

NORTH KARNATAKA EXPRESSWAY LIMITED

ANNUAL REPORT

2014-15

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
North Karnataka Expressway Limited**

1. Report on the Financial Statements

We have audited the accompanying financial statements of **North Karnataka Expressway Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

2. 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 standalone 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

3. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

6. 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 :

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2015;
- (b) In the case of the Profit and Loss Account, of the loss for the period ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by section 143(3) of the Companies Act 2013, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d. In our opinion, Balance Sheet, Statement of Profit and loss, and Cash Flow Statement comply with the Accounting Standards referred to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e. On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms Section 164 (2) of the Act.
8. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigation in the financial statements, (Refer Note 20 of Financial Statement)
 - ii. the Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. there are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
9. Paragraph 1(3) of the Companies (Auditors Report) Order, 2015 issued under section 143(11) of the Companies Act, 2013 by the Ministry of Corporate Affairs on April 10, 2015 states that it shall come into force from the date of its publication in the Gazette of India. As on date the Order has not been published in the Gazette of India. Consequently, we have not reported on the matters specified in paragraphs 3 and 4 of the Order.

For M P Chitale & Co.
Chartered Accountants
ICAI FR No. 101851W



Murtuza Vajihi
Partner
ICAI M No. 112555



Place: Mumbai
Date: April 28, 2015

NORTH KARNATAKA EXPRESSWAY LIMITED

Balance Sheet as at March 31, 2015

Particulars	Note	Amount in Rupees	
		As At March 31, 2015	As At March 31, 2014
I EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
(a) Share capital	2	593,911,000	593,911,000
(b) Reserves and surplus	3	657,799,008	578,198,109
		1,251,710,008	1,172,109,109
NON-CURRENT LIABILITIES			
(a) Long-term borrowings	4	1,376,000,000	1,829,000,000
(b) Other long term liabilities	5	635,354,473	619,237,641
		2,011,354,473	2,448,237,641
CURRENT LIABILITIES			
(a) Trade payables	6	47,878,406	2,173,402
(b) Other current liabilities	7	662,385,350	691,032,397
(d) Short-term provisions	8	199,544,120	82,658,480
		909,807,876	775,864,279
TOTAL		4,172,872,357	4,396,211,029
II ASSETS			
NON CURRENT ASSETS			
(a) Fixed assets	9		
(i) Tangible assets		50,612	136,918
(ii) Intangible assets		1,816,013,792	2,216,367,654
(iii) Capital work-in-progress		261,038,858	-
(b) Long-term loans and advances	10	18,220,156	27,799,795
		2,095,323,418	2,244,304,367
CURRENT ASSETS			
(a) Cash and Cash Equivalents	11	752,337,563	928,485,708
(b) Short-term loans and advances	12	825,337,263	798,411,715
(c) Other current assets	13	499,874,114	425,009,239
		2,077,548,940	2,151,906,662
TOTAL		4,172,872,357	4,396,211,029

Notes 1 to 24 form part of the financial statements.

In terms of our report attached,
For **M P Chitale & Co.**
Chartered Accountants

Murtuza Vajih
Partner
Date : April 28, 2015
Mumbai

For and on behalf of the Board

Managing Director

Director

Chief Financial Officer

Company Secretary

Date : April 28, 2015
Mumbai



NORTH KARNATAKA EXPRESSWAY LIMITED

Statement of Profit and Loss for the Year Ended March 31, 2015

Particulars	Note	Amount in Rupees	
		For the Year ended March 31, 2015	For the Year ended March 31, 2014
I REVENUE FROM OPERATIONS	14	1,010,340,000	1,010,340,000
II OTHER INCOME	15	146,701,822	130,624,310
III TOTAL REVENUE (I + II)		1,157,041,822	1,140,964,310
IV EXPENSES			
Operating expenses	16	119,521,607	112,958,686
Finance costs	17	271,156,851	312,517,636
Depreciation / Amortisation		400,234,175	437,206,946
Other expenses (Administrative and general expenses)	18	12,568,477	10,457,073
TOTAL EXPENSES		803,481,110	873,140,342
V Profit / (Loss) before taxation (III-IV)		353,560,712	267,823,968
VI TAX EXPENSE:			
(1) Current tax		74,200,000	53,600,000
(2) Deferred tax		-	-
TOTAL TAX EXPENSES (VI)		74,200,000	53,600,000
VII PROFIT/(LOSS) FOR THE YEAR (V-VI)		279,360,712	214,223,968
Earnings per share (Face value per share Rupees 10/-):	19		
(1) Basic		4.70	3.61
(2) Diluted		4.70	3.61

Notes 1 to 24 form part of the financial statements.

In terms of our report attached.
For **M P Chitale & Co.**
Chartered Accountants

Murtuza Vajih
Partner
Date : April 28, 2015
Mumbai

For and on behalf of the Board

Managing Director

Director

Chief Financial Officer

Company Secretary

Date : April 28, 2015
Mumbai



NORTH KARNATAKA EXPRESSWAY LIMITED

Cash Flow Statement for the Year Ended March 31, 2015

Particulars	Amount in Rupees	
	For the Year ended March 31, 2015	For the Year ended March 31, 2014
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	353,560,712	267,823,968
Adjustments for :-		
Depreciation	400,234,175	437,206,946
Finance costs	271,156,851	312,517,637
Interest Income	(133,527,960)	(130,608,311)
Profit on sale of fixed assets (net)	-	(15,999)
Excess Provision for Tax Written Back	(13,173,862)	-
Operating Cash Flow before Working Capital Changes	878,249,916	886,924,241
Adjustments for :-		
Loans and advances	(24,224,626)	464,184
Other Non-current Assets and Other Current Assets	(15,014,880)	-
Other current liabilities and trade payables	45,577,957	1,466,941
Operating Cash Flows after Working Capital Changes	884,588,367	888,855,366
Advances payment of Taxes (Net of Refund Received)	(78,725,946)	(43,897,534)
Net Cash from Operations (A)	805,862,421	844,957,832
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Assets additions during the year	(261,048,558)	-
Sale of Fixed Assets	-	15,999
Fixed Deposit encashed / (placed) with original maturity of more than three months	-	-
Interest received (net of taxes deducted)	73,677,965	70,758,315
Net Cash from / (used in) from Investing Activities (B)	(187,370,593)	70,774,314
CASH FLOW FROM FINANCING ACTIVITIES		
Redemption of Non Convertible Debentures (principal repayment)	(516,000,000)	(571,000,000)
Finance cost paid	(209,155,356)	(163,736,922)
Payment of Dividend along with Taxes	(69,484,618)	(82,199,683)
Net Cash (used in) Financing Activities (C)	(794,639,974)	(816,936,605)
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(176,148,146)	98,795,541
Cash and Cash Equivalents at the beginning of the year	928,485,708	829,690,168
Cash and Cash Equivalents at the end of the year (As per note no- 12)	752,337,563	928,485,708
Net change in Cash & Cash Equivalents during the year	(176,148,146)	98,795,541

Notes 1 to 24 form part of the financial statements.

In terms of our report attached.
For **M P Chitale & Co.**
Chartered Accountants

Murtuza Vajhi

Partner

Date : April 28, 2015

Mumbai

For and on behalf of the Board

Managing Director

Director

Chief Financial Officer

Company Secretary

Date : April 28, 2015

Mumbai



NORTH KARNATAKA EXPRESSWAY LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

(A) Company Background

The Company has been set up with the main object of promoting, developing, financing, building / constructing, modifying, operating and maintaining the Belgaum Maharashtra Border Road on NH - 4 and its ancillary facilities. Towards this end, the Company entered into a Concession Agreement with the National Highways Authority of India (NHAI) on November 20, 2001 under the terms of which, the Company obtained a concession to Investigate, study, design, engineer, procure, finance, construct, operate and maintain the project / project facilities for a period of 17 years and 6 months commencing on June 20, 2002 and ending on December 19, 2019. The concession agreement entitles the Company to earn an annuity of 30 equal instalments of Rs.505,170,000 each at half yearly rests; the first instalment payable on June 20, 2005 and the final instalment payable on December 20, 2019.

(B) I Basis of preparation of Financial Statements

The Financial Statements have been prepared under the historical cost convention and comply with the Accounting Standards ('AS') specified in the Companies (Accounting Standard) Rules, 2006 notified by the Central Government in terms of Section 211(3C) of the Companies Act, 1956 read with general circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013, to the extent applicable. The Company generally follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties or otherwise accounted for on cash basis.

II Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the Management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. The recognition, measurement, classification or disclosures of an item or information in the financial statements have been made relying on these estimates to a greater extent.

III Fixed Assets and Depreciation

- a Fixed assets other than project assets (Belgaum-Maharashtra Border Road Project) are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any.

The acquisition cost includes the purchase price (excluding refundable taxes) and expenses directly attributable to bring the asset to the site and in the working condition for its intended use, such as, delivery and handling costs, installation, legal services and consultancy services.

- b Expenses incurred on the North Karnataka Expressway Road include direct and attributable / allocated indirect expenses incurred for the construction of the same. Estimated value of components removed or not reused are reduced from the gross block and the cost of overlay or renewal expenses incurred to increase serviceability and throughput or which are in the nature of preservation costs and which extend the original useful life of the road are capitalised on a component basis.

- c Depreciation on tangible fixed assets is computed as under:

As per notification dated, March 26, 2014 issued by the Ministry of Corporate Affairs, Schedule II of the Companies Act 2013 comes into effect from April 1, 2014 which prescribes the useful life of depreciable assets. The Company has adopted the useful life prescribed under the Schedule II of the Companies Act 2013. Also, with effect from April 1, 2014 the Company has decided to change the policy retrospectively for charging depreciation on the basis of Straight Line Method in place of Written Down Method other than those specified otherwise. Accordingly the Company has reinstated its policy for charging depreciation with effect from April 1, 2014 which is as below:

- (i) Assets purchased on or after April 1, 2014 are depreciated on Straight Line Method, over the useful life of assets as prescribed under Schedule II of the Companies Act 2013 other than assets specified in para (ii) below
- (ii) Following assets are depreciated over a useful life which is shorter than the life prescribed under Schedule II of the Companies Act 2013 based on the Management's estimate
- (iii) Data Processing Equipment – Server and Networking equipment are depreciated over a period of 4 years
- (iv) Mobile Phones and Ipad / Tablets are fully depreciated in the year of purchase
- (v) Specialised office equipment's are depreciated on Straight Line Method over a period of three years
- (vi) Cars purchased by the company for employees, are depreciated over a period of five years
- (vii) Assets provided to employees are depreciated over a period of three years
- (viii) Leasehold improvement costs are capitalised and amortised over the period of lease agreement
- (ix) All categories of assets costing less than ₹ 5,000 each are fully depreciated in the year of purchase.
- (x) The residual value of all the assets is retained at ₹ 1/- each

- d Amortisation on the components of Belgaum-Maharashtra Border Project is charged to the Statement of Profit and Loss on a straight line basis over the period over which the respective component is expected to be overlaid or renewed.



