5,712,476,508</u> | <u>5,988,055,928</u> |

C(I) (a) Details of Secured Loan

| Particulars | Rate of Interest As at 31.03.2015 | Terms of Repayment |
|----------------------------|--------------------------------------|--|
| Non Convertible Debentures | 10.56% | Reedemable at face value in 12 annual installments from April 2013 to April 2024 at specified amounts. |

Security for the Non Convertible Debentures (NCD's):

Non Convertible Debentures (NCD's) are secured by mortgage of :

A charge on all the immovable and movable properties of the Company relating to the Project, both present and future except Project Assets as defined in the Concession Agreement, all bank accounts of the company and all Authorized investments or other securities representing all amounts credited in the bank accounts.

Presentation of term loans in the Balance sheet is as follows:

| Particulars | As at 31.03.2015 | | As at 31.03.2014 | |
|---|----------------------|---|----------------------|---|
| | ₹ | ₹ | ₹ | ₹ |
| (i) Long term borrowings | 2,200,000,000 | | 2,350,000,000 | |
| (ii) Current maturities of long term borrowings | 150,000,000 | | 100,000,000 | |
| | <u>2,350,000,000</u> | | <u>2,450,000,000</u> | |

C(I) (b) Deferred Payment Liability (Note P(10))

| Particulars | As at 31.03.2015 ₹ | As at 31.03.2014 ₹ | Terms of Payment |
|---|-----------------------|-----------------------|---|
| Long Term Deferred payment liability | 3,374,000,000 | 3,449,000,000 | Deferred Payment Liabilities represent the outstanding Negative Grant payable to National Highway Authority of India as per Concession Agreement. The grant is payable in 7 unequal installments commencing from October 2014 as per specified in CA. |
| Current maturity of Deferred payment liability (Note P(10)) | 75,000,000 | 60,000,000 | |

NOTES FORMING PART OF ACCOUNTS (Contd.)**C(I) (c) Details of Unsecured Loan**

| Particulars | Rate of Interest As at 31.03.2015 | Terms of Repayment |
|---|--------------------------------------|--|
| Loans and advances from related party * | RBI Bank Rate | Repayable in 33 quarterly unequal installments from April 12 to Dec 2018 at specified amounts. |

Presentation of Loans and advances from related party in the Balance sheet is as follows:

| Particulars | As at 31.03.2015 | | As at 31.03.2014 | |
|---|------------------|--------------------|------------------|-------------|
| | ₹ | ₹ | ₹ | ₹ |
| (i) Long term Loans and advances * | | 138,476,508 | | 189,055,928 |
| (ii) Current maturities of Loans and advances * | | 50,579,420 | | 25,289,708 |
| | | 189,055,928 | | 214,345,636 |

* Loan availed from Narmada Infrastructure Construction Enterprise Limited - Now merged with L&T Infrastructure Development Projects Limited vide order dated 26th May 2014 w.e.f 1st April 2013.

| Particulars | As at 31.03.2015 | | As at 31.03.2014 | |
|-------------|------------------|---|------------------|---|
| | ₹ | ₹ | ₹ | ₹ |

NOTE C(II)**OTHER LONG-TERM LIABILITIES**

| | | | | |
|--------------|--|----------------|--|---------|
| Car Deposit | | 542,716 | | 542,716 |
| TOTAL | | 542,716 | | 542,716 |

NOTE C(III)**LONG-TERM PROVISIONS**

| | | | | |
|--|--|-------------------|--|------------|
| Periodic major maintenance (Note P(11)) | | 85,457,317 | | 26,403,082 |
| TOTAL | | 85,457,317 | | 26,403,082 |

NOTE D(I)**SHORT-TERM BORROWINGS**

| | | | | |
|---------------------------|--|--------------------|--|-------------|
| Loan from Holding Company | | 418,800,000 | | 418,800,000 |
| TOTAL | | 418,800,000 | | 418,800,000 |

NOTE D(II)**TRADE PAYABLES**

| | | | | |
|--------------------------|--|-------------------|--|-----------|
| Due to related parties : | | | | |
| Holding Company | | 15,690,689 | | 442,934 |
| Others | | 3,582,713 | | 1,384,594 |
| TOTAL | | 19,273,402 | | 1,827,528 |

Note D(II)(a)

There are no claimed transactions during the year (*previous year: ₹ Nil*) with Micro and Small enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Hence reporting details of principal and interest paid/outstanding does not arise.

NOTES FORMING PART OF ACCOUNTS (Contd.)

| Particulars | As at 31.03.2015 | | As at 31.03.2014 | |
|---|------------------|-------------|------------------|-------------|
| | ₹ | ₹ | ₹ | ₹ |
| NOTE D(III) | | | | |
| OTHER CURRENT LIABILITIES | | | | |
| Current maturities of long term debt (Refer note C(I)(c)) | | | | |
| Non Convertible Debentures | 150,000,000 | | 100,000,000 | |
| Deferred Payment Liability | 75,000,000 | | 60,000,000 | |
| Inter Company Deposit | 50,579,420 | | 25,289,708 | |
| | | 275,579,420 | | 185,289,708 |
| Interest accrued but not due on borrowings | | 213,553,579 | | 244,905,060 |
| Statutory liabilities | | 25,164,400 | | 3,426,275 |
| Other liabilities | | | | |
| Due to others | 15,670,434 | | | 19,331,425 |
| Due to Related Party | | | | |
| Holding company | 200,000 | | | |
| | | 15,870,434 | | |
| TOTAL | | 530,167,833 | | 452,952,468 |
| NOTE D(IV) | | | | |
| SHORT TERM PROVISIONS | | | | |
| Provision for employee benefits | | | | |
| Gratuity (Note P(3)(ii)) | 644,747 | | 461,982 | |
| Compensated absences | 630,980 | | 447,844 | |
| Bonus | 13,539 | | 21,000 | |
| | | 1,289,266 | | 930,826 |
| Others : | | | | |
| Periodic major maintenance (Note P (11)) | | — | | 187,624,235 |
| TOTAL | | 1,289,266 | | 188,555,061 |

