

CHENANI NASHRI TUNNELWAY LIMITED

FINANCIAL STATEMENTS

2016-2017

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF

M/s Chenani Nashri Tunnelway Limited

I) Report on the Special Purpose Financial Statements, Hyperion Package and other deliverables as per the referral instructions

We have audited the accompanying (a) special purpose financial statements of M/s Chenani Nashri Tunnelway Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, First-time adoption of Indian Accounting Standards (Ind AS) reconciliation with SCA financial statements; and a summary of the significant accounting policies and other explanatory information; and (b) Hyperion Package, including all the appendices and other deliverables as listed in the referral instructions (GRI) (referred to as the "Reporting Package"). The special purpose financial statements and Reporting Package have been prepared by the Management of the Company based on the Group Referral Instructions (GRI) dated April 14, 2017 issued by the Management of IL&FS Transportation Networks Limited (ITNL) ("Parent Company").

II) Management's Responsibility for the Special Purpose Financial Statements and the Reporting Package

- 1) The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these special purpose financial statements and the Reporting Package that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder, as applicable and the accounting policies as mentioned in the GRI and in accordance with the format of special purpose financial statements and the Reporting Package as given in the GRI and Hyperion System.
- 2) This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; application of appropriate accounting policies as mentioned in GRI; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements and the Reporting Package that give a true and fair view and are free from material misstatement, whether due to fraud or error.

III) Auditor's Responsibility

- 1) Our responsibility is to express an opinion on these special purpose financial statements and the reporting package based on our audit.



- 2) We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report as per the format given by the parent company's auditor.
- 3) We conducted our audit of the special purpose financial statements and the Reporting Package in accordance with the GRI issued by ITNL, Referral Instructions issued by Deloitte Haskins & Sells LLP and S R B C & CO LLP, parent company joint auditors and in accordance with the Standards on Auditing specified under Section 143(10) of the Act and in accordance with the materiality of Rs. 2 Million which is consistent with the materiality mentioned in "Appendix A – Acknowledgement of Referral Instructions" dated April 20, 2017 issued to the auditor's parent company. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements and Reporting Package are free from material misstatement
- 4) An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements and reporting package. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and reporting package, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements and reporting package that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements and reporting package.
- 5) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements and reporting package.

IV) Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements and the reporting package give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, as applicable and the accounting policies as mentioned in the GRI, of the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended.

VI) Restriction on Distribution and Use

The special purpose financial statements, reporting package and our report is intended solely for the Company, the Parent Company and the auditors of the Parent Company for their consideration into the audit of Consolidated Financial Statements and should not be distributed to or used by parties other than the Company, the Parent Company and the auditors of the Parent Company.



VII) Other Matter(s)

The Company has prepared a separate set of financial statements for the year ended March 31, 2017 in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act on which we have issued a separate Auditor's Report to the members of the Company dated 10th May, 2017.

Our opinion is not modified in respect of this/these matter(s).

VIII) Report on Other Legal and Regulatory Requirements


As required by Section 143 (3) of the Act, we also 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 Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid special purpose financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder, as applicable.
- e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 "Appendix P". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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 has disclosed the impact of pending litigations on its financial position in its financial statement- Refer note 29 to financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 33 to the Special Purpose financial statements.

For Luthra & Luthra
Chartered Accountants
Reg. No. 002081N


Akhilesh Gupta
Partner
(M. No. 89909)
Date: May 10, 2017
Place: Mumbai



Chenani Nashri Tunnelway Limited
Special Purpose Financial Statement
Balance sheet as at March 31, 2017
CIN Number : U45400MH2010PLC203614
Amount in Rupees

	Notes	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
ASSETS							
Non-current Assets							
(a) Property, plant and equipment	5		14,62,281		14,62,281		14,62,281
(b) Financial assets							
(i) Other financial assets	6		47,91,83,55,516		43,41,97,66,371		33,72,40,89,800
(c) Tax assets							
(i) Current Tax Asset (Net)	7	60,46,457	60,46,457	85,47,053	85,47,053	23,50,843	23,50,843
(d) Other non-current assets	8		6,88,843		32,74,20,543		1,24,95,13,792
Total Non-current Assets			47,92,65,53,097		43,75,71,96,248		34,97,74,16,716
Current Assets							
(a) Financial assets							
(i) Cash and cash equivalents	9	71,86,03,490		2,00,09,325		15,27,54,037	
(ii) Bank balances other than (i) above	9	10,54,58,735		9,84,37,500		-	
(iii) Other financial assets	10	6,35,04,20,300	7,17,44,82,525	18,689	11,84,65,514	-	15,27,54,037
(b) Other current assets	11		18,41,422		1,70,00,369		1,75,36,668
			7,17,63,23,947		13,54,65,883		17,02,90,705
Total Current Assets			7,17,63,23,947		13,54,65,883		17,02,90,705
Total Assets			55,10,28,77,044		43,89,26,62,131		35,14,77,07,421
EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital	12	3,72,00,00,000		3,72,00,00,000		3,72,00,00,000	
(b) Other Equity	13	81,52,44,736		2,29,40,05,149		2,09,56,43,419	
Equity attributable to owners of the Company			4,53,52,44,736		6,01,40,05,149		5,81,56,43,419
Total Equity			4,53,52,44,736		6,01,40,05,149		5,81,56,43,419
LIABILITIES							
Non-current Liabilities							
(a) Financial Liabilities							
(i) Borrowings	14	34,30,86,51,980		32,34,72,79,795		27,55,47,93,322	
(ii) Other financial liabilities	15	1,19,62,86,351	35,50,49,38,331	69,12,01,884	33,03,84,81,679	42,65,14,541	27,98,13,07,863
Total Non-current Liabilities			35,50,49,38,331		33,03,84,81,679		27,98,13,07,863
Current liabilities							
(a) Financial liabilities							
(i) Borrowings	16	5,11,23,67,709		1,70,55,67,425		1,08,00,00,000	
(ii) Other financial liabilities	17	9,92,81,62,623	15,04,05,30,332	3,09,34,89,095	4,79,90,56,520	27,06,64,414	1,35,06,64,414
(b) Other current liabilities	18		2,21,63,645		4,11,18,783		91,725
			15,06,26,93,977		4,84,01,75,303		1,35,07,56,139
Total Current Liabilities			15,06,26,93,977		4,84,01,75,303		1,35,07,56,139
Total Liabilities			50,56,76,32,308		37,87,86,56,982		29,33,20,64,002
Total Equity and Liabilities			55,10,28,77,044		43,89,26,62,131		35,14,77,07,421

Notes 1 to 33 forms part of the financial statements.

In terms of our report attached.

For Luthra & Luthra

Chartered Accountants

Firm Registration No.-002081

New Delhi

Akhilesh Gupta

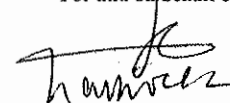
Partner

Membership No.-89909

Place : Mumbai

Date : May 10, 2017

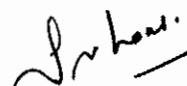
For and on behalf of the Board



 Director
 J. S. Rathore
 DIN-06416261



 Director
 Shaivali Parekh
 DIN-03612820



 Prashant Agarwal
 Chief Financial Officer



 Yadunath Dhuri
 Company Secretary

Chenani Nashri Tunnelway Limited
Special Purpose Financial Statement
Statement of profit and loss for the year ended March 31, 2017
CIN Number : U45400MH2010PLC203614

Amount in Rupees

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from Operations	19	10,60,99,34,051	9,69,56,76,569
Other income	20	18,45,048	-
Total Income		10,61,17,79,099	9,69,56,76,569
Expenses			
Construction Costs	21	6,90,10,93,786	5,48,99,26,010
Operating expenses of SCA	22	1,64,12,064	-
Finance costs	23	5,00,50,40,075	3,97,14,05,054
Other expenses	24	6,07,97,737	56,21,198
Total expenses		11,98,33,43,662	9,46,69,52,262
Profit before exceptional items and tax		(1,37,15,64,563)	22,87,24,307
Add: Exceptional items		-	-
Profit before tax		(1,37,15,64,563)	22,87,24,307
Less: Tax expense			
(1) Current tax	25	-	-
(2) Deferred tax	25	-	-
Profit for the period from continuing operations (I)		(1,37,15,64,563)	22,87,24,307
Profit for the period		(1,37,15,64,563)	22,87,24,307
A (i) Items that may be reclassified to profit or loss			
(a) Effective portion of gains and losses on designated portion of hedging instruments in a cash flow hedge		(10,71,95,850)	(3,03,62,577)
Total other comprehensive income		(10,71,95,850)	(3,03,62,577)
Total comprehensive income for the period		(1,47,87,60,413)	19,83,61,730
Earnings per equity share (for continuing operation):	26		
(1) Basic (in Rs.)		(3.98)	0.53
(2) Diluted (in Rs.)		(3.98)	0.53

Notes 1 to 33 forms part of the financial statements.

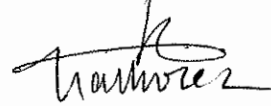
In terms of our report attached.
For Luthra & Luthra
Chartered Accountants
Firm Registration No.-002081N


Akhilesh Gupta
Partner
Membership No.-89909



Place : Mumbai
Dale : May 10, 2017

For and on behalf of the Board



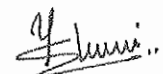
Director
J. S. Rathore
DIN-06416261



Director
Shaivali Parekh
DIN-03612820



Prashant Agarwal
Chief Financial Officer



Yadunath Dhuri
Company Secretary

Place : Mumbai
Dale : May 10, 2017

Chenani Nashri Tunnelway Limited**Special Purpose Financial Statement**

Statement of cash flows for the year ended March 31, 2017

CIN Number : U45400MH2010PLC203614

(Amount in Rupees)

	Year ended March 31, 2017	Year ended March 31, 2016
Cash flows from operating activities		
Profit for the period	(1,37,15,64,563)	22,87,24,307
Adjustments for:		
Construction Income	(7,37,31,78,655)	(6,01,87,27,589)
Construction Cost	6,90,10,93,786	5,48,99,26,010
Interest and finance cost	5,00,50,40,075	3,97,14,05,054
Operation and maintenance Income	(1,73,96,788)	-
Finance Income	(3,21,93,58,608)	(3,67,69,48,980)
	(7,53,64,754)	(56,21,197)
Movements in working capital:		
(Increase)/decrease in other assets	34,18,89,036	92,26,10,859
Increase/(Decrease) in other liabilities	7,53,78,39,913	2,74,93,77,417
	7,87,97,28,949	3,67,19,88,276
Cash generated from operations	7,80,43,64,195	3,66,63,67,079
Income taxes paid	25,00,596	(61,96,210)
Net cash generated by operating activities	7,80,68,64,791	3,66,01,70,869
Cash flows from investing activities		
Interest on Fixed Deposits	-	-
(Increase) in Receivable under Service Concession Arrangement	(7,14,01,48,880)	(5,48,99,26,013)
Movement in other bank balances	(70,21,235)	(9,84,37,500)
Net cash (used in)/generated by investing activities	(7,14,71,70,115)	(5,58,83,63,513)
Cash flows from financing activities		
Proceeds from non current borrowings	1,96,13,72,185	4,79,24,86,473
Proceeds from current borrowings	3,40,68,00,284	62,55,67,425
Interest paid	(5,32,92,72,980)	(3,62,26,05,966)
Net (used in)/ generated in financing activities	3,88,99,489	1,79,54,47,932
Net increase/ (decrease) in cash and cash equivalents	69,85,94,165	(13,27,44,712)
Cash and cash equivalents at the beginning of the period	2,00,09,325	15,27,54,037
Cash and cash equivalents at the end of the period	71,86,03,490	2,00,09,325

Notes 1 to 33 forms part of the financial statements.

In terms of our report attached.

