



PNG TOLLWAY LIMITED

Board of Directors:

Mr. T.S.Venkatesan

Mr. P.G.Suresh Kumar

Mr. Arun Kumar Jha

Mr. Paresh Mehta

Dr. Amirthalingam Veeraragavan

Ms. Samyuktha Surendran

Statutory Auditors

M/s. Gianender & Associates,

Chartered Accountants

Registered Office

Post Box No.979

Mount Poonamallee Road

Manapakkam

CHENNAI - 600 089

NOTICE

Notice is hereby given for the **SEVENTH ANNUAL GENERAL MEETING** of **PNG TOLLWAY LIMITED** to be held on Thursday, 29th September 2016 at 10.00 A.M at Mount Poonamallee , Manapakkam, Chennai – 600 089 to discuss the following business:

ORDINARY BUSINESS:

1. To receive and adopt the audited Financial Statement for the period 1st April 2015 to 31st March 2016 and the report of the Directors and Auditors thereon.
2. To consider and if thought fit, to appoint Mr. T.S.Venkatesan (DIN No: 01443165), as a Director of the Company, who retires by rotation and, being eligible, offers himself for re-appointment
3. To appoint the Statutory Auditors of the Company and to fix their Remuneration:

“RESOLVED THAT the appointment of M/s. Gianender & Associates (Firm Reg no: 004661N), Chartered Accountants, Delhi as Statutory Auditors of the Company be and is hereby ratified to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at a remuneration of Rs.1,50,000/- per annum as remuneration excluding out of pocket expenses for the Financial year 2016-17.”

SPECIAL BUSINESS

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

“RESOLVED THAT Mr. Arun Kumar Jha (DIN No: 07458418) who was appointed as an Additional Director under Section 161 of the Companies Act 2013 holds office until the date of this Annual General Meeting, and in respect of whom notice has been received for appointment as Director from a Member under Section 160 of the Companies Act 2013, be and is hereby appointed as Director liable to retire by rotation”

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

“RESOLVED THAT Mr. Paresh Mehta (DIN No: 03474498) who was appointed as an Additional Director under Section 161 of the Companies Act 2013 holds office until the date of this Annual General Meeting, and in respect of whom notice has been received for appointment as Director from a Member under Section 160 of the Companies Act 2013, be and is hereby appointed as Director liable to retire by rotation”

6. To consider and, if thought fit, to pass, with or without modifications if any, the following Resolution as Ordinary Resolution:

“RESOLVED THAT Mr. P.G.Suresh Kumar (DIN No: 07124883) who was appointed as an Additional Director under Section 161 of the Companies Act 2013 holds office until the date of this Annual General Meeting, and in respect of whom notice has been received for appointment as Director from a Member under Section 160 of the Companies Act 2013, be and is hereby appointed as Director liable to retire by rotation”

By the Order of the Board
For PNG TOLLWAY LIMITED

A handwritten signature in black ink, appearing to read 'K.C. Raman', is written over a light blue horizontal line.

K.C.RAMAN
AUTHORISED SIGNATORY

Date: 27th September 2016

Notes:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business under items no.4, 5 and 6 set out above are annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or where that is allowed, one or more proxies, to attend and vote instead of himself and that a proxy need not be a member.
3. Pursuant to provisions of Section 105 of the Companies Act, 2013, read with the applicable rules thereon, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy, who shall not act as a proxy for any other member.
4. Proxy form should be submitted to the company atleast 48 hours before the commencement of the meeting.
5. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
6. Details of Directors seeking appointment/re-appointment at the Annual General Meeting of the Company to be held on September 29, 2016 are provided in Annexure A of this Notice.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

As required under Section 102 of the Companies Act, 2013 the following explanatory statement sets out material facts relating to the business under item Nos.4, 5 & 6 of the accompanying Notice dated 27th September 2016.

Item No.4

To consider and approve appointment of Mr. Arun Kumar Jha as director of the company

The Board of Directors appointed Mr. Arun Kumar Jha (DIN No: 07458418) as Additional Director under Section 161 of the Companies Act, 2013 on 05th April 2016. Pursuant to Section 161 of the Companies Act 2013, he holds office upto the date of this Annual General Meeting.

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

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

Mr. Arun Kumar Jha is interested in the business to the extent of his appointment.

None of the other Directors except Mr. Arun Kumar Jha or Key Managerial Personnel of the Company or their relatives thereof are directly or indirectly concerned or interested in this resolution.

Item No.5

To consider and approve appointment of Mr. Paresh Mehta as director of the company

The Board of Directors appointed Mr. Paresh Mehta (DIN No: 03474498) as Additional Director under Section 161 of the Companies Act, 2013 on 22nd December 2015. Pursuant to Section 161 of the Companies Act 2013, he holds office upto the date of this Annual General Meeting.

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

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

Mr. Paresh Mehta is interested in the business to the extent of his appointment.

None of the other Directors except Mr. Paresh Mehta or Key Managerial Personnel of the Company or their relatives thereof are directly or indirectly concerned or interested in this resolution.

Item No.6

To consider and approve appointment of Mr. P.G.Suresh Kumar as director of the company

The Board of Directors appointed Mr. P.G.Suresh Kumar (DIN No: 07124883) as Additional Director under Section 161 of the Companies Act, 2013 on 12th July 2016. Pursuant to Section 161 of the Companies Act 2013, he holds office upto the date of this Annual General Meeting.

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

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

Mr. P.G.Suresh Kumar is interested in the business to the extent of his appointment.

None of the other Directors except Mr. P.G.Suresh Kumar or Key Managerial Personnel of the Company or their relatives thereof are directly or indirectly concerned or interested in this resolution.

By Order of the Board

For **PNG TOLLWAY LIMITED**



K.C.RAMAN
AUTHORISED SIGNATORY

Dated: 27th September 2016

Place: Chennai

Annexure A

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

Name of Director	Mr. T.S.Venkatesan	Mr. Arun Kumar Jha
Date of Birth	26/01/1960	31/05/1965
Date of Appointment on the Board	22/12/2009	05/04/2016
Qualification	B.Com, ICWA	M.Tech (Civil Engineering)
Experience	35 Years	27 Years
Directorships in other companies	1. L&T Western Andhra Tollways Limited 2.Vadodara Bharuch Tollway Limited 3.L&T Krishnagiri Walajahpet Tollway Limited 4.L&T Samakhialli Gandhidam Tollway Limited 5.Devihalli Hassan Tollway Limited 6L&T BPP Tollway Limited 7.L&T Deccan Tollway Limited 8.L&T Chennai Tada Tollway Limited	1.L&T Chennai Tada Tollway Limited 2.L&T Sambhalpur Rourkela Tollway Limited 3.L&T Samakhiali Gandhidham Tollway Limited 4.L&T Krishnagiri Walajahpet Tollway Limited
Number of Board Meetings attended during the year	5	Nil
Memberships/ Chairmanships of committees across all companies	<u>L & T Western Andhra Tollways Limited</u> 1.Audit Committee 2.Nomination and Remuneration Committee <u>L&T Krishnagiri Walajahpet Tollway Limited</u> 1.Audit Committee 2.Nomination and Remuneration Committee <u>Devihalli Hassan Tollway Limited</u> 1.Audit Committee 2.Nomination and Remuneration Committee <u>L&T BPP Tollway Limited</u>	NIL

	1.Audit Committee 2.Nomination and Remuneration Committee <u>L&T Chennai Tada Tollway Limited</u> 1.Audit Committee 2.Nomination and Remuneration Committee <u>L&T Deccan Tollway Limited</u> 1.Audit Committee 2.Nomination and Remuneration Committee <u>L&T Samakhiali Gandhidham Tollway Limited</u> 1.Audit Committee 2.Nomination and Remuneration Committee 3. Corporate Social Responsibility Committee	
Shareholding in the Company	1 share jointly with L&T IDPL	NIL
Relationship with Directors/KMPs	NIL	NIL

Name of Director	Mr. Paresh Mehta	Mr. P.G.Suresh Kumar
Date of Birth	09/12/1962	15/06/1965
Date of Appointment on the Board	22/12/2015	15/06/1965
Qualification	B.Com, C.A	B.Sc. Engg . Exe. Diploma- HRM
Experience	25 Years	29 Years
Directorships in other companies	1.Unison Enviro Private Limited 2.Abhijeet Ashoka Infrastructure Privatelimited 3.Ashoka Concessions Limited 4.Ashoka GVR Mudhol Nipani Roads Limited 5.Ashoka Bagewadi Saundatti Road Limited 6.Ashoka Infrastructure Limited 7.Ashoka Highways (Bhandara) Limited 8.Jaora - Nayagaon Toll Road Companyprivate Limited 9.Gvr Ashoka Chennai ORR Limited 10.Ashoka Hungund Talikot Road Limited 11.Ashoka Highways (Durg) Limited	1. Kudgi Transmission Limited 2. L&T Transportation Infrastructure Limited 3. L&T Western India Tollbridge Limited 4. L&T Interstate Road Corridor Limited 5. L&T Port Kachchigarh Limited 6. L&T Chennai Tada Tollway Limited
Number of Board Meetings attended during the year	1	NIL
Memberships/ Chairmanships of committees across all companies	<u>Ashoka Infrastructure Limited</u> 1. Audit Committee <u>Ashoka GVR Mudhol Nipani Roads Limited</u> 1. Audit Committee	<u>L&T Western India Tollbridge Limited</u> 1.Audit Committee 2.Nomination and Remuneration Committee <u>L&T Transportation Infrastructure Limited</u> 1.Corporate Social Responsibility Committee
Shareholding in the Company	NIL	NIL
Relationship with Directors/KMPs	NIL	NIL



L&T IDPL

PNG Tollway Limited

(A subsidiary of L&T IDPL)

Toll Plaza at NH-3, Km. 390+450,

At +Po: Pimpalgaon Baswant, Tal: Niphad,

Dist: Nashik - 422 209. Maharashtra, INDIA

Tel : +91 2550 300223

BOARD'S REPORT

The Directors of your Company are pleased to present their Report and the Company's audited financial statement for the financial year ended March 31, 2016.

FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2016 is summarised below:

Particulars	2015-16	2014-15
	R. In crore	Rs. In crore
Profit/(loss) before depreciation, exceptional and extra ordinary items & tax	(124.18)	(135.40)
Less: Depreciation and amortisation	20.48	18.22
Profit/(loss) before exceptional and extraordinary items and tax	(144.67)	(153.62)
Profit/(loss) before extraordinary items and tax	(144.67)	(153.62)
Profit/(loss) before tax	(144.67)	(153.62)
Less: Provision for tax	-	-
Profit/(loss) after tax for the year carried to the balance sheet	(144.67)	(153.62)
Add: Balance brought forward from previous year	(224.47)	(70.84)
Balance carried to Balance Sheet	(369.14)	(224.47)

RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

The gross revenue and other income for the financial year under review was Rs.93.94 crore as against Rs.86.30 crore for the previous financial year registering an increase of 7.98%. The loss before tax from continuing operations including extraordinary and exceptional items was Rs.144.67 crore and the loss after tax from continuing operations including extraordinary and exceptional items of Rs.144.67 crore for the financial year under review as against

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E-mail : contactus@Lntidpl.com Web : www.Lntidpl.com

Rs.153.62 crore for the previous financial year.

The Company decided to terminate the project as part of the concession agreement on February 25, 2016 owing to default of the State Government of Maharashtra, in supporting the project. Further details are provided under the para "Risk Management".

CAPITAL EXPENDITURE

As at March 31, 2016 the gross fixed and intangible assets including leased Assets, stood at Rs.1,699.50 crore and the net fixed and intangible assets, including leased assets, at Rs.1,654.05 crore.

DEPOSITS

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

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

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

SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES

The Company has one Associate Company namely, Ashoka Concessions Limited holding 26% stake in the paid up equity Share Capital of the Company. During the year, the Company had issued 9,11,10,000 optionally convertible cumulative preference shares to L&T Infrastructure Development Projects Limited and 3,20,10,000 optionally convertible cumulative preference shares to Ashoka Concessions Limited. Also, 2,15,43,340 no of equity shares were transferred from Larsen & Toubro Limited to L&T Infrastructure Development Projects Limited.

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

Since the Company is engaged in the business of developing infrastructure facility, the provisions of Section 186 except sub-section (1) of the Companies Act, 2013 are not applicable to the Company. However the details of loans given, investments made and guarantees/securities provided by the Company are given in the Note F to the audited financial statement.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

The disclosure as per Form AOC-2 of the Companies Act, 2013 is given in Annexure I to this Report.

AMOUNT TRANSFERRED TO RESERVES

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

DIVIDEND

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

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

The Company decided to terminate the project as part of the concession agreement on February 25, 2016 owing to various defaults of the State Government of Maharashtra, to support the project. Further details are provided under the para "Risk Management".

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year the Company has incurred a sum of Rs.0.15 crore on foreign currency expenditure. There are no foreign exchange earnings.

RISK MANAGEMENT

The Company was set up as a SPV for widening of existing 2 lane carriageway to 6 lane divided carriageway configuration of Pimpalgaon-Nashik-Gonde (km 380.00 to km 440.00) section of NH-3 in the State of Maharashtra awarded by the National Highways Authority of India (NHAI). The Project achieved completion of 45.445 km of road portion on 18th August 2012 and tolling started from 2nd October 2012. SPV achieved aggregate completion of 55.161 km on 10th March 2014 and tolling started from 24th May 2014. Toll Revenues are the only source of income for the Company to meet all its obligations primarily comprising cost of Operations and Maintenance, debt servicing obligations and also returns on the capital invested by the Promoters viz. L&T, L&TIDPL and ABL. However the Company has been facing protests by various political parties demanding exemption of payment of toll from vehicles registered in Nashik (MH-15) and Malegaon (MH-41) leading to violence since October, 2012. Thus, there was a Force Majeure Event subsisting at the Toll Plaza ever since the commercial operations began affecting its ability to exercise its rights to collect toll, leading to a significant loss of toll revenue. The situation was brought to the notice of all concerned and a writ petition was also filed by the Company, in the High Court of Judicature at Bombay to direct the State Government of Maharashtra to ensure necessary security at the Toll Plaza to ensure law and order at the Toll Plaza so that the Company could implement the Fee

Notification peacefully. However even after necessary directions to the State Government by the Honourable High Court to ensure necessary law and order support for ensuring collection of full toll revenues by the Company, there was no improvement in the enforcement of law and order. Due to these Force Majeure conditions continuing, the Concessionaire has suffered heavy losses amounting to Rs 120 crore as on November, 2015.

As the violations at the Toll Plaza too increased and as there being no assurance from the State Government to either curb these violations or compensate the Concessionaire for the losses suffered, the Concessionaire was left with no other option but to terminate the Concession Agreement vide letter dated 25th February, 2016 and requested NHAI to take over the Project immediately.

NHAI disputed the Termination by Concessionaire vide its letter dated 25th February 2016 and invoked the conciliation under Article 44.2. At the meeting held on 4.3.2016, NHAI agreed on Termination of the Concession Agreement.

It was decided that the Project Assets taking over shall be done as per procedure laid out in the concession agreement. It was decided that the demands of the Concessionaire including its outstanding claims and Termination Payments shall be examined and recommended by Independent Engineer under appropriate provisions of the Concession Agreement.

CORPORATE SOCIAL RESPONSIBILITY

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

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has designed and implemented a process driven framework for Internal Control on Financial Reporting System. For the year ended March 31, 2016, the Board is of the opinion that the Company has sound ICFR commensurate with the nature and size of its business operations and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

The Statutory Auditor of the Company reviewed the adequacy of the Internal financial control over Financial Reporting of the company and the operating effectiveness of such control are reported in the "Annexure A" of Statutory Audit Report of the Company.

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

Changes in Directors and KMP

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

Mr. Manoj Anil Dave, Director, retired by rotation in the Annual General Meeting of the Company held on 24th September 2015 and was re-appointed as Director of the Company. He resigned as Director of the Company on 18th January 2016.

Mr. Satish D Parakh resigned as Director of the Company on 19th December 2015. The Directors record their sincere and deep gratitude for the invaluable contribution made by him towards the development of the Company.

Mr. Paresh Mehta who has been appointed as Additional Director of the Company on 22nd December 2015 holds office upto the conclusion of this Annual General Meeting.

The Board of Directors of the Company as on March 31, 2016 is as follows:

Sr.No.	Name	Designation	DIN
1	Mr. Karthikeyan T.V	Director	01367727
2	Mr. T.S.Venkatesan	Director	01443165
3	Mr. Paresh Mehta	Additional Director	0474498
4	Mr. A.Veeraragavan	Independent Director	07138615
5	Mrs. Samyuktha Surendran	Independent Woman Director	07138327

The Key Managerial Personnel (KMP) of the Company as on March 31, 2016 are as given below:

Sr. No.	Name	Designation
1	Mr. Sanjay Prabhakar Ingle	Manager
2	Mr. Gopal C Pande	Chief Financial Officer

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

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

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

Date	Board Strength	No of Directors Present
April 29, 2015	6	5
June 26, 2015	6	3
July 29, 2015	6	4
October 21, 2015	6	6
December 22, 2015	6	5
January 12, 2016	6	6

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

AUDIT COMMITTEE

The Company has constituted an Audit Committee in terms of the requirements of the Companies Act, 2013. The Members of the Audit Committee are Dr. A.Veeraragavan, Mrs. Samyuktha Surendran and Mr. Karthikeyan T.V.

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

Date	Strength of the Committee	No. of members present
April 29, 2015	3	3
July 29, 2015	3	3
October 21, 2015	3	3
January 12, 2016	3	3

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

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

COMPANY POLICY ON DIRECTOR APPOINTMENT AND REMUNERATION

The Company has constituted the Nomination and Remuneration Committee in accordance with the requirements of the Companies Act, 2013 read with the rules made thereunder. The Members of the Nomination and Remuneration Committee are Dr. A.Veeraragavan, Mrs. Samyuktha Surendran and Mr. Karthikeyan T.V.

During the year, two nomination and remuneration committee meetings were held. The details of the meetings conducted during the year under review are given below:

Date	Strength of the Committee	No. of members present
July 29, 2015	3	3
December 22, 2015	3	3

The Committee had formulated a policy on Director's appointment and remuneration including recommendation of remuneration of the KMP and the criteria for determining qualifications, positive attributes and independence of a Director.

DECLARATION OF INDEPENDENCE

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

EXTRACT OF THE ANNUAL RETURN

The extract of the annual return in Form No. MGT – 9 is enclosed as *Annexure 2* to this Report.

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DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures:
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period:
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities:
- d) The Directors have prepared the Annual Accounts on a going concern basis:
- e) The Directors have laid down an adequate system of internal financial control with respect to reporting on financial statements and the said system is operating effectively.
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS

The Nomination and Remuneration Committee and the Board have laid down the manner in which formal annual evaluation of the performance of the Board, committees and individual directors has to be made.