NOTES FORMING PART OF ACCOUNTS (Contd.)**NOTE E(I) - TANGIBLE ASSETS**

(Amount in ₹)

| Particulars | COST | | | | DEPRECIATION | | | | BOOK VALUE | |
|---------------------------------|---------------------|------------------|------------------|---------------------|--------------------|-------------------|------------------|--------------------|---------------------|---------------------|
| | As at 01.04.2014 | Additions | Deductions | As at 31.03.2015 | Upto 31.03.2014 | For the year | Deductions | Upto 31.03.2015 | As at 31.03.2015 | As at 31.03.2014 |
| Owned | | | | | | | | | | |
| Freehold Land | 1,299,680 | – | – | 1,299,680 | – | – | – | | 1,299,680 | 1,299,680 |
| Plant and Equipment | 71,839,549 | 931,907 | 6,637,938 | 66,133,518 | 50,475,944 | 13,496,226 | 5,470,759 | 58,501,411 | 7,632,107 | 21,363,605 |
| Computers, laptops and printers | 1,072,714 | 137,208 | 617,465 | 592,457 | 990,769 | 79,435 | 604,474 | 465,730 | 126,727 | 81,945 |
| Office equipment | 1,309,753 | 28,431 | 319,204 | 1,018,980 | 1,254,377 | 19,858 | 319,206 | 955,029 | 63,951 | 55,376 |
| Furniture and Fixtures | 2,236,799 | – | 46,002 | 2,190,797 | 1,355,206 | 206,653 | 46,002 | 1,515,857 | 674,940 | 881,593 |
| Vehicles | 7,248,335 | – | 253,592 | 6,994,743 | 4,136,757 | 1,058,808 | 162,681 | 5,032,884 | 1,961,859 | 3,111,578 |
| Electrical Installation | 833,229 | – | – | 833,229 | 333,718 | 78,084 | – | 411,802 | 421,427 | 499,511 |
| TOTAL | 85,840,059 | 1,097,546 | 7,874,201 | 79,063,404 | 58,546,771 | 14,939,064 | 6,603,122 | 66,882,713 | 12,180,691 | – |
| <i>Previous year</i> | <i>84,539,681</i> | <i>1,707,097</i> | <i>406,719</i> | <i>85,840,059</i> | <i>44,922,514</i> | <i>14,030,976</i> | <i>406,719</i> | <i>58,546,771</i> | – | <i>27,293,288</i> |

The Company has reviewed the useful life of fixed assets and revised the useful life of computers, Plant & Equipment and Motor Bike. Consequently, depreciation for the year is lower by ₹ 1,66,634/- and profit before tax for the year higher to that extent.

NOTE E(II) - INTANGIBLE ASSETS

(Amount in ₹)

| Particulars | COST | | | | AMORTISATION | | | | BOOK VALUE | |
|--|----------------------|-----------|----------------|----------------------|----------------------|--------------------|----------------|----------------------|----------------------|----------------------|
| | As at 01.04.2014 | Additions | Deductions | As at 31.03.2015 | Upto 31.03.2014 | For the year | Deductions | Upto 31.03.2015 | As at 31.03.2015 | As at 31.03.2014 |
| Specialized Software | 275,000 | | 275,000 | – | 275,000 | – | 275,000 | – | – | – |
| Toll collection rights (Refer note below) | 7,536,159,625 | – | – | 7,536,159,625 | 2,464,431,340 | 428,596,762 | | 2,893,028,102 | 4,643,131,523 | 5,071,728,285 |
| TOTAL | 7,536,434,625 | – | 275,000 | 7,536,159,625 | 2,464,706,340 | 428,596,762 | 275,000 | 2,893,028,102 | 4,643,131,523 | – |
| <i>Previous year</i> | <i>7,536,434,625</i> | – | – | <i>7,536,434,625</i> | <i>2,036,109,588</i> | <i>428,596,752</i> | – | <i>2,464,706,340</i> | – | <i>5,071,728,285</i> |

| Particulars | As at 31.03.2015 | | As at 31.03.2014 | |
|-------------|------------------|---|------------------|---|
| | ₹ | ₹ | ₹ | ₹ |

NOTE F**LONG TERM LOANS AND ADVANCES**

Unsecured, considered good

| | | |
|-------------------|---------------|---------------|
| Security deposits | 46,000 | 10,000 |
| | 46,000 | 10,000 |

NOTES FORMING PART OF ACCOUNTS (Contd.)