For Luthra & Luthra
Chartered Accountants
Firm Registration No.-002081N

Akhilesh Gupta
Partner
Membership No.-89909

Place : Mumbai
Dale : May 10, 2017



For and on behalf of the Board

Director
J. S. Rathore
DIN-06416261

Prashant Agarwal
Chief Financial Officer

Place : Mumbai
Dale : May 10, 2017

Director
Shaivali Parekh
DIN-03612820

Yadunath Dhuri
Company Secretary

Chenani Nashri Tunnelway Limited

Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2017

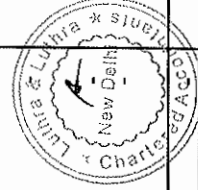
Statement of changes in equity for the year ended March 31, 2017		
	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
a. Equity share capital		
Balance as at the beginning of the period	3720000000	3720000000
Changes in equity share capital during the period	0	0
Balance as at end of the period	3720000000	3720000000

March 2017

Statement of changes in equity for the year ended March 31, 2017							
	Reserves and surplus						
	Cash flow hedge account	Retained earnings	Total	Money received against share warrants	Attributable to owners of the parent	Non-controlling interests	Total
b. Other equity							
Balance as at April 1, 2016	(3,03,62,577)	2,32,43,67,726	2,29,40,05,149	-	2,29,40,05,149	-	2,29,40,05,149
Profit for the year	-	(1,37,15,64,563)	(1,37,15,64,563)	-	(1,37,15,64,563)	-	(1,37,15,64,563)
Other comprehensive income for the period, net of income tax	(10,71,95,850)	-	(10,71,95,850)	-	(10,71,95,850)	-	(10,71,95,850)
Balance as at March 31, 2017	(13,75,58,427)	95,28,03,163	81,52,44,736	-	81,52,44,736	-	81,52,44,736

March 2016

Statement of changes in equity for the year ended March 31, 2016							
	Reserves and surplus						
	Cash flow hedge account	Retained earnings	Total	Money received against share warrants	Attributable to owners of the parent	Non-controlling interests	Total
b. Other equity							
Balance as at April 1, 2015	-	2,09,56,43,419	2,09,56,43,419	-	2,09,56,43,419	-	2,09,56,43,419
Profit for the year	-	22,87,24,307	22,87,24,307	-	22,87,24,307	-	22,87,24,307
Other comprehensive income for the period, net of income tax	(3,03,62,577)	-	(3,03,62,577)	-	(3,03,62,577)	-	(3,03,62,577)
Balance as at March 31, 2016	(3,03,62,577)	2,32,43,67,726	2,29,40,05,149	-	2,29,40,05,149	-	2,29,40,05,149



Chenani Nashri Tunnelway Limited

Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2017

Ind AS 101 reconciliations

Effect of Ind AS adoption on the balance sheet as at March 31, 2015 & March 31, 2016

	As at March 31, 2016			As at April 1, 2015		
	(End of last period presented under previous GAAP)			(Date of transition)		
	Previous IGAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous IGAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Non-current assets						
(a) Property, plant and equipment	14,62,281	-	14,62,281	14,62,281	-	14,62,281
(b) Capital work-in-progress	41,39,66,99,271	(41,39,66,99,271)	-	31,97,90,40,720	(31,97,90,40,720)	-
(c) Financial assets	-	-	-	-	-	-
(i) Other financial assets	-	43,41,97,66,371	43,41,97,66,371	-	33,72,40,89,800	33,72,40,89,800
(d) Tax assets	-	-	-	-	-	-
(ii) Current Tax Asset (Net)	85,47,053	-	85,47,053	23,50,843	-	23,50,843
(e) Other non-current assets	53,07,56,292	(20,33,35,749)	32,74,20,543	1,24,88,25,953	6,87,839	1,24,95,13,792
Total non-current assets	41,93,74,64,897	1,81,97,31,351	43,75,71,96,248	33,23,16,79,797	1,74,57,36,919	34,97,74,16,716
Current assets						
(a) Financial assets						
(i) Cash and cash equivalents	2,00,09,325	(0)	2,00,09,325	15,27,54,037	1	15,27,54,037
(ii) Bank balances other than (iii) above	9,84,37,500	-	9,84,37,500	-	-	-
(iii) Loans	-	-	-	-	-	-
(iv) Other financial assets	6,88,843	(6,70,154)	18,689	6,88,839	(6,88,839)	-
(b) Current tax assets (Net)	-	-	-	-	-	-
(c) Other current assets	14,90,36,816	(13,20,36,447)	1,70,00,369	1,75,36,668	-	1,75,36,668
	26,81,72,484	(13,27,06,601)	13,54,65,883	17,09,79,544	(6,88,839)	17,02,90,705
Total current assets	26,81,72,484	(13,27,06,601)	13,54,65,883	17,09,79,544	(6,88,839)	17,02,90,705
Total Assets	42,20,56,37,382	1,68,70,24,749	43,89,26,62,131	33,40,26,59,341	1,74,50,48,081	35,14,77,07,421
Equity						
(a) Equity share capital	3,72,00,00,000	-	3,72,00,00,000	3,72,00,00,000	-	3,72,00,00,000
(b) Other Equity	(8,83,95,114)	2,38,24,00,263	2,29,40,05,149	(5,24,11,339)	2,14,80,54,758	2,09,56,43,419
Equity attributable to owners of the Company	3,63,16,04,887	2,38,24,00,263	6,01,40,05,149	3,66,75,88,662	2,14,80,54,758	5,81,56,43,419
Total equity	3,63,16,04,887	2,38,24,00,263	6,01,40,05,149	3,66,75,88,662	2,14,80,54,758	5,81,56,43,419
Non-current liabilities						
(c) Financial liabilities						
(i) Borrowings	33,04,26,55,308	(69,53,75,513)	32,34,72,79,795	27,95,78,00,000	(40,30,06,678)	27,55,47,93,322
(ii) Trade and other payables	-	-	-	-	-	-
(iii) Other financial liabilities	69,12,01,884	-	69,12,01,884	42,65,14,541	-	42,65,14,541
Total non-current liabilities	33,73,38,57,192	(69,53,75,513)	33,03,84,81,679	28,38,43,14,541	(40,30,06,678)	27,98,13,07,863
Current liabilities						
(d) Financial liabilities						
(i) Borrowings	3,02,92,21,611	(1,32,36,54,186)	1,70,55,67,425	1,08,00,00,000	-	1,08,00,00,000
(ii) Trade and other payables	1,37,84,84,727	(1,37,84,84,727)	-	16,13,65,855	(16,13,65,855)	-
(iii) Other financial liabilities	43,24,68,965	2,66,10,20,130	3,09,34,89,095	10,93,90,283	16,12,74,131	27,06,64,414
(e) Other current liabilities	-	4,11,18,783	4,11,18,783	-	91,725	91,725
	4,84,01,75,303	(0)	4,84,01,75,303	1,35,07,56,138	1	1,35,07,56,139
Total current liabilities	4,84,01,75,303	(0)	4,84,01,75,303	1,35,07,56,138	1	1,35,07,56,139
Total liabilities	38,57,40,32,495	(69,53,75,513)	37,87,86,56,982	29,73,50,70,679	(40,30,06,677)	29,33,20,64,002
Total equity and liabilities	42,20,56,37,382	1,68,70,24,749	43,89,26,62,131	33,40,26,59,341	1,74,50,48,081	35,14,77,07,421



Chenani Nashri Tunnelway Limited

Notes forming part of the Sepcial Purpose Financial Statements for the year ended March 31, 2017

Ind AS 101 reconciliations

Effect of Ind AS adoption on the balance sheet as at March 31, 2015 & March 31, 2016

Reconciliation of total equity as at March 31, 2015 & March 31, 2016

	As at March 31, 2016 (End of last period presented under previous GAAP)	As at April 1, 2015 (Date of transition)
Total equity / shareholders' funds under previous GAAP	3,63,16,04,887	3,66,75,88,662
Adjustments:		
Accounting for the financial asset under SCA	2,02,30,66,097	1,69,26,36,741
Measurement of borrowings at amortised cost	35,93,34,164	45,54,18,017
Total adjustment to equity	2,38,24,00,261	2,14,80,54,758
Total equity under Ind AS	6,01,40,05,149	5,81,56,43,419

Effect of Ind AS adoption on the statement of profit and loss for the year ended March 31, 2016

	Year ended March 31, 2016 (Latest period presented under previous GAAP)		
	Previous GAAP	Effect of transition to Ind AS	Ind AS
	Revenue from Operations	-	9,69,56,76,569
Other income	-	-	-
Total Income	-	9,69,56,76,569	9,69,56,76,569
Expenses			
Construction costs		5,48,99,26,010	5,48,99,26,010
Finance costs		3,97,14,05,054	3,97,14,05,054
Other expenses	56,21,198	-	56,21,198
Total expenses	56,21,198	9,46,13,31,064	9,46,69,52,262
Profit before exceptional items and tax	(56,21,198)	23,43,45,505	22,87,24,307
Add: Exceptional items			
Profit before tax	(56,21,198)	23,43,45,505	22,87,24,307
Profit for the period from continuing operations	(56,21,198)	23,43,45,505	22,87,24,307
Profit for the period	(56,21,198)	23,43,45,505	22,87,24,307
Other Comprehensive Income			
a) Effective portion of gains and losses on designated portion of hedging instruments in a cash flow hedge	-	(3,03,62,577)	(3,03,62,577)
	-	(3,03,62,577)	(3,03,62,577)
Total other comprehensive income	-	(3,03,62,577)	(3,03,62,577)
Total comprehensive income for the period	(56,21,198)	20,39,82,928	19,83,61,730



Chenani Nashri Tunnelway Limited

Notes forming part of the Sepcial Purpose Financial Statements for the year ended March 31, 2017

Ind AS 101 reconciliations

Effect of Ind AS adoption on the balance sheet as at March 31, 2015 & March 31, 2016

Reconciliation of total comprehensive income for the year ended March 31, 2016

Particulars	Year ended March 31, 2016
	(Latest period presented under previous GAAP)
Profit as per previous GAAP	(56,21,198)
Adjustments:	
Accounting for the financial asset under SCA	23,43,45,505
Measurement of borrowings at amortised cost	
Recognition of deferred taxes using the balance sheet approach	-
Sub-total	23,43,45,505
Profit for the year as per Ind AS	22,87,24,307
Other comprehensive income for the year	(3,03,62,577)
Tax effect of other comprehensive income	-
Total comprehensive income under Ind AS	19,83,61,730

Note: Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.

Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2016

	Year ended March 31, 2016		
	(Latest period presented under previous GAAP)		
	Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	(1,20,62,673)	3,67,22,33,542	3,66,01,70,869
Net cash flows from investing activities	(7,05,63,21,458)	1,46,79,57,945	(5,58,83,63,513)
Net cash flows from financing activities	6,93,56,39,419	(5,14,01,91,487)	1,79,54,47,932
Net increase (decrease) in cash and cash equivalents	(13,27,44,712)	-	(13,27,44,712)
Cash and cash equivalents at the beginning of the period	15,27,54,037	-	15,27,54,037
Effects of exchange rate changes on the balance of cash held in foreign currencies		-	-
Cash and cash equivalents at the end of the period	2,00,09,325	-	2,00,09,325

Analysis of cash and cash equivalents as at March 31, 2016 and as at April 1, 2015 for the purpose of statement of cash flows under Ind AS

	As at March 31, 2016	As at April 1, 2015
	(End of last period presented under previous GAAP)	(Date of transition)
Cash and cash equivalents for the purpose of statement of cash flows as per previous GAAP	2,00,09,325	15,27,54,037
Bank overdrafts which form an integral part of cash management system		
Cash and cash equivalents for the purpose of statement of cash flows under Ind AS	2,00,09,325	15,27,54,037



Chenani Nashri Tunnelway Limited
General Information & Significant Accounting Policies

Note No-1

1. General information

The Company was incorporated under the Companies Act 1956 on June 02, 2010. The Company is a special purpose vehicle (SPV) promoted by IL&FS Transportation Networks Limited (ITNL). The Company has entered into a Concession Agreement (CA) on June 28, 2010 with The National Highways Authority of India (NHAI) for Rehabilitation, Strengthening and four laning of Chenani to Nashri Section of NH-1A, from km 89.00 to km 130.00(New Alignment) including 9km long tunnel (2 lane) with parallel escape tunnel on Design, Build, Finance, Operate and Transfer (DBFOT basis) in the state of Jammu & Kashmir. The Concession Agreement envisages concession for a period of 20 years including construction period of 1825 days commencing from the 23rd May 2011 (the 'Appointed date').

