

BOARD'S REPORT (SECTION 134)

Dear Members,

The Directors have pleasure in presenting their report and Audited Accounts for the year ended March 31, 2018.

1. FINANCIAL RESULTS / FINANCIAL HIGHLIGHTS:

₹ in crore

Particulars	2017-18	2016-17
Profit / (Loss) Before Depreciation, exceptional items & Tax	(1.14)	(13.17)
Less: Depreciation, amortization, impairment and obsolescence	–	(0.05)
Profit / (Loss) before exceptional items and tax	(1.14)	(11.45)
Profit / (Loss) before tax	(1.14)	(11.45)
Less: Provision for tax	–	–
Add: Exceptional items	(65.0)	(209.06)
Profit / (Loss) for the year	(66.14)	(220.51)
Balance to be carried to Balance Sheet	(66.14)	(220.51)

2. CAPITAL & FINANCE:

The Company has not issued and allotted share capital during the year.

3. CAPITAL EXPENDITURE:

There are no fixed and intangible assets as on March 31, 2018.

4. DEPOSITS:

The Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 (the "Act") and the Rules framed thereunder.

5. DEPOSITORY SYSTEM:

As on March 31, 2018, the shares of the Company are held in the following manner:

Equity shares:

More than 99.99% of the Company's equity paid up capital representing 16,90,99,996 equity shares @ ₹ 10/- each are held in dematerialized form and 4 equity shares are held in Physical form. 12,31,20,000 0.01% Compulsorily Convertible Preference Shares of ₹ 10 each are held in Physical Form.

6. SUBSIDIARY COMPANIES:

The Company has one associate Company namely, Ashoka Concessions Limited holding 26% stake in the paid up equity share capital of the Company.

7. 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 facilities the provisions of Section 186 except sub-section (1) of the Act are not applicable to the Company.

8. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All related party transactions during the year have been approved in terms of the Act. Details of Related Party Transactions are provided in Annexure 1 (AOC-2).

All related party transactions were at arms length basis and are in the ordinary course of business.

9. STATE OF COMPANY AFFAIRS:

In the Report of the Board of Directors for the year ending March 31, 2017, the Directors had reported that the Company had received ₹ 423.061 crore as Termination Payment from NHAI as against a claim of ₹ 1750.825 crore. The Company disputed the determination and payment of Termination Payment made by NHAI and referred to Arbitration under SAROD Rules in May 2017. In the interest of an early settlement NHAI and the Company agreed to refer the matter to the Conciliation Committee of Independent Experts (CCIE) set up by NHAI for a conciliatory settlement of the dispute in August 2017, after requesting the pausing the Arbitration for a period of 6 months. The Company has completed all the requirements under the Concession Agreement towards obtaining the Vesting Certificate from NHAI. The CCIE has had four sittings during the current financial year and the dispute is pending resolution.

10. AMOUNT TO BE CARRIED TO RESERVE:

Since the Company has incurred loss before tax for the year ended March 31, 2018 no amount is required to be transferred to the statutory reserve as required under Section 45-IC of Reserve Bank of India (RBI) Act, 1934.

11. DIVIDEND:

The Company has no distributable profits and hence no dividend is payable for the year.

12. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT:

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

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

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

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

14. RISK MANAGEMENT POLICY:

Since there are no operations in the Company, review of risk of the Company does not arise.

15. CORPORATE SOCIAL RESPONSIBILITY:

Since your Company does not exceed any of the threshold limits specified under section 135 of the Act, the provisions of Corporate Social Responsibility are not applicable.

16. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED / RESIGNED DURING THE YEAR:

Mr. P. G. Suresh Kumar, Director retired by rotation at the Annual General Meeting held on September 26, 2017 and was reappointed as Director.

Mr. Jayanta Dixit resigned as Director with effect from October 21, 2017. Mr. Rajendra Chindulal Burad was appointed as Additional Director with effect from October 21, 2017.

Composition of Board of Directors of the Company as on March 31, 2018 stood as below:

Name	Designation
Mr.T.S.Venkatesan	Director
Dr.Esther Malini	Director
Mr.P.G.Suresh Kumar	Director
Mr.Rajendra Chindulal Burad	Additional Director
Ms.Samyuktha Surendran	Independent Director
Dr.A.Veeraraghavan	Independent Director

The Key Managerial Personnel (KMP) of the Company as on March 31, 2018 are:

Name	Designation
Mr.Aruldas Joselinsmile	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.

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

Date	Board Strength	No of Directors Present
April 27, 2017	6	6
July 17, 2017	6	6
October 21, 2017	5	4
January 19, 2018	5	3

Information to the Board

The Board of Directors has complete access to the information within the Company which interalia includes:

- Annual revenue budgets and capital expenditure plans
- Quarterly financials and results of operations
- Financing plans of the Company
- Minutes of the meeting of the Board of Directors, Audit Committee (AC), Nomination and Remuneration Committee (NRC)
- Report on fatal or serious accidents
- Any materially relevant default, if any, in financial obligations to and by the Company
- Any issue which involves possible public or product liability claims of substantial nature, including any Judgement or Order, if any, which may have strictures on the conduct of the Company
- Development in respect of human resources
- Compliance or non-compliance of any regulatory, statutory nature or listing requirements and investor service

Presentations are made regularly to the Board/NRC/AC (minutes of Board, AC and NRC are circulated to the Board) where Directors get an opportunity to interact with senior managers. Presentations, interalia cover business strategies, management structure, HR policy, management

development and planning, half-yearly and annual results, budgets, treasury, review of Internal Audit, risk management, operations of subsidiaries and associates, etc.

Independent Directors have the freedom to interact with the Company's management. Interactions happen during the Board / Committee Meetings when senior company personnel are asked to make presentations about performance of the Company.

Audit Committee

The Company has constituted an Audit Committee in terms of the requirements of the Act comprising of Dr.A.Veeraraghavan, Ms.Samyuktha Surendran and Dr.Esther Malini.

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 27, 2017	3	3
July 17, 2017	3	3
October 21, 2017	3	2
January 19, 2018	3	2

As per the provisions of Section 177(9) of the Act, the Company is required to establish an effective Vigil Mechanism for directors and employees to report genuine concerns.

The Company has a whistle blower policy in place to report concerns about unethical activities, actual/suspected frauds and violation of Company's Code of Conduct. The policy provides for adequate safeguards against victimisation of persons who avail the same and provides for direct access to the Chairman of the Audit Committee. The Chief Internal Auditor of the Company was the co-ordinator for the Vigil Mechanism and responsible for receiving, validating, investigating and reporting to the Audit Committee during the year.

Members can view the details of the whistle blower policy under the said framework of the Company on its website of Holding Company (L&T Infrastructure Development Projects Limited) www.Lntidpl.com

Company Policy on Director Appointment and Remuneration

The Company had constituted the Nomination and Remuneration Committee in accordance with the requirements of the Act read with the Rules made thereunder comprising of Dr.A.Veeraragavan, Ms.Samyuktha Surendran and Mr.T.S.Venkatesan.