| Particulars | Face Value per unit | Number of units | As at | As at |
|--|---------------------|------------------|--------------------|--------------------|
| | | | 31.03.2015 | 31.03.2014 |
| | | As at 31.03.2015 | ₹ | ₹ |
| NOTE G(I) | | | | |
| CURRENT INVESTMENTS | | | | |
| Current Investment, Values at lower of cost or Market Value, Unless state otherwise | | | | |
| Birla Sun Life Cash Plus Growth | 100 | 13,648 | 3,000,000 | — |
| Tata Liquid Plan A Growth | 1,000 | 8,788 | 22,000,003 | — |
| Reliance Liquidity Fund Growth | 1,000 | 5,581 | 11,532,501 | — |
| Religare Invesco Liquid Fund Growth | 1,000 | 28,049 | 52,821,155 | 15,999,997 |
| SBI- Premeir Liquid Fund Growth | 1,000 | 21,198 | 45,487,136 | — |
| IDFC Cash Fund Growth | 1,000 | 4,815 | 8,000,000 | — |
| UTI-Liquid Cash Plan- Istitututional - Growth | 1,000 | 22,940 | 52,000,000 | — |
| Kotak Liquid Plan A Growth | | | — | 1,500,000 |
| HDFC Cash Management Fund- Saving Growth | | | — | 51,500,000 |
| IDFC Cash Fund Plan A Growth | | | — | 88,128,147 |
| SBI Premier Liquid Fund - Super Institutional - Growth | | | — | 49,999,998 |
| L&T Liquid Fund- Growth | | | — | 52,499,998 |
| | | | 194,840,795 | 259,628,140 |

Note G(I)(a) Details of quoted investments

| Particulars | As at | As at |
|---|--------------------|-------------|
| | 31.03.2015 | 31.03.2014 |
| | ₹ | ₹ |
| Aggregate amount of quoted current investment and market value thereof; | | |
| Book Value | 194,840,795 | 259,628,140 |
| Market Value | 197,570,666 | 261,821,638 |

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|-------------|------------------|------------------|
| | ₹ | ₹ |

NOTE G(II)**CASH AND BANK BALANCES****Cash and cash equivalents**

| | | |
|---|------------------|-------------------|
| Balances with banks | | |
| In current accounts | 583,959 | 42,807 |
| In deposit accounts with maturity less than three months (including interest accrued thereon) | 1,936,142 | 50,034,247 |
| Cash on hand | 6,595,728 | 5,132,934 |
| TOTAL | 9,115,829 | 55,209,988 |

NOTE G(III)**SHORT TERM LOANS AND ADVANCES**

| | | |
|---|------------------|-------------------|
| Unsecured considered good | | |
| Advances recoverable in cash or in kind | 806,890 | 580,593 |
| Others | 1,553,793 | 24,177,906 |
| TOTAL | 2,360,683 | 24,758,499 |

NOTES FORMING PART OF ACCOUNTS (Contd.)**NOTE H**

Contingent liabilities as at March 31, 2015 ₹ Nil (previous year: ₹ Nil)

NOTE I

Commitments as at March 31, 2015 ₹ Nil (previous year: ₹ Nil)

| Particulars | 2014-15 | | 2013-14 | |
|--------------------------------|--------------------|--------------------|-------------|-------------|
| | ₹ | ₹ | ₹ | ₹ |
| NOTE J | | | | |
| REVENUE FROM OPERATIONS | | | | |
| Operating revenue: | | | | |
| Toll Collections | 579,776,198 | | 518,702,690 | |
| | | 579,776,198 | | 518,702,690 |
| TOTAL | | 579,776,198 | | 518,702,690 |

NOTE K**OTHER INCOME**

Interest income from :

| | | | | |
|------------------------------------|--|------------------|--|-----------|
| Bank deposits | | 224,156 | | 79,216 |
| Net gain on sale of Investment | | 5,416,906 | | 9,629,541 |
| Profit on disposal of fixed assets | | — | | 15,358 |
| Other non operating income | | 603,968 | | 210,047 |
| TOTAL | | 6,245,030 | | 9,934,162 |

NOTE L**OPERATING EXPENSES**

| | | | | |
|----------------------------|------------|--------------------|-------------|-------------|
| Concession fee | | 1 | | 1 |
| Toll Management fees | | 24,335,004 | | 22,953,241 |
| Security services | | 4,269,053 | | 3,889,529 |
| Insurance | | 2,235,912 | | 2,845,556 |
| Repairs and maintenance: | | | | |
| Periodic major maintenance | 44,368,000 | | 183,101,696 | |
| Toll road & bridge | 15,514,695 | | 14,476,678 | |
| Plant and machinery | 5,743,431 | | 2,849,552 | |
| Others | 7,802,105 | | 2,852,367 | |
| | | 73,428,231 | | 203,280,293 |
| Power and fuel | | 12,305,699 | | 10,850,339 |
| TOTAL | | 116,573,900 | | 243,818,959 |

NOTE M**EMPLOYEE BENEFIT EXPENSES**

| | | | | |
|--------------------------------------|---------|-------------------|---------|------------|
| Salaries, wages and bonus | | 7,172,136 | | 8,005,165 |
| Contributions to and provisions for: | | | | |
| Provident fund (Refer P(3)(i)) | 399,178 | | 393,797 | |
| Gratuity (Refer P(3)(ii)) | 182,765 | | 98,647 | |
| Compensated absences | 183,136 | | 71,099 | |
| | | 765,079 | | 563,543 |
| Staff welfare expenses | | 2,713,544 | | 2,249,421 |
| TOTAL | | 10,650,759 | | 10,818,129 |

NOTES FORMING PART OF ACCOUNTS (Contd.)