Significant terms of Service Concession Arrangements (SCA) are provided below.	
Particulars	Chenani Nashri Tunnelway Limited
Nature of Assets	Financial Asset
Year when SCA granted	28-Jun-10
Period	20 years (Including 5 year of Construction Period)
Extension of period	NIL
Construction	Under Construction
Premature Termination	NIL
Frequency of Annuity	Semi-Annually
Special Term	NIL
Brief description of Concession	<p>Service Concession Arrangement (SCA) dated June 28, 2010 entered into with National Highways Authority of India (NHAI), envisages Rehabilitation Strengthening and four laning of Chenani to Nashri Section of NH-1A, from km 89.00 to km 130.00 including 9km long tunnel (2 lane) with parallel escape tunnel on Design, Build, Finance, Operate and Transfer (DBFOT) basis in the state of Jammu & Kashmir.</p> <p>The Concession Agreement envisages concession for a period of 20 years including construction period of 1825 days commencing from 23rd May 2011 (the 'Appointed date'). Premature termination is permitted only upon happening of a force majeure event or upon the parties defaulting on their obligation.</p> <p>the company is entitled to earn Semi-annuity of Rs. 317.52 Crores each on the dates specified in the SCA. NHAI will retain the right to levy and collect fees from the users of the Road and to permit advertisements, hoardings and other commercial activities at the Road site.</p> <p>At the end of the concession period, the company will hand over the Road to NHAI without additional consideration.</p>



Chenani Nashri Tunnelway Limited
General Information & Significant Accounting Policies

Note No-2

2. Significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These are Company’s first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Refer Note 4 for the details of first-time adoption exemptions availed by the Company.

2.2 Basis of preparation and presentation

The financial statements have been prepared on a historical cost basis, except for the following asset and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on this basis.

The principal accounting policies are set out below.

2.3 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.



Chenani Nashri Tunnelway Limited
General Information & Significant Accounting Policies

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and significant liabilities, such as contingent consideration.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.



Chenani Nashri Tunnelway Limited
General Information & Significant Accounting Policies

Note No-3

3.1 Accounting for rights under service concession arrangements and revenue recognition

i. Recognition and measurement

The Company builds, operates and maintains infrastructure assets under public-to-private Service Concession Arrangements (SCAs), which is an arrangement between the "grantor" (a public sector entity/authority) and the "operator" (a private sector entity) to provide services that give the public access to major economic and social facilities utilizing private-sector funds and expertise. The infrastructures accounted for by the Company as concessions are mainly related to the activities concerning roads.

Concession contracts are public-private agreements for periods specified in the SCAs including the construction, up gradation, restoration of infrastructure and future services associated with the operation and maintenance of assets in the concession period. Revenue recognition, as well as, the main characteristics of these contracts are detailed in Note 2.9.iii.

With respect to service concession arrangements, revenue and costs are allocated between those relating to construction services and those relating to operation & maintenance services, and are accounted for separately. Consideration received or receivable is allocated by reference to the relative fair value of services delivered when the amounts are separately identifiable. The infrastructure used in a concession are classified as an intangible asset or a financial asset, depending on the nature of the payment entitlements established in the concession agreement.

When the amount of the arrangement consideration for the provision of public services is substantially fixed by a contract, the Company recognizes revenues from construction services for public facilities (infrastructures) by the percentage-of-completion method, and recognizes the consideration as a financial asset and the same is classified as "Receivables against Service Concession Arrangements". The Company accounts for such financial assets at amortized cost, calculates interest income based on the effective interest method and recognizes it in revenue as Finance Income.

ii. Contractual obligation to restore the infrastructure to a specified level of serviceability

The Company has contractual obligations to maintain the infrastructure to a specified level of serviceability or restore the infrastructure to a specified condition during the concession period and/or at the time of hand over to the grantor of the SCA. Such obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. In case of concession arrangements under financial asset model, such costs are recognized in the period in which such costs are actually incurred.

iii. Revenue recognition

Once the infrastructure is in operation, the treatment of income is as follows:

Finance income for concession arrangements under financial asset model is recognized using the effective interest method. Revenues from operations and maintenance services and overlay services are recognized in each period as and when services are rendered in accordance with Ind AS 18 Revenue.

iv. Revenue from construction contracts

The Company recognizes and measures revenue, costs and margin for providing construction services during the period of construction of the infrastructure in accordance with Ind AS 11 'Construction Contracts'.

When the outcome of a construction contract can be estimated reliably and it is probable that it will be profitable, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The percentage of completion of a contract is determined considering the proportion



Chenani Nashri Tunnelway Limited
General Information & Significant Accounting Policies

that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs.

For the purposes of recognizing revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognized in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognized only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognized as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense in the Statement of Profit and Loss in the period in which such probability occurs.

v. Borrowing cost related to SCAs

In case of concession arrangement under financial asset model, borrowing costs attributable to construction of the infrastructure are charged to Statement of Profit and Loss in the period in which such costs are incurred.

In case of concession arrangement under intangible asset model, borrowing costs attributable to the construction of infrastructure assets are capitalised up to the date of the final completion certificate of the asset / facility received from the authority for its intended use specified in the Concession Agreement. All borrowing costs subsequent to the capitalization of the intangible assets are charged to the Statement of Profit and Loss in the period in which such costs are incurred.

vi. Claims

Claims raised with the concession granting authority towards reimbursement for costs incurred due to delay in handing over of unencumbered land to the Company for construction or other delays attributable solely to the concession granting authority are recognised when there are is a reasonable certainty that there will be inflow of economic benefits to the Company. The claims when recognized as such are reduced from the carrying amount of the intangible asset / financial asset under the service concession arrangement, as the case may be, to the extent the claims relate to costs earlier included as a part of the carrying amount of these assets. Further, these claims are credited to profit or loss to the extent they relate to costs earlier debited to profit or loss. The claims are presented separately as a financial asset

3.2 Borrowing costs

Borrowing costs are recognised in the period to which they relate, regardless of how the funds have been utilised, except where it relates to the financing of construction of development of assets requiring a substantial period of time to prepare for their intended future use. Interest is capitalised up to the date when the asset is ready for its intended use. The amount of interest capitalised (gross of tax) for the period is determined by applying the interest rate applicable to appropriate borrowings outstanding during the period to the average amount of accumulated expenditure for the assets during the period. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which tare incurred.



Chenani Nashri Tunnelway Limited
General Information & Significant Accounting Policies

3.3 Taxation

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

The provision for tax is taken for each consolidating entity on the basis of the standalone financial statements prepared under Ind AS by that entity and aggregated for the purpose of the consolidated financial statements.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets (including unused tax credits such as MAT credit and unused tax losses such as carried forward business loss and unabsorbed depreciation) are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of to recover or settle the carrying amount of its assets and liabilities.



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General Information & Significant Accounting Policies

3.4 Property, plant and equipment

Property, plant and equipment acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any.

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

Where the construction or development of any asset requiring a substantial period of time to set up for its intended use is funded by borrowings, the corresponding borrowing costs are capitalized up to the date when the asset is ready for its intended use.

All assets are depreciated on a Straight Line Method (SLM) of Depreciation, over the useful life of assets as prescribed under Schedule II of the Companies Act, 2013.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying of the asset and is recognised in profit or loss.

3.5 Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discount rate.

Recoverable amount is the higher of fair value less costs of disposal and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.



Chenani Nashri Tunnelway Limited
General Information & Significant Accounting Policies

3.6 Financial instruments

Financial assets and financial liabilities are recognized when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ("FVTPL") are recognized immediately in the statement of profit and loss.

3.7 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

3.7.1 Classification of financial assets – debt instruments

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows;
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

3.7.2 Amortised cost and Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Other income" line item.

3.7.3 Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident



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to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

3.7.3.1 Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If [the Company] the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g., when the Company retains an option to repurchase part of a transferred asset), [the Company] the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.7.4 Modification of Cash Flows of financial assets and revision in estimates of Cash flows

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with Ind AS 109, the Company recalculates the gross carrying amount of the financial asset and recognizes a modification gain or loss in profit or loss. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred are adjusted to the carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset.

If the Company revises its estimates of payments or receipts (excluding modifications and changes in estimates of expected credit losses), it adjusts the gross carrying amount of the financial asset or amortized cost of a financial liability to reflect actual and revised estimated contractual cash flows. The Company recalculates the gross carrying amount of the financial asset or amortized cost of the financial liability as the present value of the estimated future contractual cash flows that are discounted at the financial instrument's original effective interest rate. The adjustment is recognized in profit or loss as income or expense.

3.8 Financial liabilities and equity instruments-

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate



Chenani Nashri Tunnelway Limited
General Information & Significant Accounting Policies

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

3.8.1 Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

3.8.2 Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method

3.8.3 Financial liabilities subsequently measured at amortised cost

Financial liabilities are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.8.4 Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

3.9 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.10 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

The amount recognized 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



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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).



Chenani Nashri Tunnelway Limited
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Note No-4

4.1 First-time adoption optional exemptions

4.1.1 Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognized assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below

4.1.2 Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2015 (the transition date).

4.1.3 Accounting for changes in parent's ownership in a subsidiary that does not result in a loss of control

The Company has accounted for changes in a parent's ownership in a subsidiary that does not result in a loss of control in accordance with Ind AS 110, prospectively from the date of transition.

4.1.4 Classification of debt instruments

the Company has determined the classification of debt instruments in terms of whether they meet the amortized cost criteria or the FVOCI criteria based on the facts and circumstances that existed as of the transition date.

4.1.5 Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

4.1.6 past business combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2015.

Consequently,

- the Company has kept the same classification for the past business combinations as in its previous GAAP financial statements;
- the Company has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the balance sheet of the acquirer and would also not qualify for recognition in accordance with Ind AS in the separate balance sheet of the acquiree; the Company has excluded from its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS;
- the Company has tested the goodwill for impairment at the transition date based on the conditions as of the transition date;
- the effects of the above adjustments have been given to the measurement of non-controlling interests and deferred tax.



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The Company has not applied Ind AS 21 - The Effects of Changes in Foreign Exchange Rates retrospectively to fair value adjustments and goodwill arising in business combinations that occurred before the transition date.

The above exemptions in respect of business combinations have also been applied to past acquisitions of investments in associates, interests in joint ventures and interests in joint operations in which the activity of the joint operation constitutes a business, as defined in Ind AS 103.

4.2. Critical accounting judgements and key sources of estimation uncertainty

The preparation of Financial Statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities at the date of the Financial Statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of Financial Statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of receivable under SCA, valuation of deferred tax assets, provisions and contingent liabilities.



Chenani Nashri Tunnelway Limited

Notes forming part of Special Purpose Financial Statements for the year ended March 31, 2017

Note 5

March 2017

Current Year

Particulars	Cost or Deemed cost			Accumulated depreciation and impairment			Carrying Amount As at March 31, 2017	Carrying Amount As at March 31, 2016
	Balance as at April 1, 2016	Additions	Disposals	Balance at March 31, 2017	Balance as at April 1, 2016	Depreciation expense		
Property plant and equipment								
Land	14,62,281			14,62,281	-		14,62,281	14,62,281
Total	14,62,281	-	-	14,62,281	-	-	14,62,281	14,62,281

Particulars	Carrying amount		
	Balance as at April 1, 2016	Additions	(Impairment) / Reversal of impairment
Property plant and equipment			
Land	14,62,281	-	
Total	14,62,281	-	-

March 2016

Previous Year

Particulars	Cost or Deemed cost			Accumulated depreciation and impairment			Carrying Amount As at March 31, 2016	Carrying Amount As at March 31, 2015
	Balance as at April 1, 2015	Additions	Disposals	Balance at March 31, 2016	Balance as at April 1, 2015	Depreciation expense		
Property plant and equipment								
Land	14,62,281			14,62,281	-		14,62,281	14,62,281
Total	14,62,281	-	-	14,62,281	-	-	14,62,281	14,62,281

Particulars	Carrying amount		
	Balance as at April 1, 2015	Additions	(Impairment) / Reversal of impairment
Property plant and equipment			
Land	14,62,281	-	
Total	14,62,281	-	-



Chenani Nashri Tunnelway Limited

Notes forming part of Special Purpose Financial Statements for the year ended March 31, 2017

6. Other financial assets

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(A) Receivable under service concession arrangements	47,67,92,99,419	43,41,97,65,371	33,72,40,88,800
	47,67,92,99,419	43,41,97,65,371	33,72,40,88,800
(B) Others -			
Security Deposits- Unsecured- considered good	1,000	1,000	1,000
Receivable from NHAI - Utility Shifting	23,90,55,097	-	-
Deposit given for Electric Department for utility shifting work	-	-	-
	23,90,56,097	1,000	1,000
Total (A+B)	47,91,83,55,516	43,41,97,66,371	33,72,40,89,800