During the year, One Meeting of the Nomination and Remuneration Committee was held. The details of the meeting conducted during the year under review are given below:

Date	Strength of the Committee	No. of members present
July 17, 2017	3	2

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 and also for KMP.

Declaration of independence

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

Adequacy of Internal Financial Controls:

The Company has designed and implemented a process driven framework for Internal Financial Controls ('IFC') within the meaning of the explanation to Section 134(5)(e) of the Act. For the year ended March 31, 2018, the Board is of the opinion that the Company has sound IFC 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.

17. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS:

The Company had which issued the notice of termination on February 25, 2016, was accepted by NHAI vide its minutes of meeting dated April 7, 2016 and that the date of termination shall be March 29, 2016. Consequently, the toll operations were taken over by the authority on April 13, 2016 and conveyed that the date of termination shall be march 29, 2016. Hence going concern assumption is not appropriate.

18. DIRECTORS RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms that:

- The concept of a going concern is not appropriate as the Company has terminated the project. Further explanations are provided under note H(11) of Schedules forming part of Accounts attached to this annual report.
- In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- 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.

- d) 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.
- 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.

19. 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 December 23, 2017, 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.

20. DISCLOSURE OF REMUNERATION:

As the shares of the Company are not listed with any stock exchange hence, no information is being provided under Section 197 of the Act read with sub rule 2 of rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

21. 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.

22. PROTECTION OF WOMEN AT WORKPLACE

The Company has adopted a policy on Protection of Women's Rights at workplace in line with the policy formulated by the Parent company. This has been widely disseminated. There were no complaints of sexual harassment received by the Company during the year.

23. AUDITORS REPORT:

The Auditors' Reports on the financial statements for the financial year 2017-18 are unqualified. The Notes to the accounts referred to in the Auditors' Reports are self-explanatory and do not call for any further clarifications under section 134(3)(f) of the Act.

24. AUDITOR:

The Company at the sixth Annual General Meeting (AGM) held on September 24, 2015 had appointed M/s. Gianender & Associates, Chartered Accountants, (ICAI Registration no: 004661N), Delhi as Statutory Auditors of the Company to hold office from the conclusion of that AGM until the conclusion of the AGM to be held during the year 2019.

25. SECRETARIAL AUDITOR:

Mr. R. Thamizhvanan, Company Secretary in practice (C.O.PNo.3721) was appointed to conduct the secretarial audit of the Company for the financial year 2017-18, as required under Section 204 of the Act and Rules thereunder. The secretarial audit report dated June 19, 2018 to the Shareholders for the financial year 2017-18 is attached as 'Annexure 2' to this Report and it contains the qualification:

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).

Management Response: The Company is in the process of identifying a suitable candidate to be appointed as Company Secretary and shall endeavor to appoint in near future.

26. EXTRACT OF ANNUAL RETURN

The extract of the annual return in Form No. MGT – 9 is enclosed to this Report as 'Annexure 3'.

ACKNOWLEDGEMENT

The Board of Directors wish to express their appreciation to all the employees for their outstanding contribution to the operations of the Company during the year. Your Directors take this opportunity to thank financial institutions, banks, Central and State Government authorities, regulatory authorities and all the stakeholders for their continued co-operation and support to the Company.

For and on behalf of the Board

Place: Chennai
Date: July 12, 2018

T. S. VENKATESAN
Director
DIN: 01443165

P. G. SURESH KUMAR
Director
DIN: 17124883

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
 - (i) There were no contracts or arrangements entered into by the Company with related party (ies) during the FY 2017-18 which required shareholders' approval as per Sec. 188(1) of the Act
 - (ii) The details of related party transactions during the FY 2017-18 are forming part of the financial statements as per Ind AS 24 and the same is given in Note H 6

For and on behalf of the Board

Place:Chennai
Date: July 12, 2018

T. S. VENKATESAN
Director
DIN: 01443165

P. G. SURESH KUMAR
Director
DIN: 17124883

ANNEXURE 2

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR 2017-18

[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 2017-18**. 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: 19.06.2018

ANNEXURE 3**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2018**

[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	NSDL Database Management Limited 4th Floor, Trade World A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Ph: 022 4914 2591

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	Nil

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)

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

Category of Shareholders	No. of Shares held as on April 01, 2017				No. of Shares held as on March 31, 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt (s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp	169099996	4*	169100000	100	169099996	4*	169100000	100	–
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any Other....	–	–	–	–	–	–	–	–	–
Sub-total (A) (1):-	169099996	4*	169100000	100	169099996	4*	169100000	100	–

Category of Shareholders	No. of Shares held as on April 01, 2017				No. of Shares held as on March 31, 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	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 shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	169099996	4*	169100000	100	169099996	4*	169100000	100	-

* Shares held by individuals jointly with L&T Infrastructure Development Projects Limited

(ii) Shareholding of Promoters

Sl No	Shareholders Name	Shareholding as on April 01, 2017			Shareholding as on March 31, 2018			% change in Shareholding 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 Pledged / encumbered to total shares#	
1	L&T Infrastructure Development Projects Limited	102711336	61	24.48#	102711336	61	24.48#	-
2	K.Venkatesh*	1	-	-	1	-	-	-
3	R.G.Ramachandran*	1	-	-	1	-	-	-
4	Karthikeyan TV*	1	-	-	1	-	-	-
5	T.S.Venkatesan*	1	-	-	1	-	-	-
6	Larsen & Toubro Limited	22422660	13	13#	22422660	13	13#	-
7	Ashoka Concessions Limited	43966000	26	13#	43966000	26	13#	-
	Total	169100000	100	51	169100000	100	51	-

#Based on the information received from Promoters

*shares held by individuals jointly with L&T Infrastructure Development Projects Limited

(iii) Change in Promoters' Shareholding: No change in the shareholding of Promoters

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

(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
	As on April 01, 2017	1	—	1	—
	Increase / Decrease	—	—	—	—
	As on March 31, 2018	1	—	1	—

V. INDEBTEDNESS

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

(Amount in ₹)

Particulars of Indebtedness	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
As on April 01, 2017			
i) Principal Amount	9593525939	3532200000	13125725939
ii) Interest due but not paid	—	869411454	869411454
iii) Interest accrued but not due	—	—	—
Total (i + ii + iii)	9593525939	4401611454	13995137393
Change in Indebtedness during the financial year			
• Addition	—	—	—
• Reduction	—	—	—
Net Change	—	—	—
As on March 31, 2018			
i) Principal Amount	9593525939	3532200000	13125725939
ii) Interest due but not paid	—	869411454	869411454
iii) Interest accrued but not due	—	—	—
Total (i + ii + iii)	9593525939	4401611454	13995137393

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager: No manager as on March 31, 2018.****B. Remuneration to other directors:**

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount
		Dr.A.Veeraragavan	Mrs. Samyuktha Surendran	
1	Independent Directors			
	Fee for attending board meeting	100000	75000	175000
	Fee for attending committee meetings	60000	50000	110000
	Commission	—	—	—
	Others, please specify	—	—	—
	Total (1)	160000	125000	285000
2	Other Non-Executive Directors	Nil		
	1. Mr. T.S.Venkatesan			
	2. Mr. P.G.Suresh Kumar			
	3. Mr. Jayanta Dixit			
	4. Dr.Esther Malini			
	No Fee for attending board / committee meetings and no Commission			
	Total (2)	Nil		
	Total (B) = (1 + 2)	₹ 160000/-	₹ 125000/-	₹ 285000/-
	Overall Ceiling as per the Act(sitting fees)	Not more than ₹ 100000/- per meeting of Board or Committee.		