| Particulars | 2014-15 | | 2013-14 | |
|--|-------------|-------------|-------------|-------------|
| | ₹ | ₹ | ₹ | ₹ |
| NOTE N | | | | |
| FINANCE COSTS | | | | |
| Interest on borrowings | | | | |
| Interest on Non Convertible Debentures | 249,044,550 | | 258,951,451 | |
| Interest on Inter Corporate Deposit | 18,300,745 | | 21,095,311 | |
| | | 267,345,295 | | 280,046,762 |
| TOTAL | | 267,345,295 | | 280,046,762 |
| NOTE O | | | | |
| ADMINISTRATION AND OTHER EXPENSES | | | | |
| Rent, Rates and taxes | | 64,052 | | 131,912 |
| Professional fees (Refer note (a) below) | | 10,917,739 | | 11,139,527 |
| Postage and communication | | 411,390 | | 341,538 |
| Printing and stationery | | 1,089,522 | | 1,181,221 |
| Travelling and conveyance | | 663,639 | | 894,307 |
| CSR expenses | | 57,000 | | 759,595 |
| Repairs and Maintenance - Others | | 1,495,840 | | 1,878,054 |
| Loss on sale of fixed Assets | | 423,256 | | |
| Miscellaneous expenses | | 615,948 | | 573,744 |
| TOTAL | | 15,738,386 | | 16,899,898 |
| (a) Professional fees includes Auditors remuneration (including service tax) as follows: | | | | |
| For Statutory audit fees | | 247,192 | | 247,192 |
| For Other Services | | 160,787 | | 152,190 |
| For Taxation matters | | 33,708 | | 30,899 |
| TOTAL | | 441,687 | | 430,281 |

P(1) Corporate Information

L&T Panipat Elevated Corridor Limited is a special purpose vehicle incorporated on July 21st, 2005 for the purpose of widening of existing four-lane ten kilometer stretch to six lane elevated structure covering Panipat city on National Highway No.1 in the state of Haryana. The elevated structure covering specific stretches and widening and construction of peripheral lanes and operation and maintenance thereof, under the Concession Agreement dated 27th July, 2005 with National Highways Authority of India (NHAI). The Concession Agreement is for a period of 20 years from 23rd January 2006, being the Appointed Date stated in clause 1.1 of the said agreement. At the end of the concession period, the entire facility will be transferred to NHAI.

P(2) Foreign Currency transaction

During the year, the company has incurred ₹ 387,247/- (previous year: ₹ 1,497,919/-) towards AMC of Toll Equipment Software. During the year the company has not earned any income in Foreign Currency.

P(3) Disclosure pursuant to Accounting Standard (AS) 15 (revised) on "Employee benefits":**(i) Defined contribution plan:**

An amount of ₹ 399,178/- (previous year : ₹ 393,797/-) being contribution made to recognised provident fund is recognised as expense and included under Employee benefit expense (Note M) in the Statement of Profit and loss.

NOTES FORMING PART OF ACCOUNTS (Contd.)**(ii) Defined benefit plans:**

a) The amounts recognised in Balance Sheet are as follows:

| Particulars | | Gratuity plan | |
|-------------|---|---------------------|---------------------|
| | | As at 31.03.2015 | As at 31.03.2014 |
| | | ₹ | ₹ |
| A) | Present value of defined benefit obligation | | |
| | - Wholly funded | — | — |
| | - Wholly unfunded | 644,747 | 461,982 |
| | | 644,747 | 461,982 |
| | Less : Fair value of plan assets | — | — |
| | Amount to be recognised as liability or (asset) | 644,747 | 461,982 |
| B) | Amounts reflected in the Balance Sheet | | |
| | Liabilities | 644,747 | 461,982 |
| | Assets | — | — |
| | Net Liability / (asset) | 644,747 | 461,982 |

b) The amounts recognised in the Statement of Profit and loss are as follows:

| Particulars | | Gratuity plan | |
|-------------|--|---------------------|---------------------|
| | | As at 31.03.2015 | As at 31.03.2014 |
| | | ₹ | ₹ |
| 1 | Current service cost | 109,988 | 100,814 |
| 2 | Interest on Defined benefit obligation | 41,342 | 29,430 |
| 3 | Expected return on plan assets | | |
| 4 | Actuarial losses/(gains) | 31,435 | (31,597) |
| 5 | Past service cost | | — |
| 6 | Actuarial gain/(loss) not recognised in books | | — |
| 7 | Adjustment for earlier years | | — |
| | Total (1 to 7) | 182,765 | 98,647 |
| I | Amount included in "employee benefit expenses" | 182,765 | 98,647 |
| II | Amount included as part of "finance costs" | — | — |
| | Total (I + II) | 182,765 | 98,647 |
| | Actual return on plan assets | — | — |

c) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

| Particulars | | Gratuity plan | |
|-------------|--|---------------------|---------------------|
| | | As at 31.03.2015 | As at 31.03.2014 |
| | | ₹ | ₹ |
| | Opening balance of the present value of defined benefit obligation | 461,982 | 363,335 |
| | Add: Current service cost | 109,988 | 100,814 |
| | Add: Interest cost | 41,342 | 29,430 |
| | Add: Contribution by plan participants | | |
| | i) Employer | — | |
| | ii) Employee | — | |
| | Add/(less): Actuarial losses/(gains) | 31,435 | (31,597) |
| | Less: Benefits paid | | — |
| | Add: Past service cost | | — |
| | Closing balance of the present value of defined benefit obligation | 644,747 | 461,982 |

NOTES FORMING PART OF ACCOUNTS (Contd.)