7. Current tax assets and liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current tax assets			
Benefit of tax losses to be carried back to recover taxes paid in prior periods			
Advance payment of taxes (Net of provisions)	60,46,457	85,47,053	23,50,843
Tax refund receivable			
Others [describe]			
	60,46,457	85,47,053	23,50,843
Current tax liabilities			
Income tax payable			
Others [describe]			
	-	-	-
Current Tax Assets (current portion)			
Current Tax Assets (non-current portion)	60,46,457	85,47,053	23,50,843

8. Other assets - Non Current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital Advances	-	32,67,31,700	1,16,45,03,723
Others			
Deposit - NHAI Electricity Power Supply Dept	6,88,843	6,88,843	6,88,839
- Prepaid expenses	(0)	(0)	8,43,21,230
Total	6,88,843	32,74,20,543	1,24,95,13,792

9. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

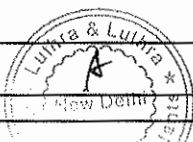
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with Banks			
- In Escrow/ Current Account	71,85,85,767	1,99,96,564	15,27,50,134
Cheques, drafts on hand			
Cash on hand	17,723	12,761	3,903
Others			
Cash and cash equivalents	71,86,03,490	2,00,09,325	15,27,54,037
Unpaid dividend accounts			
Fixed Deposits placed for a period less than 12 months	10,54,58,735	9,84,37,500	-
Balances held as margin money or as security against borrowings			
Other bank balances	10,54,58,735	9,84,37,500	-

10. Other financial assets - Current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Receivable under service concession arrangements (A)	6,35,04,00,000	-	-
(A)	6,35,04,00,000	-	-
(B) Others			
Interest accrued but not due on fixed deposit	20,300	18,689	-
(B)	20,300	18,689	-
Total (A+B)	6,35,04,20,300	18,689	-

11. Other current assets

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Labour welfare cess	-	-	15,320
Prepaid expenses	18,41,422	1,70,00,369	1,75,21,348
Total	18,41,422	1,70,00,369	1,75,36,668



Chenani Nashri Tunnelway Limited
Notes forming part of Special Purpose Financial Statements for the year ended March 31, 2017

12. Equity Share Capital

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Equity share capital	3,72,00,00,000	3,72,00,00,000	3,72,00,00,000
Total	3,72,00,00,000	3,72,00,00,000	3,72,00,00,000
Authorised Share capital :			
37,20,00,000 fully paid equity shares of Rs. 10/- each	3,72,00,00,000	3,72,00,00,000	3,72,00,00,000
Issued and subscribed capital comprises:			
37,20,00,000 fully paid equity shares of Rs. 10/- each (as at March 31, 2016: 37,20,00,000 ; as at April 1, 2015: 37,20,00,000)	3,72,00,00,000	3,72,00,00,000	3,72,00,00,000

20.1 Movement during the period

Particulars	For the Year ended March 31, 2017		For the Year ended March 31, 2016		For the Year ended March 31, 2015	
	Number of shares in '000	Share capital (Amount)	Number of shares in '000	Share capital (Amount)	Number of shares in '000	Share capital (Amount)
Balance at the start of the period	37,20,00,000	3,72,00,00,000	37,20,00,000	3,72,00,00,000	37,20,00,000	3,72,00,00,000
Movements (describe)						
Balance at the end of the period	37,20,00,000	3,72,00,00,000	37,20,00,000	3,72,00,00,000	37,20,00,000	3,72,00,00,000

Fully paid equity shares, which have a par value of Rs. X, carry one vote per share and carry a right to dividends.

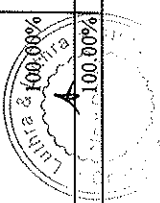
Disclosures

12.2 Details of shares held by the holding company, the ultimate controlling party, their subsidiaries and associates

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
IL&FS Transportation Networks Limited & its Nominees, the holding company	37,20,00,000	37,20,00,000	37,20,00,000
Total	37,20,00,000	37,20,00,000	37,20,00,000

12.3 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
Fully paid equity shares IL&FS Transportation Networks Limited & its Nominees	37,20,00,000	100.00%	37,20,00,000	100.00%	37,20,00,000	100.00%
Total	37,20,00,000	100.00%	37,20,00,000	100.00%	37,20,00,000	100.00%



13. Other Equity (excluding non-controlling interests)

Particulars	As at March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2016
Cash flow hedge reserve			
Balance at beginning of the period	(3,03,62,577)	-	-
Created during the current year net of tax (net of effect of foreign exchange rate variations on hedging instruments outstanding at the end of the year) (Below Refer Note 1)	(10,71,95,850)	(3,03,62,577)	-
Balance at end of the period	(13,75,58,427)	(3,03,62,577)	-
Retained Earnings			
Balance at beginning of the period	2,32,43,67,726	2,09,56,43,419	2,09,56,43,419
Profit/ (Loss) for the period	(1,37,15,64,563)	22,87,24,307	-
Balance at end of the period	95,28,03,163	2,32,43,67,726	2,09,56,43,419
Total	81,52,44,736	2,29,40,05,149	2,09,56,43,419

Disclosures

Note 1: The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

Cumulative (gains)/ losses arising on changes in fair value of designated portion of hedging instruments reclassified from cash flow hedging reserve into profit or loss during the year are included in the following line items:

Particulars	For the Year ended March 31, 2017	Year ended March 31, 2016
Foreign exchange gains / losses	-	1,18,46,706
Total	-	1,18,46,706



Chenani Nashri Tunnelway Limited

Notes forming part of Sepcial Purpose Financial Statements for the year ended March 31, 2017

14. Non-current Borrowings

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured – at amortised cost			
(i)Term loans			
From Axis Bank (Assign)	-	3,50,00,00,000	-
Less : unamortised borrowing cost	-	(19,68,62,388)	-
From other parties	2,93,00,00,000	-	-
Less : unamortised borrowing cost	(4,01,81,553)	-	-
(ii)Term loans			
From Banks (Secured) - Sr & Sub Debt	31,85,64,65,230	29,54,26,55,308	27,95,78,00,000
Less : unamortised borrowing cost	(43,76,31,697)	(49,85,13,124)	(40,30,06,678)
Total Non-current borrowings	34,30,86,51,980	32,34,72,79,795	27,55,47,93,322

14.1 Summary of borrowing arrangements

March, 2015

(i) Security for Senior & Sub Debt Facility:

(A) The Senior Facility together with all interests, default interest, additional interest, fees, commission, remuneration payable to the security trustee, costs, charges, expenses and all other amounts whatsoever stipulated in, or payable by the Company in terms of, the finance documents shall to the satisfaction of the senior lenders/ security trustee, be secured to the extent permitted under the concession agreement by:

- a) a first mortgage and charge on all the Company's immoveable properties, both present and future, save and except the project assets;
- b) a first charge on all the Company's tangible moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, all other moveable assets and current assets, both present and future, save and except the project assets;
- c) a charge on the Company's accounts including, but not limited to the escrow account where all revenues, disbursements, receivables shall be deposited and in all funds from time to time deposited therein and in all authorised investments or other securities representing all amounts credited to the escrow account;
- d) a charge on all intangibles of the Company including but not limited to goodwill, rights, and undertakings, present and future provided any realisation there of shall be credited to the escrow account and the charge as aforesaid shall be limited to the extent permissible under the waterfall of the priorities as per article 31 of the concession agreement and article 4 of escrow agreement.
- e) a charge on the uncalled capital of the Company;
Provided that charge at (e) above, shall be limited for ensuring that the Company calls the balance uncalled capital and makes the shares fully paid up.
- f) an assignment by way of security:
 - (i) of the right, title and interest of the Company in, to and under the project documents including the concession agreement, duly acknowledged and consented to by NHAI and by the relevant counter-parties to such project documents to the extent not expressly provided in the concession agreement or each such project document, all as amended, varied or supplemented from time to time;
 - (ii) of the right, title and interest of Company in, to and under all the government approvals and insurance contracts; and
 - (iii) of the right, title interest of the Company in, to and under any letter of credit, guarantee, including contractor guarantees and liquidated damages and performance bond provided by any party to the project documents.

(B) The Subordinate Facility together with all interests, default interest, additional interest, fees, commission, remuneration payable to the security trustee, costs, charges, expenses and all other amounts whatsoever stipulated in, or payable by the Company in terms of, the finance documents shall to the satisfaction of the senior lenders/ security trustee, be secured to the extent permitted under the concession agreement by a second charge on the above mentioned in para (A) above.

(ii) Terms of Payments:

The Company undertakes to repay the senior & sub debt loan to each senior and sub debt lender in accordance with the repayment schedule as given below:

Repayment Schedule:

Year	Senior Debts	Sub Debts
September 2016 to March 2017	1,16,97,00,000	14,61,00,000
June 2017 to March 2018	1,73,22,00,000	21,64,00,000
June 2018 to March 2019	1,99,39,00,000	24,91,00,000
June 2019 to March 2020	2,17,54,00,000	27,20,00,000
June 2020 to March 2021	2,34,21,00,000	29,28,00,000
June 2021 to March 2022	2,51,46,00,000	31,44,00,000
June 2022 to March 2023	2,75,30,00,000	34,40,00,000
June 2023 to March 2024	2,81,76,00,000	35,20,00,000
June 2024 to March 2025	2,81,76,00,000	35,20,00,000
June 2025 to September 2025	9,44,39,00,000	1,18,12,00,000
Grand Total	29,76,00,00,000	3,72,00,00,000



14.1 Summary of borrowing arrangements**March, 2016****(i) Security for Senior & Sub Debt Facility:**

(A) The Senior Facility together with all interests, default interest, additional interest, fees, commission, remuneration payable to the security trustee, costs, charges, expenses and all other amounts whatsoever stipulated in, or payable by the Company in terms of, the finance documents shall to the satisfaction of the senior lenders/ security trustee, be secured to the extent permitted under the concession agreement by:

- a) a first mortgage and charge on all the Company's immovable properties, both present and future, save and except the project assets;
- b) a first charge on all the Company's tangible moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, all other moveable assets and current assets, both present and future, save and except the project assets;
- c) a charge on the Company's accounts including, but not limited to the escrow account where all revenues, disbursements, receivables shall be deposited and in all funds from time to time deposited therein and in all authorised investments or other securities representing all amounts credited to the escrow account;
- d) a charge on all intangibles of the Company including but not limited to goodwill, rights, and undertakings, present and future provided any realisation there of shall be credited to the escrow account and the charge as aforesaid shall be limited to the extent permissible under the waterfall of the priorities as per article 31 of the concession agreement and article 4 of escrow agreement.
- e) a charge on the uncalled capital of the Company;
Provided that charge at (e) above, shall be limited for ensuring that the Company calls the balance uncalled capital and makes the shares fully paid up.
- f) an assignment by way of security:
 - (i) of the right, title and interest of the Company in, to and under the project documents including the concession agreement, duly acknowledged and consented to by NHAI and by the relevant counter-parties to such project documents to the extent not expressly provided in the concession agreement or each such project document, all as amended, varied or supplemented from time to time;
 - (ii) of the right, title and interest of Company in, to and under all the government approvals and insurance contracts; and
 - (iii) of the right, title interest of the Company in, to and under any letter of credit, guarantee, including contractor guarantees and liquidated damages and performance bond provided by any party to the project documents.

(B) The Subordinate Facility together with all interests, default interest, additional interest, fees, commission, remuneration payable to the security trustee, costs, charges, expenses and all other amounts whatsoever stipulated in, or payable by the Company in terms of, the finance documents shall to the satisfaction of the senior lenders/ security trustee, be secured to the extent permitted under the concession agreement by a second charge on the above mentioned in para (A) above.

