

## DRAFT BOARD REPORT

Dear Members,

The Directors have pleasure in presenting their report and Audited Accounts for the year ended March 31, 2020.

### **Financial Results / Financial Highlights:**

<b>Particulars</b>	<b>Rs. in crore</b>	
	<b>2019-20</b>	<b>2018-19</b>
Profit / (Loss) Before Depreciation, exceptional items & Tax	0.85	(0.93)
Add: Exceptional Items	(3.55)	195.05
Profit / (Loss) before tax	(2.70)	194.12
Total Comprehensive income of the year	(2.70)	194.12
Add: Balance brought forward from previous year	(450.80)	(644.93)
<b>Balance to be carried forward</b>	<b>453.51</b>	<b>(450.80)</b>

### **State of Company Affairs:**

The Company has no operations as it has terminated the Project. The loss before tax was Rs.2.63 crore and loss after tax was Rs.2.71 crore for the financial year under review as against Profit before and after tax of Rs.194.12 crore for the previous financial year, registering an increase in loss by 101% respectively.

### **Capital & Finance:**

The Company has not issued and allotted shares or debentures during the year.

### **Capital Expenditure:**

There were no Capital Expenditure incurred during the year.

**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.

**Depository System:**

As on March 31, 2020, the shares of the Company are held in the following manner:

Equity shares

100% of the Company's equity paid up capital representing 16,91,00,000 equity shares @ Rs.10/- each are held in dematerialized form.

Compulsorily Convertible Preference Shares (CCPS)

Out of 12,31,20,000 0.01% Compulsorily Convertible Preference Shares of Rs.10 each, 9,11,10,000 are held in demat form and the balance 3,20,10,000 are held in Physical Form.

**Subsidiary Companies/Associate/Joint Venture Company:**

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

**Particulars of loans given, investments made, guarantees given or security provided by the Company:**

Since the Company is engaged in the business of developing infrastructure facilities, the provisions of Section 186 except sub-section (1) of the Act are not applicable to the Company.

Details of loans given, investments made or guarantees given or security is provided in the financial statement.

**Particulars of Contracts or Arrangements with related parties:**

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). Related party transactions were at arm's length basis and are in the ordinary course of business.

**Amount to be carried to reserve:**

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

**Dividend**

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

**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 or commitments adversely affecting the financial position of the Company have occurred between the end of the financial year and the date of this report.

**Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:**

*Conservation of Energy and Technology absorption*

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

*Foreign exchange earnings and outgo*

During the year, the Company did not have any transactions in foreign currency.

**Risk Management Policy:**

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

**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.

**Details of Directors and Key Managerial Personnel appointed / resigned during the year:**

Mr. T.S.Venkatesan, Director retired by rotation at the Annual General Meeting held on September 23, 2019 and was reappointed as Director.

The Independent Directors of the Company have registered themselves on the Independent Director's Databank.

The first term of 5 years of the Independent Directors of the Company concluded on March 30, 2020. Subsequently, the Independent Directors were re-appointed for a second term of 5 years from March 31, 2020 to March 30, 2025.

The qualification, technical knowledge and expertise of the Independent Directors are best suited for the Company's business. The Independent Directors were re-appointed for the second term of 5 years as non-executive directors felt that the contribution of the Independent Directors towards the progress of the Company was invaluable so far, and will continue to be so in future also.

Composition of Board of Directors of the Company as on March 31, 2020 stood as below:

<b>S. No.</b>	<b>Name of the Director</b>	<b>Designation</b>	<b>DIN</b>
1	Mr. T.S.Vekatesan*	Director	01443165
2	Dr. Esther Malini	Woman Director	07124748
3	Mr. P.G.Suresh Kumar	Director	07124883
4	Mr. Rajendra Chindulal Burad	Director	00112638
3	Dr. A Veeraragavan	Independent Director	07138615
4	Ms. Samyuktha Surendran	Independent Director	07138327

*\*resigned with effect from April 7, 2020*

The Key Managerial Personnel (KMP) of the Company as on March 31, 2020 are:

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>	<b>Date of Appointment</b>
1	Mr. John Wesley	Manager	March 15, 2019
1	Mr. P.Padmanabhan	Chief Financial Officer	July 12, 2018
2	Mr. G.Muthukrishnan	Company Secretary	March 15, 2019

### **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 4(four) Board Meetings were held. The details of the Board meetings conducted during the year are given below:

<b>Date</b>	<b>Board Strength</b>	<b>Directors Present</b>
April 22, 2019	6	4
July 09, 2019	6	5
October 09, 2019	6	6
January 11, 2020	6	4

### **Information to the Board**

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

- Quarterly financials and results of operations
- Minutes of the meeting of the Board of Directors, Audit Committee (AC), Nomination & Remuneration Committee (NRC).
- Any materially relevant default, if any, in financial obligations to and by the Company
- Compliance or non-compliance of any regulatory, statutory nature or listing requirements and investor service.

The 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. Presentations are made regularly to the Board/NRC/AC (minutes of Board,

AC and NRC are circulated to the Board), Presentations, inter alia cover business strategies, management structure, management development and planning, half-yearly and annual results, budgets, treasury, review of Internal Audit reports, risk management, etc.

### **Audit Committee**

The Company has constituted an Audit Committee in terms of the requirements of the Act comprising of Dr. A. Veeraragavan, 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:

<b>Date</b>	<b>Strength</b>	<b>members present</b>
April 22, 2019	3	2
July 09, 2019	3	2
October 09, 2019	3	3
January 11, 2020	3	3

### **Vigil Mechanism / Whistle Blower Policy**

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 Head Internal Auditor of the Holding Company was the co-ordinator for the Vigil Mechanism and responsible for receiving, validating, investigating and reporting to the Audit Committee during the year.

The Company follows the whistle blower policy of the Holding Company to report concerns about unethical activities, actual/suspected frauds and violation of Company's Code of Conduct. The policy provides for adequate safeguards against victimization of persons who avail the same and provides for direct access to the Chairman of the Audit Committee.

Member can view the details of the whistle blower policy under the said framework of the Holding Company on its website [www.lntidpl.com](http://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, two Meetings of the Nomination and Remuneration Committee was held. The details of the meeting conducted during the year under review are given below:

<b>Date</b>	<b>Strength</b>	<b>members present</b>
April 22, 2019	3	3
January 11, 2020	3	3

The Committee had formulated a policy on Director's appointment and remuneration including recommendation of remuneration of the KMP and the criteria for determining qualifications, positive attributes and independence of a Director 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, 2020, 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.