It includes circulation of questionnaires to all Directors for evaluation of the Board and its Committees, Board composition and its structure, its culture, Board effectiveness, Board functioning, information availability, etc. These questionnaires' also cover specific criteria and the grounds on which all directors in their individual capacity will be evaluated.

Further, the Independent Directors at the meeting held on 29th December 2015, reviewed the performance of Board, Committees, and Non-Executive Directors. The performance evaluation of the Board, Committees and Directors was also reviewed by the Nomination and Remuneration Committee and the Board of Directors.

DISCLOSURE OF REMUNERATION

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

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

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PROTECTION OF WOMEN AT WORKPLACE

The parent company Larsen & Toubro Limited (L&T) has formulated a policy on 'Protection of Women's Rights at Workplace' which is applicable to all group companies. This has been widely disseminated. There were no cases of sexual harassment received in the Company during 2015-16.

AUDITORS AND AUDITORS' REPORT

STATUTORY AUDITORS

The Company in the Sixth Annual General Meeting held on 24th September 2015 for the F-Y 2015-16 had appointed M/s. Gianender & Associates, Chartered Accountants, (Firm Reg no: 004661N), Delhi as Statutory Auditors of the Company to hold office from the conclusion of that Annual General Meeting until the conclusion of the fifth consecutive Annual General Meeting of the Company to be held during the year 2019.

The Board recommends the ratification of the appointment of M/s. Gianender & Associates, Chartered Accountants, (Firm Reg no: 004661N), Delhi, as Statutory Auditors of the Company from the conclusion of the ensuing AGM until the conclusion of the next AGM. Certificate from the said audit firm has been received to the effect that they are eligible to act as Auditors of the Company under Section 141 of the Companies Act, 2013.

The Auditors' Report for the financial year 2015-16 is unqualified. The Notes to the accounts referred to in the Auditors' Report are self-explanatory and do not call for any further clarifications under section 134(3)(f) of the Companies Act, 2013.

SECRETARIAL AUDITORS

R. Thamizhvanan, Company Secretary in practice, Chennai was appointed to conduct the secretarial audit of the Company for the financial year 2015-16, as required under Section 204 of the Companies Act, 2013 and Rules thereunder.

The secretarial audit report for the financial year 2015-16 is attached as *Annexure 3* to this Report.

It contains the following qualification, reservation or adverse remark:

The Company does not have a whole-time secretary as required by Rule 8A of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

Management Response:

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board



T. S. Venkatesan
Director
DIN: 01443165



Karthikeyan T. V.
Director
DIN: 01367727

Place: Chennai
Date: April 5, 2016

ANNEXURE 1

FORM NO. AOC.2

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

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

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

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

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

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

For and on behalf of the Board

Place: Chennai
Date: April 5, 2016


T. S. Venkatesan
Director
DIN: 01443165


Karthikeyan T. V.
Director
DIN: 01367727

ANNEXURE 2

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31.03.2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	U45203TN2009PLC070741
Registration Date	16/02/2009
Name of the Company	PNG Tollway Limited
Category / Sub-Category of the Company	Company Limited by shares/Indian Non-government Company
Address of the Registered office and contact details	P.O.Box.979, Mount Poonamallee Road, Manapakkam, Chennai- 600089
Whether listed company Yes / No	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharepro Services India Pvt. Ltd. 13 AB Samitha Warehousing Complex, 2nd Floor, Saki Naka Telephone Exchange Lane, Sakinaka, Andheri East Mumbai – 400072 Phone: +91 22 67720329 ; Mobile: +919833515383

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Larsen and Toubro Limited	L99999MH1946PLC004768	Ultimate Holding Company	13%	2(46)
2	L&T Infrastructure Development Projects Limited	U65993TN2001PLC046691	Holding Company	61%	2(46)
3	Ashoka Concessions Limited	U45201MH2011PLC215760	Associate Company	26%	2(6)

Total shareholding of Promoter (A) =(A)(1)+(A)(2)	169099996	4*	169100000	100	169099996	4*	169100000	100
B. Public Shareholding								
1. Institutions								
a) Mutual Funds	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-
d) State Govt (s)	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-
i) Others (specify)								
Sub-total (B)(1):-								
2. Non- Institutions								
a) Bodies Corp.	-	-	-	-	-	-	-	-
i) Indian								
ii) Overseas								
b) Individuals	-	-	-	-	-	-	-	-
i) Individual								

[illegible]

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

(ii) Shareholding of Promoters

S.I No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			% change in share holding during 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 Pledge d / encumbered to total shares #	
1	L&T Infrastructure Development Projects Limited(including nominees)	81168000	48%	24.48#	102711336	61%	24.48#	-
2	Larsen & Toubro Limited	43966000	26%	13#	22422660	13%	13#	13%
3	Ashoka Concessions Limited	43966000	26%	13#	43966000	26%	13#	-
	Total	169100000	100%	51	169100000	100%	51	-

#Based on the information received from Promoters

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	169100000	100%	169100000	100%
	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):	30.03.2016- 21543340 from Larsen & Toubro to L&T Infrastructure Development Projects Limited	13%	169100000	100%
	At the End of the year	169100000	100%	169100000	100%

(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	-	-	-	-

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 and Key Managerial Personnel:

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 Directors and KMP				
	At the beginning of the year	2	-	2	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	2	-	2	-

V. INDEBTEDNESS

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

(Rs. In crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	NCDs	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1244.22	355.34	-	1599.56
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	66.34		66.34

Total (i+ii+iii)	1244.22	421.68		1665.9
Change in Indebtedness during the financial year	-	-	-	
<input type="checkbox"/> Addition	20.28	141.61	-	161.89
<input type="checkbox"/> Reduction	50.72	123.12		173.84
Net Change	1213.78	440.17		1653.95
Indebtedness at the end of the financial year	-	-		
i) Principal Amount	1193.50	353.22		1546.72
ii) Interest due but not paid	20.28	-		20.28
iii) Interest accrued but not due	-	86.95		86.95
Total (i+ii+iii)	1213.78	440.17		1653.95

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Rs)			
Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Manager: Mr. Sanjay Prabhakar Ingle	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Rs. 21,57,185/-	Rs. 21,57,185/-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	-	-
5.	Others, please specify	-	-
	Total (A)	Rs. 21,57,185/-	Rs. 21,57,185/-

	Ceiling as per the Act	Rs. 60,00,000 per annum	Rs. 60,00,000 per annum
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B. Remuneration to other directors:

(Amount in Rs.)

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
		Dr.A.Veeraragavan	Mrs. Samyuktha Surendran		
1	Independent Directors				
	Fee for attending board meeting	Rs. 1,50,000/-	Rs. 1,50,000/-		Rs. 3,00,000/-
	Fee for attending committee meetings	Rs. 70,000/-	Rs. 70,000/-		Rs. 1, 40,000/-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	Rs. 2,20,000/-	Rs. 2,20,000/-		Rs. 4,40,000/-
2	Other Non-Executive Directors	Mr.Karthikeyan T.V	Mr. T.S.Venkatesan	Mr. Paresh Mehta	
	Fee for attending board / committee meetings	Nil	Nil	Nil	
	Commission				
	Others, please specify				
	Total (2)	Nil	Nil	Nil	
	Total (B)=(1+2)	Rs. 2,20,000/-	Rs. 2,20,000/-	Rs. 2,20,000/-	Rs. 4,40,000/-
	Total Managerial Remuneration	Rs. 2,20,000/-	Rs. 2,20,000/-	Rs. 2,20,000/-	Rs. 4,40,000/-
	Overall Ceiling as per the Act(sitting fees)	Not more than Rs. 1,00,000/- per meeting of Board or Committee.			

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO: Mr. Gopal C Pande	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	NA	Nil	Nil	Nil
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please Specify	-	-	-	-
	Total				

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board

Place: Chennai
Date: April 5, 2016



T. S. Venkatesan
Director
DIN: 01443165



Karthikeyan T. V.
Director
DIN: 01367727

ANNEXURE 3

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR 2015-16

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

To
The Members,
PNG TOLLWAY LIMITED
P.O. BOX NO.979, MOUNT POONAMALLEE ROAD
MANAPAKKAM
CHENNAI-600089

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PNG TOLLWAY LIMITED (here-in-after called the 'Company') for the **Financial year 2015-16**. The Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of **PNG TOLLWAY LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report :-

That in my opinion, the company has, during the audit period has complied with the applicable 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **PNG TOLLWAY LIMITED**, Chennai for the audit period to the provisions of

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder – **Not Applicable;**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder - **Not Applicable;**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Not Applicable;**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- **Not Applicable;**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992- **Not Applicable;**
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **Not Applicable;**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - **Not Applicable;**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not Applicable;**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not Applicable ;**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not Applicable;**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not Applicable;**

I have also examined whether adequate systems and processes are in place to monitor and ensure compliance with general laws like labour laws, competition laws, environment laws etc

In respect of financial laws like Tax laws, etc. I have relied on the audit reports made available during our audit for us to have the satisfaction that the Company has complied with the provisions of such laws

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India- **Applicable**
- (j) The Listing Agreements entered into by the Company with stock Exchanges for securities-**Not Applicable**

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

I further report that:-

The Board of Directors & the Committees of the Company are duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

I further report that during the audit period the company has complied with all requirements under the new Companies Act 2013 to the extent notified and applicable with respect to all events/actions having a major bearing on the Companies affairs ***except appointment of whole-time secretary as required by Rule 8A of Companies (Appointment and remuneration of Managerial Personnel Rules 2014)***

R. THAMIZHVANAN
(COMPANY SECRETARY IN PRACTICE)
CP NO. 3721

Place: Chennai
Date: 04.04.2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PNG TOLLWAY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **PNG Tollway Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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



- f. On the basis of the written representations received from the directors as on 31st March, 2016 taken on record, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-A".
- h. 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 not pending litigation which would impact its financial position;
 - ii. The company did not have any long-term contract including derivative contract for which there were any material foreseeable losses;
 - iii. There were no amounts which were required by the company to be transferred to the Investor Education and Protection Fund.

