



KUDGI TRANSMISSION LIMITED

**3rd ANNUAL REPORT
2014-15**

Board of Directors

Mr. Karthikeyan. T. V
Mr. Sharad Goel
Mr. P. G. Suresh Kumar
Dr. Koshy Varghese
Mrs. Samyuktha Surendran

Chief Financial Officer

Mr. Satnam Singh

Manager

K. G. Sathyanarayanan

Statutory Auditors

M/s. M. K. DANDEKER & CO.,
Chartered Accountants

Registered Office

Building No. 3, Second Floor,
Sudeep Plaza, MLU Sector - 11,
Pocket - 4, Dwaraka,
New Delhi - 110075.



L&T IDPL

Kudgi Transmission Limited

(A wholly owned subsidiary of L&T IDPL)

Address for Communication:

38, Cubbon Road, Bangalore - 560 001.

Tel: +91 80 2502 0123, Fax : +91 80 2559 6397

NOTICE TO MEMBERS

Notice is hereby given for the **THIRD ANNUAL GENERAL MEETING** of the Members of **KUDGI TRANSMISSION LIMITED** to be held on Monday, 28th September, 2015 at 10:00 A.M. at the Registered office of the Company located at Building No. 3, Second Floor, Sudeep Plaza, MLU Sector - 11, Pocket - 4, Dwarka, New Delhi - 110075 to discuss the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited Financial Statement for the period from 1st April, 2014 to 31st March, 2015 and the Reports of the Board and Auditors thereon.
2. To consider and if thought fit to appoint Mr. Karthikeyan T.V (DIN 01367727), who retires by rotation consequent upon mutual agreement amongst the Directors and being eligible, offers himself for reappointment, as Director of the company.
3. To appoint the Statutory Auditors of the Company and to fix their Remuneration and for that purpose to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

"**RESOLVED THAT**, pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made thereunder, M/s M. K. Dandeker & Co., Chartered Accountants, Firm Registration no. 000679S and having their office at No. 244 (Old NO. 138), II Floor, Angappa Naicken Street, Chennai- 600001 be and are hereby appointed as Statutory Auditors of the company to hold office for a term of Five years from the conclusion of this 3rd Annual General Meeting till the conclusion of the 8th Annual General Meeting of the Company."

"**FURTHER RESOLVED THAT** the remuneration for the year 2015-16 be and is hereby fixed at ₹. 1, 20,000/- p.a. plus service tax excluding travelling and other Out of Pocket Expenses."

"**FURTHER RESOLVED THAT** the appointment of the Statutory Auditor be and is hereby ratified in every Annual General Meeting during the Five year term for which the Statutory Auditor is appointed and the remuneration for every financial year during the term be fixed at every Annual General meeting at the time of ratification of their appointment."

Registered Office:

Kudgi Transmission Limited

Building No.3, Second Floor, Sudeep Plaza, MLU Sector - 11,

Pocket - 4, Dwarka, New Delhi - 110 075.

CIN : U40106DL2012GOI245339

"RESOLVED FURTHER THAT any one of the Directors of the Company be and is hereby authorized to sign such notice as may be required under the Companies Act, 2013, appointment letter and such other documents, if any, to be submitted with Ministry of Corporate affairs and also to inform the Statutory auditors about their appointment by sending signed letter / documents as may be required confirming their appointment as Statutory Auditor.

SPECIAL BUSINESS:

4. TO APPOINT MR. P. G. SURESH KUMAR (DIN 07124883) AS DIRECTOR OF THE COMPANY:

To consider and if thought fit to pass, with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT, Mr. P. G. Suresh Kumar (DIN 07124883), who had been appointed as an Additional Director of the Company with effect from 27th March, 2015 and who, in terms of Section 161 of the Companies Act, 2013, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a Member signifying his intention to propose him as a candidate for the office of Director along with the necessary deposit as prescribed under Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. TO APPOINT MR. SHARAD GOEL (DIN 02294059) AS DIRECTOR OF THE COMPANY:

To consider and if thought fit to pass, with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT, Mr. Shard Goel, (DIN 02294059), who had been appointed as an Additional Director of the Company with effect from 21st July, 2015 and who, in terms of Section 161 of the Companies Act, 2013, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a Member signifying his intention to propose him as a candidate for the office of Director along with the necessary deposit as prescribed under Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation."



6. APPOINTMENT OF MR. K. G. SATHYANARAYANAN AS MANAGER OF THE COMPANY:

To consider and if thought fit to pass, with or without modification, the following Resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Sections 2(51), 2(53), 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and including any statutory modification or re-enactment thereof for the time being in force and subject to such other approvals and consents as may be necessary, Mr. K. G. Sathyanarayana be and is hereby appointed as Manager and also be designated as a Key Managerial Person of the Company for a period of 3 (three) years with effect from 21st July, 2015 on such remuneration, terms and Conditions as detailed below, subject to the conditions stipulated in Schedule V of the Companies Act, 2013, or any statutory modifications or re-enactments thereof as may be agreed to by the Board of Directors, Nomination and Remuneration Committee and Mr. K. G. Sathyanarayana.

- Salary, perquisites, and any other allowances not exceeding ₹ 42,00,000/- per annum.

Explanation

- 1) For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income tax Rules, 1962, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.
- 2) Company's Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of perquisites to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
- 3) Gratuity payable as per rules of the Company and encashment of leave, at the end of the tenure, as per Company's policy shall not be included in the computation of perquisites aforesaid.

"RESOLVED FURTHER THAT the appointment of Mr. K. G. Sathyanarayana as Manager is subject to the following terms and conditions as specified below:

- a) Manager shall be responsible for day to day activities of the Company and keep the Board informed from time to time about various actions taken by him on behalf of the Company.

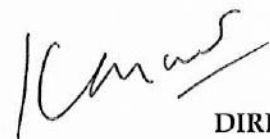

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- b) Manager is authorized jointly and/or severally along with other Directors or Authorised signatories of the Company, as and when authorized by the Board, to take such steps as may be necessary for obtaining approvals, statutory or otherwise on behalf of company and to handle matters arising out of and incidental thereto and sign and execute all statutory applications, documents and writings as may be required, on behalf of the Company and generally to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of achieving the company's objective.
- c) The terms and conditions of the appointment of manager can be amended, as and when necessary, by following the conditions specified under Companies Act, 2013.

"RESOLVED FURTHER that notwithstanding anything specified herein above, where in any financial year, during the tenure of the Manager, if the Company has no profits or its profits are inadequate, it may pay him remuneration by way of salary, perquisites and allowances not exceeding the limits specified in Part II, Section II(A) of Schedule V of the Companies Act, 2013 as minimum remuneration subject to and in accordance with the permission, consent, approval of the Authorities as prescribed therein."


"RESOLVED FURTHER that any one of the Directors of the Company be and is hereby severally authorized to sign such forms, papers and documents as may be necessary to give effect to the above resolution."

By the Order of the Board
For KUDGI TRANSMISSION LIMITED



DIRECTOR
KARTHIKEYAN T.V
DIN: 01367727

NO.46 SIRUSHTI SAMPRADHAYA
3RD FLOOR 3RD TRUST CROSS STREET,
MANDAVELIPAKKAM CHENNAI-600028,
TAMILNADU, INDIA.



DATE: 2ND September, 2015

Notes:

1. THE RELATIVE EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF THE BUSINESS UNDER ITEM NOS. 4, 5 AND 6 SET OUT ABOVE IS ANNEXED HERETO.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. PROXY FORMS SHOULD BE SUBMITTED TO THE COMPANY 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. 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.
4. ALL DOCUMENTS REFERRED TO IN THE ACCOMPANYING NOTICE AND THE EXPLANATORY STATEMENT SHALL BE OPEN FOR INSPECTION AT THE REGISTERED OFFICE OF THE COMPANY DURING BUSINESS HOURS EXCEPT ON HOLIDAYS, UP TO AND INCLUDING THE DATE OF THE ANNUAL GENERAL MEETING OF THE COMPANY.
5. DETAILS OF DIRECTORS/MANAGER SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON SEPTEMBER 28, 2015 ARE PROVIDED IN ANNEXURE A OF THIS NOTICE.



EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the special businesses under Item Nos. 4, 5 and 6 accompanying the Notice dated 2nd September, 2015:

SPECIAL BUSINESS

Item no. 4:

The members are hereby informed that Mr. P. G. Suresh Kumar (DIN 07124883) was appointed as an Additional Director with effect from 27th March, 2015 and pursuant to the provisions of Section 161 of the Companies, Act 2013, he will hold the office of Additional Directorship until the conclusion of ensuing Annual general Meeting of the company.

Further, your Company has received a notice in writing from L&T Infrastructure Development Projects Limited, a member signifying his intention to propose Mr. P. G. Suresh Kumar as a candidate for the office of Director along with the deposit of ₹ 1,00,000/- as specified under Section 160 of the Companies Act, 2013.

The appointment proposed in Item No. 4 is not affecting any other Company in the manner as prescribed in the provisions of section 102 of the Companies Act, 2013.

The above notice received from L&T Infrastructure Development Projects Limited shall be kept open for inspection in this regard and all other information pertaining to this item has been provided in this explanatory statement.

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

None of the Directors or the Key Managerial Personnel of the Company or their relatives, except Mr. P. G. Suresh Kumar, are in any way concerned or interested in the said resolution.

Item no. 5:

The members are hereby informed that Mr. Sharad Goel (DIN 02294059) was appointed as an Additional Director with effect from 21st July, 2015 and pursuant to the provisions of Section 161 of the Companies, Act 2013, he will hold the office of Additional Directorship until the conclusion of ensuing Annual general Meeting of the company.



Further, your Company has received a notice in writing from L&T Infrastructure Development Projects Limited, a member signifying his intention to propose Mr. Sharad Goel as a candidate for the office of Director along with the deposit of ₹ 1,00,000/- as specified under Section 160 of the Companies Act, 2013.

The appointment proposed in Item No .5 is not affecting any other Company in the manner as prescribed in the provisions of section 102 of the Companies Act, 2013.

The above notice received from L&T Infrastructure Development Projects Limited shall be kept open for inspection in this regard and all other information pertaining to this item has been provided in this explanatory statement.

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

None of the Directors or the Key Managerial Personnel of the Company or their relatives, except Mr. Sharad Goel, are in any way concerned or interested in the said resolution.

Item no. 6:

Mr. K. G. Sathyanarayana, has been appointed as a Manager of the Company pursuant to the provision of Section 2(51), 2(53), 196, 197 and 203 of the Companies Act, 2013, at the Meeting of the Board of Directors of the Company held on 21st July, 2015. Mr. K. G. Sathyanarayana was appointed for a period of three years effective from 21st July, 2015 at the remuneration as may be mutually agreed upon between the Board and Mr. K. G. Sathyanarayana up to maximum limit of ₹ 42,00,000/- per annum.

The appointment of Mr. K. G. Sathyanarayana as Manager of the Company is pursuant to the provisions of section 196, 197 and 203 read with Schedule V (Part II, Section II(A) of Schedule V), and the same is placed for approval of Members at the meeting. Keeping in view his vast expertise and knowledge, it will be in the interest of your Company to appoint Mr. K. G. Sathyanarayana as manager of the Company.

I. General Information:

(1) Nature of Industry:

To establish Transmission System required for evacuation of Power from Kudgi TPS (3X800 MW in Phase - I) of NTPC Limited.

(2) Date or expected date of commencement of commercial production.



The Company has not commenced Commercial Operation. The Management is expecting that the Commercial Operation will start from the December, 2015.

- (3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

The company has not started Commercial Operation. The expected Date of commencement of Commercial Operation is December, 2015.

- (4) Financial performance based on given indicators.

The Company has not commenced Commercial Operation.

- (5) Foreign investments or collaborators, if any.

Not applicable.

II. Information about the appointee :

1. Background details

Mr. K G Sathyanarayanan, is working with L&T Group/ L&T Infrastructure Development Projects Limited (Parent Company) since 1996. He is having experience for more than two decades in Civil Engineering, various Infrastructure projects developed on Public-Private Partnership mode predominantly in transportation sector like Seaport, Roads and Airports

Prior to joining L&T Group, he served in IRCON International Limited (a Public Sector undertaking under the Ministry of Railways) from 1990 to 1996.

In the recent past he was heading the Projects team for development of a Green-field Port at Kattupalli near Chennai where he was handling the Contracts & Project Management of all marine and land side works for the container terminal of 1.20mn TEUs capacity and instrumental in diversifying into break-bulk and Automobile exports from Kattupalli Port.

In addition to L&T Kattupalli Port, he has worked on Seaports and Airports project development of L&T implemented under Public-Private Partnership mode viz:

- Privatization of Kakinada Seaport in East coast of India
- Green-field Seaport at Dhamra, Orissa - (JV between L&T and TATA Steel)
- Marine Liquid terminal and Iron Ore berth at Ennore Port
- Business Development and Contracts management for large size civil engineering projects.



He is also a "Member" of the Infrastructure panel for the year 2014-16 for FICCI Tamil Nadu State Council

2. Past remuneration

₹ 33,34,303 per annum.

3. Recognition or awards

Nil

4. Job profile and his suitability.

His responsibilities include, supervision of Transmission Line Activities, interacting with Government of Karnataka and all other Govt. agencies for issues with respect to managing sanctions/approvals & managing the day to day operations of the project by coordinating with all clients/vendors & consultants. He is also responsible for formulating business plans, managing the day to day operations.

5. Remuneration proposed.

Keeping in view his responsibilities and role in the business activities and development of the Company, an upper limit for the remuneration has been fixed up to a maximum limit of ₹ 42,00,000/- per annum.

6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.

The proposed remuneration would be commensurate with the size of the Company and nature of the Industry. Keeping in view the type of the industry, size of the Company, responsibilities and capabilities of Mr. K G Sathyanarayanan, the proposed remuneration is competitive with remuneration paid by other companies to such similar positions.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personal, if any.

Mr. K G Sathyanarayanan is having no pecuniary relationship with the Company or any relationship with the managerial person.



III. Other information:

1. Reasons of loss or inadequate profits.

The Company has not commenced Commercial Operation.

2. Steps taken or proposed to be taken for improvement.

The Management is expecting that the Commercial Operation will start from the December, 2015.

3. Expected increase in productivity and profits in measurable terms.

The Management is expecting that after completion of the Construction work the Company will start earn revenue.

IV. Disclosures:

(1) The 'Abstract' containing details of remuneration proposed to be paid to the Manager are being circulated among the Shareholders of the Company and is contained in the Notice convening the Annual General Meeting on 28th September, 2015.

(2) All the following relevant information pertaining to the Manager and other Directors required to be disclosed in the Directors' Report under the heading "Corporate Governance", will be attached to the Annual Report.

(i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the directors;

(ii) Details of fixed component and performance linked incentives along with the performance criteria;

(iii) Service contracts, notice period, severance fees;

(iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

The appointment proposed in Item No. 6 is not affecting any other Company in the manner as prescribed in the provisions of section 102 of the Companies Act, 2013.

There are no further documents which need to be kept open for inspection in this regard and all the information pertaining to this item has been provided in this explanatory statement.

Hence, the Directors recommend the resolution at Item No. 6 as Special Resolution for the approval of the Shareholders.



None of the Directors or the Key Managerial Personnel of the Company or their relatives, except Mr. K G Sathyanarayanan, are in any way concerned or interested in the said resolution.