d) Principal actuarial assumptions at the Balance Sheet date:

| Particulars | | As at 31.03.2015 | As at 31.03.2014 |
|-------------|--------------------|---------------------|---------------------|
| 1) | Discount rate | 7.80% | 9.10% |
| 2) | Salary growth rate | 6.00% | 6.00% |
| 3) | Attrition rate | 5.00% | 5.00% |

| e) | Particulars | As at 31.03.2015 | As at 31.03.2014 | As at 31.03.2013 | As at 31.03.2012 | As at 31.03.2011 |
|----|--------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Gratuity Plan (Unfunded) | 644,747 | 461,982 | 363,335 | 290,368 | 222,810 |

P(4) Disclosure pursuant to Accounting Standard (AS) - 16 "Borrowing Costs"

Borrowing cost capitalised during the year ₹ Nil. (previous year : ₹ Nil)

P(5) Segment Information

The Company is engaged in the business of construction, operation and maintenance of Toll road projects on a Build Operate Transfer basis in a single business segment. Hence reporting on primary segment does not arise. The Company does not have operations outside India. Hence, disclosure of secondary / geographical segment information does not arise.

P(6) Disclosure of related parties / related party transactions pursuant to Accounting Standard (AS) 18 "Related Party Disclosures"**(a) List of related parties**

| | |
|-----------------------------|---|
| Holding company | L&T Infrastructure Development Projects Limited |
| Ultimate Holding company | Larsen & Toubro Limited |
| Fellow Subsidiary companies | L&T Samakhiali Gandhidham Tollway Limited |
| | L&T Krishnagiri Thopur Toll Road Limited |
| | L&T Vadodara Bharuch Tollway Limited |
| | L&T Interstate Road Corridor Limited |
| | L&T Rajkot Vadinar Tollway Limited |
| | PNG Tollway Limited |
| | L&T BPP Tollway Limited |
| | L&T General Insurance Company Limited |
| | L&T Krishnagiri Walajahpet Tollway Limited |
| | L&T Ahmedabad Maliya Tollway Limited |
| Key Managerial Personnel | Manager: Mr. Sanjay Tikku |

(b) Disclosure of related party transactions:

| Nature of transaction | 2014-15 | 2013-14 |
|---|-------------|------------|
| | Amount | Amount |
| | ₹ | ₹ |
| 1. Purchase of goods and services incl. taxes | | |
| Ultimate Holding company Larsen & Toubro Limited | 2,487,236 | 269,664 |
| Holding company L&T Infrastructure Development Projects Limited | 185,794,953 | 14,894,641 |
| Fellow subsidiaries : | | |
| L&T General Insurance Company Limited | 2,018,520 | 2,394,727 |
| Larsen & Toubro Infotech Limited | | — |
| | 190,300,709 | 17,559,032 |
| 2. Purchase of assets | | |
| Fellow subsidiaries : | | |
| L&T Interstate Road Corridor Limited | 15,528 | 32,426 |
| L&T Halol Shamlaji Tollway Limited | | |
| | 15,528 | 32,426 |

NOTES FORMING PART OF ACCOUNTS (Contd.)

| Nature of transaction | 2014-15 | 2013-14 |
|---|--------------------|-------------|
| | Amount | Amount |
| | ₹ | ₹ |
| 3. Sale of assets | | |
| Holding company L&T Infrastructure Development Projects Limited | 14,679 | — |
| Fellow subsidiaries : | | — |
| L&T Krishnagiri Thopur Toll Road Limited | 587,624 | |
| | 602,303 | — |
| 4. Interest expense | | |
| Holding company L&T Infrastructure Development Projects Limited | 267,345,295 | 280,046,762 |
| | 267,345,295 | 280,046,762 |
| 5. ICD / Mezzanine Debt / Unsecured Loan received | | |
| Holding company L&T Infrastructure Development Projects Limited | 30,000,000 | — |
| | 30,000,000 | — |
| 6. Reimbursement of expenses charged from | | |
| Ultimate Holding company Larsen & Toubro Limited | 8,106,775 | |
| Holding company L&T Infrastructure Development Projects Limited | 735 | 2,235 |
| Fellow subsidiaries : | | 6,757,400 |
| L&T Interstate Road Corridor Limited | 1,241,042 | — |
| L&T Ahmedabad – Maliya Tollway Limited | 7,675,000 | 6,750,000 |
| L&T Vadodara Bharuch Tollway Limited | 604,372 | — |
| L&T Halol – Shamlaji Tollway Limited | | 7,400 |
| | 17,627,924 | 13,517,035 |
| 7. Reimbursement of expenses charged to | | |
| Holding company L&T Infrastructure Development Projects Limited | 5,811,304 | 54,643 |
| Fellow subsidiaries : | | 2,478,350 |
| L&T Samakhiali Gandhidham Tollway Limited | 1,200,000 | |
| | 7,011,304 | 2,532,993 |
| 8. Refundable deposit received for Director's Nomination | | |
| Holding company L&T Infrastructure Development Projects Limited | 200,000 | 42,500,000 |
| | 200,000 | 42,500,000 |
| 9. Advances paid | | |
| Holding company L&T Infrastructure Development Projects Limited | — | 267,292,300 |
| | — | 267,292,300 |
| 10. Repayment of ICD & NCD | | |
| Holding company L&T Infrastructure Development Projects Limited | 125,289,708 | 81,074,756 |
| | 125,289,708 | 81,074,756 |
| 11. Key Managerial Personnel - Salary and Perquisites | | |
| Manager - Mr.Sanjay Tikku | 1,806,986 | 1,720,968 |
| | 1,806,986 | 1,720,968 |

(c) Amount due to and due from related parties(net):

| Particulars | 2014-15 | | 2013-14 | |
|---|---------------|----------|---------------|----------|
| | Due to | Due from | Due to | Due from |
| | ₹ | ₹ | ₹ | ₹ |
| i. Holding company | | | | |
| L&T Infrastructure Development Projects Limited | 3,187,300,195 | | 3,311,201,330 | |

(d) No amounts pertaining to related parties have been written off or written back during the year. (previous year: ₹ Nil)

NOTES FORMING PART OF ACCOUNTS (Contd.)**P(7) Disclosure pursuant to Accounting Standard (AS) 19 “Leases”**

The Company has not acquired any assets either under Finance lease or under Operating lease. Hence disclosures pertaining to Accounting Standard (AS) 19 - “Leases” are not applicable.