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

No remuneration was paid to KMP other than Manager of the Company. Mr. A. Joselinsmile, CFO of the Company is employed by the Holding Company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board

Place: Chennai
Date: July 12, 2018

T. S. VENKATESAN
Director
DIN: 01443165

P. G. SURESH KUMAR
Director
DIN: 17124883

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 31 March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone financial statements based on our audit. In conducting 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 and the Order issued under section 143(11) of the Act

We conducted our audit of the standalone financial statements 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

EMPHASIS OF MATTER

We draw attention to the:

- i) Note no. H(10) which state that during financial year 2015-16, the company had submitted intent to terminate the project and accordingly issued the notice of termination on 25th Feb 2016. The same was accepted by NHAI vide its minutes of meeting dated 7th April 2016 and conveyed that the date of termination shall be Mar 29th 2016. Consequently the toll operations were taken over by the authority on 13th April 2016 and Maintenance Operations taken over on 31st July 2016. The company has been engaged into various meeting with the authority with regard to finalization of termination proceeds and its settlement during the year. In the month of Aug 2016, NHAI released an adhoc payment of ₹ 100 Cr. Further on Feb 21st 2017 NHAI, in turn issued a Termination Notice, alleging Concessionaire's Event of Default and arbitrarily computed the Termination Payment for the project at ₹ 996.57 Cr and after adjusting the adhoc payment and other recoveries made by them, released the payment of ₹ 323.061 Cr on 26th Mar 2017, unilaterally, without granting an opportunity of being heard to the company on the above matter. The company on 3rd April 2017 replied to the Notice of Termination by NHAI and on 4th April 2017 replied to the Termination Payment advice of NHAI, stating the facts on how termination payment calculated by NHAI is not in conformity with the stated provisions of the Concession Agreement, and justifying its eligibility for termination payments for an amount ₹ 1704.41 Cr including certain contractual claims that are accepted and payable as per provisions of concession agreement. In view of the same, the company is confident of recovering the amount considered as recoverable from NHAI under current financial assets under Note 4.
- ii) Note no. H(11) which states that Going concern assumption is not appropriate, hence financial statement have been drawn up accordingly.
- iii) Secured lenders (State bank of India & Bank of Baroda) have issued "NOTICE RECALLING LOANS" for repayment of entire outstanding loans.

Our opinion is not modified in respect of this matter.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - (e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The company has no pending litigation which would impact its financial position except those disclosed in financial statements;
 - 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, and;
2. As required by Section 143(3) of the Act, based on our audit we report that:

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

For GIANENDER & ASSOCIATES
Chartered Accountants
(Firm's Registration No. 004661N)

Place: New Delhi
Date: April 19, 2018

R K Agrawal
(Partner)
(M No. 085671)

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of PNG Tollway Limited of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of PNG Tollway Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company’s management is responsible for establishing and maintaining internal financial controls 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS’ RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for 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.

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, 2018, 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)

R K Agrawal

(Partner)

(M No. 085671)

Place: New Delhi

Date: April 19, 2018

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF PNG TOLLWAY LIMITED FOR THE YEAR ENDED AS ON 31ST MARCH 2018

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date:-

- i. a) Company has no fixed asset except investment property namely land.
b) Immovable property were held in the name of the company.
- ii. As the company is engaged in the business of infrastructure development, operations and its maintenance and there is no inventory in hand at any point of time, hence paragraph 3(ii) of the Order is not applicable to the company.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liabilities partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, reporting under clause (a) to (c) of Para 3(iii) are not applicable.
- iv. The Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Therefore the paragraph 3(iv) of the Order is not applicable to the company.
- v. The Company has not accepted deposits in terms of the provisions of section 73 to 76 of the Companies Act, 2013 and rules framed there under. Therefore the paragraph 3(v) of the Order is not applicable to the company.
- vi. It has been represented by the Company that maintenance of the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the company
- vii. a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has been generally regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, service tax, value added tax, cess and other statutory dues during the year with the appropriate authorities. As on 31st March 2018, there are no undisputed statutory dues payables for period exceeding for a period more than six month from the date they become payable.
b) According to the information and explanations given to us, there were no statutory dues pending in respect of income tax, sales tax, VAT, custom duty and cess etc. on account of any dispute.
- viii. In our opinion and according to the information and explanation provided to us, the company has defaulted in payment of outstanding amount of borrowing totalling to ₹ 9,86,29,03,464 To the lending banks. The company has not taken any loans or borrowings from Government.
- ix. Money raised by way of term loans 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. The Company has not paid any managerial remuneration, hence therefore para 3(xi) of the Order is not applicable to the company.
- xii. The company is not a Nidhi Company, therefore para 3(xii) of the Order is not applicable to the company.
- xiii. In our opinion and according to the information provided to us, 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. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, therefore para 3(xiv) of the Order is not applicable to the company.
- 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)

Place: New Delhi
Date: April 19, 2018

R K Agrawal
(Partner)
(M No. 085671)

BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note	As at 31-03-2018 ₹	As at 31-03-2017 ₹
ASSETS			
(1) Non-current assets			
a) Investment property	1	940,000	940,000
	A	940,000	940,000
Current assets			
a) Financial Assets			
i) Cash and bank balances	2	4,391,677	770,896,915
ii) Loans	3	–	40,000
iii) Other financial assets	4	11,412,973,211	11,030,742,810
b) Current Tax Assets (net)	5	71,246,370	71,233,306
	B	11,488,611,258	11,872,913,031
TOTAL	A+B	11,489,551,258	11,873,853,031
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share capital	6	1,691,000,000	1,691,000,000
b) Other Equity	7	(5,218,064,180)	(4,556,674,762)
	C	(3,527,064,180)	(2,865,674,762)
LIABILITIES			
Current liabilities			
a) Financial liabilities			
i) Borrowings	8	13,395,103,464	13,125,725,939
ii) Trade payables	9	744,254,419	733,681,447
iii) Other financial liabilities	10	877,231,220	878,330,760
b) Other current liabilities	11	26,335	1,789,647
	D	15,016,615,438	14,739,527,793
Total Equity and Liabilities	C+D	11,489,551,258	11,873,853,031
CONTINGENT LIABILITIES	F		
Commitments	G		
Other notes forming part of accounts	H		
Significant accounting policies	I		