NORTH KARNATAKA EXPRESSWAY LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

IV Impairment of Assets

The carrying values of assets of the Company's cash-generating unit are reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor.

V Borrowing Costs

Borrowing costs are charged to the Statement of Profit and Loss in the year of its incurrence. Borrowing costs incurred in respect of borrowings specifically made towards construction of North Karnataka Expressway Road were capitalised till the date of commencement of commercial operations. Borrowing costs incurred subsequent to the capitalisation date are charged to the Profit and Loss Account.

VI Debenture

(a) Debenture issue expenditure

These are being charged to Statement of Profit and Loss over the period of redemption of debentures.

(b) Debenture Redemption Premium

Debenture Redemption Premium is charged to P & L account @ 9.00% p.a. (calculated semi-annually)

(c) Creation of Debenture Redemption Reserve (DRR)

Debenture Redemption Reserve created out of profit of the year

VII Taxes on Income

Taxes include taxes on the Company's taxable profits, adjustment attributable to earlier periods and changes in deferred taxes. Current tax is provided based on the amount of tax payable in respect of taxable income for the year as per the Income-tax Act, 1961. Currently, there is no deferred tax applicable since all timing differences between accounting income and taxable income are estimated to arise as well as reverse in the tax holiday period.

VIII Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes to the financial statement. A contingent asset is neither recognised nor disclosed.

IX Revenue Recognition

Annuity receivable under the Concession Agreement is recognised on a straight line basis over the period of the annuity. Interest Income is recognised on an accrual basis.

X Earnings Per Share

Basic earnings per share is calculated by dividing the profit for the year attributable to equity shareholders of the Company by the weighted average number of equity shares issued during the year / period. Diluted earnings per share is calculated by dividing the profit for the year attributable to equity shareholders of the company by the weighted number of equity shares determined by assuming conversion on exercise of conversion rights for all potential dilutive securities.

XI Cash and Bank Balances

Cash and bank balances comprises of cash and cash Equivalents and other bank balances. Cash and Cash Equivalents comprised of Cash on Hand, Cheques in Hand, Balance with Banks, Demand and Term Deposits with original maturity of less than 3 months.

XII Cash Flow Statement

The Cash Flow Statement is prepared in accordance with "Indirect method" as explained in the Accounting Standard (AS) 3 on "Cash Flow Statements".



NORTH KARNATAKA EXPRESSWAY LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

NOTE 2: SHARE CAPITAL

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees
Authorised Equity Shares of Rupees 10/- each	100,581,000	1,005,810,000	100,581,000	1,005,810,000
Issued Equity Shares of Rupees 10/- each	59,391,100	593,911,000	59,391,100	593,911,000
Subscribed and Paid up Equity Shares of Rupees 10/- each fully paid (refer foot note no. i, ii, and iii)				
TOTAL	59,391,100	593,911,000	59,391,100	593,911,000

FOOT NOTES:

i. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2015		As at March 31, 2014	
	Equity Shares Number of Shares	Amount in Rupees	Equity Shares Number of Shares	Amount in Rupees
Shares outstanding at the beginning of the year	59,391,100	593,911,000	59,391,100	593,911,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	59,391,100	593,911,000	59,391,100	593,911,000

ii. Details of Shareholding of more than 5% shares

Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
	Number of Shares held	% of total holding	Number of Shares held	% of total holding
IL&FS Trust Company Limited - ITNL Road Investment Trust (IRIT)	43,949,380	74.00%	43,949,380	74.00%
IL&FS Transportation Networks Limited	7,720,823	13.00%	7,720,823	13.00%
Punj Lloyd Limited	3,860,456	6.50%	3,860,456	6.50%
Infrastructure Leasing & Financial Services Limited	3,860,441	6.50%	3,860,441	6.50%
TOTAL	59,391,100	100.00%	59,391,100	100.00%

iii. Of the issued, subscribed and paid up capital of 59,391,100 (as at March 31, 2013: 59,391,100) equity shares, IL&FS Transportation Networks Limited ("ITNL"), the immediate holding company, holds 51,670,203 equity shares including 43,949,380 (as at March 31, 2013: 43,949,380) equity shares held by a fund of ITNL Road Investment Trust ("IRIT") which has issued the entire issued units in the fund to ITNL. Infrastructure Leasing & Financial Services Limited ("IL&FS"), the ultimate holding company, holds 3,860,441 (as at March 31, 2013: 3,860,441) equity shares in the Company.

NOTE 3: RESERVES AND SURPLUS

Particulars	As at March 31, 2015		As at March 31, 2014	
				Amount in Rupees
(a) Debenture Redemption Reserve				
Opening balance	464,792,251		250,568,283	
(+) Transferred from the Surplus in Statement in Profit and Loss	124,408,225	589,200,476	214,223,968	464,792,251
(b) Profit / (Loss) Surplus				
Opening balance	113,405,858		182,890,476	
(+) Profit for the current period / year	279,360,712		214,223,968	
(-) Adjustment due to change in depreciation policy	(215,693)		-	
(-) Transfer to debenture redemption reserve	(124,408,225)		(214,223,968)	
(-) Proposed Dividends (including dividend tax)	(199,544,120)	68,598,532	(69,484,618)	113,405,858
TOTAL		657,799,008		578,198,109

FOOT NOTE:

(a) **Debenture Redemption Reserve:**

The Company has voluntarily created a Debenture Redemption Reserve amounting to Rs. 120,408,225/- has been transferred from profit for the year.



NORTH KARNATAKA EXPRESSWAY LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

Note 4: LONG-TERM BORROWINGS

Particulars	Amount in Rupees	
	As at March 31, 2015	As at March 31, 2014
Secured Non-convertible Debentures (refer foot note no.(i) (ii) and (iii) below)	1,376,000,000	1,829,000,000
(Secured By: (i) all bank accounts of the Company; (ii) all rights, title and interests of the Company in, to and under all movable properties and assets of the Company; (iii) all rights, title and interests of the Company in, to and under all Project Agreements, clearances, Insurance Contracts, incorporeal rights and (iv) all amounts/receivables due to or received by the Company, including those from NHAI under the terms of the Concession Agreement)		
TOTAL	1,376,000,000	1,829,000,000

FOOT NOTES:

- (i) On December 9, 2010, the Company had issued 4,636 Secured, Rated, Taxable, Zero-Coupon, Redeemable Non-Convertible Debentures ("NCDs") of Rs.1,000,000/- each fully paid carrying a yield to maturity of 9.00% p.a. (calculated semi-annually) on private placement basis (to Deutsche Bank International Asia – Debt Fund and Deutsche Investments India Private Limited (the "Investors")). These NCDs are redeemable in nineteen semi-annual installments commencing from March 11, 2011 and ending on January 15, 2020. The Company has the right to purchase such debentures at any time at the price available in the Debt market in accordance with the applicable laws.

The first charge in favour of the Debenture Trustee acting for the benefit of the Investors has been created and has also been registered.

- (ii) The Details of Redemption of the debentures as at March 31, 2015 are as follows

REDEMPTION DATE OF DEBENTURES	SERIES OF DEBENTURE	FACE VALUE PER DEBENTURE (Amount in Rupees)	VALUE AT ISSUE DATE (Amount in Rupees)	REDEMPTION VALUE PER DEBENTURE (Amount in Rupees)	REDEMPTION VALUE (Amount in Rupees)
15-Jan-20	Series 19	1,000,000	141,000,000	2,229,350	314,340,000
15-Jul-19	Series 18	1,000,000	148,000,000	2,132,578	315,620,000
15-Jan-19	Series 17	1,000,000	156,000,000	2,041,483	318,470,000
16-Jul-18	Series 16	1,000,000	166,000,000	1,953,337	324,250,000
15-Jan-18	Series 15	1,000,000	176,000,000	1,869,447	329,020,000
15-Jul-17	Series 14	1,000,000	186,000,000	1,788,298	332,620,000
16-Jan-17	Series 13	1,000,000	196,000,000	1,712,322	335,620,000
15-Jul-16	Series 12	1,000,000	207,000,000	1,637,598	338,980,000
TOTAL			1,376,000,000		2,608,920,000

The Details of Redemption of the debentures as at March 31, 2014 are as follows

REDEMPTION DATE OF DEBENTURES	SERIES OF DEBENTURE	FACE VALUE PER DEBENTURE (Amount in Rupees)	VALUE AT ISSUE DATE (Amount in Rupees)	REDEMPTION VALUE PER DEBENTURE (Amount in Rupees)	REDEMPTION VALUE (Amount in Rupees)
15-Jan-20	Series 19	1,000,000	141,000,000	2,229,350	314,340,000
15-Jul-19	Series 18	1,000,000	148,000,000	2,132,578	315,620,000
15-Jan-19	Series 17	1,000,000	156,000,000	2,041,483	318,470,000
16-Jul-18	Series 16	1,000,000	166,000,000	1,953,337	324,250,000
15-Jan-18	Series 15	1,000,000	176,000,000	1,869,447	329,020,000
15-Jul-17	Series 14	1,000,000	186,000,000	1,788,298	332,620,000
16-Jan-17	Series 13	1,000,000	196,000,000	1,712,322	335,620,000
15-Jul-16	Series 12	1,000,000	207,000,000	1,637,598	338,980,000
15-Jan-16	Series 11	1,000,000	215,000,000	1,567,268	336,960,000
15-Jul-15	Series 10	1,000,000	238,000,000	1,499,236	356,820,000
TOTAL			1,829,000,000		3,302,700,000

- (iii) There were no defaults in redemptions of Non convertible debentures (including payments of redemption premia along with the redemption of face value of debentures) for the year ended March 31, 2015 and March 31, 2014.