By the Order of the Board
For KUDGI TRANSMISSION LIMITED



DIRECTOR
KARTHIKEYAN T.V

DIN: 01367727

NO.46 SIRUSHTI SAMPRADHAYA
3RD FLOOR 3RD TRUST CROSS STREET,
MANDAVELIPAKKAM CHENNAI-600028,
TAMILNADU, INDIA TAMIL NADU, INDIA

DATE: 2ND SEPTEMBER, 2015



Annexure A

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

Name of Director	Mr. Karthikeyan T. V	Mr. P.G. Suresh Kumar
Date of Birth	March 29, 1964	June 15, 1965
Date of Appointment on the Board	August 30, 2013	March 27, 2015
Qualification	B.Com , ACA,ACS	B.Sc. Engg. Exe. Diploma - HRM
Terms and Conditions of appointment and Remuneration	To be appointed as a Non-Executive Director, liable to retire by rotation with nil remuneration.	To be appointed as a Non-Executive Director, liable to retire by rotation with nil remuneration.
Experience	29 years of experiences	28 years of experiences
Directorships in other companies	<ol style="list-style-type: none">1. L&T Transportation Infrastructure Limited2. L&T Samakhiali Gandhidham Tollway Limited3. L&T Devihalli Hassan Tollway Limited4. L&T Rajkot - Vadinar Tollway Limited5. L&T Halol - Shamlaji Tollway Limited6. L&T Ahmedabad - Maliya Tollway Limited7. PNG Tollway Limited8. L& T Deccan Tollways Limited	<ol style="list-style-type: none">1. L&T Vadodara Bharuch Tollway Limited2. L&T Port Kachchigarh Limited3. L&T Transportation Infrastructure Limited4. L&T Western India Tollbridge Limited5. L&T Deccan Tollways Limited6. L&T Chennai- Tada Tollway Limited.
Number of Board Meetings attended during the year	Eleven	Nil
Memberships/ Chairmanships of	Member Audit Committee	Member Audit Committee

committees across all companies	<ol style="list-style-type: none"> 1. L&T Transportation Infrastructure Limited 2. L&T Rajkot - Vadinar Tollway Limited 3. L&T Halol - Shamlaji Tollway Limited 4. L&T Ahmedabad - Maliya Tollway Limited 5. L&T Samakhiali Gandhidham Tollway Limited 6. PNG Tollway Limited <p>Nomination and Remuneration Committee</p> <ol style="list-style-type: none"> 1. L&T Transportation Infrastructure Limited 2. L&T Samakhiali Gandhidham Tollway Limited 3. L&T Rajkot - Vadinar Tollway Limited 4. L&T Halol - Shamlaji Tollway Limited 5. L&T Ahmedabad - Maliya Tollway Limited <p>Corporate Social Responsibility Committee</p> <ol style="list-style-type: none"> 1. L&T Transportation Infrastructure Limited 2. L&T Samakhiali Gandhidham Tollway Limited 	<ol style="list-style-type: none"> 1. L&T Vadodara Bharuch Tollway Limited <p>Nomination and Remuneration Committee</p> <ol style="list-style-type: none"> 1. L&T Vadodara Bharuch Tollway Limited <p>Corporate Social Responsibility Committee</p> <ol style="list-style-type: none"> 1. L&T Transportation Infrastructure Limited
Shareholding in the Company	Holding 1 Share jointly with L&T Infrastructure Development Projects Limited	Holding 1 Share jointly with L&T Infrastructure Development Projects Limited
Relationship with other Directors/KMPs	Nil	Nil

Annexure A

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

Name of Director	Mr. Sharad Goel	Mr. K. G. Sathyanarayanan
Date of Birth	April 30, 1957	July 28, 1971
Date of Appointment on the Board	July 21, 2015	July 21, 2015
Qualification	B. Tech., M. Tech.	Civil Engineering
Terms and Conditions of appointment and Remuneration	To be appointed as a Non-Executive Director, liable to retire by rotation with nil remuneration.	To be appointed for a period of 3 years and Salary, perquisites, and any other allowances not exceeding ₹ 42,00,000/- p.a.
Experience	33 years of experiences	25 years of experiences
Directorships in other companies	<ol style="list-style-type: none">1. L&T Sambalpur-Rourkela Tollway Limited2. L&T BPP Tollway Limited3. L&T Panipat Elevated Corridor Limited4. L&T Interstate Road Corridor Limited5. L&T Port Kachchigarh Limited6. L&T Vadodara Bharuch Tollway Limited7. L&T Western India Tollbridge Limited	Nil
Number of Board Meetings attended during the year	Nil	Nil
Memberships/ Chairmanships of committees across all companies	Member Audit Committee <ol style="list-style-type: none">1. L&T Panipat Elevated Corridor Limited2. L&T Interstate Road Corridor Limited	Nil

	3. L&T Sambalpur-Rourkela Tollway Limited Nomination and Remuneration Committee 1. L&T Panipat Elevated Corridor Limited 2. L&T Interstate Road Corridor Limited 3. L&T Sambalpur-Rourkela Tollway Limited Corporate Social Responsibility Committee 1. L&T Interstate Road Corridor Limited	
Shareholding in the Company	Holding 1 Share jointly with L&T Infrastructure Development Projects Limited	Nil
Relationship with other Directors/KMPs	Nil	Nil



BOARD'S REPORT

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

FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2015 is summarised below:

Particulars	2014-15	2013-14
	₹ Crore	₹ Crore
Profit / (loss) before depreciation, exceptional and extra ordinary items & Tax	(0.95)	(0.57)
Less: Depreciation, amortization and obsolescence	–	–
Profit / (loss) before exceptional and extraordinary items and tax	(0.95)	(0.57)
Add: Exceptional Items	–	–
Profit / (loss) before extraordinary items and tax	(0.95)	(0.57)
Add: Extraordinary items	–	–
Profit / (loss) before tax	(0.95)	(0.57)
Less: Provision for tax	0.02	–
Profit / (loss) for the period carried to the balance sheet	(0.97)	(0.57)
Add: Balance brought forward from previous year	(0.57)	(0.00)
Balance carried to Balance Sheet	(1.54)	(0.57)

RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

The Company is yet to commence commercial operations. Other income for the financial year under review was ₹ 0.09 crore as against a small amount of ₹ 2,303/- for the previous financial year.

CAPITAL EXPENDITURE:

As at March 31, 2015, the gross fixed and intangible assets including leased Assets, stood at ₹ 590.80 crore and the net fixed and intangible assets, Including leased assets, at ₹ 590.78 crore. Capital Expenditure incurred during the year amounted to ₹ 556.03 crore.

DEPOSITS

The Company has not accepted deposits from the public and 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

Your company did not have any requirement to transfer funds to Investor Education and Protection Fund during the year under review.

SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES

Your company does not have any Subsidiary/Associate/Joint Venture Company.

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 to financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the related party transactions were in the ordinary course of business and at arm's length.

All related party transactions (RPT) during the year have been approved in terms of the Companies Act, 2013. The Company will adhere to the RPT Policy of the Holding Company and guidelines thereunder.

Details of material contracts or arrangements which are at arm's length are provided in Annexure II.

AMOUNT TRANSFERRED TO RESERVES

Appropriation of profits to any specific reserve is not applicable to the Company.

DIVIDEND

As your Company does not have distributable profits, the Board of Directors are unable to declare any dividend for the year under review.

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

There were no foreign exchange earnings or outgo during the year.

RISK MANAGEMENT POLICY

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

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

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**

Mr. Karthikeyan.T.V, Director, who retires by rotation at this Annual General Meeting, being eligible, is offering himself for re-appointment.

Mr. P. G. Suresh Kumar has been appointed as Additional Director of the Company on 27th March, 2015.

Dr. Koshy Varghese has been appointed as Independent Director of the Company for a term of five years with effect from 30th March, 2015.

Mrs. Samyuktha Surendran has been appointed as Independent woman Director for a term of five years with effect from 30th March, 2015.

Mr. K. Venkatesh resigned as Director of the Company on 27th March, 2015. The Directors record their sincere appreciation and deep gratitude for the invaluable contribution made by him towards the development of the Company during his tenure as Director.

Mr. Satnam Singh has been appointed as Chief Financial Officer (CFO) of the Company on 28th October, 2014 in terms of Section 203 of the Companies Act, 2013.

Mr. Sunkari Satyanarayana has been appointed as Chief Executive Officer of the Company on 11th July, 2014 in terms of section 203 of Companies Act, 2013.