As per our report of attached

For and on behalf of the Board

For GIANENDER & ASSOCIATES

Chartered Accountants

(Firm Registration No: 04661N)

by the hand of

R K AGRAWAL

Partner

Membership No.: 085671

A. JOSELIN SMILE
Chief Financial Officer**T. S. VENKATESAN**
Director

DIN: 01443165

P. G. SURESH KUMAR
Director

DIN: 17124883

Place : New Delhi

Date : April 19, 2018

Place : Chennai

Date : April 19, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Note No.	2017-18	2016-17
		₹	₹
REVENUE			
Revenue from Operations		—	—
Other income	12	—	17,653,597
Total Revenue		—	17,653,597
EXPENSES			
Operating expenses	13	9,595,608	19,708,367
Employee benefit expenses	14	—	2,344,295
Finance costs	15	41,939	108,310,175
Depreciation and amortisation		—	487,153
Administration and other expenses	16	1,751,871	1,349,738
Total Expenses		11,389,418	132,199,728
Profit/(loss) before tax		(11,389,418)	(114,546,131)
Tax Expense:		—	—
Profit/(loss) after tax for the year		(11,389,418)	(114,546,131)
Exceptional Item (net)		(650,000,000)	(2,090,645,953)
Loss for the year		(661,389,418)	(2,205,192,084)
Other Comprehensive Income		—	—
Earnings per equity share (Basic and Diluted)	24	(2.26)	(7.55)
Face value per equity share		10.00	10.00

As per our report of attached

For and on behalf of the Board

For GIANENDER & ASSOCIATES

Chartered Accountants

(Firm Registration No: 04661N)

by the hand of

R K AGRAWAL

Partner

Membership No.: 085671

A. JOSELIN SMILE
Chief Financial Officer**T. S. VENKATESAN**
Director

DIN: 01443165

P. G. SURESH KUMAR
Director

DIN: 17124883

Place : New Delhi

Date : April 19, 2018

Place : Chennai

Date : April 19, 2018

CASH FLOW STATEMENT AS ON MARCH 31, 2018

	2017-18 ₹	2016-17 ₹
A Cash Flow from Operating Activities		
Net (Loss) before tax, extraordinary items	(11,389,418)	(114,546,131)
Adjustment for		
Depreciation and amortisation expense	–	487,153
Interest expense	41,939	1,368,363,442
Interest income	–	(294,926)
Exceptional Items	(650,000,000)	(2,090,645,953)
Operating profit before working capital changes	(661,347,479)	(836,636,415)
Adjustments for:		
Increase / (decrease) in long term provisions	–	(210,005,152)
Increase / (decrease) in trade payables	10,572,972	187,334,409
Increase / (decrease) in other current liabilities	(1,763,312)	(238,775,317)
Increase / (decrease) in other current financial liabilities	(1,099,540)	(239,466,843)
Increase / (decrease) in short term provisions	–	(210,820)
(Increase) / decrease in loan term loans and advances	–	1,068,849
(Increase) / decrease in other non-current assets	–	48,915,295
(Increase) / decrease in short term loans and advances	–	(40,000)
(Increase) / decrease in inventories	–	16,514,160,903
(Increase) / decrease in other current assets	651,786,919	(11,029,168,468)
Net cash generated from/(used in) operating activities	(1,850,440)	4,197,176,441
Direct taxes paid (net of refunds)	(13,064)	(63,900,817)
Net Cash(used in)/generated from Operating Activities	(1,863,504)	4,133,275,624
B Cash flow from investing activities		
Sale of fixed assets	–	13,070,881
Interest received	–	294,926
Net cash (used in)/generated from investing activities	–	13,365,807
C Cash flow from financing activities		
Intercompany deposits received	–	519,014,927
Repayment of long term borrowings	(764,599,795)	(2,341,483,733)
Interest paid	(41,939)	(1,562,254,023)
Net cash (used in)/generated from financing activities	(764,641,734)	(3,384,722,829)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(766,505,238)	761,918,602
Cash and cash equivalents as at the beginning of the year	770,896,915	8,978,313
Cash and cash equivalents as at the end of the year	4,391,677	770,896,915

NOTES

- Cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 - Cash Flow statements
- Cash and cash equivalents represent cash and bank balances.
- Previous year's figures have been regrouped/reclassified wherever applicable.

As per our report of attached

For and on behalf of the Board

For GIANENDER & ASSOCIATES

Chartered Accountants

(Firm Registration No: 04661N)

by the hand of

R K AGRAWAL

Partner

Membership No.: 085671

A. JOSELIN SMILE
Chief Financial Officer**T. S. VENKATESAN**
Director

DIN: 01443165

P. G. SURESH KUMAR
Director

DIN: 17124883

Place : New Delhi

Date : April 19, 2018

Place : Chennai

Date : April 19, 2018

NOTES FORMING PART OF ACCOUNTS

NOTE 1 : INVESTMENT PROPERTY

Particulars	March 31, 2018			March 31, 2017		
	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹
Land		940,000	940,000		940,000	940,000
	–	940,000	940,000	–	940,000	940,000

NOTE 2 : CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2018	As at March 31, 2017
	₹	₹
a) Balances with banks	4,291,677	770,795,255
b) Cash on hand	–	1,660
c) Fixed deposits with banks	100,000	100,000
	4,391,677	770,896,915

Short term deposits are made for varying periods between one day and 12 months, depending on the immediate cash requirement and earn interest at fixed the respective short term deposit rates.

NOTE 3 : LOANS

Particulars	March 31, 2018			March 31, 2017		
	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹
Security deposits						
Unsecured, considered good	–	–	–	40,000	–	40,000
	–	–	–	40,000	–	40,000

NOTE 4 : OTHER NON-CURRENT AND CURRENT ASSETS – FINANCIAL

Particulars	March 31, 2018			March 31, 2017		
	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹
Receivable from NHAI	11,412,973,211	–	11,412,973,211	11,030,742,810	–	11,030,742,810
	11,412,973,211	–	11,412,973,211	11,030,742,810	–	11,030,742,810

NOTE 5 : CURRENT TAX ASSET (NET)

Particulars	March 31, 2018			March 31, 2017		
	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹
Income tax						
Income tax net of provisions	71,246,370	–	71,246,370	71,233,306	–	71,233,306
	71,246,370	–	71,246,370	71,233,306	–	71,233,306

NOTES FORMING PART OF ACCOUNTS (CONTD.)**NOTE 6 : SHARE CAPITAL****(i) Authorised, issued, subscribed and paid up**

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	₹	No. of shares	₹
Authorised:				
Equity shares of ₹ 10 each	170,000,000	1,700,000,000	170,000,000	1,700,000,000
0.01% Compulsorily Cumulative Preference Share	400,000,000	4,000,000,000	400,000,000	4,000,000,000
	570,000,000	5,700,000,000	570,000,000	5,700,000,000
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	169,100,000	1,691,000,000	169,100,000	1,691,000,000
0.01% Compulsorily Convertible Preference Share	123,120,000	1,231,200,000	123,120,000	1,231,200,000
	292,220,000	2,922,200,000	292,220,000	2,922,200,000