**Directors Responsibility Statement:**

The Board of Directors of the Company confirms that:

- a) The concept of a going concern is not appropriate as the Company has terminated the project and the financials have been drawn accordingly. Further explanations are provided under notes of schedules forming part of Accounts attached to this annual report.
- b) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- c) 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.

**Performance Evaluation of the Board, its Committees and Directors:**

The Nomination & 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 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.

**Compliance with Secretarial Standards on Board and General Meetings:**

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

**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 Holding Company. The Company has an Internal Complaints Committee under the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013. This has been widely disseminated. There were no complaints of sexual harassment received by the Company during the year.

**Auditors Report:**

The Auditors' Reports on the financial statements for the financial year 2019-20 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.

The Audit Report contains the following emphasis of matters:

1. Note G-1 to the financial statements which states that after deliberations with Authority including Conciliation and Settlement Committee of independent experts, finally the issue of Termination Payment was concluded through a Settlement

Agreement signed between NHAI and the Company on April 04, 2019 for an amount of Rs.12,38,06,00,000 as full and final payment towards all disputes arising out of the Concession Agreement. Out of the said amount, Rs.4,23,06,00,000 was already paid by NHAI to the Company.

Also, NHAI had agreed to make payment of Rs.7,65,00,00,000 as initial payment within 30 days from the date of said Settlement Agreement and the balance amount of Rs.50,00,00,000 shall be held towards inspection of structure by a three member expert committee, which shall be released upon satisfactory report within one month from the date of receipt of the report.

Accordingly, an amount of Rs.7,65,00,00,000 was received on 3rd May 2019 and a partial amount of Rs. 38,54,00,000 out of remaining Rs.50,00,00,000 was received on 4th February 2020 citing some recoveries. The Balance of Rs 11,46,00,000 is yet to be received from NHAI.

The effect for this Settlement Agreement has been given in the books of accounts of the Company during the previous and current year. Termination payment received has been utilized for the satisfactory discharge of lender dues and other Creditors.

2. Note G-9 to the financial statements which indicates that going concern assumption is not appropriate, hence the financial statements have been drawn up accordingly.

**Auditor:**

The Company at the Tenth Annual General Meeting (AGM) held on September 23, 2019 had appointed M/s M. K. Dandekar & Co, Chartered Accountants, (ICAI Registration no: 000679S),Chennai as Statutory Auditors of the Company to hold office until the conclusion of the AGM to be held during the year 2024.

**Secretarial Auditor:**

Mr. R. Thamizhvanan, Company Secretary in practice (C.O.P.No.3721) was appointed to conduct the secretarial audit of the Company for the financial year 2019-20, as required under Section 204 of the Act and Rules thereunder. The secretarial audit

report dated 2.7.2020 to the Shareholders for the financial year 2019-20 is attached as '**Annexure 2**' to this Report.

**Details of Significant & Material Orders Passed by the Regulators or Courts or Tribunals:**

During the year under review, there were no material and significant orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

**Extract of Annual Return:**

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

**Acknowledgement:**

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

*Date: July 4, 2020*  
*Place: Chennai*

**P G Suresh Kumar**  
*Director*  
*DIN: 07124883*

**Dr. Esther Malini**  
*Director*  
*DIN: 07124748*

**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 arms-length transactions under the 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
  - a. There were no contracts or arrangements entered into by the Company with related party(s) during the FY 2019 – 20 which required shareholders' approval as per Sec. 188(1) of the Companies Act, 2013
  - b. The details of related party transactions during the FY 2019 – 20 form part of the financial statements as per Ind AS 24 and the same is given in Notes to accounts

For and on behalf of the Board

*Date: July 4, 2020*  
*Place: Chennai*

**P G Suresh Kumar**  
*Director*  
*DIN: 07124883*

**Dr.Esther Malini**  
*Director*  
*DIN: 07124748*



**R.THAMIZHVANAN A.C.S, A.C.A**

Company Secretary in practice

COP No.: 3721

S-7, Krishna Arcade, II Floor  
No.10,RajabatharStreetT.Nagar,  
Chennai-600017.

Mobile : +91 9841183025

Phone : 044-28153115

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**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR 2019-20

*[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 2019-20**. 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 Internal Auditor & composition of CSR committee and other minutes related points.*

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

**Place: Chennai**  
**Date: 02/07/2020**

## Annexure 3

## FORM NO. MGT-9

## EXTRACT OF ANNUAL RETURN as on the financial year ended on 31.03.2020

[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 4 <sup>th</sup> 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	L&T Infrastructure Development Projects Limited (L&T IDPL) CIN: U65993TN2001PLC046691	Holding Company	73.99%	2(46)





PNG Tollway Limited

<b>2. Non-Institutions</b>	-	-	-	-	-	-	-	-	-
a) Bodies Corp	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4*	-	4*	-	4*	-	4*	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	4*	-	4*	-	4*	-	4*	-	-
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	4*	-	4*	-	4*	-	4*	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>169100000</b>	<b>-</b>	<b>169100000</b>	<b>100</b>	<b>169100000</b>	<b>-</b>	<b>169100000</b>	<b>100</b>	<b>-</b>

*\*including shares held jointly with L&T infrastructure Development Projects Limited*

**(ii) Shareholding of Promoters**

S. I N o.	Shareholder's Name	Shareholding as on April 01, 2019			Shareholding as on March 31, 2020			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares #	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares #	
1	L&T Infrastructure Development Projects Limited	102711336	61	-	125133896	73.999	-	12.999
2	Larsen & Toubro Limited	22422660	13	-	100	0.001	-	(12.999)
3	Ashoka Concessions Limited	43966000	26	-	43966000	26	-	-
	Total	169099996	100	-	169099996	100	-	-

**(iii) Change in Promoters' Shareholding:**

S. No.	For each of the Promoters	No. of shares	% of total shares	Cumulative Shareholding during the year	
				No. of shares	% of total shares
<b>1</b>	Larsen & Toubro Limited				
	As on April 01, 2019	22422660	13	22422660	13
	Transfer of shared to L&T Infrastructure Development Projects Limited on August 30, 2019	(22422560)	(12.999)	(22422560)	(12.999)
	As on March 30, 2020	100	0.001	100	0.001
<b>2</b>	L&T Infrastructure Development Projects Limited				
	As on April 01, 2019	102711336	61	102711336	61
	Transfer from Larsen & Toubro Limited on August 30, 2019	22422560	12.999	22422560	12.999
	As on March 31, 2020	125133896	73.999	125133896	73.999

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

S. No.	For each of the Promoters	No. of shares	% of total shares	Cumulative Shareholding during the year	
				No. of shares	% of total shares
<b>2.</b>	<b>Mr. Shailesh K. Pathak jointly with L&amp;T IDPL</b>				
	As on April 1, 2019	1	-	1	-
	No change during the year	-	-	-	-
	As on March 31, 2020	1	0	1	0