For Gianender & Associates
Chartered Accountants
(Firm's Registration No. 004661N)



G. K. Agrawal
(Partner)
(Membership No. 081603)

Place : Chennai
Date : 05.04.2016

UCO Bank	153.83	307.28	461.11	to 31 st March 2016
Indian Bank	131.33	262.32	393.65	
South Indian Bank	63.83	127.40	191.23	
Federal Bank	131.33	262.32	393.65	
State Bank of India	403.33	806.53	1209.86	

- ix. Money raised by way of term loan were applied for the purpose for which it was raised. The Company has not raised money by way of initial public offer or further public offer.
- x. According to the information and explanation given to us by the management which have been relied by us, there were no frauds on or by the company noticed or reported during the period under audit.
- xi. In our opinion, the managerial remuneration paid or provided by the company are in accordance with the provision of section 197 read with Schedule V of the Companies Act 2013.
- xii. The company is not a Nidhi Company, therefore para 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information provided to use, the transaction entered with the related parties are in compliance with section 177 and 188 of the Act and are disclosed in the financial statements as required by the applicable accounting standards.
- xiv. In our opinion and according to the information provided to us, requirement of section 42 of the Act have been complied with in preferential allotment of 0.01% optionally convertible cumulative preference shares. The preference shares were issued by converting existing unsecured loans along with interest to L&T Infrastructure Development Project Limited, the holding company on preferential basis.
- xv. According to the information provided to us, the company has not entered into any non-cash transaction with directors or the persons connected with him covered under section 192 of the Companies Act 2013. Therefore, paragraph 3(xv) of the Order is not applicable to the company.
- xvi. According to the information provided to us, the company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934. Therefore, paragraph 3(xvi) of the Order is not applicable to the company.

For Gianender & Associates
Chartered Accountants
(Firm's Registration No. 004661N)



G. K. Agrawal

G. K. Agrawal
(Partner)
(Membership No. 081603)

Place : Chennai
Date : 05.04.2016

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Gianender & Associates
Chartered Accountants
(Firm's Registration No. 004661N)



G. K. Agrawal
(Partner)
(Membership No. 081603)

Place : Chennai
Date : 05.04.2016

PNG Tollway Limited
Balance Sheet as at March 31, 2016

Particulars	Note	As at March 31, 2016		As at March 31, 2015	
		₹	₹	₹	₹
EQUITY AND LIABILITIES:					
Shareholders' funds					
Share capital	A	2,92,22,00,000		1,69,10,00,000	
Reserves and surplus	B	(3,69,14,45,530)		(2,24,47,07,618)	
			(76,92,45,530)		(55,37,07,618)
Non-current liabilities					
Long-term borrowings	C(I)	14,28,35,09,648		15,38,65,77,900	
Other Long-term liabilities	C(II)	1,00,57,96,730		81,78,67,994	
Long-term provisions	C(III)	32,13,73,926		21,53,49,098	
			15,61,06,80,304		16,41,97,94,992
Current liabilities					
Trade payables	D(I)	2,90,79,030		1,07,94,231	
Other current liabilities	D(II)	1,73,75,98,939		94,60,11,801	
Short-term provisions	D(III)	2,10,820		61,774	
			1,76,68,88,789		95,68,67,806
TOTAL			16,60,83,23,563		16,82,29,55,180
ASSETS					
Non-current assets					
Tangible Assets	E(I)	5,61,28,448		5,68,68,730	
Intangible assets	E(II)	16,48,33,85,830		16,67,46,92,635	
Non-current investments	E(III)	9,40,000		9,40,000	
			16,54,04,54,278		16,73,25,01,365
Long-term loans and advances	F		4,99,84,144		4,99,36,594
Current assets					
Cash and bank balances	G(I)	89,78,308		1,55,25,865	
Short-term loans and advances	G(II)	89,06,833		2,49,91,356	
			1,78,85,141		4,05,17,221
TOTAL			16,60,83,23,563		16,82,29,55,180
Contingent liabilities	H				
Commitments	I				
Other notes forming part of accounts	P				
Significant accounting policies	Q				

As per our report of even date
For Gianender & Associates
Chartered Accountants
(Firm's Registration No. 04661N)
by the hand of

G. K Agrawal
Partner
Membership No.: 081603
Place: Chennai
Date: 5/4/16



Gopal C. Pande
Chief Financial Officer

For and on behalf of the Board

Director
Karthikeyan TV
DIN: 01367787
Place: Chennai
Date: April 5 2016

Director
T.S. Venkatesan
DIN: 01443165
Place: Chennai
Date: April 5 2016

PNG Tollway Limited
Statement of Profit and Loss for the period ended March 31, 2016

Particulars	Note	2015-16	2014-15
		₹	₹
REVENUE			
Revenue from Operations	J	84,89,71,329	78,62,63,787
Other income	K	17,71,864	41,02,628
Total Revenue		85,07,43,193	79,03,66,415
EXPENSES			
Operating expenses	L	25,55,49,692	25,87,03,204
Employee benefit expenses	M	1,20,89,171	90,76,084
Finance costs	N	1,79,91,24,664	1,86,39,24,084
Depreciation and amortisation	E	20,48,58,787	18,22,18,610
Administration and other expenses	O	2,58,58,791	1,26,87,805
Total Expenses		2,29,74,81,105	2,32,66,09,787
Profit/(Loss) before tax		(1,44,67,37,912)	(1,53,62,43,372)
Tax Expense:			
Current tax	P(9)	-	-
Profit/(Loss) after tax for the year		(1,44,67,37,912)	(1,53,62,43,372)
Earnings per share (Basic)	P(10) a)	(8.56)	(9.08)
Face value per equity share		10.00	10.00
Other notes forming part of accounts	P		
Significant accounting policies	Q		

As per our report of even date
For Gianender & Associates
Chartered Accountants
(Firm's Registration No. 04661N)
by the hand of



G. K Agrawal
Partner
Membership No.: 081603
Place: *Chennai*
Date: *5/4/16*

Gopate
Chief Financial Officer
Gopate

Karun
Director
Karthikeyan T.V
DIN: 01367787
Place: *Chennai*
Date: *April 5, 2016*
Director
T.S. Venkatesan
DIN: 0144365

For and on behalf of the Board

PNG Tollway Limited
Cash Flow Statement for the year ended March 31, 2016

S. No.	Particulars	2015-16	2014-15
		₹	₹
A	Net profit / (Loss) before tax and extraordinary items	(1,44,67,37,912)	(1,53,62,43,372)
	Adjustment for		
	Depreciation and amortisation expense	20,48,58,787	18,22,18,610
	Interest expense	1,79,91,24,664	1,86,39,43,413
	Interest income	(3,85,479)	(1,98,135)
	(Profit) on sale of fixed assets(net)	-	(10,000)
	(Profit) on sale of current investments(net)	(13,86,385)	(35,48,982)
	Operating profit before working capital changes	55,54,73,675	50,61,61,534
	Adjustments for:		
	Increase / (Decrease) in liabilities and provisions	12,04,25,251	2,92,90,157
	(Increase) / Decrease in loans and advances	33,40,290	(89,55,743)
	Net cash generated from/(used in) operating activities	67,92,39,216	52,64,95,949
	Direct taxes paid (net of refunds)	-	-
	Net Cash(used in)/generated from operating activities	67,92,39,216	52,64,95,949
B	Cash flow from investing activities		
	Purchase of fixed assets	(2,28,540)	(5,15,290)
	Sale of fixed assets	1,22,549	67,863
	Purchase of current investments	(44,85,00,000)	(88,95,00,000)
	Sale of current investments	44,98,86,384	89,30,48,982
	Interest income	3,76,454	1,98,135
	Net cash (used in)/generated from investing activities	16,56,847	32,99,690
C	Cash flow from financing activities		
	Proceeds from long term borrowings	1,07,76,00,000	1,38,09,57,900
	Repayment of long term borrowings	(50,72,08,228)	(40,58,00,004)
	Interest paid	(1,25,78,35,392)	(1,54,08,50,562)
	Net cash (used in)/generated from financing activities	(68,74,43,620)	(56,56,92,666)
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	(65,47,557)	(3,58,97,027)
	Cash and cash equivalents as at the beginning of the year	1,55,25,865	5,14,22,892
	Cash and cash equivalents as at the end of the year	89,78,308	1,55,25,865

Notes:

1. Cash flow statement has been prepared under the 'Indirect Method' as set out in Accounting Standard (AS) 3. "Cash Flow Statements" as specified in Section 133 read with Rule 7 of the Companies Act 2013
2. Cash and cash equivalents represent cash, term deposits with banks and bank balances.
3. Previous year's figures have been regrouped/reclassified wherever applicable.
4. Components of cash and cash equivalents :-

Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
Cash on Hand	41,14,647	38,17,524
Balance with Scheduled Banks - Current Accounts	47,43,973	1,15,97,676
Margin money deposit	1,19,688	1,10,665
Cash & Bank Balances	89,78,308	1,55,25,865

As per our report of even date
For Gianender & Associates
Chartered Accountants
(Firm's Registration No. 04661N)
by the hand of



G. K Agrawal
Partner
Membership No.: 081603
Place: Chennai
Date: 5/4/16

For and on behalf of the Board

Chief Financial Officer, Director
Gopal C. Pande **Karthikeyan T** **T. S. Venkatesan**
DIN: 01367727 DIN: 01443165
Place: Chennai
Date: April 5, 2016