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

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	170,000,000	1,700,000,000	170,000,000	1,700,000,000
Issued during the year as fully paid	—	—	—	—
At the end of the year	170,000,000	1,700,000,000	170,000,000	1,700,000,000

(iii) Equity component of Convertible Preference shares

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	₹	No. of shares	₹
0.01% Optionally Convertible Cumulative Preference Share				
At the beginning of the year	—	—	155130000	1,551,300,000
Converted to 0.01% Compulsorily Convertible Preference Share	—	—	-155130000	-1,551,300,000
Issued during the year as fully paid	—	—	—	—
Others	—	—	—	—
At the end of the year	—	—	—	—
0.01% Compulsorily Convertible Preference Share				
At the beginning of the year	155,130,000	1,551,300,000	—	—
Converted from 0.01% Optionally Convertible Cumulative Preference Share	—	—	155130000	1,551,300,000
Issued during the year as fully paid	—	—	—	—
At the end of the year	155,130,000	1,551,300,000	155,130,000	1,551,300,000

(iv) Terms / rights attached to shares**Equity shares**

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

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

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

NOTES FORMING PART OF ACCOUNTS (CONTD.)

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

Preference shares

The preference shares carry a preferential right vis-a-vis Equity Shares of the Company with respect to payment of dividend and repayment in case of a winding up or repayment of capital.

The Preference share shall be non-participating in the surplus funds.

The Preference shares shall be non-participating in the surplus assets and profits, on winding up which may remain after the entire capital has been repaid.

The Preference shares shall carry voting rights as per the provisions of Section 47(2) of the Act.

The Preference shares shall be paid dividend on non-cumulative basis.

The said 0.01% Compulsorily Convertible preference Shares shall be converted to equity shares at the option of the Company or at the completion of the 10th year from the date of allotment of preference shares.

Since the Company does not have profits, no dividend is accrued or payable for these 0.01% Convertible preference Shares.

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

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	₹	No. of shares	₹
Equity Shares of ₹ 10 each				
L&T Infrastructure Development Projects Limited (including nominee holding)	102,711,340	1,027,113,400	102,711,340	1,027,113,400
Larsen and Toubro Limited (ultimate holding company)	22,422,660	224,226,600	22,422,660	224,226,600
Ashoka Concessions Limited (Associate Company)	43,966,000	439,660,000	43,966,000	439,660,000
	169,100,000	1,691,000,000	169,100,000	1,691,000,000
0.01% Compulsorily Convertible Preference Shares of ₹ 10 each				
L&T Infrastructure Development Projects Limited	91,110,000	911,100,000	–	–
Ashoka Concessions Limited (Associate Company)	32,010,000	320,100,000	–	–
	123,120,000	1,231,200,000	–	–

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

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	%	No. of shares	%
Equity Shares of ₹ 10 each				
L&T Infrastructure Development Projects Limited (including nominee holding)	102,711,340	60.74%	102,711,340	60.74%
Larsen and Toubro Limited (including nominee holding)	22,422,660	13.26%	22,422,660	13.26%
Ashoka Concessions Limited (Associate Company)	43,966,000	26.00%	43,966,000	26.00%
0.01% Compulsorily Convertible Preference Shares of ₹ 10 each				
L&T Infrastructure Development Projects Limited	91,110,000	74.00%	–	–
Ashoka Concessions Limited (Associate Company)	32,010,000	26.00%	–	–

(vi) a. Aggregate number of bonus shares issued and shares bought back during the period of five years immediately preceding the reporting date: NIL

b. Details of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

Name of Shareholder	Date of allotment	No of shares allotted	Amount	Basis of allotment
L&T Infrastructure Development Projects Limited	22/12/2015	91,110,000	911,100,000	Consideration other than cash-conversion of unsecured loan to preference shares
Ashoka Concessions Limited	22/12/2015	3,20,10,000	320,100,000	

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

NOTES FORMING PART OF ACCOUNTS (CONTD.)**NOTE 7 : OTHER EQUITY AS ON 31.03.2018**

(₹)

Particulars	Equity component of compound financial instruments	Reserve & Surplus	Total
		Retained earnings	
Balance at the beginning of the reporting period	1,231,200,000	(5,787,874,762)	(4,556,674,762)
Loss for the year		(661,389,418)	(661,389,418)
Balance at the end of the reporting period	1,231,200,000	(6,449,264,180)	(5,218,064,180)

OTHER EQUITY AS ON 31.03.2017

Particulars	Equity component of compound financial instruments	Reserve & Surplus	Total
		Retained earnings	
Balance at the beginning of the reporting year	1,231,200,000	(3,582,682,678)	(2,351,482,678)
Loss for the year	–	(2,205,192,084)	(2,205,192,084)
Balance at the end of the reporting year	1,231,200,000	(5,787,874,762)	(4,556,674,762)

NOTE 8 : BORROWINGS

Particulars	March 31, 2018			March 31, 2017		
	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹
Secured borrowings						
a) Term loans						
i) From banks	9,862,903,464	–	9,862,903,464	9,593,525,939	–	9,593,525,939
Unsecured borrowings						
b) Loans from related parties	3,532,200,000	–	3,532,200,000	3,532,200,000	–	3,532,200,000
	<u>13,395,103,464</u>	<u>–</u>	<u>13,395,103,464</u>	<u>13,125,725,939</u>	<u>–</u>	<u>13,125,725,939</u>

- 8 (i) State Bank of India and Bank of Baroda have issued “Notice recalling Loan” during the year vide their letter no CAG/CHN/AMT-II/6 dated 8 April 2017 respectively.

NOTE 9 : TRADE PAYABLES

	March 31, 2018	March 31, 2017
	₹	₹
Due to related parties	741,234,973	731,060,850
Due to others	3,019,446	2,620,597
	<u>744,254,419</u>	<u>733,681,447</u>

NOTE 10 : OTHER FINANCIAL LIABILITIES

Particulars	March 31, 2018			March 31, 2017		
	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹
a) Interest accrued to related parties	869,411,454	–	869,411,454	869,411,454	–	869,411,454
b) Other liabilities	7,819,766	–	7,819,766	8,919,306	–	8,919,306
	<u>877,231,220</u>	<u>–</u>	<u>877,231,220</u>	<u>878,330,760</u>	<u>–</u>	<u>878,330,760</u>

NOTES FORMING PART OF ACCOUNTS (CONTD.)**NOTE 11 : OTHER LIABILITIES**

Particulars	March 31, 2018			March 31, 2017		
	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹
i) Due to related parties				1,746,919	–	1,746,919
ii) Statutory payables	26,335	–	26,335	42,728	–	42,728
	<u>26,335</u>	<u>–</u>	<u>26,335</u>	<u>1,789,647</u>	<u>–</u>	<u>1,789,647</u>

F CONTINGENT LIABILITIES

Claims against the Company not acknowledgement as debt ₹ 550,25,00,000/- (previous year : ₹ 9,59,00,000/-)

G COMMITMENTS

Capital commitments as at March 31, 2018 net of advances and not provided for ₹ Nil/- (previous year: ₹ Nil/-).