2	<b>Mr. Karthikeyan T.V jointly with L&amp;T IDPL</b>				
	As on April 1, 2019	1	0	1	0
	No change during the year	-	-	-	-
	As on March 31, 2020	1	0	1	0
3	<b>Mr. R.G.Ramachandran jointly with L&amp;T IDPL</b>				
	As on April 1, 2019	1	0	1	0
	No change during the year	-	-	-	-
	As on March 31, 2020	1	0	1	0

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Mr. T.S.Venkatesan jointly with L&amp;T IDPL</b>				
	As on April 01, 2019	1	0	1	0
	No change in Shareholding during the year	-	-	-	-
	As on March 31, 2020	1	0	1	0

**V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment:**  
(Rs.in crore)

Particulars of Indebtedness	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
<b>As on April 1, 2019</b>			
i) Principal Amount	566.52	353.22	919.74
ii) Interest due but not paid			
iii) Interest accrued but not due			
<b>Total (i+ii+iii)</b>	<b>566.52</b>	<b>353.22</b>	<b>919.74</b>
<b>Changes during the financial year</b>			
Addition	3.48		3.48
Reduction	570	179.08	749.08
<b>Net Change</b>	<b>(566.52)</b>	<b>(179.08)</b>	<b>752.56</b>
<b>As on March 31, 2020</b>			
i) Principal Amount		174.14	174.14
ii) Interest due but not paid			
iii) Interest accrued but not due			
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>174.14</b>	<b>174.14</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Mr. John Wesley is appointed as Manager at Nil remuneration since he is an employee of holding company.

B. Remuneration to other directors:

(Amount in Rs.)

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount
		Dr.A.Veeraragavan	Ms. Samyuktha Surendran	
1	Independent Directors			
	Fee for attending board meeting	100,000	75,000	1,75,000
	Fee for attending committee Meetings	60,000	50,000	1,10,000
	Commission	-	-	-
	Others, please specify	-	-	-
	<b>Total (1)</b>	<b>1,60,000</b>	<b>1,35,000</b>	<b>285,000</b>
2	Other Non-Executive Directors 1. Mr. T.S.Venkatesan 2. Mr. P.G.Suresh Kumar 3. Mr. Rajendra Burad 4. Dr. Esther Malini No Fee for attending board / committee meetings and no Commission	Nil		Nil
	Total (2)	Nil		Nil
	Total (B)=(1+2)	1,60,000	1,35,000	285,000
	Overall Ceiling as per the Act (sitting fees)	Not more than Rs. 100000/- per meeting of Board or Committee.		

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

No remuneration was paid to KMP. Mr. P.Padmanabhan, CFO of the Company is employed by the Holding Company. Mr. G.Muthukrishnan, Company Secretary of the Company is employed by the ultimate holding company.

**VII. Penalties / Punishment/ Compounding Of Offences: Nil**

For and on behalf of the Board

Date: July 4, 2020  
Place: Chennai

**P G Suresh Kumar**  
Director  
DIN: 07124883

**Dr.Esther Malini**  
Director  
DIN: 07124748

## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of M/s. PNG Tollway Limited**

#### **Report on the Ind AS Financial Statements**

##### **Opinion**

We have audited the Ind AS financial statements of **PNG Tollway Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity 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, of the state of affairs of the Company as at March 31, 2020, and loss, changes in equity and its cash flows for the year ended on that date.

##### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

##### **Emphasis of Matter**

We draw attention to the following matters in the Notes to the financial statements:

1. Note G-1 to the financial statements which states that after deliberations with Authority including Conciliation and Settlement Committee of independent experts, finally the issue of Termination Payment was concluded through a Settlement Agreement signed between NHAI and the Company on April 04, 2019 for an amount of Rs.12,38,06,00,000 as full and final payment towards all disputes arising out of the Concession Agreement. Out of the said amount, Rs.4,23,06,00,000 was already paid by NHAI to the Company.

Also, NHA1 had agreed to make payment of Rs.7,65,00,00,000 as initial payment within 30 days from the date of said Settlement Agreement and the balance amount of Rs.50,00,00,000 shall be held towards inspection of structure by a three member expert committee, which shall be released upon satisfactory report within one month from the date of receipt of the report.

Accordingly, an amount of Rs.7,65,00,00,000 was received on 3rd May 2019 and a partial amount of Rs. 38,54,00,000 out of remaining Rs.50,00,00,000 was received on 4th February 2020 citing some recoveries. The Balance of Rs 11,46,00,000 is yet to be received from NHA1. The effect for this Settlement Agreement has been given in the books of accounts of the Company during the previous and current year. Termination payment received has been utilized for the satisfactory discharge of lender dues and other Creditors.

2. Note G-9 to the financial statements which indicates that going concern assumption is not appropriate, hence the financial statements have been drawn up accordingly.

Our opinion is not modified in respect of these matters.

### **Information Other than the Ind AS Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.

- ii. The Company did not have any long-term contracts including derivative contracts for which there any material foreseeable losses.
- i. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For M.K. Dandeker & Co.,  
(ICAI Regn. No. 000679S)**

**Date:** April 28, 2020

**Place:** Chennai

**UDIN:** 20223754AAAADN8657

**S. Poosaidurai**

**Partner**

**Chartered Accountants**

**Membership No. 223754**

## **ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in our Report of even date)**

1. a) The Company has no Fixed Assets except Immovable property namely Freehold land.  
b) The title deed of the immovable property is held in the name of the Company.
2. The Company is engaged in the business of infrastructure development and maintenance and hence clause 3(ii) of Companies (Auditor's Report) order 2016 relating to inventory is not applicable.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. The Company has not entered into any transactions in respect of loans, investments, guarantees and securities, which attracts provisions of section 185 and 186 of the Companies Act, 2013. Therefore, the paragraph 3(iv) of Companies (Auditor's Report) order 2016 is not applicable to the Company.
5. The Company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the Company.
6. The maintenance of cost records under Section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 (as amended) is not applicable for the Company as it does not meet the threshold limit of turnover prescribed under Rule 3 of the Rules. Accordingly, reporting under clause (vi) of the Order does not arise.
7. a. According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including income-tax, goods and services tax, cess and any other statutory dues with the appropriate authorities.  
b. According to the information and explanation given to us, there were no statutory dues pending in respect of income-tax, goods and service tax, cess and any other statutory dues with the appropriate authorities on account of any dispute.
8. According to the information and explanation given to us, the Company had entered into a settlement agreement with the lenders with respect to the balance outstanding dues and has settled all the outstanding dues during the year.
9. According to the information and explanation given to us, the Company has not raised moneys by way of initial public offer or further public offer (including Debt instruments) or term loans during the year and hence clause 3 (ix) of the Companies (Auditor's Report) Order 2016 is not applicable.