NORTH KARNATAKA EXPRESSWAY LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

NOTE 5: OTHER LONG TERM LIABILITIES

Particulars	Amount in Rupees	
	As at March 31, 2015	As at March 31, 2014
(a) Trade Payables	-	-
(b) Others		
Redemption Premium Accrued but not due on debentures	635,354,473	619,237,641
TOTAL	635,354,473	619,237,641

NOTE 6: TRADE PAYABLES :

According to the records available with the Company, there were no dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act 2006. Hence, no disclosures are to be given in respect thereof.

Particulars	Amount in Rupees			
	As at March 31, 2015		As at March 31, 2014	
(a) Trade Payables (Refer foot note above)				
Related parties	38,707,773		402,015	
sundry creditors (For Expenses)	9,170,633	47,878,406	1,771,387	2,173,402
TOTAL		47,878,406		2,173,402

NOTE 7: OTHER CURRENT LIABILITIES

Particulars	Amount in Rupees	
	As at March 31, 2015	As at March 31, 2014
(a) Current Maturities of Long Term Debt (Secured Non Convertible Debenture)	453,000,000	516,000,000
(Secured By: (i) all bank accounts of the Company; (ii) all rights, title and interests of the Company in, to and under all movable properties and assets of the Company; (iii) all rights, title and interests of the Company in, to and under all Project Agreements, clearances, Insurance Contracts, incorporeal rights and (iv) all amounts/receivables due to or received by the Company, including those from NHAI under the terms of the Concession Agreement).		
(b) Redemption Premium Accrued but not due (on the above)	209,180,000	174,700,000
(a) Dividend on equity shares (Declared)		
(b) Other payables		
Tax on dividend on equity shares	-	
Statutory dues	205,350	332,397
TOTAL	662,385,350	691,032,397



FOOT NOTES:

(i) On December 9, 2010, the Company had issued 4,636 Secured, Rated, Taxable, Zero-Coupon, Redeemable Non-Convertible Debentures ("NCDs") of Rs.1,000,000/- each fully paid carrying a yield to maturity of 9.00% p.a. (calculated semi-annually) on private placement basis (to Deutsche Bank International Asia – Debt Fund and Deutsche Investments India Private Limited (the "Investors")). These NCDs are redeemable in nineteen semi-annual installments commencing from March 11, 2011 and ending on January 15, 2020. The Company has the right to purchase such debentures at any time at the price available in the Debt market in accordance with the applicable laws.

(ii) The Details of Redemable debentures in FY 2015-16 are as follows

REDEMPTION DATE OF DEBENTURES	SERIES OF DEBENTURE	FACE VALUE PER DEBENTURE (Amount in Rupees)	VALUE AT ISSUE DATE (Amount in Rupees)	REDEMPTION VALUE PER DEBENTURE (Amount in Rupees)	REDEMPTION VALUE (Amount in Rupees)
15-Jul-15	Series 10	1,000,000	238,000,000	1,499,236	356,820,000
15-Jan-16	Series 11	1,000,000	215,000,000	1,567,268	336,960,000
TOAL			453,000,000		693,780,000

The Details of Redemption of the debentures as at March 31, 2014 are as follows

REDEMPTION DATE OF DEBENTURES	SERIES OF DEBENTURE	FACE VALUE PER DEBENTURE (Amount in Rupees)	VALUE AT ISSUE DATE (Amount in Rupees)	REDEMPTION VALUE PER DEBENTURE (Amount in Rupees)	REDEMPTION VALUE (Amount in Rupees)
15-Jan-15	Series 9	1,000,000	252,000,000	1,435,194	361,670,000
15-Jul-14	Series 8	1,000,000	264,000,000	1,372,895	362,440,000
TOAL			516,000,000		724,110,000

(iii) There were no defaults in redemptions of Non convertible debentures (including payments of redemption premia along with the redemption of face value of debentures) for the year ended March 31, 2015 and March 31, 2014.

NOTE 8: SHORT TERM PROVISION

Particulars	Amount in Rupees	
	As at March 31, 2015	As at March 31, 2014
(a) Provision for tax (net of advance)	-	13,173,862
(b) Proposed dividend on equity shares	166,295,081	59,391,100
(c) Provision for tax on proposed dividend on equity shares	33,249,039	10,093,518
TOTAL	199,544,120	82,658,480



NORTH KARNATAKA EXPRESSWAY LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

NOTE 9: FIXED ASSETS

										Amount in Rupees	
	Gross block (at cost)				Accumulated depreciation					Net block	Net block
	Balance as at April 1, 2014	Additions during the year	Disposals	Balance as at March 31, 2015	Balance as at April 1, 2014	Opening adjustments	Depreciation charge for the year	On disposals	Balance as at March 31, 2015	Balance as at March 31, 2015	Balance as at March 31, 2014
Tangible assets											
Furniture and fixtures	121,616	-	-	121,616	117,643	24,143	(20,190)	-	121,596	20	3,973
Vehicles	544,013	-	-	544,013	488,185	108,299	(72,848)	-	523,636	20,377	55,828
Office equipments	206,577	9,700	-	216,277	171,253	73,848	(52,418)	-	192,683	23,594	35,324
Data processing equipments	451,505	-	-	451,505	409,712	9,403	25,769	-	444,884	6,621	41,793
Total - Tangible assets (A)	1,323,711	9,700	-	1,333,411	1,186,793	215,693	(119,687)	-	1,282,799	50,612	136,918
Intangible assets											
Belgaum-Maharashtra Border Road Project	6,133,119,243	-	-	6,133,119,243	3,916,751,589	-	400,353,862	-	4,317,105,451	1,816,013,792	2,216,367,654
Total - Intangible assets (B)	6,133,119,243	-	-	6,133,119,243	3,916,751,589	-	400,353,862	-	4,317,105,451	1,816,013,792	2,216,367,654
Capital work-in-progress	-	261,038,858	-	261,038,858	-	-	-	-	-	261,038,858	-
Total - Intangible assets (C)	-	261,038,858	-	261,038,858	-	-	-	-	-	261,038,858	-
GRAND TOTAL -(A) + (B)+ (C)	6,134,442,954	261,048,558	-	6,395,491,512	3,917,938,382	215,693	400,234,175	-	4,318,388,250	2,077,103,262	2,216,504,572
As at March 31, 2014	6,134,478,522	-	35,568	6,134,442,954	3,480,767,002	-	437,206,947	35,567	3,917,938,382	2,216,504,572	



NORTH KARNATAKA EXPRESSWAY LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

NOTE 10: LONG-TERM LOANS AND ADVANCES

Particulars	Amount in Rupees	
	As at March 31, 2015	As at March 31, 2014
Unsecured, considered good		
Security Deposits	64,656	64,656
Prepaid expenses (Refer footnote no. a below)	18,155,500	27,735,139
TOTAL	18,220,156	27,799,795

NOTE 12: SHORT-TERM LOANS AND ADVANCES

Particulars	Amount in Rupees	
	As at March 31, 2015	As at March 31, 2014
(a) Loans given to related parties (Unsecured, considered good)		
Short term loan given to IL&FS Transportation Networks Limited	700,000,000	700,000,000
(b) Other loans and advances (Unsecured, considered good)		
- Mobilisation Advance to Related Party	24,098,900	-
- Sundry Advances	204,348	164,855
- Advance payment of taxes (net of provision)	90,666,634	86,140,688
- Prepaid expenses (Refer footnote no. a below)	10,367,381	12,106,172
TOTAL	825,337,263	798,411,715

FOOT NOTE:

(a) Prepaid Expenses (Details of debenture issue expenses - Unamortised expenses) are:

Particulars	Amount in Rupees				
	Unamortised as at March 31, 2014 (Estimated to be Amortised within 12 months)	Unamortised as at March 31, 2014 (Estimated to be Amortised after 12 months)	Amortised for the period ended March 31, 2015	Unamortised as at March 31, 2015 (Estimated to be Amortised within 12 months)	Unamortised as at March 31, 2015 (Estimated to be Amortised after 12 months)
Debt syndication fees	5,930,249	14,421,845	5,930,250	4,981,263	9,440,582
Upfront Fees	4,701,556	11,433,772	4,701,556	3,949,191	7,484,581
Legal fees	311,374	757,235	311,374	261,547	495,688
Stamp duty and registration fees	320,208	778,717	320,208	268,967	509,750
Acceptance fees	141,275	343,570	141,275	118,669	224,901
TOTAL	11,404,662	27,735,139	11,404,663	9,579,638	18,155,502

NOTE 13: OTHER CURRENT ASSETS

Particulars	Amount in Rupees	
	As at March 31, 2015	As at March 31, 2014
(a) Interest accrued but not due on short term loan	204,321,494	144,471,499
Interest receivable from IL&FS Transportation Networks Limited		
(b) Income accrued but not due	280,537,740	280,537,740
(c) Unbilled Revenue (Refer Footnote below)	15,014,880	-
TOTAL	499,874,114	425,009,239

FOOT NOTES:

As per NHA Instructions, certain additional work of reimbursement nature, amounting to Rs. 1,50,14,880/-. For which bills have not been raised to NHA as on March 31, 2015.