NOTE 12 : OTHER INCOME

Particulars	2017-18		2016-17	
	₹	₹	₹	₹
Interest income from:				
Bank deposits	–		1,858	
Inter-corporate deposits	–		293,068	
		–		294,926
Other income		–		17,358,671
		–		17,653,597

NOTE 13 : OPERATING EXPENSES

Particulars	2017-18		2016-17	
	₹	₹	₹	₹
Toll Management fees		–		1,863,219
Repairs and maintenance				
Toll road & bridge	2,574,661		7,068,995	
Plant and machinery	486,220		5,774,341	
Others	4,477,353		488,026	
		7,538,234		13,331,362
Professional fees		2,051,574		4,513,786
Power and fuel		5,800		–
Total		<u>9,595,608</u>		<u>19,708,367</u>

The Company incurred expenditure towards certain repairs to the project in compliance to the requirement of Concession Agreement as per the direction from NHAI, post handing over the project to them.

NOTE 14 : EMPLOYEE BENEFIT EXPENSES

Particulars	2017-18		2016-17	
	₹	₹	₹	₹
Salaries, wages and bonus		–		2,084,147
Contributions to and provisions for:				
Provident fund	–		52,532	
Compensated absences	–		117,760	
		–		170,292
Staff welfare expenses		–		89,856
Total		<u>–</u>		<u>2,344,295</u>

NOTES FORMING PART OF ACCOUNTS (CONTD.)**NOTE 15 : FINANCE COSTS**

Particulars	2017-18		2016-17	
	₹	₹	₹	₹
Interest on borrowings		1,033,977,320		1,359,438,211
Other borrowing cost (charge to NHAI)		(1,033,977,320)		(1,260,053,267)
Bank charges		41939		—
Unwinding of discount and implicit interest expense on fair value		—		8,925,231
Total		41,939		108,310,175

NOTE 16 : ADMINISTRATION AND OTHER EXPENSES

Particulars	2017-18		2016-17	
	₹	₹	₹	₹
Rent, rates and taxes		378,085		110,130
Professional fees		1,237,264		521,920
Postage and communication		—		90,900
Printing and stationery		—		40,592
Travelling and conveyance		34,972		392,226
Miscellaneous expenses		101,550		193,970
Total		1,751,871		1,349,738

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

Particulars	2017-18	2016-17
	₹	₹
a) As auditor	177000	172,500
b) For taxation matters	—	28,750
c) For company law matters	—	—
d) For other services	560,264	320,670
Total	737,264	521,920

NOTE H : NOTES FORMING PART OF ACCOUNTS**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 January 3rd, 2029. Partial Commercial operation was achieved from October 1st 2012 and full commercial operations are achieved on March 12th 2014. The Project has been terminated w.e.f. March 29,2016

2) The Company has not earned any income/incurred any expenditure in foreign currency during the year. (previous year: ₹ Nil)**3) Disclosure pursuant to Ind AS 19 “Employee benefits”:**

The Company does not have employees on its roll as at 31 March 2018 and hence Ind AS 19 is not applicable

4) Disclosure pursuant to Ind AS 23 “Borrowing Costs”

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

5) Disclosure of segment information pursuant to Ind AS 108 “Operating Segments”

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

NOTES FORMING PART OF ACCOUNTS (CONTD.)**6) Disclosure of related parties / related party transactions pursuant to Ind AS 24 "Related Party Disclosures"****a) List of related parties**

Ultimate Holding Company	: Larsen & Toubro Limited
Holding Company	: L&T Infrastructure Development Projects Limited
Fellow Subsidiaries	: Devihalli Hassan Tollway Limited L&T Deccan Tollways Limited Ahmedabad-Maliya Tollway Limited L&T Halol-Shamlaji Tollway Limited Vadodara Bharuch Tollway Limited Krishnagiri Walajahpet Tollway Limited L&T Rajkot-Vadinar Tollway Limited L&T Samakhiali Gandhidham Tollway Limited Krishnagiri Thopur Toll Road Limited
Associate company	: Ashoka Concessions Limited

b) Disclosure of related party transactions:

Nature of transaction/relationship	2017-18	2016-17
	₹	₹
Sale of assets		
Holding company		
L&T Infrastructure Development Projects Limited	-	676,151
Fellow subsidiaries		
L&T Infrastructure Development Projects Limited		
Ahmedabad Maliya Tollway Limited	-	28,315
L & T BPP Tollway Limited	-	2,863,227
L&T Deccan Tollway Limited	-	1,312,921
L & T Interstate Road Corridor Limited	-	8,335
Krishnagiri Thorpur Tollway Limited	-	77,765
L & T Rajkot Vadinar Tollway Limited	-	172,916
Vadodara Bharuch Tollway Limited	-	85,205
Devihalli Hassan Tollway Limited	-	4,765,161
Krishnagiri Walajahpet Tollway Limited	-	1,250,322
L&T Samakhiali Gandhidham Tollway Limited	-	2,908,132
Service received from		
Ultimate Holding company		
Larsen & Toubro Limited		
Professional Fees	-	394,326
Holding company & fellow subsidiaries,		
L&T Infrastructure Development Projects Limited		
Other services	-	-
Reimbursement of expenses		
L&T Infrastructure Development Projects Limited	10,174,123	519,014,927
Payment of salaries/perquisites		
Manager		
Sanjay Prabhakar Ingle	-	769,396

NOTES FORMING PART OF ACCOUNTS (CONTD.)

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

(Amount in ₹)

Particulars	Amounts due (to) / from	Amounts due (to) / from
	As at March 31, 2018	As at March 31, 2017
i. Ultimate Holding Company		
Larsen & Toubro Limited		
EPC Cost	212,045,923	212,045,923
Interest on Promoters mezzanine debt	182,025,356	182,025,356
ii Holding Company		
L&T Infrastructure Development Projects Limited		
Promoters mezzanine debt	1,251,340,000	1,251,340,000
Unsecured Loan	1,801,200,000	1,801,200,000
Interest on Loan	502,801,725	502,801,729
Services received	529,189,050	519,014,927
iii. Associate company		
Ashoka Concessions Limited		
Mezzanine debt	439,660,000	439,660,000
Unsecured loan	40,000,000	40,000,000
Interest on Loan	184,584,373	184,584,373
EPC Cost	6,894,685	6,894,685

d) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2018, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2017: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

e) There is no provision for bad and doubtful debts to related parties with regard to outstanding expenses and there is no expense recognized in respect of bad and doubtful debts due from related parties.

7) Disclosure pursuant to Ind AS 33 "Earnings per share"

Basic and Diluted Earnings per share (EPS) computed in accordance with Ind AS 33 "Earnings per share".