NOTE A

Share Capital

(i) Authorised, issued, subscribed and paid up

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of shares	₹	No. of shares	₹
Authorised:				
Equity shares of ₹ 10 each	17,00,00,000	1,70,00,00,000	17,00,00,000	1,70,00,00,000
0.01% Optionally Convertible Cumulative Preference Share	40,00,00,000	4,00,00,00,000	-	-
	57,00,00,000	5,70,00,00,000	17,00,00,000	1,70,00,00,000
Issued, subscribed and paid up				
Equity shares of ₹ 10 each	16,91,00,000	1,69,10,00,000	16,91,00,000	1,69,10,00,000
0.01% Optionally Convertible Cumulative Preference Share	12,31,20,000	1,23,12,00,000	-	-
	29,22,20,000	2,92,22,00,000	16,91,00,000	1,69,10,00,000

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of shares	₹	No. of shares	₹
Equity Shares				
At the beginning of the year	16,91,00,000	1,69,10,00,000	16,91,00,000	1,69,10,00,000
Issued during the year as fully paid	-	-	-	-
At the end of the year	16,91,00,000	1,69,10,00,000	16,91,00,000	1,69,10,00,000

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of shares	₹	No. of shares	₹
0.01% Optionally Convertible Cumulative Preference Share				
At the beginning of the year	-	-	-	-
Issued during the year as fully paid	12,31,20,000	1,23,12,00,000	-	-
At the end of the year	12,31,20,000	1,23,12,00,000	-	-

(iii) Terms / rights attached to shares

The company has two class of shares namely equity shares having a par value of ₹ 10/- per share and preference share having par value of ₹ 10/- per share. Each holder of equity & preference shares is entitled to one vote per share. In the event of liquidation of the company, the preference share holders shall get priority on proportionate basis towards payments and the holders of the equity shares will be entitled to receive remaining asset of the company in proportion to the number of equity shares held.

During the year, the Company has issued 12,31,20,000 numbers of 0.01% Optionally Convertible Cumulative Redeemable Preference shares of ₹ 10/- each with the option either to redeem in full or in part, the Optionally Convertible Cumulative Redeemable Preference shares, after completion of 7th year from the date of allotment but on or before the completion of 10th year from the date of allotment of the preference shares. Preference shares to the extent not redeemed at the end of the 10th year from the date of allotment, shall stand converted into equity shares of ₹ 10/- per share at par.

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

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



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

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of shares	₹	No. of shares	₹
Equity Shares				
L&T Infrastructure Development Projects Limited (Holding Company)	10,27,11,340	1,02,71,13,400	8,11,68,000	81,16,80,000
Larsen and Toubro Limited (Ultimate Holding Company)	2,24,22,660	22,42,26,600	4,39,66,000	43,96,60,000
Ashoka Concessions Limited (Associate Company)	4,39,66,000	43,96,60,000	4,39,66,000	43,96,60,000
0.01% Optionally Convertible Cumulative Preference Share				
L&T Infrastructure Development Projects Limited (Holding Company)	9,11,10,000	91,11,00,000	-	-
Ashoka Concessions Limited (Associate Company)	3,20,10,000	32,01,00,000	-	-
	29,22,20,000	2,92,22,00,000	16,91,00,000	1,69,10,00,000

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of shares	%	No. of shares	%
Equity Shares				
L&T Infrastructure Development Projects Limited (Holding Company)	10,27,11,340	60.74	8,11,68,000	48.00
Larsen and Toubro Limited (Ultimate Holding Company)	2,24,22,660	13.26	4,39,66,000	26.00
Ashoka Concessions Limited (Including its nominees' holding)	4,39,66,000	26.00	4,39,66,000	26.00
0.01% Optionally Convertible Cumulative Preference Share				
L&T Infrastructure Development Projects Limited (Holding Company)	9,11,10,000	74.00	-	-
Ashoka Concessions Limited (Associate Company)	3,20,10,000	26.00	-	-

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

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

NOTE B

Reserves and surplus

Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
Surplus/(Deficit) as per Statement of Profit and Loss:		
As per last balance sheet	(2,24,47,07,618)	(70,84,64,246)
Add: Profit/(Loss) for the year	(1,44,67,37,912)	(1,53,62,43,372)
	(3,69,14,45,530)	(2,24,47,07,618)



✓

NOTE C(I)
Long term borrowings

Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
Secured term loans from banks	10,75,13,09,648	11,83,32,17,900
Unsecured Loans from related parties		
L&T Infrastructure Development Projects Limited (Holding Company)	3,05,25,40,000	2,38,83,80,000
Larsen and Toubro Limited (Ultimate Holding Company)	-	43,96,60,000
Ashoka Concessions Limited (Associate Company)	47,96,60,000	72,53,20,000
	14,28,35,09,648	15,38,65,77,900

Note C(I)(a) Details of term loans [Refer note C(I)(a)(i)]

Particulars	Rate of Interest	Rate of Interest
	As at March 31, 2016	As at March 31, 2015
State Bank of India UCO Bank Bank of Baroda Federal Bank South Indian Bank	SBI Base rate + applicable spread	SBI Base rate + applicable spread
Indian Bank	Indian Bank Base Rate + applicable spread	Indian Bank Base Rate + applicable spread

Note C(I)(a)(i) The rate of interest of any lender shall not be lower than that of any other lender.

Note C(I)(b) Nature of Security

A First charge on all the immovable and movable properties of the company relating to the project, both present and future except Project assets as defined in the Concession Agreement, all bank accounts of the company and all Authorised investment or other securities representing all amounts credited in the Bank accounts.

Note C(I)(c) Presentation of term loans in the Balance sheet is as follows:

Particulars	As at March 31, 2016	As at March 31, 2015
(i) Long term borrowings	14,28,35,09,648	15,38,65,77,900
(ii) Current maturities of long term borrowings	1,18,37,00,024	60,90,00,000
	15,46,72,09,672	15,99,55,77,900

C(I)(d) Defaults in repayment of Term Loans & Interest

Company has made default in payment of principal & interest of Term Loan with all the lenders for the month of February & March 2016 amounting to ₹ 1,015.00 Lacs & ₹ 2,028.19 Lacs respectively.

Note C(I)(e) Long term borrowings - from related parties: (unsecured)

Particulars	Rate of interest	As at March 31, 2016	Rate of interest	As at March 31, 2015
		₹		₹
- Mezzanine Debts from				
- L&T Infrastructure Development Projects Limited (Holding Company)	Bank Term Loan Rate + Spread	1,25,13,40,000	Bank Term Loan Rate + Spread	81,16,80,000
- Larsen & Toubro Limited (Ultimate Holding Company)		-		43,96,60,000
- Ashoka Concessions Limited (Associate Company)		43,96,60,000		43,96,60,000
		1,69,10,00,000		1,69,10,00,000
- Un-secured Loans from				
- L&T Infrastructure Development Projects Limited (Holding Company)	RBI Bank rate	1,80,12,00,000	RBI Bank rate	1,57,67,00,000
- Ashoka Concessions Limited (Associate Company)		4,00,00,000		28,56,60,000
		1,84,12,00,000		1,86,23,60,000



Y

NOTE C(II)
Other long-term liabilities

Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
Interest accrued but not due on Mezzanine Debt and Unsecured Loans	86,94,11,458	66,33,77,994
Liability for Negative Change of Scope	13,63,85,272	15,44,90,000
	1,00,57,96,730	81,78,67,994

NOTE C(III)
Long-term provisions

Particulars	As at March 31, 2016		As at March 31, 2015	
	₹	₹	₹	₹
Provision for employee benefits				
Gratuity [Refer note (P) (2)(ii) a)]	9,10,673		7,67,776	
Compensated absences	12,52,340		10,58,741	
Employee retention scheme	8,88,332		-	
		30,51,345		18,26,517
Others :				
Periodic major maintenance		31,83,22,581		21,35,22,581
		32,13,73,926		21,53,49,098

NOTE D(I)
Trade payables

Particulars	As at March 31, 2016		As at March 31, 2015	
	₹	₹	₹	₹
Due to Micro and Small enterprises		-		-
Due to other than Micro and Small enterprises				
Related parties :				
Holding Company	88,12,250		38,66,428	
Ultimate Holding Company	13,06,192		20,27,271	
		1,01,18,442		58,93,699
Other payable		1,89,60,588		49,00,532
		2,90,79,030		1,07,94,231

Note D(I)(a)

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

NOTE D(II)
Other current liabilities

Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
Current maturities of long term borrowings	1,18,37,00,024	60,90,00,000
Statutory liabilities	22,88,346	98,31,371
Other provisions	2,75,93,255	9,49,10,840
Larsen and Toubro Limited (Ultimate Holding Company)	13,98,42,455	13,98,42,455
Interest accrued on Term loan	20,28,15,808	-
Ashoka Concessions Limited (Associate Company)	1,80,13,295	1,83,13,295
Advance received from NHAI towards COS	6,00,00,000	6,00,00,000
Revenue share payable to NHAI	10,33,45,756	1,41,13,840
	1,73,75,98,939	94,60,11,801

NOTE D(III)
Short term provisions

Particulars	As at March 31, 2016		As at March 31, 2015	
	₹	₹	₹	₹
Provision for employee benefits				
Gratuity [Refer note (P)(2) (ii) a)]	68,566		17,279	
Compensated absences	1,42,254		44,495	
		2,10,820		61,774
		2,10,820		61,774



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PNG Tollway Limited
Notes forming part of Accounts
NOTE E(i) - Tangible Assets