P(8) Disclosure pursuant to Accounting Standard (AS) 20 “Earnings Per Share”

Basic and Diluted Earnings Per Share (EPS) computed in accordance with Accounting Standard (AS 20) “Earnings Per Share”.

| Particulars | | 2014-15 | 2013-14 |
|---|-------|---------------|---------------|
| | | ₹ | ₹ |
| Basic and Diluted | | | |
| Profit after tax as per accounts (₹) | A | (267,822,938) | (465,574,624) |
| Weighted average number of shares outstanding | B | 84,300,000 | 84,300,000 |
| Basic and Diluted EPS (₹) | A / B | (3.18) | (5.52) |
| Face value per equity share (₹) | | 10 | 10 |

P(9) Disclosure pursuant to Accounting Standard (AS) 28 “Impairment of Assets”

Based on a review of the future discounted cash flows of the project facility, the recoverable amount is higher than the carrying amount and hence no provision for impairment is made for the year.

P(10) Taxes on Income

The Company has not recognised any deferred tax liability in the books of accounts as the timing difference arising on account of differences in tax liability as per Income tax act, 1961 and books of accounts falls within the tax holiday period under Section 80 IA of the Income Tax, 1961

P(11) Disclosure pursuant to Accounting Standard (AS) 29 - “ Provisions ,Contingent Liabilities and Contingent Assets “**(a) Major Maintenance Provision**

The company is required to operate and maintain the project highway during the entire concession period and hand over the project back to the Authority (NHAI) as per the maintenance standards prescribed in Concession agreement.

For this purpose, a regular maintenance along with periodic maintenances is required to be performed. Normally periodic maintenance includes resurface of pavements, repairs of structures and other equipments and maintenance of service roads.

As per Concession agreement with NHAI the periodic maintenance is expected to occur after 5 years .The maintenance cost / bituminous overlay may vary based on the actual usage during maintenance period. Accordingly on the grounds of prudence, based on estimates, a provision for major maintenance expenses is provided for in the books annually.

During the current year the Company has provided ₹ 44,368,000/- for periodic Major Maintenance of in respect of its resurfacing obligation every five years, as per Clause 3.3.7 of the Concession Agreement with NHAI.

| Description | As on 01.04.2014 | Addition during the year | Utilised during the year | As on 31.03.2015 |
|-----------------------------|---------------------|-----------------------------|-----------------------------|---------------------|
| Major Maintenance Provision | 214,027,317 | 44,368,000 | 172,923,000 | 85,472,317 |
| TOTAL | 214,027,317 | 44,368,000 | 172,923,000 | 85,472,317 |

(b) Contingent Liabilities

Disclosure in respect of contingent liabilities is given as part of Note no.(H) to Balance Sheet.

P(12) Deferred payment liability

The obligation towards negative grant payable to NHAI is recognized as deferred payment liability when the Company, in its capacity of Concessionaire, becomes entitled to exercise the right and collect toll in accordance with the terms of the concession agreement on Commercial Operations Date. The total concession fee payable from the project completion date till the end of the concession period is capitalized as a part of cost of toll collection rights under intangible assets under development on recognition of deferred payment liability. The deferred payment liability shall stand reduced based on actual payment towards additional concession fee payable to NHAI as and when the same is paid.

P(13) The Company operates in the infrastructure business sector which involves huge capital investments. The company's net worth has been eroded. However the loss incurred so far is start up in nature and the Management expects that the Company's revenue for the subsequent financial years will be sufficient to meet the expenditure and recoup the losses incurred thereby strengthening the financial position of the Company. Accordingly, the financial statements have been prepared on going concern basis.

P(14) Previous Year Figures

The Company has reclassified/ regrouped the previous year figures wherever necessary.

NOTES FORMING PART OF ACCOUNTS (Contd.)

Q. SIGNIFICANT ACCOUNTING POLICIES

1. Basis for preparation of accounts

The Company maintains its accounts on accrual basis following the historical cost convention, except for the revaluation of certain fixed assets, in accordance with generally accepted accounting principles ["GAAP"] in compliance with the provisions of the Companies Act, 2013 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of The Companies (Accounts) Rules, 2014 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and relevant provisions of the Companies Act, 1956 read with the Circular No.07/2014 dated April 1, 2014 of the Ministry of Corporate Affairs. Further, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory promulgations overrides the same requiring a different treatment.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of tangible and intangible fixed assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

2. Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in Schedule III to the Companies Act, 2013 ("the Act"). The Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS) 3 "Cash Flow Statements". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

Amounts in the financial statements are presented in Indian Rupees rounded off to the nearest Rupee. Per share data is presented in Indian Rupees to two decimals places

3. Revenue Recognition

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

A. Revenue from Operations

a. Toll Collections

- (i) Fee collections from the users of the infrastructure facility are accounted for as and when the amount is due and the recovery is certain.
- (ii) Income from sale of smart cards is recognised as and when the same is utilised by the users.

b. Other Operating Income

- (i) Other operational revenue represents income earned from activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.