Particulars		2017-18	2016-17
		₹	₹
Basic earnings per equity share:			
Profit for the year attributable to owners of the Company for calculating basic earnings per share (₹)	A	(11,389,418)	(114,546,131)
Weighted average number of equity shares outstanding for calculating basic earnings per share	B	169,100,000	169,100,000
Basic and earnings per Diluted equity share (₹)	A / B	(0.07)	(0.68)

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"

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

8) Exceptional items disclosed in the Statement of Profit and Loss represent:

a) The company issued a notice to terminate its concession with National Highways Authority of India (NHAI) under article 34.8 of the concession agreement on 25 February 2016 due to continuing Force Majeure. In terms of the said article, NHAI informed the Company regarding the acceptance of the termination w.e.f. 29 March 2016 and had took over the toll operations with effect from 13 April 2016. Consequently, the Company carried out an assessment of the carrying value of the net receivable from NHAI duly considering the expected payments arising out of the aforesaid termination, contractual stipulations/ interpretation of the relevant clauses, professional advice etc, an estimated amount of ₹ 65,00,00,000/- has been accounted towards impairment to the carrying value of net receivable and has been disclosed as Exceptional Item in the Statement of Profit and Loss for the year ended 31 March 2018 (PY ₹ 2,29,73,35,575/-)

NOTES FORMING PART OF ACCOUNTS (CONTD.)

9) 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 compulsory convertible preference shares as defined under Section 55 of the Companies Act, 2013 has not been created.

- 10) In the financial year ending 31 March 2016, the Company, had submitted its intent to terminate the concession and accordingly issued the notice of termination on 25 February 2016. The same was accepted by NHAI vide its minutes of meeting dated 07 April 2016 and conveyed that the date of termination shall be 29 March 2016. Consequently, the toll operations were taken over by the authority on 13 April 2016 and the maintenance operations were taken over on 31 July 2016. The subsidiary was engaged in various meetings with the authority with regard to finalization of termination proceeds and its settlement during preceeding financial year. On 30 August 2016, NHAI released an adhoc payment of ₹ 100 Crore. Further on 21 February 2017, NHAI issued a termination notice, alleging Concessionaire's Event of Default and arbitrarily released an amount of ₹ 323.06 Crore on 26 March 2017 based on termination payment computed for the project after adjusting the adhoc payment and other recoveries, unilaterally, without granting an opportunity of being heard. The Company on 3 April 2017 replied to the notice of termination by NHAI and on 4 April 2017 replied to the termination Payment advice of NHAI, stating the facts on how termination payment calculated by NHAI is not in conformity with the stated provisions of the Concession Agreement, and justifying its eligibility for termination payments as claimed by the Company and certain contractual claims that are accepted and payable as per provisions of concession agreement. The Company has invoked arbitration proceedings against NHAI on the said matter and the statement of claims was filed and the first sitting of the Tribunal was held on 18 July 2017. The Tribunal posted the matter to be heard on 27 October 2017 for further proceedings with timelines for completion of pleadings. However at the instance of NHAI, a Conciliation Committee (CC) has been set up to amicably resolve the disputes. The Conciliation Committee (CC) comprising of 3 independent members held 5 meetings at NHAI till date and the outcome of the Conciliation is awaited. Meanwhile, the lender has sent a notice to the Company dated 15th July 2017 for settlement of the outstanding principal and interest dues to which the Company had responded on 31st July 2017. Depending on the outcome of the meeting of the conciliation committee, the arbitration and recovery proceedings would be dealt with appropriately.
- 11) Going concern assumption is not appropriate, hence financial statement have been drawn up accordingly
- 12) The Company has reclassified and regrouped the previous year figures wherever considered necessary to confirm to this year's classification.
- 13) Disclosures as per Ind AS 37 - "Provisions, Contingent Liabilities and Contingent assets "

a) Nature of provision:

The company is required to operate and maintain the project highway during the entire concession period and hand over the project back to the Authority (NHAI) as per the maintenance standards prescribed in Concession agreement. For this purpose, a regular maintenance along with periodic maintenances is required to be performed. Normally periodic maintenance includes resurface of pavements, repairs of structures and other equipments and maintenance of service roads. As per industry practice, the periodic maintenance is expected to occur after 5 years. The maintenance cost / bituminous overlay may vary based on the actual usage during maintenance period. Accordingly on the grounds of matching cost concept and based on technical estimates, a provision for major maintenance expenses is reviewed and is provided for in the accounts annually. Since the project concession is terminated and the provision made till March 31, 2016 is reversed and taken to exceptional item in profit and loss statement.

b) Movement in provisions:

Particulars	As at 31 March 2018	As at 31 March 2017
Opening balance	—	206,689,622
Additional provision	—	—
Utilised	—	—
Unused amounts reversed	—	(206,689,622)
Unwinding of discount and changes in discount rate	—	—
Closing balance	—	—

c) Contingent liabilities :

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

14) Disclosures pursuant to Ind AS 1 - "Presentation of Financial Statements"

For the purpose of the company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the company's capital management is to maximise shareholder value.

15) Disclosure pursuant to Ind AS 19 - "Leases"

The company has not entered in to the any non-cancellable /cancellable Operating lease rental expenses charged to statement of profit and loss during the year ₹ Nil (Previous year ₹ Nil)

NOTES FORMING PART OF ACCOUNTS (CONTD.)**16) Financial Instruments**

Disclosure of Financial Instruments by Category

Financial instruments by categories	Note no.	31.03.2018			31.03.2017		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
Financial asset							
Security Deposits	3	-	-	-	-	-	40,000
Cash and cash equivalents	2	-	-	4,391,677	-	-	770,896,915
Other Current Financial Asset	5	-	-	11,412,973,211	-	-	-
Total Financial Asset		-	-	11,417,364,888	-	-	770,936,915
Financial liability							
Term Loan from Banks	8	-	-	9,862,903,464	-	-	9,593,525,939
Loans from related parties	8	-	-	3,532,200,000	-	-	3,532,200,000
Other Current Financial Liabilities	10	-	-	877,231,220	-	-	878,330,760
Trade Payables	9	-	-	744,254,419	-	-	733,681,447
Total Financial Liabilities		-	-	15,016,589,103	-	-	14,737,738,146

17) Fair value of Financial asset and liabilities at amortized cost

Particular	Note no.	As at March 31, 2018		As at March 31, 2017	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets					
Security Deposits	3	-	-	40,000	40,000
Other Current Financial Asset	5	11,412,973,211	11,412,973,211	-	-
Total Financial Assets		11,412,973,211	11,412,973,211	40,000	40,000
Financial liability					
Term Loan from Banks	8	9,862,903,464	9,862,903,464	9,593,525,939	9,593,525,939
Loans from related parties	8	3,532,200,000	3,532,200,000	3,532,200,000	3,532,200,000
Other Current Financial Liabilities	10	877,231,220	877,231,220	878,330,760	878,330,760
Trade Payables	9	744,254,419	744,254,419	733,681,447	733,681,447
Total Financial Liabilities		15,016,589,103	15,016,589,103	14,737,738,146	14,737,738,146

The carrying amount of current financial assets and current trade and other payables measured at amortised cost are considered to be the same as their fair values, due to their short term nature.