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

Sr. No.	Name	Designation
1	Mr. Karthikeyan. T.V	Director
2	Mr. R. Chandrasekaran	Director
3	Mr. P. G. Suresh Kumar	Additional Director
4	Dr. Koshy Varghese	Independent Director
5	Mrs. Samyuktha Surendran	Independent Woman Director

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

Sr. No.	Name	Designation
1	Mr. Sunkari Satyanarayana	Chief Executive Officer
2	Mr. Satnam Singh	Chief Financial Officer

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 as per business requirement.

KUDGI TRANSMISSION LIMITED

During the year, eleven Board 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
5th May, 2014	3	3
11th July, 2014	3	3
23rd September, 2014	3	2
29th September, 2014	3	2
28th October, 2014	3	2
8th December, 2014	3	2
12th January, 2015	3	2
19th January, 2015	3	3
13th March, 2015	3	2
19th March, 2015	3	2
27th March, 2015	3	3

The Agenda of the Meetings are circulated in advance to the Directors. Minutes of the Meetings of the Board of Directors are drafted and 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 comprising of Dr. Koshy Varghese, Mrs. Samyuktha Surendran and Mr. Karthikeyan. T. V. as the members of the Committee.

During the year, four audit committee 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
5th May, 2014	3	3
11th July, 2014	3	3
28th October, 2014	3	2
19th March, 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 Compliance Officer of the Holding Company is the co-ordinator for the Vigil Mechanism and is 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'S POLICY ON DIRECTOR APPOINTMENT AND REMUNERATION

The Company had constituted a Nomination and Remuneration Committee in accordance with the requirements of the Companies Act, 2013 read with the Rules made thereunder comprising of Dr. Koshy Varghese, Mrs. Samyuktha Surendran and Mr. Karthikeyan. T. V. as the members of the Committee.

The Committee had formulated a policy on Director's appointment and remuneration including recommendation of remuneration of the KMP 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 I to this Report.

DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirm that:

- 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.

- d) The Directors have prepared the Annual Accounts on a going concern basis.
- e) The Directors have laid down an adequate system of internal financial control with respect to reporting on financial statement and the said system is operating effectively.
- f) 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., who are currently the statutory auditors, shall hold office until the conclusion of the ensuing Annual General Meeting ("AGM"). The Board recommends the appointment of M/s. M. K. Dandeker & Co., Chartered Accountants, Chennai as Auditors of the Company from the conclusion of the ensuing AGM until the conclusion of the 8th 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.S. Dhanapal & Associates, a firm of Company Secretaries in practice, Chennai 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.

It contains the following qualifications for which the management's response is given below:

- Appointment of Company Secretary as required under the provisions of Section 203 read with Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Management's response: The Company is in search of a right candidate to be appointed as a whole time Company Secretary as per the provisions of Section 203 of the Companies Act 2013. The Management will endeavour to appoint a Company Secretary in the near future.

- Under Rights Issue offer made by the Company, in one of the instance, Allotment of shares were made beyond 60 days of receipt of share application money.

Management's response: Consequent upon notification of Companies Act, 2013, the management, in the process of ascertaining the mode of allotment, was unable to maintain the 60 day time limit for the first allotment under the Companies Act, 2013. However, all the subsequent allotments are made within the time limit of 60 days prescribed under the new Companies Act.

- Appointment of Internal Auditor as required under the provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014.

Management's response: Your Company has taken note of the observation of the Secretarial Auditor and care has been taken to appoint internal auditor for next financial year i.e., 2015-16.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Place : Chennai
Date : April 29, 2015

KARTHIKEYAN. T.V
Director
DIN: 01367727

P. G. SURESH KUMAR
Director
DIN: 07124883

ANNEXURE I**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	U40106DL2012GOI245339
Registration Date	27/11/2012
Name of the Company	KUDGI TRANSMISSION LIMITED
Category / Sub-Category of the Company	COMPANY LIMITED BY SHARES/ INDIAN NON - GOVERNMENT COMPANY
Address of the Registered office and contact details	BUILDING NO. 3, SECOND FLOOR, SUDEEP PLAZA, MLU SECTOR- 11 POCKET- 4, DWARKA NEW DELHI
Whether listed company Yes / No	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A

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/erection and maintenance of Power, Telecommunication and Transmission Line	42202	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	99.9%	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.	-	53000000*	53000000*	100	-	153999998*	153999998*	99.9999	(0.0001)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	53000000*	53000000*	100	-	153999998*	153999998*	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)	-	53000000*	53000000*	100	-	153999998*	153999998*	99.9999	(0.0001)

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)	-	53000000	53000000	100	-	154000000	154000000	100	-

* Including shares held by nominees of L&T Infrastructure Development Project Limited

(ii) Shareholding of Promoters

Sl 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(with nominees)	53000000	100	Nil	153999998	99.9999%	0.00%	0.0001%
	Total	53000000	100	Nil	153999998	99.9999%	0.00%	0.0001%

(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	53000000	100%	53000000	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):	On 29.09.14 - 28000000 shares allotted on right issue basis		81000000	100%
		On 08.12.2014 - 2 share transferred to R. G. Ramachandran		80999998	99.9999%
		On 19.01.2015 - 7020000 shares allotted on right issue basis		88019998	99.9999%
		On 19.03.2015 65980000 shares allotted on right issue basis		153999998	99.9999%
3	At the End of the year	153999998	99.9999%	153999998	99.9999%

(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	0.0001	2	0.0001
3	At the End of the year (or on the date of separation, if separated during the year)	2	0.0001	2	0.0001

(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 ₹ Crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	–	–		–
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i + ii + iii)	–	–		–

(Amount in ₹ Crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
Addition	470.86	–		470.86
Reduction	–	–	–	–
Net Change	470.86	–		470.86
Indebtedness at the end of the financial year				
i) Principal Amount	470.86	–		470.86
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	470.86	–		470.86

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

₹ Crore

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

B. Remuneration to other directors:

₹

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Koshy Varghese	Mrs. Samyuktha Surendran		
	Independent Directors				
	Fee for attending board / committee meetings				
	Commission				
	Others, please specify	Nil	Nil		Nil
	Total (1)	Nil	Nil		
		Mr. Karthikeyan T. V	Mr. P. G. Suresh Kumar	Mr. R. Chandrasekaran	
	4. Other Non-Executive Directors				
	Fee for attending board / committee meetings				
	Commission				
	Others, please specify	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	
	Total (B) = (1 + 2)	Nil	Nil	Nil	
	Total Managerial Remuneration				
	Overall Ceiling as per the Act	Not more than ₹ 1 lakh 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
		S. Satyanarayana		Satnam Singh	
1.	Gross salary	Nil	NA	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	–	–	–	–
3.	Sweat Equity	–	–	–	–
4.	Commission	–	–	–	–
	- as % of profit				
	- others, specify...				
5.	Others, please Specify				
	Total	Nil	NA	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

KARTHIKEYAN. T.V

Director

DIN: 01367727

P. G. SURESH KUMAR

Director

DIN: 07124883

Place : Chennai
Date : April 29, 2015

ANNEXURE II**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
Nil	Nil	Nil	Nil	Nil	Nil

Date(s) of approval by the Board, if any – 29th April 2015

For and on behalf of the Board

Place : Chennai
Date : April 29, 2015

KARTHIKEYAN. T.V

Director
DIN: 01367727

P. G. SURESH KUMAR

Director
DIN: 07124883

ANNEXURE III

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2015

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

To,
The Members,
M/s. KUDGI TRANSMISSION LIMITED,
Chennai

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s KUDGI TRANSMISSION LIMITED (hereinafter called the company). Secretarial Audit was conducted based on records made available to us, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion/understanding thereon.
2. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we, on strength of those records, and information so provided, hereby report that in our opinion and understandings, the company, during the audit period covering the financial year ended on March 31, 2015, appears to have complied with the statutory provisions listed hereunder and also in our limited review, the Company has proper and required Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes' book, forms and returns filed and other records maintained by the Company and made available to us, for the financial year ended on March 31, 2015 according to the applicable provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies Act, 1956 and the rules made thereunder as applicable;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) Indian Telegraph Act, 1885;
- vi) The Electricity Act, 2003

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India- Not Applicable

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

- Appointment of Company Secretary as required under the provisions of Section 203 read with Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
- Under Rights Issue offer made by the Company, in one of the instance, Allotment of shares were made beyond 60 days of receipt of share application money.
- Appointment of Internal Auditor as required under the provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014

Further, it has been informed to us that in the opinion of the management of the Company, all the related party transactions entered by the Company during the period under review have been entered on Arm's length basis and therefore, compliance of provisions of Companies Act, 2013 in respect of any of these transactions do not arise.