NORTH KARNATAKA EXPRESSWAY LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

NOTE 11: CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2015		Amount in Rupees As at March 31, 2014	
(a) Cash and cash equivalents				
Cash on hand	1,814		23,712	
Fixed Deposits placed for a period less than 3 months	-		-	
Balances with banks in current accounts (Including Restricted DSRA balance of Rs 40,00,00,000/-)	752,335,749	752,337,563	928,461,996	928,485,708
TOTAL		752,337,563		928,485,708
Of the above, the balances that meet the definition of Cash and Cash equivalents as per AS 3 Cash Flow Statements is :-		752,337,563		928,485,708

FOOT NOTE:

Details of Bankwise blance

Bank Name	As at March 31, 2015	As at March 31, 2014
Deutsche Bank AG Current A/c No 1532605000	29,361,862	12,110,194
Deutsche Bank AG Operation Statutory Dues A/c 1532605001	76,200,068	48,007,586
Deutsche Bank AG Operation & Maintenance A/c No 1532605002	17,210,009	15,445,778
Deutsche Bank AG Major Maintenance Reserve A/c No 1532605003	21,316,626	214,576,534
Deutsche Bank AG Contingency A/c No 1532605004	136,787,620	118,387,115
Deutsche Bank AG Debt Repayment A/c No 1532605005	249	78
Deutsche Bank AG Debt Service Reserve A/c No 1532605006	400,000,448	414,907,051
Punjab Nation Bank A/c 8099 -- Bandra	62,720,082	91,307,146
Punjab Nation Bank A/c 6510 -- Delhi	7,757,817	13,288,197
Punjab Nation Bank A/c 7902 -- Belgaum	980,967	432,317
Total Balances with banks in current accounts (Including Restricted DSRA balance)	752,335,749	928,461,996



NORTH KARNATAKA EXPRESSWAY LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

NOTE 14: REVENUE FROM OPERATIONS

Particulars	Amount in Rupees	
	For the Year ended March 31, 2015	For the Year ended March 31, 2014
(a) Other Operating Revenues		
Annuity Income for Belgaum-Maharashtra Border Road	1,010,340,000	1,010,340,000
TOTAL	1,010,340,000	1,010,340,000

NOTE 15: OTHER INCOME

Particulars	Amount in Rupees	
	For the Year ended March 31, 2015	For the Year ended March 31, 2014
(a) Interest Income		
Interest on loans granted	66,499,997	66,499,997
Interest on fixed deposits with banks	67,027,963	64,108,314
	133,527,960	130,608,311
(b) Other non-operating income		
Profit on sale of fixed assets (net)		15,999
Miscellaneous income- Interest Income- Income Tax	13,173,862	-
TOTAL	146,701,822	130,624,310



NORTH KARNATAKA EXPRESSWAY LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

NOTE 16: OPERATING EXPENSES

Particulars	Amount in Rupees	
	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Operation and maintenance expenses for Belgaum Maharashtra Border Road	112,287,799	106,999,314
Independent Engineer Fees	7,233,808	5,959,372
TOTAL	119,521,607	112,958,686



NORTH KARNATAKA EXPRESSWAY LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

NOTE 17: FINANCE COSTS

Particulars	For the Year ended March 31, 2015		For the Year ended March 31, 2014	
(a) Other borrowing costs				
Redemption premium on debentures	258,710,000		298,350,000	
Amortisation of borrowing costs	11,404,663		13,152,108	
Other Finance charges	1,042,188	271,156,851	1,015,528	312,517,636
TOTAL		271,156,851		312,517,636

NOTE 18: OTHER EXPENSES (ADMINISTRATIVE AND GENERAL EXPENSES)

Particulars	For the Year ended March 31, 2015		For the Year ended March 31, 2014	
Legal and consultation fees	6,458,363		5,367,352	
Auditors' remuneration (Refer footnote (a) below)	1,018,544		941,583	
Deputation cost (Refer footnote (b) below)	1,518,267		1,587,910	
Travelling and conveyance	263,300		311,407	
Rent	85,820		81,182	
Rates and taxes	422,595		376,171	
Repairs and maintenance	644,774		635,490	
Communication expenses	69,507		59,718	
Insurance	105,846		8,106	
Printing and stationery	171,972		59,247	
Electricity charges	28,644		27,710	
Directors' sitting fees	220,000		243,596	
CSR Expenses	919,500		-	
Miscellaneous expenses	641,345		757,601	
TOTAL		12,568,477		10,457,073

FOOT NOTES:

(a) Auditors' remuneration

Particulars	For the Year ended March 31, 2015		For the Year ended March 31, 2014	
Payments to the auditor as:				
a. audit fees	200,000		200,000	
b. tax audit fees	200,000		200,000	
c. for other assurances services	505,000		435,000	
d. for reimbursement of expenses	1,500		3,377	
e. service tax on above	112,044		103,206	
		1,018,544		941,583

(b) Deputation Cost:

The Company does not have any employee on its payroll. Deputation costs are recognised based on amounts charged to the Company by the employers of the respective employees for the period for which resources have provided services to the Company. The cost of deputed personnel for the year ended March 31, 2015 is Rs.15,18,267/- (For the year ended March 31, 2014 was Rs.15,87,910/-). The disclosure required to be made in accordance with the revised Accounting Standard (AS) 15 – "Employee Benefits" have not been made, as such costs are determined by the respective employers for the respective entity as a whole and separate figures in respect of resources on deputation are not available.



NORTH KARNATAKA EXPRESSWAY LIMITED**Notes** forming part of the financial statements for the year ended March 31, 2015**NOTE 19: EARNINGS PER SHARE**

Particulars	Unit	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Profit after tax and minority interest	Rupees	279,360,712	214,223,968
Premium on preference shares	Rupees	-	-
Tax on premium on preference shares	Rupees	-	-
Profit / (Loss) for the year attributable to Equity Shareholders	Rupees	279,360,712	214,223,968
Weighted number of Equity Shares outstanding for calculating Basic and Diluted Earnings Per Share	Number	59,391,100	59,391,100
Nominal Value per equity share	Rupees	10	10
Basic and Diluted Earnings per share	Rupees	4.70	3.61



NORTH KARNATAKA EXPRESSWAY LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

NOTE 20: CONTINGENT LIABILITIES AND COMMITMENTS

A) Contingent liabilities :

Particulars	Amount in Rupees	
	As at March 31, 2015	As at March 31, 2014
Claims against the company not acknowledged as debt (Income tax demands contested by the Company and other Income Tax matters)	152,951,258	113,790,962

B) Commitments :

Particulars	Amount in Rupees	
	As at March 31, 2015	As at March 31, 2014
Estimated amount of contracts remaining to be executed on capital account (Overlay Cost)	163,274,507	635,006,056
Estimated amount of contracts remaining to be executed on capital account (O&M Cost)	623,673,060	735,960,859



NORTH KARNATAKA EXPRESSWAY LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

NOTE 21: RELATED PARTY DISCLOSURES

Current Year

a Name of related parties and description of relationship:

Ultimate Holding Company:	Infrastructure Leasing & Financial Services Limited ("IL&FS")
Immediate Holding Company:	IL&FS Transportation Networks Limited ("ITNL")
Entities having Control :	ITNL Road Investment Trust ("IRIT")
Fellow Subsidiaries (only with whom there have been transactions during the year / closing balances at the year end) :	IL&FS Securities Services Limited("ISSL")
Key Management Personnel:	Mr. Cherian George (Managing Director)
	Mr Swapnil Bhalekar (Chief Financial Officer)
	Ms Jyotsna Matondkar (Company Secretary)

b Transactions / Balances with related parties as mentioned in (a) above

Amount in Rupees

Account head	Name of Entity/ Person	AS at March 31, 2015	AS at March 31, 2014
Balances:			
Interest accrued but not due on short term loan given	ITNL	204,321,494	144,471,499
Short term loan given	ITNL	700,000,000	700,000,000
Mobilisation Advance	ITNL	24,098,900	-
Trade Payable - Debit balance	ITNL	38,692,604	402,015
Trade Payable - Debit balance	ISSL	15,169	-

Transactions :-		For the Year ended March 31, 2015	For the Year ended March 31, 2014
Interest on loans granted	ITNL	66,499,997	33,341,094
Operation and maintenance expenses	ITNL	111,449,880	52,047,767
Overlay Expenses	ITNL	261,027,987	-
Mobilisation Advance	ITNL	46,119,836	-
Mobilisation Advance Recovery	ITNL	22,020,936	-
Deputation cost	ITNL	1,518,267	1,587,910
Professional Fees	ISSL	34,308	22,972
Director Sitting Fees			
Mr. Pradeep Puri		40,000	60,000
Mr. George Cherian		80,000	80,000
Mr. S. K. Goyal		10,000	20,000
Mr. Rajiv Dubey		80,000	50,000
Mr. Vijay Kini		10,000	-
Mr Harish Mathur		-	20,000



NORTH KARNATAKA EXPRESSWAY LIMITED

Notes forming part of the financial statements for the year ended March 31, 2015

NOTE 22: SEGMENT REPORTING

The Company is engaged in infrastructure business and is a Special Purpose Entity formed for the specific purpose detailed in Note No.1 (B) above and thus operates in a single business segment. Also it operates in a single geographic segment. In the absence of separate reportable business or geographic segments the disclosures required under the Accounting Standard (AS) 17 – "Segment Reporting" have not been made.

Note 23: IMPACT OF CHANGE IN ACCOUNTING POLICY

Particulars	For the year ended March 31, 2015
The charge on account of Depreciation for the year is lower by / (higher by) than the amount that would correspond to the method of depreciation previously used and useful lives previously assessed	167,802
Carrying amount of assets with revised useful life as Nil, has been charged to Surplus in the Statement of Profit & Loss as at April 1, 2014	215,693
Carrying amount of assets with revised useful life as Nil, has been credited to capital work in progress	-

Particulars	For the year ended March 31, 2015
Depreciation / Amortisation as per addition to accumulated depreciation in Tangible	400,449,868
Add / Less :	
Impact due to change in depreciation accounting policy	(215,693)
Depreciation / Amortisation capitalised in CWIP / Inventory / Other Assets	-
Foreign Exchange difference	-
Grant Amortization	-
Other (please specify)	-
Depreciation / Amortisation as per profit & loss account	400,234,175

Note 24: PREVIOUS YEAR FIGURES

Corresponding figures for the previous year have been reclassified and presented in accordance with the current year presentation.

In terms of our report attached,
For **M P Chitale & Co.**
Chartered Accountants

Murtuza Vajih
Partner
Date : April 28, 2015
Mumbai



For and on behalf of the Board

Managing Director

Director

Chief Financial Officer

Date : April 28, 2015
Mumbai

Company Secretary

Board's Report

To,
The Shareholders
North Karnataka Expressway Limited

Your Directors have pleasure in presenting the Thirteenth Annual Report along with the Audited Financial Statements for the year ended March 31, 2015

FINANCIAL HIGHLIGHTS

The financial highlights of the Company are as under:

(Amount in Rupees)		
Particulars	For the Year ended 31.03.2015	For the Year ended 31.03.2014
Total Income	1,157,041,822	1,140,964,310
Less: Total Expenditure	803,481,110	873,140,342
Profit before finance charges, Tax, Depreciation/Amortization (PBITDA)	1,024,951,738	1,017,548,551
Less : Finance Charges	271,156,851	312,517,636
Profit before Depreciation/Amortization (PBTDA)	753,794,887	705,030,915
Less : Depreciation	400,234,175	437,206,946
Net Profit before Taxation (PBT)	353,560,712	267,823,968
Provision for taxation	74,200,000	53,600,000
Profit/(Loss) after Taxation (PAT)	279,360,712	214,223,968
Provision for proposed dividend	166,295,081	59,391,100
Dividend tax	33,249,039	10,093,518

DIVIDEND AND RESERVES

The Directors have recommended payment of dividend of ₹2.8/- per share (Previous Year: ₹1/- per share) for the year under review. The proposed dividend, if approved at the Annual General Meeting, will absorb a sum of ₹19,95,44,120/- including tax on dividend of ₹3,32,49,039/- (Previous Year: ₹6,94,84,618/- including tax on dividend of ₹1,00,93,518/-)



REDEMPTION OF NON - CONVERTIBLE DEBENTURES:

The Company had issued 4636 Secured, Rated, Listed, Taxable, Redeemable, Zero-Coupon, Non-Convertible Debentures of Face Value of ₹1,000,000/- each (the "Debentures"), aggregating upto ₹4,636,000,000 on a Private Placement basis on December 9, 2010. Out of the aforementioned Debentures, the Company had redeemed 2,807 debentures as of date including 516 debentures redeemed during the year under review

OPERATIONS OF THE COMPANY

The Company continued to maintain and operate the Belgaum Maharashtra Border Road project to the quality standards in accordance with the contractual requirements. During the year under review, the Company received annuity payment of ₹101.03 Crores from National Highways Authority of India.