The carrying amount of Security Deposit measured at amortized cost is considered to be the same as its fair value due to its insignificant value.

The carrying value of Rupee Term Loan and Loan from Related Party approximate fair value as the instruments are at prevailing market rate.

NOTES FORMING PART OF ACCOUNTS (CONTD.)

18) Fair Value Measurement

Fair Value Measurement of Financial asset and Financial liabilities

Fair value hierarchy

As at March 31, 2018

Financial Asset & Liabilities Measured at Amortized cost for which fair values are to be disclosed	Note No.	Level 1	Level 2	Level 3	Total
Financial Assets					
Security Deposits	3	-	-	-	-
Total of Financial Assets		-	-	-	-
Financial Liabilities					
Term Loan from Banks	8	-	-	9,862,903,464	9,862,903,464
Loans from related parties	8	-	-	3,532,200,000	3,532,200,000
Other Current Financial Liabilities	10	-	-	877,231,220	877,231,220
Trade Payables	9	-	-	744,254,419	744,254,419
Total Financial liabilities		-	-	15,016,589,103	15,016,589,103

As at March 31, 2017

Financial Asset & Liabilities Measured at Amortized cost for which fair values are to be disclosed	Note No.	Level 1	Level 2	Level 3	Total
Financial Assets					
Security Deposits	3	-	-	40,000	40,000
Total of Financial Assets		-	-	40,000	40,000
Financial Liabilities					
Term Loan from Banks	8	-	-	9,593,525,939	9,593,525,939
Loans from related parties	8	-	-	3,532,200,000	3,532,200,000
Other Current Financial Liabilities	10	-	-	878,330,760	878,330,760
Trade Payables	9	-	-	733,681,447	733,681,447
Total Financial liabilities		-	-	14,737,738,146	14,737,738,146

There are no transfer between level 1 and level 2 during the year

The company policy is to recognise transfers into and transfer out of fair values hierarchy levels as at the end of the reporting period.

Valuation technique and inputs used to determine fair value

Financial assets and liabilities	Valuation method	Inputs
Financial assets		
Investment in Mutual Funds	Market Approach	NAV
Security deposit	Income	Cash flow
Financial liabilities		
Term Loan from Banks	Income	Current Bank Rate
Loans from Related parties	Income	Current Bank Rate
Negative Grant	Income	Cash flow

NOTES FORMING PART OF ACCOUNTS (CONTD.)**19) Asset pledged as security**

Particulars	Note no	31.03.2018	31.03.2017
Non Current Financial Asset			
Investment property	1	940,000	940,000
Other Financial Asset	3	–	–
Current Financial Asset			
Cash and Cash Equivalents	6	4,391,677	770,896,915
Investments In Mutual Fund	5	–	–
Other Financial Asset	4	11,412,973,211	–
TOTAL		11,418,304,888	771,836,915

24) Financial Risk Management

The company's activities expose it to variety of financial risks : market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors oversee compliance with the Company's risk management policies and procedures, and reviews the risk management framework.

Market risk

The market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

i Foreign Currency Risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate.

The company is not exposed to foreign currency risk as it has no borrowing in foreign currency.

ii Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Interest risk arises to the company mainly from Long term borrowings with variable rates. The company measures risk through sensitivity analysis.

Currently, Lending by Commercial Banks is at variable rate only, which is the inherent business risk. However in view handing over project to NHAI, interest on senior debt is claimed from NHAI due to delay in settlement of Termination Compensation. Hence there is no risk associated with variation in interest rate.

iii Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

iv Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.

The payment against senior debt is linked to settlement of termination payment by NHAI.

v Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The payment against senior debt is linked to settlement of termination payment by NHAI.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

I. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1. Basis of preparation

(a) Compliance with IndAS

The Company's financial statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following items

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/liability	Fair value of plan assets less present value of defined benefit obligations
Assets held for sale	fair value less costs to sell

(c) Use of estimates and judgements

The preparation of these financial statements in conformity with IndAS requires the management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), income and expenses. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize. Estimates include the useful lives of property plant and equipment and intangible fixed assets, allowance for doubtful debts/ advances, future obligations in respect of retirement benefit plans, provisions for resurfacing obligations, fair value measurement etc.

(d) Measurement of fair values

A number of the accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities. Fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at measurement date
- Level 2 inputs other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2 Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in Schedule III to the Companies Act, 2013 ("the Act"). The Cash Flow Statement has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". 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 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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.

3 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 highly liquid investments being not free from more than insignificant risk of change are not included as part of cash and cash equivalents. Bank overdrafts which are part of the cash management process is included as part of cash and cash equivalents.

4 Cash flow statement

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

- transactions of a non-cash nature;
- any deferrals or accruals of past or future operating cash receipts or payments and,
- all other items of income or expense associated with investing or financing cash flows.

The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTD.)**5 Exceptional items**

On certain occasions, the size, type or incidence of an item of income or expense is such that its disclosure improves an understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes to accounts. (Refer note)

6 Borrowing costs

Borrowing costs include interest calculated using the effective interest method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Consolidated Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for acquisition, construction or production of qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalization of such asset are added to the cost of the assets. Capitalization of borrowing costs is suspended and charged to the Consolidated Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

7 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

8 Income taxes

The income tax expense or credit for the year is the tax payable on current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates, positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax. Accordingly, MAT is recognised as an asset when it is highly probable that future economic benefit associated with it will flow to the entity.

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However deferred income tax is not accounted if it arises from the initial recognition of an asset or liability that at the time of the transaction affects neither the accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset/liability is realised or settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and deferred tax liabilities are offset, when the entity has a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same authority.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity wherein the related tax is also recognised in other comprehensive income or directly in equity.

9 Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that the reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are disclosed in notes in case of a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation or a present obligation arising from past events, when no reliable estimate is possible. Contingent assets are disclosed in the financial statements where an inflow of economic benefits are probable.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (CONTD.)**10 Claims**

Claims against the Company not acknowledged as debts are disclosed under contingent liabilities. Claims made by the company are recognised as and when the same is approved by the respective authorities with whom the claim is lodged.

11 Commitments

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

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

As per our report of attached

For GIANENDER & ASSOCIATES

Chartered Accountants
(Firm Registration No: 04661N)
by the hand of

R K AGRAWAL

Partner
Membership No.: 085671

Place : New Delhi
Date : April 19, 2018

For and on behalf of the Board

A. JOSELIN SMILE
Chief Financial Officer

Place : Chennai
Date : April 19, 2018

T. S. VENKATESAN
Director
DIN: 01443165

P. G. SURESH KUMAR
Director
DIN: 17124883