(ii) Terms of Payments:

The Company undertakes to repay the senior & sub debt loan to each senior and sub debt lender in accordance with the repayment schedule as given below:

Repayment Schedule:

Year	Senior Debts	Sub Debts
September 2016 to March 2017	1,16,97,00,000	14,61,00,000
June 2017 to March 2018	1,73,22,00,000	21,64,00,000
June 2018 to March 2019	1,99,39,00,000	24,91,00,000
June 2019 to March 2020	2,17,54,00,000	27,20,00,000
June 2020 to March 2021	2,34,21,00,000	29,28,00,000
June 2021 to March 2022	2,51,46,00,000	31,44,00,000
June 2022 to March 2023	2,75,30,00,000	34,40,00,000
June 2023 to March 2024	2,81,76,00,000	35,20,00,000
June 2024 to March 2025	2,81,76,00,000	35,20,00,000
June 2025 to September 2025	8,84,43,43,800	1,18,12,00,000
Grand Total	29,16,04,43,800	3,72,00,00,000



Chenani Nashri Tunnelway Limited

Notes forming part of Sepcial Purpose Financial Statements for the year ended March 31, 2017

- (iii) The Standard Chartered Bank had granted a long term loan in form of External Commercial Borrowing ("ECB") of USD 43,000,000 to Company. As per the facility agreement dated December 2, 2015 and amended on January 21, 2016, till the long term loan remains outstanding in books, the Company will accrue interest on the aforesaid loan to CNTL at a interest rate of 11.30%. The maturity date of the loan is February 28, 2026.

The Company has entered into cross currency interest rate swap on February 4, 2016 for Tranche 1 amounting to USD 8,860,000. The details of Swap are as under :-

Swap Counter party	:	Standard Chartered Bank AG - Mumbai Branch
Cross Currency interest rate SWAP	:	LIBOR + (3.5% to 3.15%) on US \$ 8.86 Million against 11.30% on INR 559.56 Mn
Interest payable	:	Quarterly except- 1st Installment on May 4, 2016, 2nd installment on May 31, 2016 followed by subsequent quarter
Maturity Date	:	November 30, 2022.

The changes in the fair value of these derivatives is designated and effective. Accordingly, the notional gain / loss on Mark to market are recognised in the shareholders funds under "Cash Flow hedge reserve"

Repayment Schedule:

Total ECB Loans repayment on quarterly basis installments commencing from February 28, 2017 and terminating on August 31, 2022 :

Year	Amount in USD	Amount in INR
Financial Year 2016-2017	1,16,066	78,54,186
Financial Year 2017-2018	4,64,264	3,14,16,745
Financial Year 2018-2019	5,75,900	3,89,71,153
Financial Year 2019-2020	6,17,542	4,17,89,067
Financial Year 2020-2021	6,74,246	4,56,26,227
Financial Year 2021-2022	7,22,090	4,88,63,830
Financial Year 2022-2023	7,81,452	5,28,80,857
Financial Year 2023-2024	8,39,928	5,68,37,928
Financial Year 2024-2025	8,39,928	5,68,37,928
Financial Year 2025-2026	32,28,584	21,84,78,279
Grand Total	88,60,000	59,95,56,200

- (iv) Unsecured Loan from Axis Bank is repayable at the end of 20 months as bullet repayment i.e. Rs.350,00,00,000/-



Chenani Nashri Tunnelway Limited

Notes forming part of Special Purpose Financial Statements for the year ended March 31, 2017

14.1 Summary of borrowing arrangements

March 2017

(i) Security for Senior & Sub Debt Facility:

(A) The Senior Facility together with all interests, default interest, additional interest, fees, commission, remuneration payable to the security trustee, costs, charges, expenses and all other amounts whatsoever stipulated in, or payable by the Company in terms of, the finance documents shall to the satisfaction of the senior lenders/ security trustee, be secured to the extent permitted under the concession agreement by:

- a) a first mortgage and charge on all the Company's immovable properties, both present and future, save and except the project assets;
- b) a first charge on all the Company's tangible moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, all other moveable assets and current assets, both present and future, save and except the project assets;
- c) a charge on the Company's accounts including, but not limited to the escrow account where all revenues, disbursements, receivables shall be deposited and in all funds from time to time deposited therein and in all authorised investments or other securities representing all amounts credited to the escrow account;
- d) a charge on all intangibles of the Company including but not limited to goodwill, rights, and undertakings, present and future provided any realisation there of shall be credited to the escrow account and the charge as aforesaid shall be limited to the extent permissible under the waterfall of the priorities as per article 31 of the concession agreement and article 4 of escrow agreement.
- e) a charge on the uncalled capital of the Company;
Provided that charge at (e) above, shall be limited for ensuring that the Company calls the balance uncalled capital and makes the shares fully paid up.

f) an assignment by way of security:

- (i) of the right, title and interest of the Company in, to and under the project documents including the concession agreement, duly acknowledged and consented to by NHAI and by the relevant counter-parties to such project documents to the extent not expressly provided in the concession agreement or each such project document, all as amended, varied or supplemented from time to time;
- (ii) of the right, title and interest of Company in, to and under all the government approvals and insurance contracts; and
- (iii) of the right, title interest of the Company in, to and under any letter of credit, guarantee, including contractor guarantees and liquidated damages and performance bond provided by any party to the project documents.

(B) The Subordinate Facility together with all interests, default interest, additional interest, fees, commission, remuneration payable to the security trustee, costs, charges, expenses and all other amounts whatsoever stipulated in, or payable by the Company in terms of, the finance documents shall to the satisfaction of the senior lenders/ security trustee, be secured to the extent permitted under the concession agreement by a second charge on the above mentioned in para (A) above.

(ii) Terms of Payments:

The Company undertakes to repay the senior & sub debt loan to each senior and sub debt lender in accordance with the repayment schedule as given below:

Repayment Schedule:

Year	Senior Debts	Sub Debts
September 2016 to March 2017	35,31,57,660	4,68,80,970
June 2017 to March 2018	70,63,15,320	9,37,61,940
June 2018 to March 2019	1,56,89,90,520	20,82,80,340
June 2019 to March 2020	1,80,62,26,200	23,97,72,900
June 2020 to March 2021	1,97,06,73,660	26,16,02,970
June 2021 to March 2022	2,12,16,41,820	28,16,43,690
June 2022 to March 2023	2,27,80,01,700	30,24,00,150
June 2023 to March 2024	2,49,63,66,360	33,13,87,620
June 2024 to March 2025	1,80,04,17,840	33,92,60,760
June 2025 to March 2026	3,57,65,05,440	33,92,60,760
June 2026 to September 2026	8,54,58,76,200	1,13,44,47,900
Grand Total	27,22,41,72,720	3,57,87,00,000

- (iii) (a) The Standard Chartered Bank had granted a long term loan in form of External Commercial Borrowing ("ECB") of USD 43,000,000 to Company. As per the facility agreement dated December 2, 2015 and amended on January 21, 2016, till the long term loan remains outstanding in books, the Company will accrue interest on the aforesaid loan to CNTL at a interest rate of 11.30%. The maturity date of the loan is February 28, 2026.

The Company has entered into cross currency interest rate swap on February 4, 2016 for Tranche 1 amounting to USD 8,860,000. The details of Swap are as under :-

Swap Counter party	:	Standard Chartered Bank AG - Mumbai Branch
Cross Currency interest rate SWAP	:	LIBOR + (3.5% to 3.15%) on US \$ 8.86 Million against 11.30% on INR 559.56 Mn
Interest payable	:	Quarterly except- 1st Installment on May 4, 2016, 2nd instalment on May 31, 2016 followed by subsequent quarter
Maturity Date	:	November 30, 2022.



The changes in the fair value of these derivatives is designated and effective. Accordingly, the notional gain / loss on Mark to market are recognised in the shareholders funds under "Cash Flow hedge reserve"

Chenani Nashri Tunnelway Limited

Notes forming part of Special Purpose Financial Statements for the year ended March 31, 2017

Repayment Schedule:

Total ECB Loans repayment on quarterly basis installments commencing from February 28, 2017 and terminating on August 31, 2022 :

Year	Amount in USD	Amount in INR
Financial Year 2016-2017	1,16,066	78,54,186
Financial Year 2017-2018	4,64,264	3,14,16,745
Financial Year 2018-2019	5,75,900	3,89,71,153
Financial Year 2019-2020	6,17,542	4,17,89,067
Financial Year 2020-2021	6,74,246	4,56,26,227
Financial Year 2021-2022	7,22,090	4,88,63,830
Financial Year 2022-2023	7,81,452	5,28,80,857
Financial Year 2023-2024	8,39,928	5,68,37,928
Financial Year 2024-2025	8,39,928	5,68,37,928
Financial Year 2025-2026	32,28,584	21,84,78,279
Grand Total	88,60,000	59,95,56,200

(b) The Standard Chartered Bank had granted a long term loan in form of External Commercial Borrowing ("ECB") of USD 43,000,000 to Company. As per the facility agreement dated December 2, 2015 and amended on January 21, 2016, till the long term loan remains outstanding in books, the Company will accrue interest on the aforesaid loan to CNTL at a interest rate of 11.42%. The maturity date of the loan is February 28, 2026.

The Company has entered into cross currency interest rate swap on May 19, 2016 for Tranche 2 amounting to USD 53,00,000. The details of Swap are as under :-

Swap Counter party	:	Standard Chartered Bank AG - Mumbai Branch
Cross Currency interest rate SWAP	:	LIBOR + (3.5% to 3.15%) on US \$ 53 Million against 11.42% on INR 353.51 Mn
Interest payable	:	Quarterly except- 1st Installment on May 31, 2016, 2nd installment on Aug 31, 2016 followed by subsequent quarter
Maturity Date	:	November 30, 2022.

The changes in the fair value of these derivatives is designated and effective. Accordingly, the notional gain / loss on Mark to market are recognised in the shareholders funds under "Cash Flow hedge reserve"

Repayment Schedule:

Total ECB Loans repayment on quarterly basis installments commencing from February 28, 2017 and terminating on August 31, 2022 :

Year	Amount in USD	Amount in INR
Financial Year 2016-2017	69,430	46,30,981
Financial Year 2017-2018	2,77,720	1,85,23,924
Financial Year 2018-2019	3,44,500	2,29,78,150
Financial Year 2019-2020	3,69,410	2,46,39,647
Financial Year 2020-2021	4,03,330	2,69,02,111
Financial Year 2021-2022	4,31,950	2,88,11,065
Financial Year 2022-2023	4,67,460	3,11,79,582
Financial Year 2023-2024	5,02,440	3,35,12,748
Financial Year 2024-2025	5,02,440	3,35,12,748
Financial Year 2025-2026	19,31,320	12,88,19,044
Grand Total	53,00,000	35,35,10,000

(c) The Standard Chartered Bank had granted a long term loan in form of External Commercial Borrowing ("ECB") of USD 43,000,000 to Company. As per the facility agreement dated December 2, 2015 and amended on January 21, 2016, till the long term loan remains outstanding in books, the Company will accrue interest on the aforesaid loan to CNTL at a interest rate of 11.42%. The maturity date of the loan is February 28, 2026.

The Company has entered into cross currency interest rate swap on July 5, 2016 for Tranche 3 amounting to USD 57,97,000. The details of Swap are as under :-

Swap Counter party	:	Standard Chartered Bank AG - Mumbai Branch
Cross Currency interest rate SWAP	:	LIBOR + (3.5% to 3.15%) on US \$ 57.97 Million against 11.49% on INR 390.71 Mn
Interest payable	:	Quarterly except- 1st Installment on Aug 31, 2016, 2nd installment on Nov 30, 2016 followed by subsequent quarter
Maturity Date	:	November 30, 2022.



Chenani Nashri Tunnelway Limited

Notes forming part of Special Purpose Financial Statements for the year ended March 31, 2017

The changes in the fair value of these derivatives is designated and effective. Accordingly, the notional gain / loss on Mark to

Repayment Schedule:

Year	Amount in USD	Amount in INR
Financial Year 2016-2017	75,941	51,18,403
Financial Year 2017-2018	3,03,763	2,04,73,613
Financial Year 2018-2019	3,76,805	2,53,96,657
Financial Year 2019-2020	4,04,051	2,72,33,031
Financial Year 2020-2021	4,41,152	2,97,33,625
Financial Year 2021-2022	4,72,456	3,18,43,501
Financial Year 2022-2023	5,11,295	3,44,61,310
Financial Year 2023-2024	5,49,556	3,70,40,047
Financial Year 2024-2025	5,49,556	3,70,40,047
Financial Year 2025-2026	21,12,427	14,23,77,566
Grand Total	57,97,000	39,07,17,800

(d) The Standard Chartered Bank had granted a long term loan in form of External Commercial Borrowing ("ECB") of USD 43,000,000 to Company. As per the facility agreement dated December 2, 2015 and amended on January 21, 2016, till the long term loan remains outstanding in books, the Company will accrue interest on the aforesaid loan to CNTL at a interest rate of 11.42%. The maturity date of the loan is February 28, 2026.