10. Based on the information and explanation given to us, no material fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
11. According to the information and explanations given to us and based on our examination of the records of the Company, no managerial remuneration has been paid or provided by the Company during the year and hence clause 3 (xi) of the Companies (Auditor's Report) Order 2016 is not applicable.
12. The Company is not a Nidhi Company and hence clause 3 (xii) of the Companies (Auditor's Report) Order 2016 is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For M.K. Dandeker & Co.,  
(ICAI Regn. No. 000679S)**

**Date:** April 28, 2020

**Place:** Chennai

**UDIN:** 20223754AAAADN8657

**S. Poosaidurai**

**Partner**

**Chartered Accountants**

**Membership No. 223754**

**ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT**  
**(Referred to in our Report 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, 2020 in conjunction with our audit of the Ind AS 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 (the "Guidance Note"). 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 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 Ind AS 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 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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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 M.K. Dandeker & Co.,  
(ICAI Regn. No. 000679S)**

**Date:** April 28, 2020

**Place:** Chennai

**UDIN:** 20223754AAAADN8657

**S. Poosaidurai**

**Partner**

**Chartered Accountants**

**Membership No. 223754**

**PNG Tollway Limited**  
**Balance Sheet as at March 31, 2020**

Particulars	Note No.	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
a) Property, Plant and Equipment	1	940,000	940,000
	<b>A</b>	<b>940,000</b>	<b>940,000</b>
<b>Current assets</b>			
a) Financial assets			
i) Cash and bank balances	2	1,353,996	2,361,617
ii) Other Bank balances	3	-	100,000
iii) Investments	4	11,155,121	-
iv) Other financial assets	5	114,600,000	8,150,000,000
b) Current tax assets (net)	6	2,086,169	2,808,873
	<b>B</b>	<b>129,195,286</b>	<b>8,155,270,490</b>
<b>TOTAL</b>	<b>A+B</b>	<b>130,135,286</b>	<b>8,156,210,490</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a) Equity share capital	7	1,691,000,000	1,691,000,000
b) Other equity	8	(3,303,891,690)	(3,276,840,542)
	<b>C</b>	<b>(1,612,891,690)</b>	<b>(1,585,840,542)</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	9	1,741,410,192	9,197,400,000
ii) Trade payables			
- Total Outstanding dues to micro and small enterprises		-	-
- Total Outstanding dues of creditors Other than micro and small enterprises	10	1,581,384	544,610,216
b) Other current liabilities	11	35,400	40,816
	<b>D</b>	<b>1,743,026,976</b>	<b>9,742,051,032</b>
<b>Total Equity and Liabilities</b>	<b>C+D</b>	<b>130,135,286</b>	<b>8,156,210,490</b>
Contingent liabilities	E	-	-
Commitments	F		
Other notes forming part of accounts	G		
Significant accounting policies	H		

As per our report attached  
**For M.K.Dandeker & Co.**  
Chartered Accountants  
(Firm registration no. 000679S)  
by the hand of

**For and on behalf of the Board,**

**S. Poosaidurai**

Partner

Membership No. 223754

Chief Financial Officer

P Padmanabhan

Secretary

G. Muthukrishnan  
Membership No .F9454

Director

P.G.Suresh Kumar  
DIN No : 07124883

Director

Dr.Esther Malini  
DIN No : 07124748

Place: Chennai  
Date: 28.04.2020

Place: Chennai  
Date: 28.04.2020

**PNG Tollway Limited**  
**Statement of Profit and loss for the year ended March 31, 2020**

Particulars	Note No.	Year Ended	Year Ended
		March 31, 2020	March 31, 2019
		₹	₹
<b>REVENUE</b>			
Revenue from Operations		-	-
Other income	12	13,799,216	6,305,516
<b>Total Revenue</b>		<b>13,799,216</b>	<b>6,305,516</b>
<b>EXPENSES</b>			
Operating expenses	13	670,202	10,534,366
Employee Benefit Expenses	14	285,000	292,800
Administration and other expenses	15	4,372,458	4,768,877
<b>Total Expenses</b>		<b>5,327,660</b>	<b>15,596,043</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>8,471,556</b>	<b>(9,290,527)</b>
Exceptional items	16	(34,800,000)	1,950,514,165
<b>Profit/(Loss) before tax for the year</b>		<b>(26,328,444)</b>	<b>1,941,223,638</b>
<b>Add: Tax expenses</b>			
- Current Tax pertaining to Prior Years		722,704	-
<b>Profit/(Loss) for the year</b>		<b>(27,051,148)</b>	<b>1,941,223,638</b>
Earnings per equity share (Basic and Diluted) (Note G(7))			
Basic		(0.16)	11.48
Diluted		(0.16)	6.64
Face value per equity share		10.00	10.00

As per our report attached  
**For M.K.Dandeker & Co.**  
Chartered Accountants  
(Firm registration no. 000679S)  
by the hand of

**For and on behalf of the Board,**

**S. Poosaidurai**

Partner	Chief Financial Officer	Secretary	Director	Director
Membership No. 223754	P Padmanabhan	G. Muthukrishnan	P.G.Suresh Kumar	Dr.Esther Malini
		Membership No .F9454	DIN No : 07124883	DIN No : 07124748

Place: Chennai  
Date: 28.04.2020

Place: Chennai  
Date: 28.04.2020



**PNG Tollway Limited**  
**Cash Flow Statement for the year ended March 31, 2020**

S.No.	Particulars	Year Ended	Year Ended
		March 31, 2020	March 31, 2019
		₹	₹
<b>A</b>	<b>Cash Flow from Operating Activities</b>		
	Net Profit/(Loss) before tax for the year	8,471,556	1,941,223,638
	<b>Adjustments for:</b>		
	Exceptional Items	(34,800,000)	(1,950,514,165)
	<b>Operating profit before working capital changes</b>	<b>(26,328,444)</b>	<b>(9,290,527)</b>
	<b>Adjustments for:</b>		
	Increase / (decrease) in trade payables	(543,028,832)	12,401,720
	Increase / (decrease) in other current liabilities	(5,416)	2,521,250
	(Increase) / decrease in other financial assets	8,035,400,000	-
	<b>Net cash generated from/(used in) operating activities</b>	<b>7,466,037,308</b>	<b>5,632,443</b>
	Direct taxes paid (net of refunds)	-	68,437,497
	<b>Net Cash(used in)/generated from Operating Activities</b>	<b>7,466,037,308</b>	<b>74,069,940</b>
<b>B</b>	<b>Cash flow from investing activities</b>		
	Purchase of Liquid Mutual Fund Units	(11,155,121)	
	<b>Net cash (used in)/generated from investing activities</b>	<b>(11,155,121)</b>	<b>-</b>
<b>C</b>	<b>Cash flow from financing activities</b>		
	Repayment of long term borrowings	(7,455,989,808)	(76,000,000)
	<b>Net cash (used in)/generated from financing activities</b>	<b>(7,455,989,808)</b>	<b>(76,000,000)</b>
	<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(1,107,621)</b>	<b>(1,930,060)</b>
	Cash and cash equivalents as at the beginning of the year	2,461,617	4,391,677
	<b>Cash and cash equivalents as at the end of the year</b>	<b>1,353,996</b>	<b>2,461,617</b>