INTERNAL CONTROL SYSTEM

The Company had implemented an internal control framework (ICF) covering various aspects of the business which enables a stage-wise/process-wise confirmation of the compliance of the control self-assessment to be provided by the maker and reviewer of transactions and also facilitates audit, both at the Corporate and at the project levels. The internal audit is carried out by a firm of Chartered Accountants using the ICF and they report directly to the Audit Committee of the Board of Directors. The Corporate Audit function plays a key role in providing both the operating management and the Board's Audit Committee with an objective view and reassurance of the overall control systems. The ICF is periodically modified so as to be consistent with operating changes for improved controls and effectiveness of internal control and audit.

The Internal Auditor's scope and authority are derived from the Internal Audit Plan, which is approved by the Audit Committee. The plan is modified from time to time to meet requirements arising from changes in law as well as out of the improved controls resulting from the implementation of the ICF. Internal audits are conducted every quarter and covers operations, accounting, secretarial and administration functions. It also provides special reference to compliances based on the audit plan. Internal audit reports are placed before the Audit Committee at regular intervals for review discussion and suitable action.

STATUTORY AUDITORS

M/s. M P Chitale & Co., Chartered Accountants, Statutory Auditors, were re-appointed as the Auditors of the Company to hold office from the conclusion of the Annual General Meeting (AGM) held on September 30, 2014 till the conclusion of the AGM of the Company to be held in 2019 for a period of five years, subject to ratification of their appointment by the Members at every AGM. A Certificate confirming their eligibility under Section 141 of the Companies Act, 2013 and Rules framed thereunder to continue as Auditors for the FY 2015-16 have been received from the Auditors. The Members are requested to ratify the appointment of M/s. M P Chitale & Co. as Statutory Auditors of the Company till



the conclusion of the next AGM and to authorise the Board to determine their remuneration for the FY 2015-16.

The report of the Statutory Auditor for FY 2014-15 does not contain any qualifications, reservations or adverse remarks or disclaimers

COST AUDITOR AND COST AUDIT REPORT

Pursuant to Section 148 of the Companies Act 2013 and the Companies (Cost Records and Audit) Rules 2014 framed thereunder, the Board of Directors at their meeting held on July 22, 2014 had on the recommendation of the Audit Committee appointed Mr. Dattatray D Chivilkar, Cost Accountant as the Cost Auditor of the Company for the FY 2014-15. Mr. Chivilkar has confirmed his eligibility for appointment for the F.Y 2015-16 and that he is free from any disqualifications for being appointed as Cost Auditors under the provisions of the Companies Act, 2013.

The Board of Directors has recommended to the Members remuneration payable to Mr. Chivilkar, Cost Auditor for the F.Y 2014-15 and F.Y 2015-16 to be approved at the ensuing AGM

SECRETARIAL AUDIT & SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s Jayshree Dagli & Associates, Mumbai, (CP 487), Company Secretaries in whole-time practice to carry out the Secretarial Audit of the Company for the Financial Year 2014-15

The report of the Secretarial Auditor is enclosed as Annexure A. The report does not contain any qualification

SHARE CAPITAL

During the year under review, your Company has not allotted any equity shares

During the year under review, your Company has not allotted any equity shares with differential voting rights nor has granted any stock option or sweat equity. As on 31st March, 2015, none of the directors of the Company hold instruments convertible into Equity Shares of the Company

CHANGE IN THE NATURE OF BUSINESS

During the year under review there is no change in the nature of Business of the Company



OTHER DISCLOSURES REQUIRED UNDER COMPANIES ACT, 2013**Extract of the annual return**

The extract of annual return as on the financial year ended March 31, 2015 in Form No. MGT-9 is enclosed as Annexure B

Corporate Governance**(i) Board of Directors**

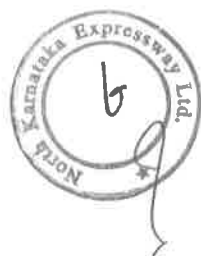
During the year under review, the Board of Directors on the recommendation of Nomination and Remuneration Committee appointed Mr Paresh Shah (DIN: 00390117) and Mr Rupak Ghosh (DIN: 07084589) with effect from March 17, 2015, as Independent Directors of the Company for a period of 3 years not liable to retire by rotation in accordance with the Section 149, 152, Schedule IV and of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014. The Company has received disclosures from Independent Directors confirming their independence in terms of Section 149 (6) of the Companies Act, 2013.

Mr Vijay Kini (DIN: 06612768) and Ms Shruti Arora (DIN: 06718758) were also appointed as Additional Directors of the Company w.e.f. January 22, 2015 pursuant to Section 161 of the Companies Act, 2013. They hold office upto the ensuing annual General Meeting and are eligible for appointment as Directors

Mr Pradeep Puri (DIN: 00051987) and Mr Rajiv Dubey (DIN: 05190718) are liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Your Directors recommend their appointment

The Board of Directors met 4 times during the year. The details of the board meetings and the attendance of the Directors are provided below:

Sr. No	Name of Directors	No. of Board Meetings held during tenure	Meetings attended
1	Mr. Rajiv Dubey	4	4
2	Mr. Pradeep Puri	4	2
3	Mr. George Cherian	4	4
4	Mr. S K Goyal	4	1
5	Mr. Vijay Kini	1	1
6	Ms Shruti Arora	1	0



(ii) Key Managerial Persons

Pursuant to Section 203 of the Companies Act, 2013, the Board of Directors at its Meeting held on October 17, 2014 have appointed Mr George Cherian, Managing Director and Ms Jyotsna Matondkar, Company Secretary as Key Managerial Personnel of the Company (KMP) and w.e.f. January 22, 2015,

Mr Swapnil Bhalekar has been appointed as Chief Financial Officer (CFO) and KMP of the Company effective January 22, 2015

(iii) Audit Committee

The Board of Directors has duly constituted the Audit Committee in terms of Section 177 of the Companies Act, 2013. The details of the meetings and the attendance of the Directors are provided below:

Sr. No	Name of Directors	No. of Meetings held during tenure	Meetings attended
1	Rajiv Dubey	4	4
2	George Cherian	4	4
3	Pradeep Puri	4	2

The Committee was reconstituted on March 31, 2015 comprising of Mr Paresh Shah, Mr Rupak Ghosh and Mr Vijay Kini as its Members.

All the recommendations of the Audit Committee during the year were accepted by the Board of Directors of the Company

(iv) Corporate Social Responsibility Committee

In terms of Section 135 of the Companies Act, 2013, the Board of Directors at its Meeting held on July 22, 2014 constituted a Corporate Social Responsibility Committee and also adopted a CSR Policy. The Committee was reconstituted on March 31, 2015 and comprising of Mr Paresh Shah, Mr Rupak Ghosh and Mr Vijay Kini as its Members

The Annual Report on CSR activities is annexed herewith as Annexure C.

(v) Nomination & Remuneration Committee

In terms of Section 178 of the Companies Act, 2013, the Board of Directors at its Meeting held on January 22, 2015 constituted a Nomination & Remuneration Committee and adopted a Managerial



Remuneration Policy. The Committee was reconstituted on March 31, 2015 comprising of Mr Paresh Shah, Mr Rupak Ghosh and Mr Vijay Kini as its Members

The Managing Director appointed by the Company is not paid any remuneration except Sitting Fees for attending each meeting of the Board / Committee thereof. Further, there are no employees on the rolls of the Company. In view of the aforesaid, no disclosures are required to be made in terms of Rule 5 of the Appointment and Remuneration of Managerial Personnel Rules 2014

Related Party Transactions

All related party transactions during the year have been entered into in ordinary course of business and on arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013. There are no materially significant transactions made with any of the related parties of the Company

Accordingly, there are no contracts or arrangements with related parties to be disclosed in Form AOC-2 pursuant to Clause (h) of Sub section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014

The Company has developed a Related Party Transactions Policy & Framework for the purpose of identification and approval of such transactions. A Statement of all related party transactions consummated as per the Related Party Transactions Policy & Framework is placed before the Audit Committee every quarter for their approval.

Conservation of energy, technology absorption, foreign exchange earnings and outgo

Since, the Company does not have any manufacturing facility, the other particulars required to be provided in terms of the disclosures required under Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable to the Company. There was no earning or outgo of foreign exchange during the year under review

Vigil mechanism for directors and employees

In accordance with the provisions of the Companies Act, 2013 the Company has established a vigil mechanism by adopting a Whistle Blower Policy for the directors and employees to report genuine concerns or grievances

The administration of the vigil mechanism is being done through Audit Committee

We confirm that during the financial year 2014-2015, no employee of the Company was denied access to the Audit Committee



Deposits

During the year under review the Company has not accepted Fixed Deposits

Particulars of loans, guarantees or investments under section 186

During the year under review, the Company has not made any investments nor given any loans / guarantees /provided security in connection with a loan granted to any person or body corporate in terms of Section 186 of the Companies Act, 2013

Performance Evaluation:

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The performance evaluation of the Directors, the Board and its Committees was carried out based on the criteria /manner recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.