The Company has entered into cross currency interest rate swap on August 11, 2016 for Tranche 4 amounting to USD 50,70,000. The details of Swap are as under :-

Swap Counter party	:	Standard Chartered Bank AG - Mumbai Branch
Cross Currency interest rate SWAP	:	LIBOR + (3.5% to 3.15%) on US \$ 50.70 Million against 11.45% on INR 338.92 Mn
Interest payable	:	Quarterly except- 1st Installment on Aug 31, 2016, 2nd installment on Nov 30, 2016 followed by subsequent quarter
Maturity Date	:	November 30, 2022.

The changes in the fair value of these derivatives is designated and effective. Accordingly, the notional gain / loss on Mark to marke

Repayment Schedule: Total ECB Loans repayment on quarterly basis installments commencing from February 28, 2017 and termin

Year	Amount in USD	Amount in INR
Financial Year 2016-2017	66,417	44,39,976
Financial Year 2017-2018	2,65,668	1,77,59,906
Financial Year 2018-2019	3,29,550	2,20,30,418
Financial Year 2019-2020	3,53,379	2,36,23,386
Financial Year 2020-2021	3,85,827	2,57,92,535
Financial Year 2021-2022	4,13,205	2,76,22,754
Financial Year 2022-2023	4,47,174	2,98,93,582
Financial Year 2023-2024	4,80,636	3,21,30,517
Financial Year 2024-2025	4,80,636	3,21,30,517
Financial Year 2025-2026	18,47,508	12,35,05,910
Grand Total	50,70,000	33,89,29,500

(e) The Standard Chartered Bank had granted a long term loan in form of External Commercial Borrowing ("ECB") of USD 43,000,000 to Company. As per the facility agreement dated December 2, 2015 and amended on January 21, 2016, till the long term loan remains outstanding in books, the Company will accrue interest on the aforesaid loan to CNTL at a interest rate of 11.42%. The maturity date of the loan is February 28, 2026.

The Company has entered into cross currency interest rate swap on December 14, 2016 for Tranche 5 amounting to USD 58,39,416. The details of Swap are as under :-

Swap Counter party	:	Standard Chartered Bank AG - Mumbai Branch
Cross Currency interest rate SWAP	:	LIBOR + (3.5% to 3.15%) on US \$ 58.39 Million against 10.80% on INR 394.16 Mn
Interest payable	:	Quarterly except- 1st Installment on Feb 28, 2017, 2nd installment on May 31, 2017 followed by subsequent quarter
Maturity Date	:	November 30, 2022.



Chenani Nashri Tunnelway Limited

Notes forming part of Sepcial Purpose Financial Statements for the year ended March 31, 2017

The changes in the fair value of these derivatives is designated and effective. Accordingly, the notional gain / loss on Mark to market are recognised in the shareholders funds under "Cash Flow hedge reserve"

Repayment Schedule:

Total ECB Loans repayment on quarterly basis installments commencing from February 28, 2017 and terminating on August 31,

Year	Amount in USD	Amount in INR
Financial Year 2016-2017	76,496	51,63,504
Financial Year 2017-2018	3,05,985	2,06,54,014
Financial Year 2018-2019	3,79,562	2,56,20,438
Financial Year 2019-2020	4,07,007	2,74,72,992
Financial Year 2020-2021	4,44,380	2,99,95,620
Financial Year 2021-2022	4,75,912	3,21,24,087
Financial Year 2022-2023	5,15,036	3,47,64,963
Financial Year 2023-2024	5,53,577	3,73,66,423
Financial Year 2024-2025	5,53,577	3,73,66,423
Financial Year 2025-2026	21,27,883	14,36,32,115
Grand Total	58,39,416	39,41,60,580

(e) The Standard Chartered Bank had granted a long term loan in form of External Commercial Borrowing ("ECB") of USD 43,000,000 to Company. As per the facility agreement dated December 2, 2015 and amended on January 21, 2016, till the long term loan remains outstanding in books, the Company will accrue interest on the aforesaid loan to CNTL at a interest rate of 11.42%. The maturity date of the loan is February 28, 2026.

The Company has entered into cross currency interest rate swap on February 10, 2017 for Tranche 6 amounting to USD 108,20,280. The details of Swap are as under :-

Swap Counter party	:	Standard Chartered Bank AG - Mumbai Branch
Cross Currency interest rate SWAP	:	LIBOR + (3.5% to 3.15%) on US \$ 108.20 Million against 10.94% on INR 724.53 Mn
Interest payable	:	Quarterly except- 1st Installment on Feb 28, 2017, 2nd installment on May 31, 2017 followed by subsequent quarter
Maturity Date	:	November 30, 2022.

The changes in the fair value of these derivatives is designated and effective. Accordingly, the notional gain / loss on Mark to marke

Repayment Schedule: Total ECB Loans repayment on quarterly basis installments commencing from February 28, 2017 and termin.

Year	Amount in USD	Amount in INR
Financial Year 2016-2017	1,41,746	94,91,290
Financial Year 2017-2018	5,66,983	3,79,65,158
Financial Year 2018-2019	7,03,318	4,70,94,185
Financial Year 2019-2020	7,54,173	5,04,99,457
Financial Year 2020-2021	8,23,423	5,51,36,423
Financial Year 2021-2022	8,81,853	5,90,48,862
Financial Year 2022-2023	9,54,349	6,39,03,186
Financial Year 2023-2024	10,25,763	6,86,85,057
Financial Year 2024-2025	10,25,763	6,86,85,057
Financial Year 2025-2026	39,42,910	26,40,17,245
Grand Total	1,08,20,280	72,45,25,920

(iv) Unsecured Loan from Bank is repayable at the end of 20 months as bullet repayment



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Notes forming part of Special Purpose Financial Statements for the year ended March 31, 2017

15. Other financial liabilities - Non Current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Others :-			
-Foreign currency forward contracts	23,43,66,577	4,22,09,283	-
-Payable on account of Capital Expenditure	96,19,19,774	64,89,92,601	42,65,14,541
Total	1,19,62,86,351	69,12,01,884	42,65,14,541

16. Current Borrowings

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured - at amortised cost			
(a) Loans from related parties	5,11,23,67,709	1,70,55,67,425	1,08,00,00,000
Total	5,11,23,67,709	1,70,55,67,425	1,08,00,00,000

(i) Amounts repayable to related parties of the Company. Interest of 13.15% to 13.30% per annum is charged on the outstanding loan balances as at March 31, 2016 (as at April 1, 2015: 13.25% to 13.30% per annum).

17. Other financial liabilities - Current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Current maturities of long-term debt			
From Axis Bank (Assign)	3,50,00,00,000	-	-
Less : unamortised borrowing cost	(7,86,80,198)	-	-
From Banks (Secured) - Sr & Sub Debt	94,68,70,620	1,32,36,54,186	-
(c) Interest accrued but not due on Borrowings			
-Related party	61,99,510	35,11,21,220	1,36,08,109
-ECB	2,62,90,140	1,02,08,882	-
(d) Interest accrued and due on Borrowings	56,86,313	10,78,767	1,672
(e) Expenses Payable			
- Related parties - IFIN	2,30,73,750	2,74,31,250	7,51,95,559
- others	5,38,49,195	15,10,063	2,04,93,219
-Payable on account of Capital Expenditure - ITNL	5,44,48,73,293	1,37,84,84,727	16,13,65,855
Total	9,92,81,62,623	3,09,34,89,095	27,06,64,414

18. Other current liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Statutory Liabilities	2,21,63,645	4,11,18,783	91,725
(a) Excess Received from NHAI	-	-	-
Total	2,21,63,645	4,11,18,783	91,725



Chenani Nashri Tunnelway Limited

Notes forming part of Sepcial Purpose Financial Statements for the year ended March 31, 2017

19. Revenue from operations

Particulars	For the Year ended March 31, 2017	Year ended March 31, 2016
(a) Construction income	7,37,31,78,655	6,01,87,27,589
(b) Operation and maintenance income	1,73,96,788	-
(c) Finance income	3,21,93,58,608	3,67,69,48,980
Total	10,60,99,34,051	9,69,56,76,569

20. Other Income

a) Interest Income

Particulars	For the Year ended March 31, 2017	Year ended March 31, 2016
Bank deposits (at amortised cost)	15,40,135	-
Other operating revenues- Income Tax Refund	3,04,913	-
Total (a)	18,45,048	-

21. Cost of material consumed & Construction Cost

Particulars	For the Year ended March 31, 2017	Year ended March 31, 2016
Construction Cost	6,90,10,93,786	5,48,99,26,010
Total	6,90,10,93,786	5,48,99,26,010

22. Operating Expenses of SCA

Particulars	For the Year ended March 31, 2017	Year ended March 31, 2016
Operation and maintenance expenses	1,64,12,064	-
Total	1,64,12,064	-

23. Finance costs

Particulars	For the Year ended March 31, 2017	Year ended March 31, 2016
Continuing operations		
(a) Interest costs :-		
Interest on bank overdrafts and loans (other than those from related parties)	4,82,53,61,760	3,91,90,12,515
Total	4,82,53,61,760	3,91,90,12,515
(b) Other borrowing costs		
- Finance charges	17,96,78,314	5,23,92,539
Total (a+b)	5,00,50,40,075	3,97,14,05,054



Chenani Nashri Tunnelway Limited

Notes forming part of Sepcial Purpose Financial Statements for the year ended March 31, 2017

24. Other expenses

Particulars	For the Year ended March 31, 2017	Year ended March 31, 2016
Travelling and conveyance	3,76,425	22,246
Legal and consultation fees	16,03,912	12,67,946
Rates and taxes	9,960	46,644
Printing and Stationary	700	-
Directors Fees	4,36,250	4,32,010
Bank Commission	12,200	-
Auditor's remuneration	8,50,680	9,99,714
Postage & Telegram	-	371
Exchange rate fluctuation	-	28,33,864
Business Pramotion Expenses	5,74,89,075	-
Miscellaneous expenses	18,535	18,403
Total	6,07,97,737	56,21,198

Payments to auditors	For the Year ended March 31, 2017	Year ended March 31, 2016
a) For audit	2,41,875	6,69,798
d) For other services	6,08,805	3,29,916
Total	8,50,680	9,99,714

25. Income taxes relating to continuing operations

Particulars	For the Year ended March 31, 2017	Year ended March 31, 2016
Current tax		
In respect of the current period	-	-
In respect of prior period		
Others [describe]	-	-
Total income tax expense recognised in the current period relating to continuing Operations	-	-



Chenani Nashri Tunnelway Limited

Notes forming part of Sepcial Purpose Financial Statements for the year ended March 31, 2017

26. Earnings per share

Particulars	For the Year ended March 31, 2017	Year ended March 31, 2016
From Continuing operations	Rs. per share	Rs. per share
Basic earnings per share	(3.98)	0.53
Diluted earnings per share	(3.98)	0.53

26.1 Basic Earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

Particulars	For the Year ended March 31, 2017	Year ended March 31, 2016
Profit for the period attributable to owners of the Company (A)	(1,47,87,60,413)	19,83,61,730
Weighted average number of equity shares for the purposes of basic earnings per share (Quantity in '000) (B)	37,20,00,000	37,20,00,000
Basic Earnings per share (A/B)	(3.98)	0.53

26.2 Diluted earnings per share

The earnings used in the calculation of diluted earnings per share are as follows.

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Particulars	For the Year ended March 31, 2017	Year ended March 31, 2016
Earnings used in the calculation of basic earnings per share	(1,47,87,60,413)	19,83,61,730
Adjustments (describe)		
Earnings used in the calculation of diluted earnings per share (A)	(1,47,87,60,413)	19,83,61,730
Weighted average number of equity shares used in the calculation of basic earnings per share	37,20,00,000	37,20,00,000
Adjustments [describe]		
Weighted average number of equity shares used in the calculation of diluted earnings per share (Quantity in '000) (B)	37,20,00,000	37,20,00,000
Diluted earnings per share (A/B)	(3.98)	0.53



Chenani Nashri Tunnelway Limited
Notes forming part of Special Purpose Financial Statements for the year ended March 31, 2017

27. Financial instruments

27.1 Capital management

The company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the company consists of net debt (borrowings as detailed in note given below) and equity of the Company (comprising issued capital, reserves, retained earnings and non-controlling interests as detailed in notes given below).