Particulars	Cost			Depreciation			Book Value	
	As at April 01, 2015	Additions	Deductions	As at March 31, 2016	For the year	Deductions	Upto March 31, 2016	As at March 31, 2015
Owned								
Plant and Equipment	5,47,46,188	1,27,05,708	-	6,74,51,896	78,28,186	-	2,71,13,655	3,54,60,719
Furniture and fixtures	56,22,565	-	2,17,324	54,05,241	5,41,519	1,34,964	19,80,765	40,48,355
Vehicles	2,02,21,828	-	-	2,02,21,828	31,84,593	-	1,05,40,447	1,28,65,974
Office equipment	1,06,98,342	28,518	48,574	1,06,78,286	17,82,167	48,569	82,73,228	41,58,712
Computers and laptops	14,36,725	2,00,022	1,20,834	15,15,913	2,15,517	80,650	12,36,621	3,34,971
Total	9,27,25,648	1,29,34,248	3,86,732	10,52,73,164	1,35,51,982	2,64,183	4,91,44,716	5,68,68,730
<i>Previous year</i>	<i>9,35,27,631</i>	<i>12,12,745</i>	<i>10,74,729</i>	<i>9,36,65,648</i>	<i>1,36,61,428</i>	<i>3,19,411</i>	<i>3,58,56,917</i>	<i>5,68,68,730</i>

NOTE E(ii) - Intangible Assets

Particulars	Cost			Amortisation			Book Value	
	As at April 01, 2015	Additions	Deductions	As at March 31, 2016	For the year	Deductions	Upto March 31, 2016	As at March 31, 2015
Toll collection rights	16,88,87,87,183	-	-	16,88,87,87,183	19,13,06,805	-	40,54,01,353	16,67,46,92,635
Total	16,88,87,87,183	-	-	16,88,87,87,183	19,13,06,805	-	40,54,01,353	16,67,46,92,635
<i>Previous year</i>	<i>16,88,87,87,183</i>	<i>-</i>	<i>-</i>	<i>16,88,87,87,183</i>	<i>16,85,57,182</i>	<i>-</i>	<i>21,40,94,548</i>	<i>16,67,46,92,635</i>

NOTE E(iii) - Investment Property

Particulars	Cost			Amortisation			Book Value	
	As at April 01, 2015	Additions	Deductions	As at March 31, 2016	For the year	Deductions	Upto March 31, 2016	As at March 31, 2015
Freehold Land*	9,40,000	-	-	9,40,000	-	-	-	9,40,000
Total	9,40,000	-	-	9,40,000	-	-	-	9,40,000
<i>Previous year</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>9,40,000</i>

* Mortgaged to Lenders



PNG Tollway Limited
Notes forming part of Accounts

NOTE F

Long term loans and advances

Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
Unsecured, considered good		
Capital Advances		
To Larsen & Toubro Ltd (Ultimate Holding Company)	3,77,96,685	3,77,96,685
To Ashoka Concessions Limited (Associate Company)	1,11,18,610	1,11,18,610
Security deposits	10,68,849	10,21,299
	4,99,84,144	4,99,36,594

NOTE G(i)

Cash and bank balances

Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
Cash and cash equivalents		
Balances with banks		
In current accounts	47,43,973	1,15,97,676
Cash		
Cash on Hand	20,07,060	20,09,642
In Transit	21,07,587	18,07,882
Other bank balances		
Margin money deposit against bank guarantee issued to Telecom Department (including interest accrued thereon)	1,19,688	1,10,665
	89,78,308	1,55,25,865

NOTE G(ii)

Short term loans and advances

Particulars	As at March 31, 2016	As at March 31, 2015
	₹	₹
Unsecured, considered good		
Advances recoverable in cash or kind or for value to be received	-	1,27,05,711
Prepaid expenses	15,74,342	19,17,891
Taxes Receivable	73,32,491	1,03,67,754
	89,06,833	2,49,91,356

NOTE H

Contingent liabilities as at March 31, 2016 ₹ 9,59,00,000/- (previous year: ₹ 9,59,00,000/-) represents Additional Concession Fees claimed by National Highway Authority of India, not accepted by the company due to claiming of force majeure events i.e., forced-exemptions and violations at toll plaza. The concessionaire declared this as a Dispute under the concession agreement and requested the process of dispute resolution be undertaken, to reach a settlement of the issue.

NOTE I

Capital commitments as at March 31, 2016 net of advances ₹ 29,64,82,677/- (previous year: ₹ 29,64,82,677/-).



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PNG Tollway Limited
Notes forming part of Accounts

NOTE J

Revenue from operations

Particulars	2015-16	2014-15
	₹	₹
Toll Collections	93,76,33,448	85,89,36,777
Less : Revenue Share to NHAI	8,86,62,119	7,26,72,990
	84,89,71,329	78,62,63,787

NOTE K

Other income

Particulars	2015-16		2014-15	
	₹	₹	₹	₹
Interest income from:				
Bank deposits	9,025		1,98,135	
Others	3,76,454		-	
		3,85,479		1,98,135
Net gain on sale of current investments		13,86,385		35,48,982
Profit on disposal of fixed assets		-		10,000
Other non-operating income		-		3,45,511
		17,71,864		41,02,628

NOTE L

Operating expenses

Particulars	2015-16		2014-15	
	₹	₹	₹	₹
Concession fee		1		1
Toll Management fees		3,02,69,771		2,93,77,467
Security services		1,47,31,525		1,14,78,999
Insurance		55,90,514		57,81,259
Repairs and maintenance				
Periodic Major Maintenance	10,48,00,000		11,93,00,000	
Toll road & bridge	3,60,70,571		3,18,18,465	
Plant and machinery	1,11,18,238		97,56,141	
Others	15,30,820		12,95,208	
		15,35,19,629		16,21,69,814
Professional fees		2,89,15,023		2,95,84,927
Power and fuel		2,25,23,229		2,03,10,737
		25,55,49,692		25,87,03,204

NOTE M

Employee benefit expenses

Particulars	2015-16		2014-15	
	₹	₹	₹	₹
Salaries, wages and bonus		96,36,409		71,27,753
Contributions to and provisions for:				
Provident fund (Refer P(2) (i))	4,72,211		4,37,844	
Gratuity (Refer P(2) (ii))	2,06,934		3,28,818	
Compensated absences	3,47,527		5,21,891	
		10,26,672		12,88,553
Staff welfare expenses		14,26,090		6,59,778
		1,20,89,171		90,76,084



NOTE N**Finance costs**

Particulars	2015-16		2014-15	
	₹	₹	₹	₹
Interest on				
Term loans from Banks and Financial Institution	1,44,09,79,516		1,54,45,49,233	
Unsecured loan from Holding Company	24,07,09,631		19,09,39,969	
Unsecured loan from Ultimate Holding Company	5,17,66,651		5,40,78,181	
Unsecured loan from Associate Company	6,56,68,866		7,43,56,701	
		1,79,91,24,664		1,86,39,24,084
		1,79,91,24,664		1,86,39,24,084

NOTE O**Administration and other expenses**

Particulars	2015-16		2014-15	
	₹	₹	₹	₹
Rent, Rates and taxes		1,23,97,528		35,331
Professional fees (Refer note (a) below)		24,77,096		11,04,386
Postage and communication		5,58,487		5,81,026
Printing and stationery		6,81,499		9,21,220
Travelling and conveyance		14,88,345		17,61,399
Repairs and Maintenance - Others		9,31,704		12,39,535
Miscellaneous expenses		73,24,132		70,44,908
		2,58,58,791		1,26,87,805

(a) Professional fees includes Auditors remuneration (including service tax) as follows:

Particulars	2015-16	2014-15
	₹	₹
As Auditor	3,02,280	2,47,192
For Taxation matters	1,13,355	92,697
For Other services	2,08,270	2,51,911
	6,23,905	5,91,800



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PNG TOLLWAY LIMITED
Notes Forming Part of Accounts

NOTE P - Other Notes forming part of accounts

P(1) - Corporate information

PNG Tollway Limited is a Special Purpose Vehicle (SPV) incorporated on 16th February 2009 for the purpose of conversion of two lane to six lane of NH3 from KM 380.00 to KM 440.00, Pimpalgaon-Nasik-Gonde Section in Nasik District of Maharashtra State, under Design, Build, Finance, Operate and Transfer (DBFOT) basis vide Concession Agreement dated 8th July 2009 jointly signed with National Highways Authority of India. The concession period is 20 years which includes construction period 30 Months and the concession period ends on 3rd January 2029. Partial Commercial operation was achieved from 1st October 2012 and full commercial operations are achieved on 12th March 2014.

P(2) - Disclosures pursuant to AS 15 (Revised) - Employee Benefits

(i) Defined contribution plan:

An amount of ₹. 4,72,211/- (previous year : ₹. 4,37,844/-) being contribution made to recognised provident fund is a part of employee benefit for the year.