The performance evaluation of the Independent Directors was also carried out by the entire Board. Your directors express their satisfaction with the evaluation process

Policy for Prevention of Sexual Harassment at workplace

The Company has provided a safe and dignified work environment for its employees which is free of discrimination, intimidation and abuse. The Company has adopted a Policy for Prevention of Sexual Harassment of Women at Workplace under the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Act"). The objective of this policy is to provide protection against sexual harassment of women at workplace and for redressal of complaints of any such harassment. The Internal Complaints Committee to redress the complaints received under the Act is in place

Material Changes and Commitments affecting the financial position of the Company

Except as disclosed elsewhere in this report, there have been no material changes and commitments which can affect the financial position of the Company occurred between the end of the financial year of the Company and date of this report.



Significant and Material Orders passed by the Regulators or Courts or Tribunals

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations

Directors' Responsibility Statement

In terms of provisions of Section 134(5) of the Companies Act, 2013, your Directors based on the representations received from the Operating Management confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they 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 / loss] of the company for that period;
- (c) they 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) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Particulars of Employees

There were no employees of the Company in respect of whom the information is required to be disclosed pursuant to Section 197 of the Companies Act 2013 read with Rule 5(2)&(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014



Risk Management

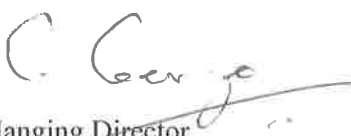

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. There are no risks which in the opinion of the Board affect the Company operations on a going concern basis.

The Board periodically reviews the risks and measures are taken for mitigation

Acknowledgements

The Directors place on record their appreciation for the support and co-operation received from various Government Authorities including National Highway Authority of India and other Regulatory Authorities, Banks, Financial Institutions and Shareholders of the Company

For and on behalf of the Board

	
Manging Director	Director
(DIN: 01531074)	(DIN: 06612768)
George Cherian	Vijay Kini

Mumbai, July 22, 2015



MGT-9 of NKEL**Form No. MGT-9****EXTRACT OF ANNUAL RETURN**
as on the financial year ended on March 31, 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:

- i) CIN: U45203MH2001PLC163992
ii) Registration Date: 15/10/2001
iii) Name of the Company: North Karnataka Expressway Limited
iv) Category / Sub-Category of the Company: Company Limited by Shares
v) Address of the Registered office and contact details: The IL&FS Financial Centre, Plot C 22, G Block, Bandra Kurla Complex, Mumbai-400051
vi) Whether listed company Yes / No: No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any

II. Principal business activities of the company

Business activities contributing 10 % or more of the total turnover of the company are:-

S.No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Construction and maintenance of Motorways, roads, other vehicular and pedestrian ways, highways, bridges, tunnels and subways	42101	100

III. Particulars of holding, subsidiary and associate companies

S. No.	Name and Address of The company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	IL&FS Trust Company Limited A/c - ITNL Road Investment Trust (IRIT)	U66020MH1995PLC095507	Holding	74.00	2(87)
2	IL&FS Transportation Networks Limited	L45203MH2000PLC129790	Holding	13.00	2(87)



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.	55530594	38,60,506	59,391,100	100	55530594	38,60,506	59,391,100	100	Nil
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	55530594	38,60,506	59,391,100	100	55530594	38,60,506	59,391,100	100	Nil
(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)	55530594	38,60,506	59,391,100	100	55530594	38,60,506	59,391,100	100	Nil
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) FIIs	-	-	-	-	-	-	-	-	-
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 Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	55530594	38,60,506	59,391,100	100	55530594	38,60,506	59,391,100	100	Nil



ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	IL&FS Trust Company Limited A/c- ITNL Road Investment Trust (IRIT)	4,39,49,380	74	-	4,39,49,380	74	-	NIL
2	IL&FS Transportation Networks Limited	77,20,823	13	-	77,20,823	13	-	NIL
3	Punj Lloyd Limited	38,60,456	6.5	-	38,60,456	6.5	-	NIL
4	Infrastructure Leasing & Financial Services Limited	38,60,441	6.5	-	38,60,441	6.5	-	NIL
	Total	59,391,100	100	-	59,391,100	100	-	NIL

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

There is no change in the Promoters' Shareholding during the year

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-



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):	-	-	-	-
At the end of the year	-	-	-	-

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

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
	For Each of the Top 10 Shareholders				
	At the beginning of the year	There are no other shareholders other than promoters hence shareholding for Top 10 shareholder stands Nil			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year (or on the date of separation, if separated during the year)	-			



v) Shareholding of Directors:

Sl. No.	Name of Shareholders	Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of shares at the beginning (01-04-14) / end of the year (31-03-15)	% of total shares of the company				No. of shares	% of total shares of the Company
1	Mr Pradeep Puri Director	Nil	Nil	N.A	N.A	N.A	Nil	N.A
2	Mr George Cherian Managing Director	Nil	Nil	N.A	N.A	N.A	Nil	N.A
3	Mr Rajiv Dubey Director	Nil	Nil	N.A	N.A	N.A	Nil	N.A
4	Mr. Vijay Kini Additional Director	Nil	Nil	N.A	N.A	N.A	Nil	N.A
5	Ms. Shruti Arora Additional Director	Nil	Nil	N.A	N.A	N.A	Nil	N.A
6	Mr S K Goyal Director	Nil	Nil	N.A	N.A	N.A	Nil	N.A
7	Mr Paresh Shah Independent	Nil	Nil	N.A	N.A	N.A	Nil	N.A



	Director							
8	Mr Rupak Ghosh Independent Director	Nil	Nil	N.A	N.A	N.A	Nil	N.A

V. Indebtedness

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	234,50,00,000	0	0	234,50,00,000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	79,39,37,641	0	0	79,39,37,641
Total (i+ii+iii)	313,89,37,641	0	0	313,89,37,641
Change in Indebtedness during the financial year				
• Addition				
• Reduction				
	72,41,13,168			72,41,13,168
Net Change	72,41,13,168	0	0	72,41,13,168
Indebtedness at the end of the financial year				
i) Principal Amount	182,90,00,000	0	0	182,90,00,000
ii) Interest due but not paid		0	0	84,45,34,473
iii) Interest accrued but not due	84,45,34,473	0	0	84,45,34,473
Total (i+ii+iii)	267,35,34,473	0	0	267,35,34,473

VI. Remuneration of directors

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

No remuneration has been paid to Managing Director apart from Sitting Fees of Rs. 80,000/- during the FY 2014-15

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	-	-	-	-	-



MGT-9 of NKEL

	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 (A)	-	-	-	-	-	-
	Ceiling as per the Act	being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013					

B. Remuneration to other directors:

Sl No	Particulars of Remuneration	Name of the Directors						Total Amount
1	Independent Directors							
	- Fee for attending board committee meetings	-	-	-	-	-	-	-
	- Commission	-	-	-	-	-	-	-
	- Others, please specify	-	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	-	-
2	Other Non-Executive Directors	Pradeep Puri	Rajiv Dubey	S K Goyal	Vijay Kini	George Cherian	Shruti Arora	
	- Fee for attending board committee meetings	40,000	80,000	10,000	10,000	80,000	-	2,20,000
	- Commission	-	-	-	-	-	-	-



MGT-9 of NKEL

- Others, please specify	-	-	-	-	-	-	-	-
Total (2)	40,000	80,000	10,000	10,000	80,000	-	-	2,20,000
Total (B)=(1+2)	40,000	80,000	10,000	10,000	80,000	-	-	2,20,000
Total Managerial Remuneration	40,000	80,000	10,000	10,000	80,000	-	-	2,20,000

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary (a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (b)Value of perquisites u/s 17(2)Income-tax Act,1961 (c)Profits in lieu of salary under section17(3)Income-taxAct,1961	-	87,032	87,032
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit	-	-	-
5.	Others, (Performance Related Pay)	-	-	-
	Total	-	87,032	87,032



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)
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other officers in default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]



Sr. No.	Particulars	Details
1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	In an effort to empower the community surrounding the project road the company will be initiating various social developmental activities for their wellbeing including improvements in road safety and skilling youths for jobs The CSR Policy and Framework has been adopted by the Company
2.	Composition of the CSR Committee	1) Mr. Paresh Shah - Member 2) Ms. Rupak Ghosh - Member 3) Mr. Vijay Kini - Member
3.	Average net profit of the company for last three financial years (Amount in Millions)	Rs 22.29 crores
4.	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) (Amount in Millions)	Rs 0.45 crores
5.	Details of CSR spent during the financial year. a) Total amount to be spent for the financial year; b) Amount unspent, if any; c) Manner in which the amount spent during the financial year is detailed below.	a) Rs 0.45 crores b) Rs 0.36 crores c) Since, the conceptualisation of the CSR Programmes took time, the Company was unable to implement the CSR activities However, the Company has since developed the manner in which the CSR activities could be implemented, the unspent amount during FY 2014-15 will be spent during the FY 2015-16 in addition to the eligible CSR Spend for FY 2015-16 The manner in which the amount is spent is detailed in table below:



MGT-9 of NKEL

S. No	CSR project or activity identified	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Sectors in which the project is covered	Amount outlay (budget) project or programs wise (Rs Crores)	Amount spent on the projects or programmes (1) Direct Expenditure on projects or programs (2) Overhead (Rs Crores)	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Integrated Rural Development Projects in the	North Karnataka Expressway (NKEL): I. Belgaum Karnataka	Sanitation: Providing amenities to road user	0.06	0.06 (Direct)	0.09	Directly through specialist agencies
2	Catchment area of NKEL		Sanitation & Education: Improving sanitation and education infrastructure in schools	0.03	0.03 (Direct)		Directly through specialist agencies
			Total	0.09	0.09	0.09	

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company

 (Chief Executive Officer or Managing Director or Director)	 (Chairman CSR Committee)
---	---



Jayshree S. Joshi

B. Com. (Hons.), LL.B., F.C.S.
PROPRIETRESS



PHONE : 2262 2341 - 2 - 3
E-MAIL : jayshreedagli@gmail.com
suyashri@vsnl.com

JAYSHREE DAGLI & ASSOCIATES

COMPANY SECRETARIES

Date: 22nd April, 2015

To,

The Members,

NORTH KARNATAKA EXPRESSWAY LIMITED

Mumbai

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

1. 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.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on 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.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For JAYSHREE DAGLI & ASSOCIATES
COMPANY SECRETARIES**

Jayshree S. Joshi

**JAYSHREE S. JOSHI
F.C.S.1451 C.P.487**

PS: Attached hereto is our Secretarial Audit Report (Form No. MR-3) of Even Date.