We further report that the related documents that we have come across depict that:

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

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

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

We further report that based on our limited review there appear adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has sought the approval of its members for the following major items:

- Alteration of Memorandum and Articles of Association
- Increase in authorised share capital
- Shifting of Registered office of the Company from New Delhi to Chennai
- Appointment of Mr. Kartikeyan T. V., Mr. Krishnamurthy Venkatesh and Mr. R. Chandrasekaran as Directors
- Appointment of Mr. Koshy Varghese and Mrs. Samyuktha Surendran as Independent Directors

We further report that our Audit was subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliance by the Company and we are not responsible for any lapses in those compliances on the part of the Company.

For **S DHANAPAL & ASSOCIATES**

S. DHANAPAL
(Sr. Partner)
FCS 6881
CP No. 7028

Place: Chennai
Date: April 27, 2015

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE A

To
The Members
KUDGI TRANSMISSION LIMITED,
Chennai

Our report of even date is to be read along with this supplementary testimony.

- Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes that were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Where ever required, we have obtained Management representation about the compliance of laws, rules and regulations and happenings of events etc.
- The Compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management conducted the affairs of the Company.

For **S DHANAPAL & ASSOCIATES**

S. DHANAPAL
(Sr. Partner)
FCS 6881
CP No. 7028

Place: Chennai
Date: April 27, 2015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KUDGI TRANSMISSION LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **KUDGI TRANSMISSION 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 ("the Act") 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) 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.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company 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

K. J. DANDEKER
Partner

Membership No. 018533.

Date: April 29, 2015
Place: Chennai

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 maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act is not applicable to 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 is registered for a period of less than five years and hence reporting on the accumulated losses and cash loss incurred during the financial year and in the immediately preceding financial year does not arise.
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.
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

Date: April 29, 2015
Place: Chennai

BALANCE SHEET AS AT MARCH 31, 2015

	Note	As at 31.3.2015		As at 31.3.2014	
		₹	₹	₹	₹
EQUITY AND LIABILITIES:					
Shareholders' Funds					
Share capital	A	1,540,000,000		530,000,000	
Reserves and surplus	B	(15,474,422)		(5,723,983)	
			1,524,525,578		524,276,017
Non-current liabilities					
Long-term borrowings	C(I)	3,279,952,785		—	
			3,279,952,785		—
Current liabilities					
Short term borrowings	D(I)	1,428,593,151			
Other current liabilities	D(II)	325,301,119		130,147,917	
Short-term provisions	D(III)	853,776		98,818	
			1,754,748,046		130,246,735
TOTAL			6,559,226,409		654,522,752
ASSETS					
Non-current assets					
Fixed assets					
Tangible assets	E(I)	662,954		542,304	
Capital work-in-progress	E(II)	5,907,088,586		346,987,455	
			5,907,751,540		347,529,759
Long-term loans and advances	F		638,084,400		300,213,400
Current assets					
Current investments	G(I)	11,379,093		100,000	
Cash and cash equivalents	G(II)	1,673,098		5,424,019	
Short-term loans and advances	G(III)	338,278		1,255,574	
			13,390,469		6,779,593
TOTAL			6,559,226,409		654,522,752
CONTINGENT LIABILITIES	H				
COMMITMENTS	I				
OTHER NOTES FORMING PART OF ACCOUNTS	L				
SIGNIFICANT ACCOUNTING POLICIES	M				

As per our report attached

M. K. DANDEKER & CO.

Chartered Accountants

(Firm Reg.No.000679S)

by the hand of

K. J. DANDEKER

Partner

Membership No.18533

Place : Chennai

Date : April 29, 2015

For and on behalf of the Board

SATNAM SINGH
Chief Financial Officer**KARTHIKEYAN. T.V**
Director
DIN: 01367727**R. CHANDRASEKARAN**
Director
DIN: 00746247

Place : Chennai

Date : April 29, 2015

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

		2014-15	2013-14
	Note	₹	₹
REVENUE			
Other income	J	928,321	2,303
TOTAL REVENUE		928,321	2,303
EXPENSES			
Administration and other expenses	K	10,442,976	5,695,425
TOTAL EXPENSES		10,442,976	5,695,425
Profit/(loss) before tax		(9,514,655)	(5,693,122)
Tax Expense:			
Current tax		235,784	—
Deferred tax		—	—
		235,784	—
Profit/(loss) after tax for the year		(9,750,439)	(5,693,122)
Earnings per equity share (Basic and Diluted)	L(9)	(0.14)	(0.73)
Face value per equity share		10.00	10.00
OTHER NOTES FORMING PART OF ACCOUNTS	L		
SIGNIFICANT ACCOUNTING POLICIES	M		

As per our report attached

M. K. DANDEKER & CO.
Chartered Accountants
(Firm Reg.No.000679S)
by the hand of

For and on behalf of the Board

K. J. DANDEKER
Partner
Membership No.18533

SATNAM SINGH
Chief Financial Officer

KARTHIKEYAN. T.V
Director
DIN: 01367727

R. CHANDRASEKARAN
Director
DIN: 00746247

Place : Chennai
Date : April 29, 2015

Place : Chennai
Date : April 29, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	2014-15 ₹	2013-14 ₹
A Net profit / (loss) before tax and extraordinary items	(9,514,655)	(5,693,122)
Adjustment for		
Interest income	(12,459)	(2,303)
(Profit)/loss on sale of current investments(net)	(915,862)	—
Operating profit before working capital changes	(10,442,976)	(5,695,425)
Adjustments for:		
Increase / (Decrease) in other current liabilities	195,153,202	125,339,285
Increase / (Decrease) in short term provisions	519,174	98,818
(Increase) / Decrease in loan term loans and advances	(336,953,704)	(301,468,974)
Net cash generated from/(used in) operating activities	(151,724,304)	(181,726,296)
Direct taxes paid (net of refunds)	—	—
Net Cash(used in)/generated from Operating Activities	(151,724,304)	(181,726,296)
B Cash flow from investing activities		
Purchase of fixed assets	(269,729)	(597,412)
Capital work in progress	(5,559,952,052)	(341,674,026)
Purchase of current investments	(11,279,093)	(100,000)
Interest received	12,459	2,303
Sale of current investments	915,862	—
Net cash (used in)/generated from investing activities	(5,570,572,553)	(342,369,135)
C Cash flow from financing activities		
Subscription of equity shares	1,010,000,000	529,500,000
Proceeds from borrowings	4,708,545,936	—
Net cash (used in)/generated from financing activities	5,718,545,936	529,500,000
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(3,750,921)	5,404,569
Cash and cash equivalents as at the beginning of the year	5,424,019	19,450
Cash and cash equivalents as at the end of the year	1,673,098	5,424,019

Notes

- Cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 "Cash flow Statement".
- Previous year's figures have been regrouped/reclassified wherever applicable.
- Cash and cash equivalents represent cash and bank balances. The components of Cash and cash equivalents are:

Particulars	2014-15	2013-14
1 Balances with banks:		
- in current account	1,361,055	5,424,019
- in deposit account (maturity more than 3 months but less than 12 months)	312,043	—
	1,673,098	5,424,019

As per our report attached

M. K. DANDEKER & CO.
Chartered Accountants
(Firm Reg.No.000679S)
by the hand of

For and on behalf of the Board

K. J. DANDEKER
Partner
Membership No.18533

SATNAM SINGH
Chief Financial Officer

KARTHIKEYAN. T.V
Director
DIN: 01367727

R. CHANDRASEKARAN
Director
DIN: 00746247

Place : Chennai
Date : April 29, 2015

Place : Chennai
Date : April 29, 2015

NOTES FORMING PART OF THE ACCOUNTS

NOTE A

SHARE CAPITAL

(i) Authorised, issued, subscribed and paid up

	As at 31.03.2015		As at 31.03.2014	
	No. of Shares	₹	No. of Shares	₹
Authorised:				
Equity shares of ₹ 10 each	195,000,000	1,950,000,000	81,000,000	810,000,000
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	154,000,000	1,540,000,000	53,000,000	530,000,000

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

	As at 31.03.2015		As at 31.03.2014	
	No. of Shares	₹	No. of Shares	₹
At the beginning of the year	53,000,000	530,000,000	50,000	500,000
Issued during the year as fully paid	101,000,000	1,010,000,000	52,950,000	529,500,000
At the end of the year	154,000,000	1,540,000,000	53,000,000	530,000,000

(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 specific shareholder.