**Notes:**

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

As per our report attached  
**For M.K.Dandeker & Co.**  
Chartered Accountants  
(Firm registration no. 000679S)  
by the hand of

**For and on behalf of the Board,**

**S. Poosaidurai**

Partner  
Membership No. 223754

Chief Financial Officer    Secretary  
P Padmanabhan    G. Muthukrishnan  
Membership No.F9454

Director  
P.G.Suresh Kumar  
DIN No : 07124883

Director  
Dr.Esther Malini  
DIN No : 07124748

Place: Chennai  
Date: 28.04.2020

Place: Chennai  
Date: 28.04.2020

**PNG Tollway Limited**  
**Notes forming part of Accounts**  
**1) Property, Plant and Equipment**

₹

Particulars	Cost			Accumulated Depreciation				Net Block		
	As at April 01, 2019	Additions	Deductions	As at March 31, 2020	As at April 01, 2019	For the year	Deductions	As at March 31, 2020	As at March 31, 2020	As as March 31, 2019
<b>Owned</b>										
Freehold Land	940,000	-	-	940,000	-	-	-	-	940,000	940,000
<b>Total</b>	<b>940,000</b>	-	-	<b>940,000</b>	-	-	-	-	<b>940,000</b>	<b>940,000</b>
<i>Previous year</i>	<b>940,000</b>	-	-	<i>940,000</i>	-	-	-	-	<b>940,000</b>	<b>940,000</b>

**PNG Tollway Limited**  
**Notes forming part of Financial statements**

**2 Cash and Bank Balances**

Particulars	As at March 31, 2020	As at March 31, 2019
	₹	₹
a) Balances with banks:		
- In Current Account	1,353,996	2,361,617
	<b>1,353,996</b>	<b>2,361,617</b>

**3 Other Bank Balances**

Particulars	As at March 31, 2020	As at March 31, 2019
	₹	₹
a) Fixed deposit with original maturity of less than 3 months (Refer note below)	-	100,000
	<b>-</b>	<b>100,000</b>

**Note:** Fixed Deposit was made for creation of Bank Guarantee given to BSNL.

**4 Investments**

Particulars	As at March 31, 2020			As at March 31, 2019		
	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹
<b>Investments carried at fair value through Profit and loss</b>						
Liquid Mutual fund units	11,155,121	-	11,155,121			
	<b>11,155,121</b>	<b>-</b>	<b>11,155,121</b>	<b>-</b>	<b>-</b>	<b>-</b>
Aggregate book value of quoted investments	11,000,000				-	
Aggregate market value of quoted investments	11,155,121				-	

**Details of Liquid Mutual Fund Holdings as on March 31, 2020 & March 31, 2019 as as below:**

Particulars	No. of Units	As at 31-03-2020		As at 31-03-2019
		Cost	Market Value	Market Value
IDFC Overnight Fund Regular Plan -Growth	10,482	11,000,000	11,155,121	-
<b>Total</b>	<b>10,482</b>	<b>11,000,000</b>	<b>11,155,121</b>	<b>-</b>

**5 Other non-current and current financial assets**

Particulars	As at March 31, 2020			As at March 31, 2019		
	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹
Receivable from NHAI (Refer Note G (1))	114,600,000	-	114,600,000	8,150,000,000	-	8,150,000,000
	<b>114,600,000</b>	<b>-</b>	<b>114,600,000</b>	<b>8,150,000,000</b>	<b>-</b>	<b>8,150,000,000</b>

**6 Current Tax Assets (Net)**

Particulars	As at March 31, 2020			As at March 31, 2019		
	Current	Non-current	Total	Current	Non-current	Total
	₹	₹	₹	₹	₹	₹
Income tax net of provisions	2,086,169	-	2,086,169	2,808,873	-	2,808,873
	<b>2,086,169</b>	<b>-</b>	<b>2,086,169</b>	<b>2,808,873</b>	<b>-</b>	<b>2,808,873</b>

7 Share Capital

(i) Authorised, issued, subscribed and paid up

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	₹	No. of shares	₹
<b>Authorised:</b>				
Equity shares of ₹ 10 each	170,000,000	1,700,000,000	170,000,000	1,700,000,000
0.01% Compulsorily Convertible Preference Shares of ₹ 10 each	400,000,000	4,000,000,000	400,000,000	4,000,000,000
	<b>570,000,000</b>	<b>5,700,000,000</b>	<b>570,000,000</b>	<b>5,700,000,000</b>
<b>Issued, subscribed and fully paid up:</b>				
Equity shares of ₹ 10 each	169,100,000	1,691,000,000	169,100,000	1,691,000,000
0.01% Compulsorily Convertible Preference Shares of ₹ 10 each	123,120,000	1,231,200,000	123,120,000	1,231,200,000
	<b>292,220,000</b>	<b>2,922,200,000</b>	<b>292,220,000</b>	<b>2,922,200,000</b>

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	₹	No. of shares	₹
<b>a) Equity Shares</b>				
At the beginning of the year	169,100,000	1,691,000,000	169,100,000	1,691,000,000
Issued during the year as fully paid	-	-	-	-
<b>At the end of the year</b>	<b>169,100,000</b>	<b>1,691,000,000</b>	<b>169,100,000</b>	<b>1,691,000,000</b>
<b>b) 0.01% Compulsorily Convertible Preference Shares</b>				
At the beginning of the year	123,120,000	1,231,200,000	123,120,000	1,231,200,000
Issued during the year as fully paid	-	-	-	-
<b>At the end of the year</b>	<b>123,120,000</b>	<b>1,231,200,000</b>	<b>123,120,000</b>	<b>1,231,200,000</b>

(iii) Terms / rights attached to shares

a) 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.

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

b) 0.01% Compulsorily Convertible 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.