The company's risk management committee reviews the capital structure on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The company has a target gearing ratio of 15% - 1%, determined as the proportion of net debt to equity. The gearing ratio at March 31, 2017 of 9.45% (see below) was below the target range, and has returned to a more typical level of 5.92% after the end of the reporting period.

27.1.1 Gearing ratio

The gearing ratio at end of the reporting period was as follows.

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Debt (i)	43,78,92,10,111	35,37,65,01,406	28,63,47,93,322
Cash and bank balances (including cash and bank balances in a deposit company held for sale)	82,40,62,225	11,84,46,825	15,27,54,057
Net debt	42,96,51,47,886	35,25,80,54,581	28,48,20,39,265
Equity (ii)	4,55,52,44,736	6,01,40,05,149	5,81,56,43,419
Net debt to equity ratio	9.47	5.86	4.90

Debt is defined as long- and short-term borrowings (excluding derivative, financial guarantee contracts and contingent consideration), as described in below notes. Equity includes all capital and reserves of the Company that are managed as capital.

27.2 Categories of financial instruments

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial assets			
Cash and bank balances (including cash and bank balances in a deposit company held for sale)	82,40,62,225	11,84,46,825	15,27,54,037
Receivables against service concession arrangements	54,02,96,99,419	43,41,97,65,371	33,72,40,88,800
Other Financial Assets	23,90,76,397	19,689	1,000
Financial liabilities			
Financial liabilities measured at amortised cost			
Borrowings (including Interest Accrued)	43,82,73,86,074	35,73,89,10,275	28,64,84,03,163
Others Payables	6,71,80,32,589	2,09,86,27,924	68,33,89,174

7.3 Financial risk management objectives

The financial risks mainly include market risk (interest rate risk), credit risk and liquidity risk.

7.4 Market risk

The activities expose it primarily to the financial risks of changes in interest rates.

There has been no significant changes to the exposure to market risks or the manner in which these risks are managed and measured.

1.5 Foreign currency risk management

The company undertakes transactions denominated in foreign currencies, fully hedge currency. Hence foreign currency risk management is NIL.

1.6 Foreign currency sensitivity analysis

The company is mainly exposed to the currency of Country London / Singapore and the currency of Country India.

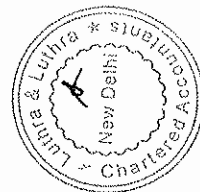
7. Interest rate risk management

The company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the company by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

7.1 Interest rate sensitivity analysis

Sensitivity analysis below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability standing at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.



27.7.2 Interest rate swap contracts

Under interest rate swap contracts, the company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the company to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the reporting period.

The following tables detail the notional principal amounts and remaining terms of interest rate swap contracts outstanding at the end of the reporting period.

Cash flow hedges

Outstanding receive floating pay fixed contracts	Average contracted fixed interest rate				Notional principal value				Fair value assets (liabilities)			
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015			
Less than 1 year	34,77,49,926	9,11,89,593	-	14,67,93,360	3,66,98,340	-	49,43,43,796	12,88,57,843	-			
1 to 3 years	61,02,07,006	66,91,34,938	-	37,73,48,580	32,88,84,360	-	99,66,45,674	99,80,19,308	-			
3 to 5 years	5,72,69,265	57,03,21,618	-	44,15,00,640	40,84,44,120	-	95,87,69,903	97,87,65,738	-			
5 years +	75,02,84,397	90,89,84,815	-	1,83,57,57,418	2,02,73,73,728	-	2,59,70,42,017	2,93,63,38,003	-			
Total	2,24,96,00,394	2,24,96,00,394	-	2,80,13,99,998	2,80,13,99,998	-	5,04,20,00,892	5,04,20,00,892	-			

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the local interbank rate of India. The company will settle the difference between the fixed and floating interest rate on a net basis.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the company's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss.

27.8 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss.

27.9 Liquidity risk management

The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note 27.10 below sets out details of additional undrawn facilities that the company has at its disposal to further reduce liquidity risk.

27.10 Liquidity and interest risk tables

The following tables detail the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the company may be required to pay.

Particulars	March 31, 2017				March 31, 2016				April 1, 2015						
	Non-interest bearing	Finance lease liability	Variable interest rate instruments	Fixed interest rate instruments	Financial guarantee contracts	Non-interest bearing	Finance lease liability	Variable interest rate instruments	Fixed interest rate instruments	Financial guarantee contracts	Non-interest bearing	Finance lease liability	Variable interest rate instruments	Fixed interest rate instruments	Financial guarantee contracts
Weighted average effective interest rate (%)															
Up to 1 year	2.21.63.645	-	5.61.86.62.397	5.74.59.31.683	-	4.11.18.783	3.93.48.04.571	1.99.36.00.000	1.22.31.60.000	-	91.725	3.85.65.78.612	1.22.31.60.000	-	-
1-3 years	-	-	16.53.74.90.923	10.60.77.90.314	-	-	13.32.18.86.187	-	-	-	-	13.77.99.850	-	-	-
3-5 years	-	-	25.20.98.26.347	-	-	-	24.52.84.37.592	-	-	-	-	23.32.73.24.140	-	-	-
More than 5 years	-	-	-	57.97.37.70.294	5.74.59.31.683	4.11.18.783	14.52.39.46.568	1.99.26.00.000	1.22.31.60.000	-	91.725	12.63.41.43.799	1.22.31.60.000	-	-
Total	2.21.63.645	-	57.97.37.70.294	5.74.59.31.683	4.11.18.783	4.11.18.783	56.13.90.74.718	1.99.26.00.000	1.22.31.60.000	-	91.725	52.59.52.46.481	1.22.31.60.000	-	-

Based on expectations at the end of the reporting period, the company considers that it is more likely than not that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The following table details the company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	March 31, 2017				March 31, 2016				April 1, 2015					
	Non-interest bearing	Variable interest rate instruments	Non-interest bearing	Fixed interest rate instruments	Financial guarantee contracts	Non-interest bearing	Finance lease liability	Variable interest rate instruments	Fixed interest rate instruments	Financial guarantee contracts	Non-interest bearing	Finance lease liability	Variable interest rate instruments	Fixed interest rate instruments
Weighted average effective interest rate (%)														
Up to 1 year	71.86.03.490	38.75.30.505	10.34.38.713	2,00,09,243	75.72.86.594	9.84.37.500	15.27.54.037	43.87.95.498	-	-	-	-	-	-
1-3 years	-	53.93.93.155	-	69,99,94,747	61.39.38.861	-	72.82.80.306	-	-	-	-	-	-	-
3-5 years	-	45.46.36.084	-	61.39.38.861	41.34.84.43.168	-	64.93.71.238	-	-	-	-	-	-	-
More than 5 years	-	52.43.43.96.675	-	43.41.97.65.371	41.34.84.43.168	9.84.37.500	31.90.76.43.738	-	-	-	-	-	-	-
Total	71.86.03.490	54,02,96,97,419	10,54,59,735	2,80,09,243	43,41,97,65,371	9,84,37,500	15,27,54,037	33,72,48,88,808	-	-	-	-	-	-



Cherani Nishri Tunnelway Limited

Notes forming part of Special Purpose Financial Statements for the year ended March 31, 2017

27.11 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

This note provides information about how the company determines fair values of various financial assets and financial liabilities.

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Financial assets at amortised cost:						
Receivables under service concession arrangements	55,09,29,38,041	55,09,29,38,041	43,53,83,31,885	43,53,83,31,885	33,87,68,43,837	33,87,68,43,837
Cash and bank balances	54,02,96,99,419	54,02,96,99,419	43,41,97,63,371	43,41,97,63,371	33,72,40,88,809	33,72,40,88,809
Other Financial Assets:	82,40,62,225	82,40,62,225	11,84,46,825	11,84,46,825	15,27,54,037	15,27,54,037
	23,90,76,327	23,90,76,327	19,689	19,689	1,000	1,000
Financial lease receivables						
Financial liabilities						
Financial liabilities held at amortised cost:						
- Borrowings (including interest secured)	50,54,54,68,663	50,54,54,68,663	37,83,75,38,199	37,83,75,38,199	29,33,19,72,277	29,33,19,72,277
- trade payables	43,82,73,86,074	43,82,73,86,074	35,73,89,10,275	35,73,89,10,275	28,54,84,03,103	28,54,84,03,103
	6,71,80,82,589	6,71,80,82,589	2,09,86,27,924	2,09,86,27,924	68,35,69,174	68,35,69,174
Financial lease payables						



Chenani Nashri Tunnelway Limited

Notes forming part of Sepcial Purpose Financial Statements for the year ended March 31, 2017

28. Commitments for expenditure

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for - Contruction contract (net of mobilization advance Rs.32,67,31,700 in Mar-16 and Rs.116,45,03,723 in Mar-15)	40,00,00,000	1,92,76,83,063	5,53,66,72,229
- Operation amd maintainence	5,43,12,13,244	5,34,59,56,046	5,34,59,56,046
Total	5,83,12,13,244	7,27,36,39,109	10,88,26,28,275

29. Contingent liabilities and contingent assets**29.1 Contingent liabilities**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Other money for which the company is contingently liable (Income tax demands contested by the Company)	42,29,760	42,29,760	42,29,760

30. Events after the reporting period

Not Applicable

31. Approval of financial statements

The financial statements were approved for issue by the board of directors on May 10, 2017.



Chenani Nashri Tunnelway Limited

Notes forming part of Special Purpose Financial Statements for the year ended March 31, 2017

32. Related Party Disclosures

As at March 31, 2017

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used
Ultimate holding company	Infrastructure Leasing & Financial Services Limited (IL&FS)	IL&FS
Holding Company	IL&FS Transportation Networks Limited	ITNL
Fellow Subsidiaries (Only with whom there have been transaction during the period/ there was balance outstanding at the year end)	IL&FS Financial Services Limited IL&FS Securities Services Limited Elsamex Portugal IL&FS Global Financial Services Pte. Limited Livia India Limited Nana Layja Power Company Limited Gujarat Integrated Maritime Complex Private Limited IL&FS Rail Limited Tierra Enviro Limited	IFIN ISSL Elsamex Portugal IGFSL LIVIA NLGPCL GIMCO IRL TEL
Key Management Personnel ("KMP") and Directors	Mr. J S Rathore Mr. S C Mittal Mr. Ashutosh Chandwar Mr. Krishna Ghag Mr. Sanjay Rane Mrs. Shaivali Parekh Mr. K T Chaubal Mr. Atteesh Mahajan Mr. Prashant Agarwal Mr. Yadunath Dhuri	Director Director Director Director Independent Director Director Independent Director Manager CFO Company Secretary

As at March 31, 2016

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used
Ultimate holding company	Infrastructure Leasing & Financial Services Limited (IL&FS)	IL&FS
Holding Company	IL&FS Transportation Networks Limited	ITNL
Fellow Subsidiaries (Only with whom there have been transaction during the period/ there was balance outstanding at the year end)	IL&FS Trust Company Limited IL&FS Securities Services Limited Elsamex Portugal IL&FS Financial Services Limited IL&FS Global Financial Services Pte. Limited	ITCL ISSL Elsamex Portugal IFIN IGFSL
Key Management Personnel ("KMP") and Directors	Mr. J S Rathore Mr. S C Mittal Mr. Ashutosh Chandwar Mr. Krishna Ghag Mr. Paresh Shah Mrs. Shaivali Parekh Mr. K T Chaubal Mr. Atteesh Mahajan Mr. Prashant Agarwal	Director Director Director Director Independent Director Director Independent Director Manager CFO

As at March 31, 2015

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used
Ultimate holding company	Infrastructure Leasing & Financial Services Limited (IL&FS)	IL&FS
Holding Company	IL&FS Transportation Networks Limited	ITNL
Fellow Subsidiaries (Only with whom there have been transaction during the period/ there was balance outstanding at the year end)	IL&FS Trust Company Limited IL&FS Securities Services Limited Elsamex Portugal IL&FS Financial Services Limited IL&FS Global Financial Services Pte. Limited	ITCL ISSL Elsamex Portugal IFIN IGFSL
Key Management Personnel ("KMP") & Directors	Mr. Gopalkrishnan Viswanathan Mr. Mukund Sapre Mr. Ravi Sreehari Mr. Krishna Ghag Mr. Ajay Menon Mr. J S Rathore Mr. S C Mittal Mrs. Shaivali Parekh Mr. K T Chaubal Mr. Paresh Shah Mr. Atteesh Mahajan Mr. Prashant Agarwal	Director Director Director Director Director Director Director Director Independent Director Independent Director Manager CFO



Chenani Nashri Tunnelway Limited

Notes forming part of Sepcial Purpose Financial Statements for the year ended March 31, 2017

Related Party Disclosures (contd.)