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

	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)	153,999,998	1,539,999,980	53,000,000	530,000,000
	153,999,998	1,539,999,980	53,000,000	530,000,000

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

	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)	153,999,998	100.00	53,000,000	100.00

(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 THE ACCOUNTS (Contd.)

	As at 31.03.2015		As at 31.03.2014	
	₹	₹	₹	₹
NOTE B				
RESERVES AND SURPLUS				
Surplus/(Deficit) as per Statement of Profit and loss:				
As per last Balance Sheet	(5,723,983)		(30,861)	
Add: Profit/(Loss) for the year	(9,750,439)		(5,693,122)	
		(15,474,422)		(5,723,983)
TOTAL		(15,474,422)		(5,723,983)

NOTE C**LONG TERM BORROWINGS****Secured Term loan from Banks:**

Union Bank of India	491,790,000	—	
IDBI Bank	375,910,000	—	
Dena Bank	794,822,783	—	
Indian Bank	289,360,002	—	
Bank of India	897,030,000	—	
Exim Bank	431,040,000	—	
	3,279,952,785		—
TOTAL	3,279,952,785		—

C(a) DETAILS OF TERM LOANS

Particulars	Interest rate	Repayment
Union Bank of India	BOI Base Rate % + Applicable spread	Repayable in 182 monthly instalments beginning from December 31 2016 and ending on January 31, 2032 at specified amounts.
IDBI Bank		
Dena Bank		
Indian Bank		
Bank of India		
Exim Bank	11% Fixed	

C(b) NATURE OF SECURITY

- Charge on all movable assets, including movable Plant and Machinery, machinery spares, tools and accessories , furniture, fixture, vehicles, Stock, Consumable stores, present and future.
- Charge on project book debts, operating cash flows, receivables, commissions, revenues of whatever nature and wherever arising, intangibles, Goodwill, uncalled capital(Present and future)
- Charge on project bank accounts, including but not limited to Escrow Account opened in a designated bank, where all cash flows from the Project shall be deposited

C(c) 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	3,279,952,785	—
(ii) Current maturities of long term borrowings	—	—
TOTAL	3,279,952,785	—

NOTES FORMING PART OF THE ACCOUNTS (Contd.)

	As at 31.03.2015	As at 31.03.2014
	₹	₹
NOTE D(I)		
SHORT TERM BORROWINGS		
Secured short term loans and advances from Banks:		
- Inland Letter of Credit (ILC)	1,428,593,151	—
TOTAL	1,428,593,151	—

NOTE D(II)		
OTHER CURRENT LIABILITIES		
Other payables:		
Due to ultimate holding company	1,227,015	15,657,655
Due to holding company	262,885,901	98,567,355
Statutory liabilities	15,646,266	14,217,514
Interest accrued but not due on Inland Letter of Credit	42,183,049	—
Others	3,358,888	1,705,393
TOTAL	325,301,119	130,147,917

NOTE D(II)a

There have been no 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.

	As at 31.03.2015	As at 31.03.2014
	₹	₹
NOTE D(III)		
SHORT TERM PROVISIONS		
Provision for employee benefits:		
Gratuity (Refer note L(4)(ii))	464,981	95,152
Compensated absences	154,257	3,666
	619,238	98,818
Others :		
Current Tax (Net of advance tax)	234,538	—
	234,538	—
	853,776	98,818

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	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Owned										
Furniture and Fixtures	427,582	118,620	170,860	375,342	24,630	48,514	20,501	52,643	322,699	229,867
Office Equipment	97,924	98,373	30,715	165,582	17,104	36,478	8,760	44,822	120,760	80,820
Computers, Laptops and Printers	71,906	225,050	—	296,956	13,374	64,087	—	77,461	219,495	58,532
Total	597,412	442,043	201,575	837,880	55,108	149,079	29,261	174,926	662,954	369,219
Previous year	—	597,412	—	597,412	—	55,108	—	55,108	542,304	—

NOTES FORMING PART OF THE ACCOUNTS (Contd.)**NOTE E(II) -CAPITAL WORK IN PROGRESS**

Particulars	As at 01.04.2014	Additions	Capitalised during the year	As at 31.03.2015
Transmission system	346,987,455	5,560,101,131	–	5,907,088,586
TOTAL	346,987,455	5,560,101,131	–	5,907,088,586
<i>Previous year</i>	5,258,321	341,729,134		346,987,455

- (a) The Company has reviewed the useful life of fixed assets. Consequently, depreciation for the year is lower by ₹39,725 and the amount capitalised in Pre-operative expense is lower by ₹ 39,725.

NOTE E(II) (a)**PRE-OPERATIVE EXPENSES PENDING ALLOCATION**

Particulars	As at 31.03.2014 ₹	For the year ₹	As at 31.03.2015 ₹
a) Construction cost			
Engineering Procurement Construction Cost	77,555,500	5,263,272,682	5,340,828,182
b) Finance cost			
Interest During Construction	–	87,243,097	87,243,097
c) Other Pre-operative expenses			
Salaries and wages	2,464,839	16,757,442	19,222,281
Contribution and provisions for:			
Provident fund	108,038	845,211	953,249
Gratuity	95,152	369,829	464,981
Compensated absences	3,666	178,763	182,429
Staff Welfare Expenses	152,311	877,793	1,030,104
Licence Fee	2,715,100	500,000	3,215,100
Insurance	12,142	28,039	40,181
Repairs and Maintenance:			
- Others	510,559	1,851,913	2,362,472
Power and fuel	9,000	24,809	33,809
Rent, rates and taxes	5,844,217	257,357	6,101,574
Professional fees	241,266,184	7,242,011	248,508,195
Postage and Communication expenses	12,151	290,196	302,347
Printing and Stationery	29,665	151,907	181,572
Travelling and conveyance	1,276,293	4,043,486	5,319,779
Miscellaneous expenses	493,201	531,155	1,024,356
Right of use payment	512,350	133,679,199	134,191,549
Bank charges and bank guarantee charges	1,186,535	43,910,761	45,097,296
Upfront fees	12,685,444	112,360	12,797,804
Depreciation and amortisation	55,108	149,079	204,187
Less: Other Income	–	(2,215,958)	(2,215,958)
GRAND TOTAL	346,987,455	5,560,101,131	5,907,088,586

NOTES FORMING PART OF THE ACCOUNTS (Contd.)