Jayshree S. Joshi

B. Com. (Hons.), LL.B., F.C.S.
PROPRIETRESS



PHONE : 2262 2341 - 2 - 3
E-MAIL : jayshreedagli@gmail.com
suyashri@vsnl.com

JAYSHREE DAGLI & ASSOCIATES

COMPANY SECRETARIES

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2015

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

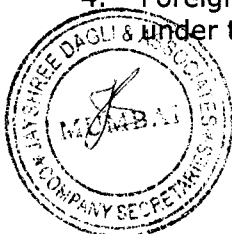
To,
The Members,
NORTH KARNATAKA EXPRESSWAY LIMITED
Mumbai

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **North Karnataka Expressway Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

(A) We have examined the books, papers, minute books, forms and returns filed and other records maintained by **North Karnataka Expressway Limited** ("the Company") for the financial year ended 31st March, 2015 according to the provisions of:

1. The Companies Act, 2013 ("the Act") and the rules made thereunder ;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment;



Contd.....2.



JAYSHREE DAGLI & ASSOCIATES

COMPANY SECRETARIES

:: 2 ::

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-

- (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

6. We are given to understand that based on the nature of the business activities of the Company, there is no specific regulation/law applicable to the Company.

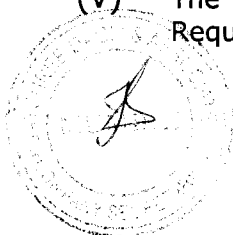
(B) We have also examined the compliance with the applicable clauses of the following:

- 1. Secretarial Standards as notified to be effective from 1st July, 2015 and hence compliance thereof is not to be considered /not required to be certified.

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

During the period under review, the provisions of following regulations were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014;
- (ii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009;
- (iii) The Securities and Exchange Board of India (Buyback of Securities) Regulations 1998.
- (iv) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;



Contd.....3.

Jayshree S. Joshi

B. Com. (Hons.), LL.B., F.C.S.
PROPRIETRESS



PHONE : 2262 2341 - 2 - 3
E-MAIL : jayshreedagli@gmail.com
suyashri@vsnl.com

JAYSHREE DAGLI & ASSOCIATES

COMPANY SECRETARIES

:: 3 ::

We further report that -

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

Adequate notice had been given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and that 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.

Unanimous decisions were carried through as there was no case of dissent of any Director in respect of any decision and was accordingly captured and recorded as part of the minutes.

We further report that-

There are adequate systems and processes in place 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 no specific events / actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. referred to herein above.

Place : Mumbai

Date: 22nd April, 2015

For **JAYSHREE DAGLI & ASSOCIATES**
COMPANY SECRETARIES

JAYSHREE S. JOSHI
F.C.S.1451 C.P.487

North Karnataka Expressway Limited

Regd. Office : The IL&FS Financial Center, Plot C-22, G Block,
Bandra Kurla Complex, Mumbai- 400051
Tel : 022-26533333 Fax : 022-26523979
CIN : U45203MH2001PLC163992

NOTICE OF THE THIRTEENTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirteenth Annual General Meeting of the Members of North Karnataka Expressway Limited will be held at the Registered Office of the Company at The IL&FS Financial Centre, Plot No. C-22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai- 400051 on Friday, 25th day of September, 2015, at 2.00 p.m. to transact the following business:

ORDINARY BUSINESS:

- [1] To receive, consider and adopt the Financial Statement containing the Balance Sheet as at March 31, 2015 and the Profit & Loss Account, Cash Flow Statement, notes and schedules forming part of the Financial Statement for the year ended March 31, 2015 on that date together with the Report of the Directors and the Auditors thereon.

“RESOLVED THAT pursuant to the provisions of the Companies Act, 2013 Financial Statement containing the Balance Sheet as at March 31, 2015 and the Profit & Loss Account, Cash Flow Statement, notes and schedules forming part of the Financial Statement for the Financial Year ended 31st March 2015 together with the Directors’ Report and Auditors’ Report thereon be and are hereby received, considered and adopted.”

- [2] To declare a dividend on the equity shares of the Company

“RESOLVED THAT dividend at the rate of ₹ 2.8 per equity share on the paid up Equity Share Capital of the Company for the financial year 2014-15 be and hereby declared.

- [3] To appoint a Director in place of Mr. Pradeep Puri, who retires by rotation and being eligible offers himself for re-appointment

“RESOLVED THAT Mr. Pradeep Puri (DIN: 00051987) who retires by rotation, and being eligible, offers himself for re-appointment be and is hereby re-appointed as Director”.

- [4] To appoint a Director in place of Mr. Rajiv Dubey, who retires by rotation and being eligible offers himself for re-appointment

RESOLVED THAT Mr. Rajiv Dubey (DIN: 05190718) who retires by rotation, and being eligible, offers himself for re-appointment be and is hereby re-appointed as Director”.

- [5] To ratify the appointment of M/s. M. P. Chitale & Co., Statutory Auditors of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof:

“RESOLVED THAT, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the appointment of M/s. M. P. Chitale & Co, Chartered Accountants, Registration No. 101851W, as the Statutory Auditors of the Company be and is hereby ratified for the Financial Year 2015-16, who shall hold

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office till the next Annual General Meeting and authorized the Board of Directors to determine their remuneration

SPECIAL BUSINESS:

- [6] To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) ("the Act"), Mr. Paresh Shah (DIN: 00390117), who has been appointed as an Additional Director of the Company on March 17, 2015 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation upto to March 16, 2018"

- [7] To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) ("the Act"), Mr. Rupak Ghosh (DIN: 07084589), who has been appointed as an Additional Director of the Company on March 17, 2015 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation upto to March 16, 2018"

- [8] To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Ms. Shruti Arora (DIN: 06718758), who was appointed as an Additional Director on the Board of the Company with effect from January 22, 2015 in terms of Section 161 of the Companies Act, 2013 ("the Act") and subject to other applicable provisions, if any, of the Act and the rules made there under (including any statutory modification(s) or re-enactment thereof and any rules made thereunder, for the time being in force) and pursuant to provisions of Articles of Associations of the Company and subject to such other approvals as may be required and in respect of whom the Company has received a notice from a Member in writing, proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation"

- [9] To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

North Karnataka Expressway Limited

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CIN : U45203MH2001PLC163992

"RESOLVED THAT Mr. Vijay Kini (DIN: 06612768), who was appointed as an Additional Director on the Board of the Company with effect from January 22, 2015 in terms of Section 161 of the Companies Act, 2013 ("the Act") and subject to the other applicable provisions, if any, of the Act and the rules made there under (including any statutory modification(s) or re-enactment thereof and any rules made thereunder, for the time being in force) and pursuant to provisions of Articles of Associations of the Company and subject to such other approvals as may be required and in respect of whom the Company has received a notice from a Member in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation"

- [10] To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications(s) or re-enactment(s) thereof, Mr. Dattatray Chivilkar, Cost Accountant appointed by the Board of Directors to conduct the audit of the cost records of the Company for FY 2014-15 be paid at a remuneration not exceeding ₹ 60,000/- plus service tax and reimbursement of out of pocket expenses incurred by him in connection with the aforesaid audit"

- [11] To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications(s) or re-enactment(s) thereof, Mr. Dattatray Chivilkar, Cost Accountant appointed by the Board of Directors to conduct the audit of the cost records of the Company for FY 2015-16 be paid a remuneration of ₹ 60,000/- plus service tax as applicable and reimbursement of out of pocket expenses incurred by him in connection with the aforesaid audit"

By order of the Board of Directors
of North Karnataka Expressway Limited

Sd/-
Jyotsna Matondkar
Company Secretary
Membership No. A19792

Mumbai
July 22, 2015

Registered Office:
The IL&FS Financial Centre
Plot No.C-22, G Block, Bandra-Kurla Complex
Bandra (East), Mumbai 400 051

North Karnataka Expressway Limited

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CIN : U45203MH2001PLC163992

NOTES:

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING**
- b) All the documents referred to in the accompanying notice are open for inspection at the registered office of the company during the office hours between 9:30 a.m. to 06:00 p.m. up to the date of Annual General Meeting.
- c) The relative Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, in respect of the business at Item Nos. 6 to 11 of the accompanying notice are annexed hereto
- d) The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 16, 2015 to Friday, September 25, 2015 (both days inclusive)
- e) The Final Dividend as recommended by the Board of Directors, if approved by the shareholders at the 13th Annual General Meeting of the Company, shall be paid to those Members whose names appear on the Register of Members of the Company on September 15, 2015. In respect of the shares held in electronic form, the Dividend will be payable to the Beneficial Owners of the shares as on the closing hours of business on September 15, 2015 as per the details furnished by the Depositories for this purpose
- f) Pursuant to the provisions of Section 125 of the Companies Act, 2013, the amount of dividend which remains unpaid/unclaimed for a period of 7 years would be transferred to the "Investor Education and Protection Fund (IEPF)", constituted by the Central Government and Member(s) would not be able to claim any amount of dividend so transferred to the fund

By order of the Board of Directors
of North Karnataka Expressway Limited

Sd/-

Jyotsna Matondkar
Company Secretary
Membership No. A19792

Mumbai
July 22, 2015

Registered Office:

The IL&FS Financial Centre
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EXPLANATORY STATEMENT

THE FOLLOWING EXPLANATORY STATEMENT SETS OUT THE MATERIAL FACTS WITH RESPECT TO THE NOTICE DATED JULY 22, 2015 AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No 6:

Upon the recommendation of the Nomination & Remuneration Committee, the Board of Directors had appointed Mr. Paresh Shah as an Additional Director of the Company

Mr. Paresh Shah is a member of Corporate Social Responsibility Committee of the Company and Mr Shah does not hold any equity shares of the Company

Since, Mr. Paresh Shah fulfils the criteria for appointment as an Independent Director in accordance with the provisions of the Companies Act, , his appointment as an Independent Director of the Company by the Members is recommended. The Board of Directors has appointed him as an Additional Director (Independent) with effect from March 17, 2015. Hence on approval by the Members of his appointment as an Independent Director he will hold the office from date of passing of the resolution by the members upto March 16, 2018 and he shall not be liable to retire by rotation during his said tenure. A notice has been received from a Member proposing Mr. Paresh Shah as a candidate for the office of Director of the Company along with the requisite deposit in accordance with Section 160 of the Act

The Board considers that Mr. Paresh Shah's continued association would be of immense benefit to the Company and it is desirable to continue to avail services of him as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Paresh Pannalal Shah as an Independent Director, for the approval by the Members of the Company