(ii) Defined benefit plans:

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

Particulars	2015-16	2014-15
A) Present value of defined benefit obligation		
– Wholly funded		-
– Wholly unfunded	9,79,239	7,85,055
Less : Fair value of plan assets		-
Amount to be recognised as liability or (asset)	9,79,239	7,85,055
B) Amounts reflected in the Balance Sheet		
Liabilities	9,79,239	7,85,055
Assets		-
Net Liability / (asset)	9,79,239	7,85,055

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

Particulars	2015-16	2014-15
1 Current service cost	2,01,450	79,832
2 Interest on Defined benefit obligation	61,234	25,773
3 Expected return on plan assets		-
4 Actuarial Gain/(Loss)	(55,750)	4,09,857
5 Past service cost	-	-
6 Effect of Curtailment or settlement	-	-
7 Actuarial gain/(loss) not recognised in books	-	-
8 Adjustment for earlier years	-	-
9 Translation adjustments	-	-
10 Amount capitalised out of the above	-	-
Total (1 to 10)	2,06,934	5,15,462
I Amount included in "employee benefit expenses"	-	-
II Amount included as part of "finance costs"	-	-
Total (I + II)	-	-
Actual return on plan assets	-	-



PNG TOLLWAY LIMITED
Notes Forming Part of Accounts

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

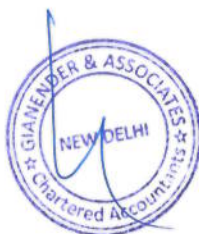
Particulars	2015-16	2014-15
Opening balance of the present value of defined benefit obligation	7,85,055	2,86,873
Add: Current service cost	2,01,450	79,832
Add: Interest cost	61,234	25,772
Add: Contribution by plan participants		
i) Employer	-	-
ii) Employee	-	-
Add/(less): Actuarial losses/(gains)	(55,750)	4,09,857
Less: Benefits paid	(12,750)	(17,279)
Add: Past service cost	-	-
Add: Business combinations/acquisition	-	-
Closing balance of the present value of defined benefit obligation	9,79,239	7,85,055

d) Principal actuarial assumptions at the Balance Sheet date:

1. Discount Rate per unit per annum	7.80%	7.80%
2. Salary escalation rate per unit per annum	6.00%	6.00%
3. Withdrawal / Attrition Rate	15% at younger ages reducing to 3% at older ages	5% at younger ages reducing to 1% at older ages

e) Present Value of Unfunded Obligation:

Particulars	As at 31 st March 2016	As at 31 st March 2015	As at 31 st March 2014	As at 31 st March 2013	As at 31 st March 2012
Gratuity Plan (Unfunded)	9,79,239	7,85,055	2,86,873	7,21,029	2,36,774



PNG TOLLWAY LIMITED
Notes Forming Part of Accounts

P(3) Disclosure of related parties/ related party transactions

(i) List of related parties:

Ultimate Holding Company	Larsen & Toubro Limited
Holding company	L&T Infrastructure Development Projects Limited
Fellow Subsidiaries:	<ol style="list-style-type: none"> 1 L&T Sambalpur-Rourkela Tollway Limited 2 L&T Devihalli Hassan Tollway Limited 3 L&T Deccan Tollways Limited 4 Kudgi Transmission Limited 5 L&T Ahmedabad-Maliya Tollway Limited 6 L&T Halol-Shamlaji Tollway Limited 7 L&T Vadodara Bharuch Tollway Limited 8 L&T Krishnagiri Walahjapet Tollway Limited 9 L&T Rajkot-Vadinar Tollway Limited 10 L&T General Insurance Company Limited 11 L&T Samakhiali Gandhidham Tollway Limited 12 L&T Metro Rail (Hyderabad) Limited 13 L&T Krishnagiri Thopur Toll Road Limited 14 L&T Krishnagiri Thopur Toll Road Limited
Associate company	Ashoka Concessions Limited
Key Management Personnel	Manager: Sanjay Prabhakar Ingle

(ii) Details of transactions with related parties:

Nature of transaction/relationship	2015 – 16	2014 – 15
	Amount	Amount
	₹	₹
1. Purchase of assets		
Holding company & fellow subsidiaries,		
L&T Infrastructure Development Projects Limited	-	28,506
L&T Ahmedabad Maliya Tollway Limited	-	22,517
2. Sale of assets		
Holding company & fellow subsidiaries,		
L&T Infrastructure Development Projects Limited	-	50,574
L&T Sambalpur Rourkela Tollway Limited	-	32,480
L&T Devihalli Hassan Tollway Limited	-	24,266
L&T Deccan Tollways Limited	-	17,683
Kudgi Transmission Limited	-	34,120
L&T Samakhiali Gandhidham Tollway Limited	38,535	-
3. Service received from		
Ultimate Holding company		
Larsen & Toubro Limited		
Business support service	34,36,091	55,63,994
Professional Fees	2,37,458	2,85,805
Holding company & fellow subsidiaries,		
L&L&T Infrastructure Development Projects Limited		
Business support service	1,44,61,173	88,99,230
O&M Fees	96,79,159	88,34,461
L&T General Insurance Company Limited		
Insurance premium	55,60,587	57,50,846



PNG TOLLWAY LIMITED
Notes Forming Part of Accounts

Nature of transaction/relationship	2015 – 16	2014 – 15
	Amount	Amount
	₹	₹
4. Interest expense		
Ultimate Holding company		
Larsen & Toubro Limited	5,17,66,651	5,40,78,181
Holding company		
L&T Infrastructure Development Projects Limited	24,07,09,631	19,09,39,969
Associate company		
Ashoka Concessions Limited	6,56,68,868	7,43,56,701
5. Reimbursement of expenses charged by		
Holding company & fellow subsidiaries		
L&T Ahmedabad Maliya Tollway Limited	68,702	8,000
L&T Deccan Tollways Limited	-	6,901
L&T Halol Shamlaji Tollway Limited	-	31,966
L&T Vadodara Bharuch Tollway Limited	-	2,45,000
L&T Krishnagiri Walahjapet Tollway Limited	-	3,33,333
L&T Metro Rail (Hyderabad) Limited	12,750	-
L&T Krishnagiri Thopur Toll Road Limited	63,000	-
6. Reimbursement of expenses charged to		
Holding company & fellow subsidiaries		
L&T Infrastructure Development Projects Limited	2,53,866	2,18,049
Kudgi Transmission Limited	-	1,300
L&T Halol Shamlaji Tollway Limited	20,360	5,000
L&T Rajkot Vadinar Tollway Limited	1,687	-
7. ICD / Promoters Loan / Mezzanine Debt received		
Holding company		
L&T Infrastructure Development Projects Limited	1,03,76,00,000	1,00,10,00,000
Loan repaid by L&T Infrastructure Development Projects Limited to Larsen & Toubro Limited on behalf of company	43,96,60,000	-
Associate company		
Ashoka Concessions Limited	4,00,00,000	15,00,00,000
8. Refundable deposit received for Director's Nomination		
Holding company		
L&T Infrastructure Development Projects Limited	-	2,00,000
9. Payment of salaries/perquisites		
Manager		
Sanjay Prabhakar Ingle	21,57,186	20,35,100



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PNG TOLLWAY LIMITED
Notes Forming Part of Accounts

(iii) Amount due to and due from related parties (Net) :

Particulars	2015 - 16		2014 - 15	
	Due to	Due from	Due to	Due from
	₹	₹	₹	₹
i. Ultimate Holding company				
Larsen & Toubro Limited				
Equity Share Capital	22,42,26,600		43,96,60,000	
EPC Cost	13,98,42,455		13,98,42,455	
Mobilisation Advance		3,77,96,685		3,77,96,685
Promoters mezzanine debt	-		43,96,60,000	
Interest on Promoters mezzanine debt	18,20,25,356		13,54,35,371	
Reimbursement of expenses to	13,06,192		20,27,271	
ii. Holding company				
L&T Infrastructure Development Projects Limited				
Equity Share Capital	1,02,71,13,400		81,16,80,000	
Preference Share capital	91,11,00,000		-	
Promoters mezzanine debt	1,25,13,40,000		81,16,80,000	
Unsecured Loan	1,80,12,00,000		1,57,67,00,000	
Interest on Loan	50,28,01,729		36,80,20,228	
Services received	88,12,250		38,66,428	
iii. Associate company				
Ashoka Concessions Limited				
Equity Share Capital	43,96,60,000		43,96,60,000	
Preference Share capital	32,01,00,000		-	
Promoters mezzanine debt	43,96,60,000		43,96,60,000	
Unsecured loan	4,00,00,000		28,56,60,000	
Interest on Loan	18,45,84,373		15,99,22,395	
EPC Cost	1,80,13,295		1,83,13,295	
Mobilisation Advance		1,11,18,610		1,11,18,610

(iv) No amount due to or due from related parties has been written back or written off during the year (Previous year is Rs. Nil)



P(4) Disclosures pursuant to Accounting Standard 17 - "Segment Reporting"

The Company is engaged in the business of construction, operation and maintenance of Toll road project on a Build Operate Transfer basis in a single business segment. Hence reporting on primary segment does not arise. Further, the Company has operations only in the state of Maharashtra in India. Hence, disclosure of secondary / geographical segment information is not applicable.

P(5) Disclosure pursuant to Accounting Standard (AS) 19 "Leases"

The Company has taken premises on operating lease. The Company has taken office premises and Guest house under cancellable operating lease. These agreements are normally renewed on expiry. Lease rental expenses in respect of operating leases for the year ₹ 64,500/- (previous year: ₹ 2,31,912/- has been included in Pre-operative expenses).

P(6) Disclosures pursuant to Accounting Standard (AS) 29 - "Provisions, Contingent Liabilities and Contingent Assets"

a) Movement in provisions:

Particulars	Major Maintenance Reserve
	₹
Opening Balance as at 1-4-2015	21,35,22,581
Additional provision during the year	10,48,00,000
Provision used/reversed during the year	-
Balance as at 31-3-2016	31,83,22,581
Represented as:	
- Long Term Provision	31,83,22,581
- Short Term Provision	-

b) Nature of provisions:

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

For this purpose, besides a regular maintenance, periodic major maintenances is required to be performed. Normally periodic maintenance includes resurface of pavements, repairs of structures, repairs and refurbishment of tolling system and other equipments and maintenance of service roads.