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
NOTE F		
LONG TERM LOANS AND ADVANCES		
Unsecured, considered good		
Capital advance - Holding company	637,860,000	300,000,000
Security deposits	224,400	213,400
TOTAL	638,084,400	300,213,400

NOTE G(I)**CURRENT INVESTMENTS**

Investment in Mutual funds - Quoted	11,379,093	100,000
	11,379,093	100,000

Other particulars in respect of current investments mentioned in G (I) are as follows:

	Face Value per unit	Number of Units as at 31.03.2015	As at 31.03.2015 ₹	As at 31.03.2014 ₹
Book Value				
L&T Liquid Fund - Growth	1,000	4,521	8,457,310	100,000
UTI-Liquid Cash Plan- Institutional- Growth	1,000	1,300	2,921,783	—
			11,379,093	100,000
Market value				
L&T Liquid Fund - Growth			8,665,738	100,332
UTI-Liquid Cash Plan- Institutional- Growth			2,976,567	—
			11,642,305	100,332

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
--	--------------------------	--------------------------

NOTE G(II)**CASH AND CASH EQUIVALENTS****Balances with Banks**

- In current accounts	1,361,055	5,424,019
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Other bank balances

In deposit accounts with maturity more than three months (including interest accrued thereon)	312,043	—
	1,673,098	5,424,019

NOTE G(III)**SHORT TERM LOANS AND ADVANCES****Unsecured, considered good**

Loans and advances to related parties:

Ultimate Holding Company	—	28,838
Holding Company	—	918,289
Advances recoverable in cash or kind	225,000	259,940
Others	113,278	48,507
	338,278	1,255,574

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

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

NOTE I

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 5,81,42,11,080/- (previous year: ₹ 11,71,53,44,500)

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
NOTE J		
OTHER INCOME		
Interest income from:		
Bank deposits	12,459	2,303
Profit on sale of current investments	915,862	—
TOTAL	928,321	2,303

NOTE K**ADMINISTRATION AND OTHER EXPENSES**

Rates and taxes	10,277,710	5,511,717
Payment to Auditors (Refer note (a) below)	159,555	183,708
Loss on Sale of fixed asset	5,711	—
	10,442,976	5,695,425

a) Payment to Auditors (including service tax) are as follows:

	2014-15 ₹	2013-14 ₹
a) As auditor	112,360	137,641
b) For company law matters	12,363	—
c) For other services	34,832	46,067
TOTAL	159,555	183,708

L(1) Corporate Information

"Kudgi Transmission Limited was incorporated on 27th Nov 2012 under the Companies Act 1956 as a wholly owned subsidiary of M/s. REC Transmission Projects Company Limited (RECTPCL) as a Special Purpose Vehicle company to develop transmission system (Project) required for evacuation of power from NTPC Kudgi TPS (3X800 MW in Phase-I). The certificate of commencement of business was issued on 11th Jan 2013. M/s.RECTPCL has floated a bid on Build Own Operate and Maintain (BOOM) basis for selection of Transmission Service Provider for the above said project and M/s. L&T Infrastructure Development Projects Limited (L&TIDPL) was the successful bidder. Accordingly, the Company was acquired by L&TIDPL from REC TPCL on 30th Aug 2013 (effective date). The project is for 35 years from the Scheduled Commercial Operation Date, which is 18 months for first transmission element (Kudgi TPS to Narendra (new) 400 kV 2xD/C) and 28 months for second transmission element (Narendra (new) to Madhugiri 765 kV D/C and Madhugiri to Bidadi 400 kV D/C) from effective date as per the Transmission Service Agreement dated 14th May 2013 entered into with potential Long Term Transmission Customer(s)."

L(2) The Statement of Profit and loss has been drawn to comply with the provisions of the Companies Act, 2013. However, the Company has not commenced commercial operations.

L(3) The Company has not earned any income/incurred any expenditure in foreign currency during the year. (previous year: ₹ Nil)

L(4) Disclosure pursuant to Accounting Standard (AS) 15 (revised) on "Employee benefits":**(i) Defined contribution plan:**

An amount of ₹ 8,45,211/- (previous year : ₹ 1,08,038) being contribution made to recognised provident fund is recognised as an employee benefit expense and included in Pre-operative expenses pending allocation [Note E (II) (a)].

NOTES FORMING PART OF THE 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	464,981	95,152
		464,981	95,152
	Less : Fair value of plan assets	–	–
	Amount to be recognised as liability or (asset)	464,981	95,152
B)	Amounts reflected in the Balance Sheet		
	Liabilities	464,981	95,152
	Assets	–	–
	Net Liability / (asset)	464,981	95,152

b) The amounts recognised in the Statement of Profit and loss are as follows (included under Pre-operative expenses):

Particulars		Gratuity plan	
		As at 31.03.2015	As at 31.03.2014
		₹	₹
1	Current service cost	44,327	11,130
2	Interest on Defined benefit obligation	8,088	–
3	Expected return on plan assets		
4	Actuarial losses/(gains)	317,414	84,022
5	Past service cost	–	–
6	Actuarial gain/(loss) not recognised in books	–	–
7	Adjustment for earlier years	–	–
Total (1 to 7)		369,829	95,152
I	Amount included in “employee benefit expenses”	369,829	95,152
II	Amount included as part of “finance costs”	–	–
Total (I + II)		369,829	95,152
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		95,152	
Add: Current service cost		44,327	11,130
Add: Interest cost		8,088	–
Add: Contribution by plan participants			
i) Employer		–	–
ii) Employee		–	–
Add/(less): Actuarial losses/(gains)		317,414	84,022
Less: Benefits paid		–	
Add: Past service cost		–	–
Closing balance of the present value of defined benefit obligation		464,981	95,152

NOTES FORMING PART OF THE 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	8.50%	8.50%
2)	Salary growth rate	6.00%	6.00%
3)	Attrition rate	5.00%	5.00%

L(5) Disclosure pursuant to Accounting Standard (AS) - 16 "Borrowing Costs"

Borrowing cost capitalised during the year ₹.8,72,43,097/-. (previous year : ₹ Nil)

L(6) Disclosures pursuant to AS 17 - "Segment Reporting"

The Company is engaged in the business of construction, operation and maintenance of Transmission Towers and Lines on a Build Own Operate and Maintain (BOOM) 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.

L(7) Disclosures pursuant to 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 subsidiaries	L&T Deccan Tollways Limited
	PNG Tollway Limited
	L&T Devihalli Hassan Tollway Limited

B. Transactions with related parties:

Nature of transaction/relationship	2014-15	2013-14
	Amount ₹	Amount ₹
1. Purchase of goods and services incl. taxes		
Ultimate Holding Company, Larsen & Toubro Limited	1,459,986	15,879,096
Holding Company		
L&T Infrastructure Development Projects Limited	5,263,273,420	154,300,000
	5,264,733,406	170,179,096
2. Sale of Goods and Services rendered incl. taxes		
Fellow subsidiary		
L&T Devihalli Hassan Tollway Limited	53,384	—
	53,384	—
3. Purchase of assets		
Fellow subsidiaries		
L&T Devihalli Hassan Tollway Limited	20,746	—
PNG Tollway Limited	34,820	—
L&T Deccan Tollways Limited	—	578,312
	55,566	578,312
4. Sale of assets		
Holding Company		
L&T Infrastructure Development Projects Limited	190,760	—
	190,760	—
5. Reimbursement of expenses charged from		
Holding Company		
L&T Infrastructure Development Projects Limited	1,593,768	7,306,254
Fellow subsidiaries		
L&T Deccan Tollways Limited	—	53,500
PNG Tollway Limited	1,300	—
	1,595,068	7,359,754

NOTES FORMING PART OF THE ACCOUNTS (Contd.)

Nature of transaction/relationship	2014-15	2013-14
	Amount ₹	Amount ₹
6. Reimbursement of expenses charged to Holding Company L&T Infrastructure Development Projects Limited	49,971	918,289
	49,971	918,289
7. Advances paid Holding Company L&T Infrastructure Development Projects Limited	360,710,000	300,000,000
	360,710,000	300,000,000
8. Share Capital (including advance against Share capital) Holding Company L&T Infrastructure Development Projects Limited	1,010,000,000	530,000,000
	1,010,000,000	530,000,000
9. Refundable deposit received for directors nominations Holding Company L&T Infrastructure Development Projects Limited	200,000	—
	200,000	—

Particulars	2014-15		2013-14	
	Due to	Due from	Due to	Due from
	₹	₹	₹	₹
i. Holding Company				
L&T Infrastructure Development Projects Limited	—	374,974,099	—	202,350,934
ii. Ultimate Holding Company				
Larsen & Toubro Limited	1,227,015	—	15,628,817	—

C. No amount due to/due from related parties has been written off/written back during the year. (Previous year is NIL)

L(8) Disclosures pursuant to AS 19 - “Leases”

- (a) The Company has not taken any asset on finance lease.
- (b) The Company has taken office premises and transit house under cancellable operating leases. Lease rental expenses in respect of operating leases for the year ₹1,42,800/- (previous year: ₹ 84,000/-) has been included in Pre-operative expenses.