Except Mr. Paresh Shah, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution set out at Item No. 6. The details as prescribed under Secretarial Standard -2 (SS-2) issued by the Institute of Company Secretaries of India are tabled below:-

S.No	Particulars
Name	Mr. Paresh Shah
Age	57
Qualification	B.Sc., FCA
Experience	Tax Consultant since last 30 years
Terms and Conditions of Appointment	Additional Director in capacity of Independent Director
Date of appointment in the Board	March 17, 2015
Shareholding in the Company	NIL
Relationship with other Directors,	NIL

North Karnataka Expressway Limited

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Manager and KMP	
No.of Board meetings attended during the year	Subsequent to his appointment, there was no meeting held in the FY 2014-15.
Other Directorships	16
Membership/Chairmanship of the Committees of Board held in another company	He is a member in the : 1. Audit Committee of 9 Companies 2. Nomination & Remuneration Committee of 9 Companies 3. Corporate Social Responsibility Committee of 3 Companies

Item No 7:

Upon the recommendation of the Nomination & Remuneration Committee, the Board of Directors had appointed Mr. Rupak Ghosh as an Additional Director of the Company

Mr. Rupak Ghosh is a member of Corporate Social Responsibility Committee of the Company and Mr Ghosh does not hold any equity shares of the Company

Since, Mr. Rupak Ghosh fulfils the criteria for appointment as an Independent Director in accordance with the provisions of the Companies Act, , his appointment as an Independent Director of the Company by the Members is recommended. The Board of Directors has appointed him as an Additional Director (Independent) with effect from March 17, 2015. Hence on approval by the Members of his appointment as an Independent Director he will hold the office from date of passing of the resolution by the members upto March 16, 2018 and he shall not be liable to retire by rotation during his said tenure. A notice has been received from a Member proposing Mr. Rupak Ghosh as a candidate for the office of Director of the Company along with the requisite deposit in accordance with Section 160 of the Act

The Board considers that Mr. Rupak Ghosh's continued association would be of immense benefit to the Company and it is desirable to continue to avail services of him as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Rupak Ghosh as an Independent Director, for the approval by the Members of the Company

Except Mr. Rupak Ghosh, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution set out at Item No. 7. The details as prescribed under Secretarial Standard -2 (SS-2) issued by the Institute of Company Secretaries of India are tabled below:-

S.No	Particulars
Name	Mr. Rupak Ghosh
Age	66
Qualification	B.Sc. (Honours), LLB
Experience	34 Years
Terms and Conditions of Appointment	Additional Director in capacity of independent Director

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Date of appointment in the Board	March 17, 2015
Shareholding in the Company	NIL
Relationship with other Directors, Manager and KMP	NIL
No. of Board meetings attended during the year	Subsequent to their Appointment, there was No meeting held in the FY 2014-15.
Other Directorships	7
Membership/Chairmanship of the Committees of Board held in another company	He is a member in the : 1. Audit Committee of 7 Companies 2. Nomination & Remuneration Committee of 7 Companies 3. Corporate Social Responsibility Committee of 2 Companies

Item No 8:

The Board of Directors of the Company has appointed Ms. Shruti Arora as an Additional Director of the Company with effect from January 22, 2015 pursuant to the provisions of Section 161 of the Companies Act, 2013. In terms of the provisions of Section 161 of the Act, Ms. Shruti Arora would hold office up to the date of the ensuing Annual General Meeting

In terms of Section 160 and any other applicable provisions of the Companies Act, 2013 and read with rules under the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), she is proposed to be appointed as a Director of the Company with effect from the date of this Annual General Meeting

In terms of Section 160 of the Companies Act, 2013, a notice has been received from a member along with the requisite deposit, proposing Ms. Shruti Arora as a candidate for the office of Director of the Company

The Board considers that Ms. Shruti Arora continued association would be of immense benefit to the Company and it is desirable to continue to avail services of her as a Director. Accordingly, the Board recommends the resolution in relation to appointment of Ms. Shruti Arora as Director, for the approval by the Members of the Company

Except Ms. Shruti Arora being an appointee, none of the Directors and the Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at Item No. 8 The details as prescribed under Secretarial Standard -2 (SS-2) issued by the Institute of Company Secretaries of India are tabled below:-

S.No	Particulars
Name	Ms. Shruti Arora
Age	42 years
Qualification	B.E (Civil), PGD "Masters in Construction Management"
Experience	Over all experience of 19 years and more

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	than 15 years in infrastructure sector
Terms and Conditions of Appointment	Additional Director
Date of appointment in the Board	January 22, 2015
Shareholding in the Company	NIL
Relationship with other Directors, Manager and KMP	NIL
No. of Board meetings attended during the year	1
Other Directorships	4
Membership/Chairmanship of the Committees of Board held in another company	NIL

Item No 9:

The Board of Directors of the Company has appointed Mr. Vijay Kini as an Additional Director of the Company with effect from January 22, 2015 pursuant to the provisions of Section 161 of the Companies Act, 2013. In terms of the provisions of Section 161 of the Act, Mr. Vijay Kini would hold office up to the date of the ensuing Annual General Meeting

In terms of Section 160 and any other applicable provisions of the Companies Act, 2013 and read with rules under the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), he is proposed to be appointed as a Director of the Company with effect from the date of this Annual General Meeting

In terms of Section 160 of the Companies Act, 2013, a notice has been received from a member along with the requisite deposit, proposing Mr. Vijay Kini as a candidate for the office of Director of the Company

The Board considers that Mr. Vijay Kini continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as a Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Vijay Kini as Director, for the approval by the Members of the Company

Except Mr. Vijay Kini being an appointee, none of the Directors and the Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at Item No. 9. The details as prescribed under Secretarial Standard -2 (SS-2) issued by the Institute of Company Secretaries of India are tabled below:-

S.No	Particulars
Name	Mr. Vijay Kini
Age	48
Qualification	AICWAI, M.Com
Experience	23 years
Terms and Conditions of Appointment	Additional Director

North Karnataka Expressway Limited

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Date of appointment in the Board	January 23, 2015
Shareholding in the Company	NIL
Relationship with other Directors, Manager and KMP	NIL
No.of Board meetings attended during the year	1
Other Directorships	9
Membership/Chairmanship of the Committees of Board held in another company	He is a member in the : 1.Audit Committee of 4 Companies 2.Nomination & Remuneration Committee of 4 Companies

Item no. 10 & 11

The Board of Directors on the recommendation of the Audit Committee, had approved the appointment of Mr. Dattatray Chivilkar, Cost Accountant, to conduct the audit of the cost records of the Company for FY 2014-15 and FY 2015-16

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor for FY 2014-15 is required to be approved by the Members of the Company. Accordingly, the Members are requested to approve the remuneration payable to the Cost Auditor for the financial year ending March 31, 2014 and March 31, 2015, as set out in the Resolution Nos. 10 and 11 of the Notice

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the said Resolutions

The Board of Directors recommend the Ordinary Resolution set out at Item No. 10 & 11 of the Notice for approval by the Members

By order of the Board of Directors
of North Karnataka Expressway Limited

Sd/-
Jyotsna Matondkar
Company Secretary
Membership No. A19792

Mumbai
July 22, 2015

Registered Office:
The IL&FS Financial Centre
Plot No.C-22, G Block, Bandra-Kurla Complex
Bandra (East), Mumbai 400 051

North Karnataka Expressway Limited

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CIN : U45203MH2001PLC163992

Attendance Slip

(To be handed over at the entrance of the Meeting hall)

Thirteenth Annual General Meeting held on 25th Day of September, 2015, at 2.00 p.m

I hereby record my presence at the Thirteenth Annual General Meeting of North Karnataka Expressway Limited held at the Registered Office of the Company at The IL&FS Financial Centre, Plot No. C-22, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051 on Friday, September 25, 2015 at 2.00 p.m

Folio no. _____

Full name of the Member (in BLOCK LETTERS) _____

Full name of the Proxy (in BLOCK LETTERS) _____

No. of Shares held _____

Member's/ Proxy's Signature _____

NOTES:

1. Members / Proxy Holders are requested to produce the attendance slip duly signed for admission to the meeting hall.
2. Members are requested to bring their copy of the Annual Report.
3. Formal system of entry will be strictly adhered.

North Karnataka Expressway Limited

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Tel : 022-26533333 Fax : 022-26523979
CIN : U45203MH2001PLC163992

Form No. MGT-11

Proxy form

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

CIN: U45203MH2001PLC163992

Name of the company : North Karnataka Expressway Limited

Registered office: The IL&FS Financial Center, Plot No. C-22, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai- 400051

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:....., or failing him

2. Name:

Address:

E-mail Id:

Signature:....., or failing him

3. Name:

Address:

E-mail Id:

Signature :.....

North Karnataka Expressway Limited

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as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 13th Annual General Meeting of the company, to be held on 25th Day of September, 2015 at 2.00 p.m at **The IL&FS Financial Center, Plot No. C-22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai- 400051** and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
1. Adoption of Audited Financial Statements for the financial year ended March 31, 2015 and reports of the Board of Directors and Auditors thereon.		
2. Declaration of Dividend on equity shares		
3. Re-appointment of Mr Pradeep Puri, who retires by rotation		
4. Re-appointment of Mr Rajiv Dubey, who retires by rotation		
5. To ratify the appointment of M/s M.P. Chitale & Co. , Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration		
6. Appointment of Mr. Paresh Shah as Independent Director of the Company, not liable to retire by rotation		
7. Appointment of Mr. Rupak Ghosh as Independent Director of the Company, not liable to retire by rotation		
8. Appointment of Ms. Shruti Arora as Director of the Company, liable to retire by rotation		
9. Appointment of Mr. Vijay Kini as Director of the Company, liable to retire by rotation		
10. Approval of Cost Auditor's Remuneration for FY 2014-15		
11. Approval of Cost Auditor's Remuneration for FY 2015-16		

Signed this..... day of..... 20....

Affix
Revenue
Stamp

Signature of shareholder

Signature of Proxy holder(s)

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

The image displays two maps of the Bandra East area in Mumbai. The left map is a standard street map showing major roads like 'Station Road', 'Khar Road', and 'Bandra Terminus'. The right map is a Google Map showing the same area with landmarks such as 'Asian Hospitals', 'OIL&S Financial Centre', and 'Yashwantrao Chavan Pratishthan'. It also includes travel time and distance callouts for bus (7 min, 2.3 km), car (21 min, 2.1 km), and walking (10 min, 1.6 km) routes.