As per industry practice, the periodic maintenance is expected to occur over a period 5-7 years. The maintenance cost / bituminous overlay may vary based on the actual usage during maintenance period. Accordingly on the grounds of prudence, based on estimates, a provision for major maintenance expenses is provided for in the books annually.

c) Contingent Liabilities

Disclosure in respect of contingent liabilities is given as part of Note (H) to the Balance Sheet.

P(7) The Wealth Tax Act, 1957

The Company does not have taxable wealth under the provisions of the Wealth Tax Act, 1957.

P(8) Foreign currency transactions

Nature of Expenses	₹	₹
	2015 - 16	2014 - 15
Income in foreign currency	-	-
Expenditure in foreign currency - Annual Maintenance of Toll collection system	14,96,096	4,67,238

P(9) Disclosures pursuant to AS 22 - Accounting for Taxes on Income

The company does not have taxable income and hence provision for current tax has not been made. The company is eligible for deduction under section 80(IA) of The Income Tax Act 1961 and the tax holiday period for the company's project falls within the concession period of the company as defined in Section 80(IA). Since deferred tax on timing differences between accounting income and taxable income that arise during the year is reversing during such tax holiday period, no deferred tax asset/liability arises and accordingly no provision is made in the accounts.



PNG Tollway Limited
Notes forming part of Accounts

P(10) Disclosure pursuant to Accounting Standard (AS) 20 "Earnings per share"

a) Basic Earnings per share (EPS) computed in accordance with Accounting Standard (AS 20) "Earnings per share".

Particulars		2015-16	2014-15
		₹	₹
Basic			
Profit after tax as per accounts (₹)	A	(1,44,67,37,912)	(1,53,62,43,372)
Weighted average number of shares outstanding	B	16,91,00,000	16,91,00,000
Earning per share (₹)	A / B	(8.56)	(9.08)
Face value per equity share (₹)		10.00	10.00

Potential equity shares that could arise on conversion of Optionally Convertible Cumulative Redeemable Preference Shares are not resulting into dilution of EPS in the current year. Hence they have not been considered in the computation of diluted EPS in accordance with Accounting Standard (AS) 20 "Earnings Per Share"

P(11) Disclosure pursuant to Accounting Standard (AS) 28 "Impairment of Assets"

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

P(12) Capital Redemption Reserve & Dividend on Preference Shares

As the company does not have profits for the current year, Capital Redemption Reserve & dividend on Preference Shares for optionally convertible cumulative redeemable preference shares as defined under Section 55 of the Companies Act, 2013 has not been created.

P(13) The company vide its letter dated 5th March 2015 informed NHAI that the company will be deferring the payment of additional concession fees from February 2015 onwards because of Toll revenue shortfall. Unpaid additional concession fees of ₹10,33,45,756/- has been disclosed under the head Other Current Liabilities.

P(14) The Company operates in the infrastructure business sector which involves huge capital investments. The company's net worth has been eroded. However the loss incurred so far is start up in nature and the Management expects that the Company's revenue for the subsequent financial years will be sufficient to meet the expenditure and recoup the losses incurred thereby strengthening the financial position of the Company. Accordingly, the financial statements have been prepared on going concern basis.

P(15) Due to continuing Force Majeure Events for a period of 1207 days (from 2nd Oct 2012 till 3rd Feb 2016), PNG Tollway Limited (the company) issued Notice of intention to issue Termination Notice under Article 34.8 of the Concession Agreement giving a period of 15 days to National Highway Authority of India (NHAI) to make the representation in this behalf. In the absence representation by NHAI, Termination notice under Article 34.8 and Demand notice for Termination payment under 37.3.3 of the Concession Agreement have been issued to NHAI on 25th February 2016

Discussion and communication is going on with NHAI Till date, there is no conclusion on this issue. Awaiting response from NHAI, the project is being continued in its present status as a going concern.

P(16) Previous Year Figures

The Company has reclassified and regrouped the previous year figures wherever considered necessary to confirm to this year's classification.



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Q. Significant Accounting Policies

1. Basis for preparation of accounts

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

2. Use of estimates

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

3. Presentation of financial statements

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

Amounts in the financial statements are presented in Indian Rupees rounded off to two decimal places in line with the requirements of Schedule III. Per share data are presented in Indian Rupees to two decimal places.



4. Revenue Recognition

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

A. Revenue from Operations

Annuity Income

Annuity collections are accounted for as and when the amount is due and recovery is certain.

B. Other Income

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

5. Employee Benefits

(i) Short Term Employee Benefits

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

(ii) Post-Employment Benefits

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

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



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

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

(iii) Long Term Employee Benefits

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

6. Tangible Assets

Tangible assets are stated at original cost net of refundable tax and duty credits including estimated cost of dismantling and removing the asset and restoring the site where it is located, less accumulated depreciation and accumulative impairment losses.

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

7. Intangible Assets

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

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

The cost incurred during construction for work beyond the original scope as per Concession agreement (normally referred as "Change of Scope") is capitalised as intangible asset under development as and when incurred. Reimbursement in respect such amounts from NHAI are reduced from the intangible assets to the extent of actual receipts.



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PNG Tollway Limited

Notes forming part of Accounts for the year ended 31st March 2016

Pre-operative expenses including administrative and other general overhead expenses that are directly attributable to development or acquisition of intangible assets are allocated and capitalized as part of cost of the intangible assets.

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

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

8. Depreciation and Amortisation**Depreciation**

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

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

Category of Asset	Useful life (years)
Motor cars	7
Office equipments	
Multifunctional devices printers, switches and projectors	4
Plant and Machinery	
Toll Collection System	7
D G Set	12
Air Conditioning and refrigeration equipment except Split AC and Window AC	12
Split AC and Window AC	4
Maintenance Vehicle	8



PNG Tollway Limited

Notes forming part of Accounts for the year ended 31st March 2016

The Company has carried out assessment of useful lives of these assets and based on technical evaluation, different useful lives have been arrived at in respect of above assets.

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life. Assets individually costing less than Rs. 5,000/- are fully depreciated in the year of purchase.

Amortisation

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

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

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

9. Leases**Operating Leases**

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

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

Finance Leases

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



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PNG Tollway Limited

Notes forming part of Accounts for the year ended 31st March 2016

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

10. Impairment of Assets

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

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

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

Recoverable amount is determined:

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

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

11. Investments

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

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

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

12. Cash and bank balances

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



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13. Borrowing costs

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

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

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

14. Foreign currency transactions

The reporting currency of the Company is the Indian Rupee.

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

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

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

15. Segment accounting

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



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- (iv) Segments assets and liabilities include those directly identifiable with respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

16. Taxes on Income

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

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

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

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

17. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

Contingent Liability is disclosed in the case of:

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



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PNG Tollway Limited

Notes forming part of Accounts for the year ended 31st March 2016

- c) A possible obligation arising from a past events unless the probability of outflow of resources is remote

Contingent Assets are neither recognized, nor disclosed.

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

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

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

19. Cash flow Statement

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

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

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

20. Commitments

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

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



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PNG Tollway Limited

Notes forming part of Accounts for the year ended 31st March 2016

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

21. Claims

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

As per our report attached

For GIANENDER & ASSOCIATES

Chartered Accountants

(Firm's Registration No.004661N)

G K Agrawal 5/4/16

G K Agrawal

Partner

Membership No. 81603

Place: *Chennai*

Date:



For and on behalf of the Board

Gopal C. Pandey *Karthikeyan T.V.*
Chief Financial Officer Directors
Gopal C. Pandey *Karthikeyan T.V.*
Place: *Chennai* DIN: 0136 7727
Date: *April 5 2016* T.S. Venkatesan
DIN: 0144 3165

ATTENDANCE SLIP
PNG TOLLWAY LIMITED
CIN: U45203TN2009PLC070741

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

Seventh Annual General Meeting, Thursday, 29th September 2016 at 10.00 A.M.

Reg. Folio No. _____

No. of Shares _____

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

I hereby record my presence at the Seventh Annual General Meeting of the Company, held on Thursday, 29th September, 2016 at 10.00 A.M. at the registered office of the Company at Mount Poonamallee Road, Manapakkam, Chennai - 600089.

Name of the member

Signature of Member

Name of the Proxy (In block letters)

Signature of Proxy

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

PROXY FORM
Form No. MGT-11

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

CIN: U45203TN2009PLC070741

Name of the Company: PNG TOLLWAY LIMITED

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

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

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

1. Name:

Address:

E-mail Id:

Signature: failing him

2. Name:

Address:

E-mail Id:

Signature: failing him

3. Name:

Address:

E-mail Id:

Signature: failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Seventh Annual General Meeting of the Company, to be held on Thursday, 29th September 2016 at 10.00 A.M. at the Registered office of the Company at Mount Poonamallee Road, Manapakkam, Chennai – 600089 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolutions	For	Against
Ordinary Business			
1	Adoption of the audited Financial Statement for the period from 1 st April, 2015 to 31 st March 2016 and the Reports of the Directors and Auditors thereon.		
2	Re-Appointment of Mr. T.S.Venkatesan (DIN No: 01443165), Director who retires by rotation.		
3	Re-Appointment of Statutory Auditors of the Company and to fix their Remuneration.		
Special Business			
4	Appointment of Mr. Arun Kumar Jha (DIN No: 07458418) as Director of the Company.		
5	Appointment of Mr. Paresh Mehta (DIN No: 03474498) as Director of the Company.		
6	Appointment of Mr. P.G.Suresh Kumar (DIN No: 07124883) as Director of the Company.		

Signed this _____ day of _____ 2016

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 and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Route map to the 7th AGM venue of PNG Tollway Limited