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

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	₹	No. of shares	₹
<b>a) Equity Shares of Rs.10 each</b>				
L&T Infrastructure Development Projects Limited (including nominee holding)	125,133,900	1,251,339,000	102,711,340	1,027,113,400
Larsen and Toubro Limited (ultimate holding company)	100	1,000	22,422,660	224,226,600
Ashoka Concessions Limited (Associate company)	43,966,000	439,660,000	43,966,000	439,660,000
	<b>169,100,000</b>	<b>1,691,000,000</b>	<b>169,100,000</b>	<b>1,691,000,000</b>

During the Year L&T Infrastructure Development Projects Limited has purchased the equity shares from the Larsen and Toubro Limited (Advance for purchase of shares has been paid previous year )

**b) 0.01% Compulsorily Convertible Preference Shares of Rs.10 each**

L&T Infrastructure Development Projects Limited	91,110,000	911,100,000	91,110,000	911,100,000
Viva Highways Limited	32,010,000	320,100,000	32,010,000	320,100,000
	<b>123,120,000</b>	<b>1,231,200,000</b>	<b>123,120,000</b>	<b>1,231,200,000</b>

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	%	No. of shares	%
<b>a) Equity Shares of Rs.10 each</b>				
L&T Infrastructure Development Projects Limited (including nominee holding)	125,133,900	73.99%	102,711,340	60.74%
Ashoka Concessions Limited (Associate Company)	43,966,000	26.00%	43,966,000	26.00%
<b>b) 0.01% Compulsorily Convertible Preference Shares of Rs.10 each</b>				
L&T Infrastructure Development Projects Limited	91,110,000	74.00%	91,110,000	74.00%
Viva Highways Limited	32,010,000	26.00%	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

(vi) 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	22-12-15	91,110,000	911,100,000	Consideration other than cash-
Viva Highways Limited	15-03-17	32,010,000	320,100,000	conversion of unsecured loan to preference shares

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

**PNG Tollway Limited**  
**Statement of Changes in Equity for the year ended March 31, 2020**

**8 Other Equity**  
**As at March 31, 2020**

Particulars	Equity component of compound financial instruments	Reserves & Surplus	Total `
		Retained earnings	
Balance at the beginning of the reporting year	1,231,200,000	(4,508,040,542)	(3,276,840,542)
Total Comprehensive Income	-	(27,051,148)	(27,051,148)
<b>Balance at the end of the reporting year</b>	<b>1,231,200,000</b>	<b>(4,535,091,690)</b>	<b>(3,303,891,690)</b>

**As at March 31, 2019**

Particulars	Equity component of compound financial instruments	Reserves & Surplus	Total `
		Retained earnings	
Balance at the beginning of the reporting year	1,231,200,000	(6,449,264,180)	(5,218,064,180)
Total Comprehensive Income	-	1,941,223,638	1,941,223,638
<b>Balance at the end of the reporting year</b>	<b>1,231,200,000</b>	<b>(4,508,040,542)</b>	<b>(3,276,840,542)</b>

As per our report attached  
**For M.K.Dandeker & Co.**

Chartered Accountants  
(Firm registration no. 000679S)  
by the hand of

**For and on behalf of the Board,**

**S. Poosaidurai**

Partner

Membership No. 223754

**Chief Financial Officer**

P Padmanabhan

**Secretary**

G. Muthukrishnan  
Membership No .F9454

**Director**

P.G.Suresh Kumar  
DIN No : 07124883

**Director**

Dr.Esther Malini  
DIN No : 07124748

Place: Chennai

Date: 28.04.2020

**PNG Tollway Limited**  
**Notes forming part of Financial statements**

**9 Borrowings**

Particulars	As at March 31, 2020			As at March 31, 2019		
	Current	Non current	Total	Current	Non current	Total
a) Term loans (Secured)						
i) From banks (refer note below)	-	-	-	5,66,52,00,000	-	5,66,52,00,000
b) Loans from related parties (Unsecured)	1,74,14,10,192	-	1,74,14,10,192	3,53,22,00,000	-	3,53,22,00,000
	<b>1,74,14,10,192</b>	<b>-</b>	<b>1,74,14,10,192</b>	<b>9,19,74,00,000</b>	<b>-</b>	<b>9,19,74,00,000</b>

**Note:** NHAI had indicated that it is willing to pay the balance termination amount of Rs.8,20,00,00,000 in the joint meeting with SBI and PNGT held on 13th Feb 2019. The Banks also agreed to receive the Rs.5,70,00,00,000 as full and final settlement and the balance Rs.2,50,00,00,000 will be paid to Promoters/Group Company. However, on 4th April 2019, the final agreement was executed for Rs.8,15,00,00,000 only. Proportionately we recognised the outstanding payable to banks as Rs.5,66,52,00,000 as on March 31, 2019 in the Financial Statements. But subsequently, the Banks had demanded Rs.5,70,00,00,000 and we have settled that amount from the total amount of Rs.8,04,54,00,000 received from NHAI and there is no outstanding amount payable to banks as on March 31, 2020.

**10 Trade payables**

Particulars	As at March 31, 2020	As at March 31, 2019
	Dues to related party	15,61,807
Dues to others	19,577	-
	<b>15,81,384</b>	<b>54,46,10,216</b>

**11 Other liabilities**

Particulars	As at March 31, 2020			As at March 31, 2019		
	Current	Non current	Total	Current	Non current	Total
i) Statutory Liabilities	-	-	-	40,816	-	40,816
ii) Liability for Expenses	35,400	-	35,400	-	-	-
	<b>35,400</b>	<b>-</b>	<b>35,400</b>	<b>40,816</b>	<b>-</b>	<b>40,816</b>

**E Contingent Liabilities**

Claims against the Company not acknowledgement as debt ₹ Nil (previous year : ₹ Nil )

**F Commitments**

Capital commitments as at March 31, 2020 net of advances and not provided for is ₹ Nil (previous year: ₹ Nil ).

Other Commitments as at March 31, 2020 is ₹ Nil (previous year: ₹ Nil).

**PNG Tollway Limited**  
**Notes forming part of Financial statements**

**12 Other income**

Particulars	F.Y. 2019-20		F.Y. 2018-19	
	₹	₹	₹	₹
Interest on Income Tax refund		-		5,678,502
Misc Income		13,644,095		627,014
Net gain on financial instruments designated at FVTPL		155,121		-
<b>Total</b>		<b>13,799,216</b>		<b>6,305,516</b>

**13 Operating expenses**

Particulars	F.Y. 2019-20		F.Y. 2018-19	
	₹	₹	₹	₹
<b>Repairs and maintenance:</b>				
- Toll road & bridge (Refer Note below)	670,202		10,534,366	
		670,202		10,534,366
<b>Total</b>		<b>670,202</b>		<b>10,534,366</b>

**Note:** The Company incurred expenditure during the current year for Rs.670,202/- (Previous year - Rs.1,05,34,366/-) 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.