B. Other Income

- (i) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate.
- (ii) Net gain on sale of investments is recognised at the time of actual sale/redemption.
- (iii) Other items of income are accounted for as and when the right to receive arises.

4. Employee Benefits

(i) Short Term Employee Benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.

(ii) Post-Employment Benefits

- a) Defined Contribution Plans: The Company's obligation to employee's provident fund is a defined contribution plan. The contribution paid/payable is recognized in the period in which the employee renders the related service.
- b) Defined Benefit Plans: The Company's obligation towards gratuity is a defined benefit plan.

The present value of the obligation under such Defined Benefit Plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance sheet date, having maturity periods approximating to the terms of related obligations.

NOTES FORMING PART OF ACCOUNTS (Contd.)

Actuarial gains and losses are recognized in the Statement of Profit and loss.

(iii) Long Term Employee Benefits

The obligation for long term employee benefits such as long term compensated absences is recognized in the same manner as in the case of defined benefit plans as mentioned in (ii) (b) above.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

5. Fixed Assets

Tangible

Fixed assets are stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment.

Administrative and other general overhead expenses that are specifically attributable to the construction or acquisition of fixed assets, for bringing the fixed asset to working condition are allocated and capitalised as a part of cost of fixed asset.

Intangible

Intangible assets are recognised when it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment.

Administrative and other general overhead expenses that are directly attributable to development or acquisition of intangible assets are allocated and capitalized as part of cost of the intangible assets.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "intangible assets under development".

Toll collection rights obtained in consideration for rendering construction services, represent the right to collect toll revenue during the concession period in respect of Build-Operate-Transfer (BOT) projects undertaken by the Group. Toll collection rights are capitalised as intangible asset upon completion of the project at the cumulative construction costs plus obligation towards negative grants payable to National Highways Authority of India (NHAI), if any. Till completion of the project, the same is recognised as intangible assets under development. The revenue towards collection of toll/other income during the construction period is reduced from the cost of the intangible asset under development.

6. Depreciation and Amortisation

Depreciation

Depreciation on assets have been provided on straight-line basis at the rates specified in the Schedule II of the Companies Act, 2013. Depreciation on additions/ deductions is calculated pro-rata from/ to the month of additions/ deductions. For assets that are transferred/sold within the group, depreciation is calculated up to the month preceding the month of transfer/sale within the group.

The following asset categories have useful lives different from the life specified in Schedule II of the Companies Act, 2013 based on management's assessment.

| Category of Asset | Useful life (years) |
|---|---------------------|
| Motor cars | 7 |
| Office equipments | |
| Multifunctional devices printers, switches and projectors | 4 |
| Plant and Machinery | |
| Toll Collection System | 7 |
| D G Set | 12 |
| Air Conditioning and refrigeration equipment | 12 |
| Split AC and Window AC | 4 |

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Amortisation

Schedule II of the Companies Act 2013 has prescribed revenue based amortisation method for Toll Collection Rights in respect of Road Projects. However the company amortizes the Toll Collection rights on straight line basis as prescribed under Para 63 of Accounting Standard 26 "Intangible Assets". The amortisation calculated as per straight line basis is higher than as prescribed under Schedule II of the Companies Act 2013.

Specialised software is amortised over a period of three years on straight line basis from the month in which the addition is made.

NOTES FORMING PART OF ACCOUNTS (Contd.)

Amortisation on impaired assets is provided by adjusting the amortisation charges in the remaining periods so as to allocate the assets' revised carrying amount over its remaining useful life.

7. Leases

Operating

Assets acquired on leases where a significant portion of risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to Statement of Profit and Loss on accrual basis.

Assets leased out under operating leases are capitalised. Rental income is recognized over the lease term.

Finance

Assets acquired under leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount.

Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

8. Impairment of Assets

At each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:

- a. The provision for impairment loss, if any; and
- b. The reversal of impairment loss recognised in previous period, if any,

Impairment loss is recognised, when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- a. in case of an individual asset, at the higher of net selling price and net value in use;
- b. in case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the net value in use.

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life.)

9. Investments

Investments which are readily realisable and are intended to be held for not more than one year from the date of acquisition are classified as current investment. All other investments are classified as long term investment.

Current Investments are stated at lower of cost and market value. The determination of carrying amount of such investments is done on the basis of weighted average cost of each individual investment.

Long term investments are carried at cost, after providing for any diminution, if other than temporary in nature.

10. Cash and bank balances

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being not free from more than insignificant risk of change are not included as part of cash and cash equivalents.

11. Borrowing costs

Borrowing costs include interest, commitment charges, amortization of ancillary costs, amortization of discounts / premium related to borrowings, finance charges in respect of finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest cost.

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized / inventoried as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

In compliance of AS-16 "Borrowing Cost", income earned on temporary investments, out of funds borrowed which are intermittently surplus but inextricably linked with the project, is deducted from the related borrowing costs incurred.

12. Foreign currency transactions

The reporting currency of the Company is the Indian Rupee.

Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items carried at historical cost denominated in a foreign currency, are reported using the exchange rate on the date of the transaction.

NOTES FORMING PART OF ACCOUNTS (Contd.)

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing rate are:

- (a) adjusted in the cost of fixed assets specifically financed by the borrowings contracted, to which the exchange differences relate.
- (b) recognised as income or expense in the period in which they arise.