L(9) 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 / (Loss) after tax as per accounts (₹)	A	(9,750,439)	(5,693,122)
Weighted average number of shares outstanding	B	70,427,890	7,776,106
Basic and Diluted EPS (₹)	A / B	(0.14)	(0.73)
Face value per equity share (₹)		10.00	10.00

L(10) Disclosure pursuant to Accounting Standard (AS) 22 “Accounting for Taxes on Income”

The Company does not have taxable income as per the provisions of Income Tax Act, 1961 and hence no provision for current tax is made in accounts. There are no timing differences between accounting income and taxable income and hence no deferred tax asset/liability is recognised during the year.

L(11) Disclosure pursuant to Accounting Standard (AS) 28 “Impairment of Assets”

The Company has reviewed the future cash flows on the basis of value in use of its assets and is satisfied that the recoverable amount is more than the amount carried in the books. Accordingly no provision for impairment is required to be made in the books.

L(12) Disclosure pursuant to Accounting Standard (AS) 29 “Provisions, Contingent Liabilities and Contingent Assets”

No provisions were recognised during the year. Disclosure in respect of contingent liabilities is given under Note H to the Balance sheet.

NOTES FORMING PART OF THE ACCOUNTS (Contd.)

L(13) CIF Value of imports is NIL during the year. (previous year: Nil)

L(14) Figures for the previous year have been regrouped / reclassified wherever necessary.

M 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.

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, revenues and expenses and disclosures relating to contingent liabilities. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to the accounting estimates is recognised prospectively in the current and future periods. Estimates include provisions for resurfacing obligations, employee benefit plans, provision for income taxes and provision for diminution in the value of investments.

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 the 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 are presented in Indian Rupees to two decimals places.

3. Revenue recognition

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

4. Employee benefits

a. Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. The benefits such as salaries, wages, short term compensated absences etc. and the expected cost of bonus, exgratia are recognized in the period in which the employee renders the related service.

b. Post employment benefits

(a) Defined contribution plans:

The Company's obligation to employee's provident fund is a Defined Contribution Plans. The contribution paid/ payable under the scheme is recognized during the period in which the employee renders the related service.

(b) Defined benefit plans:

The employees gratuity fund schemes and provident fund scheme managed by the trust of the holding company are the Company's defined benefit plans. The present value of the obligation under such Defined Benefit Plans is determined based on actuarial valuation using 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 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 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 rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the related obligations at the balance sheet date. Actuarial gains and losses are recognized immediately in the Statement of profit and loss.

c. 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.

NOTES FORMING PART OF THE ACCOUNTS (Contd.)

5. Tangible fixed assets

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

Tangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Capital work-in-progress". Transmission system under capital work-in-progress comprises of procurement of transmission towers and accessories, tower construction cost and other preoperative expenses incurred during the construction phase.

Preoperative expenses including administrative and other general overhead expenses incurred up to the date of commencement of commercial operations, those which are specifically attributable to construction of the "Transmission system" are capitalized as a part of the cost of asset.

6. 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 upto 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)
(i) Office Equipment	
(a) Multifunctional devices printers, switches and projectors	4
(ii) Furniture and Fixtures	
(a) Airconditioning and refrigeration equipment	10

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.

7. Intangible assets and amortisation

Intangible Asset is recognized 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.

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

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

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

8. Investments

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

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

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

9. Impairment of assets

As at each Balance Sheet date, the carrying amount of asset is tested for impairment so as to determine :

- (i) the provision for impairment loss, if any; and
- (ii) the reversal of impairment loss recognised in previous periods, if any,

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

Recoverable amount is determined :

- a. In the case of an individual asset, at the higher of the net selling price and the value in use
- b. In the case of a 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 value in use.

(Value in use is determined at 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)

NOTES FORMING PART OF THE ACCOUNTS (Contd.)

10. Foreign Currency Transactions

- (i) The reporting currency of the Company is the Indian Rupee.
- (ii) 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 at the date of the transaction.
- (iii) 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 recognized as income or expense in the period in which they arise.

11. Cash and cash equivalents

Cash and cash equivalents also include fixed deposits, margin money deposit, earmarked balances with banks. Short term and liquid investments being not free from more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

12. 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.

13. Taxes on income

Tax on income for the current year 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 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 assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognized and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Other deferred tax assets are recognized 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 assets can be realised.

14. Segment accounting

Segment accounting policies are in line with the accounting policies of the Company. In addition the following specific accounting policies have been followed for segment reporting.

- (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. Expenses which relate to the Company as a whole and not allocable to segments are included under "unallocable corporate expenditure".
- (iii) 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.

15. Leases

Operating Leases

- (i) 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 & Loss on accrual basis. Lease rentals specifically attributable to the project under construction are accounted under pre-operative expenses pending allocation to fixed assets.
- (ii) Assets leased out under operating leases are capitalized. Rental income is recognized on accrual basis over the lease term.

16. Provisions, Contingent liabilities and contingent assets

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

- (i) the Company has a present obligation as a result of a past event.
- (ii) a probable outflow of resources is expected to settle the obligation and
- (iii) 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.

NOTES FORMING PART OF THE ACCOUNTS (Contd.)

Contingent Liability is disclosed in the case of

- (i) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- (ii) a present obligation when no reliable estimate is possible and
- (iii) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent Assets are neither recognized, nor disclosed.

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

17. Commitments

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

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

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

18. Operating cycle for current/non-current classification:

Operating cycle for the business activities of the company is taken as twelve months for classification of its assets and liabilities into current/non-current.

19. 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 the indirect method, the net profit is adjusted for the effects of:

- (i) transactions of a 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 the date of Balance Sheet are also included under this category with a specific disclosure.

As per our report attached

M. K. DANDEKER & CO.
Chartered Accountants
(Firm Reg.No.000679S)
by the hand of

K. J. DANDEKER
Partner
Membership No.18533

Place : Chennai
Date : April 29, 2015

For and on behalf of the Board

SATNAM SINGH
Chief Financial Officer

KARTHIKEYAN. T.V
Director
DIN: 01367727

R. CHANDRASEKARAN
Director
DIN: 00746247

Place : Chennai
Date : April 29, 2015

ATTENDANCE SLIP

KUDGI TRANSMISSION LIMITED

CIN: U40106DL2012GOI245339

Regd. Office: Building No. 3, Second Floor, Sudeep Plaza, MLU Sector - 11, Pocket - 4,
Dwarka, New Delhi - 110075.

Third Annual General Meeting, Monday, 28th September, 2015.

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 Third Annual General Meeting of the Company, held on Monday, the 28th September, 2015 at 10:00 A.M. at the registered office of the Company at Building No. 3, Second Floor, Sudeep Plaza, MLU Sector - 11, Pocket - 4, Dwarka, New Delhi - 110075.

Name of the member

Signature of Member

Name of the Proxy (In block letters)

Signature of Proxy

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: U40106DL2012GOI245339

Name of the Company: *Kudgi Transmission Limited*

Regd. Office: *Building No. 3, Second Floor, Sudeep Plaza, MLU Sector - 11, Pocket - 4, Dwarka, New Delhi - 110075.*

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:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Third Annual General Meeting of the Company, to be held on Monday, the 28th September, 2015 at 10:00 A.M. at the Registered office of the Company at Building No. 3, Second Floor, Sudeep Plaza, MLU Sector - 11, Pocket - 4, Dwarka, New Delhi - 110075 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 Board and Auditors thereon.		
2	Re-Appointment of Mr. Karthikeyan T.V (DIN 01367727), Director who retires by rotation.		
3	Appointment of Statutory Auditors of the Company and to fix their Remuneration.		
Special Business			
4	Appointment of Mr. P. G. Suresh Kumar (DIN 07124883) as Director of the Company.		
5	Appointment of Mr. Shard Goel, (DIN 02294059) as Director of the Company.		
6	Appointment of Mr. K. G. Sathyanarayanan as Manager of the Company.		

Signed this _____ day of _____ 2015

Signature of shareholder _____

Signature of Proxy holder(s) _____

Affix one
Rupee
Revenue
Stamp

Notes:

1. 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.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. This is only optional. Please put an 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

Route map to the 3rd AGM venue of Kudgi Transmission Limited