**PNG Tollway Limited**  
**Notes forming part of Financial statements**  
**14 Employee Benefit Expenses**

Particulars	F.Y. 2019-20		F.Y. 2018-19	
	₹	₹	₹	₹
Directors Sitting fees		285,000		292,800
<b>Total</b>		<b>285,000</b>		<b>292,800</b>

**15 Administration and other expenses**

Particulars	F.Y. 2019-20		F.Y. 2018-19	
	₹	₹	₹	₹
Rent, rates and taxes		15,200		91,839
Professional fees		4,229,972		3,723,567
Payments to Auditor (Refer Note Below)		35,400		500,500
Repairs and maintenance - Others		-		256,327
Bank charges		91,886		186,055
Miscellaneous expenses		-		10,589
<b>Total</b>		<b>4,372,458</b>		<b>4,768,877</b>

**(a) Payments to Auditor (including taxes) as follows:**

Particulars	F.Y. 2019-20	F.Y. 2018-19
	₹	₹
a) As auditor	35,400	177,000
b) For other services	-	323,500
<b>Total</b>	<b>35,400</b>	<b>500,500</b>

**16 Exceptional items**

Particulars	F.Y. 2019-20		F.Y. 2018-19	
	₹	₹	₹	₹
Interest due to Promotors		-		684,827,081
Interest due to Associate Company		-		184,584,373
Payable to Related Parties		-		212,045,923
Reversal of Impairment Provisions made during F.Y. 16-17 and 17-18		-		2,947,335,575
Dues to others		-		10,326,535
Term loan reversal		-		4,121,703,464
NHAI Receivable - Write off		-		(6,210,308,786)
Excess reversal of Term loan written back		(34,800,000)		-
<b>Total</b>		<b>(34,800,000)</b>		<b>1,950,514,165</b>

**PNG Tollway Limited**

**G) 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 was terminated on March 29, 2016.

Consequently, the toll operations were taken over by the authority on 13th April 2016 and the maintenance operations were taken over on July 31, 2016. The Company was engaged in various meetings with the Authority with regard to finalization of termination proceeds and its settlement during preceding financial year. On August 30, 2016, NHAI released an adhoc payment of Rs. 100 Crore. Further on February 21, 2017, Authority issued a termination notice, alleging Concessionaire's Event of Default and arbitrarily released an amount of Rs. 323.06 Crore on March 26, 2017.

After subsequent deliberations with Authority including CCIE, finally the issue of Termination Payment was concluded through a Settlement Agreement signed between NHAI and the company on April 04, 2019 for an amount of Rs.1,238.06 Crore as full and final payment towards all disputes arising out of the Concession Agreement. Also NHAI has agreed to make payment of Rs.765 Crore as initial payment within 30 days from the date of said Settlement Agreement and the balance amount of Rs.50 Crore shall be held towards inspection of structure by a three member expert committee, which shall be released upon satisfactory report within one month from the date of receipt of the report. Accordingly, an amount of Rs. 765 Crore was received on 3rd May 2019 and a partial amount of Rs. 38.54 Crore was received on 4th February, 2020 citing some recoveries. The Balance of 11.46 Crores is yet to be received from NHAI.

The effect for this Settlement Agreement has been given in the books of accounts of the Company. Termination payment received has been utilised for the satisfactory discharge of lenders dues and other Creditors if any.

**2 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
Associate Company:	Ashoka Concessions Limited
Key Management Personnel :	Independent Director : A Veeraraghavan Independent Director : Samyuktha Surendran

**b) Disclosure of related party transactions**

Particulars	F.Y. 2019-20	F.Y. 2018-19
	₹	₹
<b>Reimbursement of expenses to:</b>		
L&T Infrastructure Development Projects Limited	544,610,216	15,421,166
<b>Reversal of liabilities payable to:</b>		
Larsen & Toubro Limited	-	212,045,923
L&T Infrastructure Development Projects Limited	-	684,827,081
Ashoka Concessions Limited	-	191,479,058
<b>Repayment of ICD/Mezzanine Debt/Unsecured Loan:</b>		
L&T Infrastructure Development Projects Limited	1,790,789,808	-

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

Particulars	( Amount in ₹ )	
	Amounts due to	
	As at March 31, 2020	As at March 31, 2019
<b>i. Holding Company - L&amp;T Infrastructure Development Projects Limited</b>		
Promoters mezzanine debt	1,251,340,000	1,251,340,000
Unsecured Loan	10,410,192	1,801,200,000
Reimbursement of expenses Payable	1,561,807	544,610,216
<b>ii. Associate Company - Ashoka Concessions Limited</b>		
Mezzanine debt	439,660,000	439,660,000
Unsecured loan	40,000,000	40,000,000

**PNG Tollway Limited****d) Terms and conditions of transactions with related parties:**

There have been no guarantees provided or received for any related party receivables or payables for the year ended 31 March 2020. During the previous year ended 31st March 2019, an amount of ₹1,088,352,062.00 has been reversed/written back after taking no claim certificate from the concerned promoters.)

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

**f) Compensation of Key Management personnel of the Company**

Particulars	( Amount in ₹ )	
	2019-20	2018-19
Short term employee benefits (Sitting fees)	285,000	292,800

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

**4 Disclosure pursuant to Ind AS 19 "Employee benefits":**

The Company does not have employees on its roll and therefore Ind AS 19 is not applicable.

**5 Disclosure pursuant to Ind AS 23 "Borrowing Costs"**

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

**6 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.

## G) Notes forming part of Accounts

## 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		2019-20	2018-19
		₹	₹
<b>Basic earnings per equity share:</b>			
Profit for the year attributable to owners of the Company for calculating basic earnings per share (₹)	A	(26,328,444)	1,941,223,638
Weighted average number of equity shares outstanding for calculating basic earnings per share	B	169,100,000	169,100,000
<b>Basic Earnings per Share</b>	A / B	<b>(0.16)</b>	<b>11.48</b>

Potential equity shares that could arise on conversion of Optionally Convertible Cumulative Redeemable Preference Shares are anti-dilutive on the EPS of the current year. Hence they have not been considered in the computation of diluted EPS in accordance with Indian Accounting Standard (AS) 33 "Earnings Per Share"

- 8 During the Current year, the exceptional items contains excess reversal of Term Loan written back amounting to Rs. 3,48,00,000. (*previous year - Rs.195,05,14,165*)
- 9 Going Concern assumption is not appropriate, hence financial statement have been drawn up accordingly.
- 10 The Company has reclassified and regrouped the previous year figures wherever considered necessary to confirm to this year's classification.