13. Segment accounting

- (i) Segment revenue includes sales directly identifiable with / allocable to the segment.
- (ii) Expenses that are directly identifiable with/allocable to the segments are considered for determining the segment result.
- (iii) Expenses which relate to the Company as a whole and not allocable to segments are included under "unallocable corporate expenditure". Similarly Income which relate to the Company as a whole and not allocable to segments is included in "unallocable corporate income".
- (iv) Segments assets and liabilities include those directly identifiable with respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

14. Taxes on Income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income-tax Act, 1961 and based on the expected outcome of assessments/appeals.

Deferred tax is recognized on timing differences between the accounting income accounted in financial statements and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax asset relating to unabsorbed depreciation/business losses and losses under the head "capital gains" are recognised and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

Other deferred tax asset are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

15. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- a) the Company has a present obligation as a result of a past events.
- b) a probable outflow of resources is expected to settle the obligation, and
- c) the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent Liability is disclosed in the case of:

- a) A present obligation arising from a past events, when it is not probable that an outflow of resources will be required to settle the obligation
- b) a present obligation when no reliable estimate is possible and
- c) A possible obligation arising from a past events unless the probability of outflow of resources is remote

Contingent Assets are neither recognized, nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance sheet date.

16. Operating cycle

Operating cycle for the business activities of the company is taken as twelve months.

17. Cash flow Statement

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under indirect method, the net profit is adjusted for the effects of:

- i) Transactions of non-cash nature.
- ii) Any deferrals or accruals of past or future operating cash receipts or payments, and
- iii) Items of income or expense associated with investing or financing cash flows.

Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those cash and cash equivalents which are not available for general use as on date of Balance Sheet are also included under this category with a specific disclosure.

NOTES FORMING PART OF ACCOUNTS (Contd.)**18. Commitments**

Commitments are future liabilities for contractual expenditure. They are classified and disclosed as follows:

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for;
- b) Uncalled liability on shares and other investments partly paid;
- c) Funding related commitment to subsidiary, associate and joint venture companies; and
- d) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the management.

Other commitments related to sales / procurements made in the normal course of business are not disclosed to avoid excessive details.

19. Claims

- i. Claims against the company are accounted for as and when accepted.
- ii. Claims by the company are recognised and accounted for as and when received.

As per our report attached

For and on behalf of the Board

M. K. DANDEKER & CO.
Chartered Accountants
Firm's Registration No. 000679S
by the hand of

K. J. DANDEKER
Partner
Membership No. 018533

PRIYA RANJAN GIRI
CFO

SHARAD GOEL
Director
DIN: 02294059

ESTHER MALINI VICTOR
Director
DIN: 07124748

Place : Chennai
Date : April 28, 2015

Place : Chennai
Date : April 28, 2015

ATTENDANCE SLIP
L&T PANIPAT ELEVATED CORRIDOR LIMITED
CIN: U45203TN2005PLC056999

Regd. Office: P.O. Box. 979, Mount Poonamallee Road, Manapakkam, Chennai - 600089.

Tenth Annual General Meeting, Thursday, 24th September 2015 at 10.00 A.M

Reg. Folio No. _____

No. of Shares _____

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the Tenth Annual General Meeting of the Company, held on Thursday, 24th September 2015 at 10.00 A.M at the registered office of the Company at Mount Poonamallee Road, Manapakkam, Chennai - 600089.

Name of the member

Signature of Member

Name of the Proxy (In block letters)

Signature of Proxy

Note: Please fill the Attendance slip and hand it over at the Entrance of the Meeting Hall.

PROXY FORM**Form No. MGT-11**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]*

CIN: U45203TN2005PLC056999**Name of the Company: L&T PANIPAT ELEVATED CORRIDOR LIMITED****Regd. Office: P.O. Box. 979, Mount Poonamallee Road, Manapakkam, Chennai - 600089.**

| | |
|--------------------------|--|
| Name of the member (s) : | |
| Registered address : | |
| E-mail Id: | |
| Folio No/ Client Id : | |
| DP ID : | |

I/We, being the member (s) of _____ shares of the above named company, hereby appoint:

1. Name:

Address:

E-mail Id:

Signature:

failing him

2. Name:

Address:

E-mail Id:

Signature:

failing him

3. Name:

Address:

E-mail Id:

Signature:

failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Tenth Annual General Meeting of the Company, to be held on Thursday, 24th September 2015 at 10.00 A.M at the Registered office of the Company at Mount Poonamallee Road, Manapakkam, Chennai – 600089 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Item No. | Resolutions | For | Against |
|--------------------------|--|-----|---------|
| Ordinary Business | | | |
| 1 | Adoption of the audited Financial Statements for the period from 1 st April, 2014 to 31 st March 2015 and the Reports of the Directors and Auditors thereon. | | |
| 2 | Re-Appointment of Statutory Auditors of the Company and to fix their Remuneration. | | |
| Special Business | | | |
| 3 | Appointment of Mr.Sharad Goel (DIN No: 02294059) as Director of the Company. | | |
| 4 | Appointment of Dr.Esther Malini (DIN No: 07124748) as Director of the Company. | | |
| 5 | Appointment of Mr.Manoj Kumar Singh (DIN No: 05228599) as Director of the Company. | | |

Signed this _____ day of _____ 2015

Signature of shareholder

Affix
Revenue
Stamp

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

**L&T PANIPAT ELEVATED
CORRIDOR LIMITED
(Near Miot International
Hospitals)**