## 11 Disclosures as per Ind AS 37 - "Provisions, Contingent Liabilities and Contingent assets "

## a) Contingent Liabilities :

Disclosure in respect of contingent liabilities is given as part of Note E to the Financial Statements.

## 12 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.

## 13) Financial Instruments

## Disclosure of Financial Instruments by Category

Financial instruments by categories	Note no.	As at 31.03.2020			As at 31.03.2019		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
<b>Financial Assets</b>							
Cash and Bank Balances	2	-	-	1,353,996	-	-	2,361,617
Other Bank Balances	3	-	-	-	-	-	100,000
Investment in Liquid Mutual Fund Units	4	11,155,121	-	-	-	-	-
Other Current Financial Assets	5	-	-	114,600,000	-	-	8,150,000,000
<b>Total Financial Assets</b>		<b>11,155,121</b>	<b>-</b>	<b>115,953,996</b>	<b>-</b>	<b>-</b>	<b>8,152,461,617</b>
<b>Financial liabilities</b>							
Term Loan from Banks	9	-	-	-	-	-	5,665,200,000
Loans from related parties	9	-	-	1,741,410,192	-	-	3,532,200,000
Trade Payables	10	-	-	1,581,384	-	-	544,610,216
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>1,742,991,576</b>	<b>-</b>	<b>-</b>	<b>9,742,010,216</b>

## 14) Fair value of Financial assets and liabilities at amortized cost

Particular	Note no.	As at 31.03.2020		As at 31.03.2019	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>					
Cash and Bank Balances	2	1,353,996	1,353,996	2,361,617	2,361,617
Other Bank Balances	3	-	-	100,000	100,000
Other Current Financial Assets	5	114,600,000	114,600,000	8,150,000,000	8,150,000,000
<b>Total Financial Assets</b>		<b>115,953,996</b>	<b>115,953,996</b>	<b>8,152,461,617</b>	<b>8,152,461,617</b>
<b>Financial liabilities</b>					
Term Loan from Banks	9	-	-	5,665,200,000	5,665,200,000
Loans from related parties	9	1,741,410,192	1,741,410,192	3,532,200,000	3,532,200,000
Trade Payables	10	1,581,384	1,581,384	544,610,216	544,610,216
<b>Total Financial Liabilities</b>		<b>1,742,991,576</b>	<b>1,742,991,576</b>	<b>9,742,010,216</b>	<b>9,742,010,216</b>

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 value of Rupee Term Loan and Loans from Related Parties approximate fair value as the instruments are at prevailing market rate.

## 15) Fair Value Measurement

## Fair Value Measurement of Financial assets and Financial liabilities

## Fair value hierarchy

As at March 31, 2020

Financial Assets & Liabilities Measured at FV - Recurring FVM	Note No.	Level 1	Level 2	Level 3	Total
<b>Financial asset measured at FVTPL</b>					
Investment in Liquid Mutual Fund Units	4	11,155,121	-	-	11,155,121
<b>Total of Financial Assets</b>		<b>11,155,121</b>	<b>-</b>	<b>-</b>	<b>11,155,121</b>
<b>Financial Liabilities measured at FVTPL</b>					
<b>Total of Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Financial Assets & Liabilities Measured at Amortized cost for which fair values are to be disclosed	Note No.	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
Cash and Bank Balances	2	-	-	1,353,996.00	1,353,996.00
Other Current Financial Assets	5	-	-	114,600,000	114,600,000
<b>Total of Financial Assets</b>		<b>-</b>	<b>-</b>	<b>114,600,000</b>	<b>114,600,000</b>
<b>Financial Liabilities</b>					
Term Loan from Banks	9	-	-	-	-
Loans from related parties	9	-	-	1,741,410,192	1,741,410,192
Trade Payables	10	-	-	1,581,384	1,581,384
<b>Total Financial liabilities</b>		<b>-</b>	<b>-</b>	<b>1,742,991,576</b>	<b>1,742,991,576</b>

As at March 31, 2019

Financial Assets & Liabilities Measured at Amortized cost for which fair values are to be disclosed	Note No.	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
Other Current Financial Assets	4	-	-	8,150,000,000	8,150,000,000
<b>Total Financial Assets</b>		<b>-</b>	<b>-</b>	<b>8,150,000,000</b>	<b>8,150,000,000</b>
<b>Financial Liabilities</b>					
Term Loan from Banks	9	-	-	5,665,200,000	5,665,200,000
Loans from related parties	9	-	-	3,532,200,000	3,532,200,000
Trade Payables	10	-	-	544,610,216	544,610,216
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>9,742,010,216</b>	<b>9,742,010,216</b>

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.

**PNG Tollway Limited**

**G) Notes forming part of Accounts**

**16) 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 borrowings 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, due to handing over of the 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).

The Company is exposed to price risk due to investments in mutual funds and classified as fair value through profit and loss.

The Company measures risk through sensitivity analysis.

The Company's risk management policy is to mitigate the risk by investments in diversified mutual funds.

**The Company's exposure to price risk due to investments in mutual funds is as follows:**

<b>Particulars</b>	<b>Note No.</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Investment in Liquid Mutual Fund Units	4	11,155,121	-

**Sensitivity Analysis**

	<b>Impact on profit/ loss after tax</b>	
	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Increase or decrease in NAV by 2%	223,102	-

*Note - In case of decrease in NAV profit will reduce and vice versa.*

**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 of unsecured loans and trade payables by the Company are 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 Loans by the Company is linked to settlement of termination payment by NHAI.

## PNG Tollway Limited

### H. 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 item:

<u>Item</u>	<u>Measurement basis</u>
Certain financial assets and liabilities	Fair value

##### (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.



## **PNG Tollway Limited**

### **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:

- (a) transactions of a non-cash nature;
- (b) any deferrals or accruals of past or future operating cash receipts or payments and,
- (c) 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.

### **5 Exceptional items**

On certain occasions, the size, type or incidence of an item of income or expenses 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.

### **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.

## **PNG Tollway Limited**

### **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.

### **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 attached

**For M.K.Dandeker & Co.**  
Chartered Accountants  
(Firm registration no. 000679S)  
by the hand of

**For and on behalf of the Board,**

S. Poosaidurai  
Partner  
Membership No. 223754

Chief Financial Officer  
P Padmanabhan

Secretary  
G. Muthukrishnan  
Membership No .F9454

Director  
P.G.Suresh Kumar  
DIN No : 07124883

Director  
Dr.Esther Malini  
DIN No : 07124748

Place: Chennai  
Date: 28.04.2020

Place: Chennai  
Date: 28.04.2020