Year ended March 31, 2017

(b) transactions/ balances with above mentioned related parties (mentioned in note 32 above)

Particulars	Company's Name	Holding Company	Fellow Subsidiaries	Key Management personnel and relatives	Total
Balance					
Sundry Creditors	ITNL	5,44,48,73,293	-	-	5,44,48,73,293
Sundry Creditors	IFIN	-	2,30,73,750	-	2,30,73,750
Sundry Creditors	IGFSL	-	1,92,302	-	1,92,302
Equity share Capital	ITNL	3,72,00,00,000	-	-	3,72,00,00,000
Mobilisation Advances	ITNL	-	-	-	-
Retention Money	ITNL	96,19,19,774	-	-	96,19,19,774
Current borrowing	ITNL	2,59,23,67,709	-	-	2,59,23,67,709
Current borrowing	IRL	-	25,00,00,000	-	25,00,00,000
Current borrowing	NLGPCL	-	27,00,00,000	-	27,00,00,000
Current borrowing	LIVIA	-	2,00,00,00,000	-	2,00,00,00,000
Interest payable	ITNL	68,38,142	-	-	68,38,142
Interest payable	IRL	-	1,32,534	-	1,32,534
Interest payable	NLGPCL	-	-	-	-
Interest payable	LIVIA	-	-	-	-
Interest Recoverable	GIMCO	-	5,57,570	-	5,57,570
Interest Recoverable	TEL	-	2,13,596	-	2,13,596
Security Deposit	ITCL	-	1,000	-	1,000
Transactions					
Mobilisation Advances Recovered	ITNL	32,67,31,700	-	-	32,67,31,700
Professional Fees	ITNL	40,00,00,000	-	-	40,00,00,000
Project Management Fees	ITNL	18,44,77,416	-	-	18,44,77,416
Milestone Payment	ITNL	6,25,85,43,481	-	-	6,25,85,43,481
Mobilisation Advances	ITNL	-	-	-	-
Expense towards utility shifting work	ITNL	28,69,00,691	-	-	28,69,00,691
Current borrowings - Given	ITNL	7,62,79,97,670	-	-	7,62,79,97,670
Current borrowings - Repayment	ITNL	6,74,11,97,386	-	-	6,74,11,97,386
Interest on current borrowing - Paid	ITNL	60,88,02,614	-	-	60,88,02,614
Interest on current borrowing	ITNL	29,21,87,880	-	-	29,21,87,880
Deputation Cost	ITNL	9,90,153	-	-	9,90,153
Operation & Maintenance Expenses	ITNL	1,64,12,064	-	-	1,64,12,064
Out of Pocket Expenses	IGFSL	-	1,92,302	-	1,92,302
Professional Fees	ISSL	-	18,400	-	18,400
Borrowing Cost	IFIN	-	2,52,71,250	-	2,52,71,250
Out of Pocket Expenses	IGFSL	-	1,92,302	-	1,92,302
Borrowing Cost	IGFSL	-	69,38,108	-	69,38,108
Short Term Loan Taken	TEL	-	55,00,00,000	-	55,00,00,000
Short Term Loan Repaid	TEL	-	55,00,00,000	-	55,00,00,000
Interest on current borrowing	TEL	-	4,31,93,836	-	4,31,93,836
Short Term Loan Taken	LIVIA	-	2,00,00,00,000	-	2,00,00,00,000
Interest on current borrowing	LIVIA	-	8,22,73,972	-	8,22,73,972
Short Term Loan Taken	GIMCO	-	1,35,00,00,000	-	1,35,00,00,000
Short Term Loan Repaid	GIMCO	-	1,35,00,00,000	-	1,35,00,00,000
Interest on current borrowing	GIMCO	-	11,27,52,740	-	11,27,52,740
Short Term Loan Taken	IRL	-	25,00,00,000	-	25,00,00,000
Interest on current borrowing	IRL	-	1,47,260	-	1,47,260
Short Term Loan Taken	NLGPCL	-	1,40,00,00,000	-	1,40,00,00,000
Short Term Loan Repaid	NLGPCL	-	1,13,00,00,000	-	1,13,00,00,000
Interest on current borrowing	NLGPCL	-	11,35,58,562	-	11,35,58,562
Director Sitting Fees	Ashutosh Chandwar	-	-	20,000	20,000
Director Sitting Fees	J S Rathore	-	-	30,000	30,000
Director Sitting Fees	Kamalakant Chuabal	-	-	1,00,000	1,00,000
Director Sitting Fees	KRISHNA GHAG	-	-	90,000	90,000
Director Sitting Fees	Paresh Shah	-	-	40,000	40,000
Director Sitting Fees	S C Mittal	-	-	30,000	30,000
Director Sitting Fees	Sanjay S.Rane	-	-	30,000	30,000
Director Sitting Fees	Shaivali Parekh	-	-	40,000	40,000



Chenani Nashri Tunnelway Limited

Notes forming part of Sepcial Purpose Financial Statements for the year ended March 31, 2017

Related Party Disclosures (contd.)

Year ended March 31, 2016

(b) transactions/ balances with above mentioned related parties (mentioned in note 32 above)

Particulars	Company's Name	Holding Company	Fellow Subsidiaries	Key Management personnel and relatives	Total
Balance					
Sundry Creditors	ITNL	1,37,84,84,727	-	-	1,37,84,84,727
Sundry Creditors	IFIN	-	2,74,31,250	-	2,74,31,250
Equity share Capital	ITNL	3,72,00,00,000	-	-	3,72,00,00,000
Mobilisation Advances	ITNL	32,67,31,700	-	-	32,67,31,700
Retention Money	ITNL	64,89,92,601	-	-	64,89,92,601
Current borrowing	ITNL	1,70,55,67,425	-	-	1,70,55,67,425
Interest payable	ITNL	35,11,21,220	-	-	35,11,21,220
Security Deposit	ITCL	-	1,000	-	1,000
Prepaid Expenses	IFIN	-	3,00,06,977	-	3,00,06,977
Prepaid Expenses	IGFSL	-	6,87,60,877	-	6,87,60,877
Transactions					
Mobilisation Advances Recovered	ITNL	89,62,72,020	-	-	89,62,72,020
Professional Fees	ITNL	80,00,00,000	-	-	80,00,00,000
Project Management Fees	ITNL	19,71,99,996	-	-	19,71,99,996
Milestone Payment	ITNL	4,44,95,61,189	-	-	4,44,95,61,189
Current borrowings	ITNL	62,55,67,425	-	-	62,55,67,425
Interest on current borrowing	ITNL	37,50,14,588	-	-	37,50,14,588
Deputation Cost	ITNL	10,12,379	-	-	10,12,379
Security Trustee Fees	ITCL	-	6,82,360	-	6,82,360
Professional Fees	ISSL	-	17,175	-	17,175
Borrowing Cost	IFIN	-	49,273	-	49,273
Borrowing Cost	IGFSL	-	69,50,147	-	69,50,147
Director Sitting Fees	Ashutosh Chandwar	-	-	10,000	10,000
Director Sitting Fees	J S Rathore	-	-	30,000	30,000
Director Sitting Fees	Kamalakant Chuabal	-	-	90,000	90,000
Director Sitting Fees	Krishna Ghag	-	-	60,000	60,000
Director Sitting Fees	Mukund Sapre	-	-	20,000	20,000
Director Sitting Fees	Paresh Shah	-	-	90,000	90,000
Director Sitting Fees	S C Mittal	-	-	50,000	50,000
Director Sitting Fees	Shaivali Parekh	-	-	30,000	30,000
Invitees' Sitting Fees	Harish Mathur	-	-	40,000	40,000
Invitees' Sitting Fees	Karunakaran Ramchand	-	-	50,000	50,000
Invitees' Sitting Fees	Mukund Sapre	-	-	20,000	20,000
Invitees' Sitting Fees	S C Mittal	-	-	20,000	20,000

As at April 1, 2015

(b) transactions/ balances with above mentioned related parties (mentioned in note 32 above)

Particulars	Company's Name	Holding Company	Fellow Subsidiaries	Key Management personnel and relatives	Total
Sundry Creditors	ITNL	16,13,65,855	-	-	16,13,65,855
Equity share Capital	ITNL	3,72,00,00,000	-	-	3,72,00,00,000
Mobilisation Advances	ITNL	1,16,45,03,723	-	-	1,16,45,03,723
Retention Money	ITNL	42,65,14,541	-	-	42,65,14,541
Current borrowing	ITNL	1,08,00,00,000	-	-	1,08,00,00,000
Interest accrued on current borrowings	ITNL	1,36,08,109	-	-	1,36,08,109



Note -33

**Specified Bank Notes (SBN) held and transacted
during the period 08/11/2016 to 30/12/2016 as provided in the Table below:-**

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	11,000	1764	12,764
(+) Withdrawal from Bank	-	5000	5,000
(+) Permitted receipts			-
(-) Permitted payments		6042	6,042
(-) Deposited in Bank	11000	324	11,324
(-) Amount			-
Closing cash in hand as on 30.12.2016			398



Chenani Nashri Tunnelway Limited

Audit for the year ended March 31, 2017

Differences in Accounting Policies & Disclosures

Accounting Policies Differences

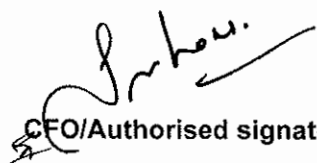
Accounting Policy of consolidating entity	Accounting Policy of ITNL	Difference (Explain)	Impact (Estimated if not quantified)	Action proposed
			₹	
		NOT APPLICABLE		

*only if impact as quantified or likely to be greater than ₹ 1.20 Mn

Indicate Accounting Policy followed by Component for the items not covered in ITNL Accounting Policy

Accounting Policy of consolidating entity and its financial impact

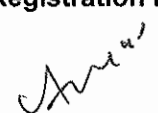
For Consolidating entity



CFO/Authorised signatory

Place : Mumbai
Date : May 10, 2017

In terms of our clearance memorandum attached
For Luthra & Luthra
Chartered Accountants
Firm Registration No.-002081N



Akhilesh Gupta
Partner
Membership No.-89909



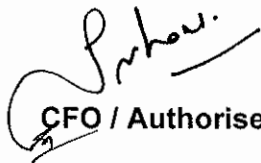
Place : Mumbai
Date : May 10, 2017

Chenani Nashri Tunnelway Limited

Shareholding Pattern as at March 31, 2017

Sr. No.	Name of the Shareholder	March 31, 2017	
		No of Shares Held	% Holding
1	IL&FS Transportation Networks Limited	371999940	100.00%
2	IL&FS Transportation Networks Limited & Mr. Dilip Bhatia	10	0.00%
3	IL&FS Transportation Networks Limited & Mr. Ajay Menon	10	0.00%
4	IL&FS Transportation Networks Limited & Mr. Krishna Ghag	10	0.00%
5	IL&FS Transportation Networks Limited & Mr. Prashant Agarwal	10	0.00%
6	IL&FS Transportation Networks Limited & Mr. Chandrakant Jagasia	10	0.00%
7	IL&FS Transportation Networks Limited & Ms. Jyotasana Matondkar	10	0.00%
	Total	372000000	

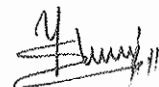
For Consolidating Entity



CFO / Authorised signatory

Place : Mumbai

Dale : May 10, 2017



Yadunath Dhuri
Company Secretary

Place : Mumbai

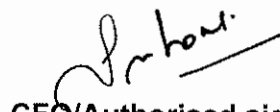
Dale : May 10, 2017

Chenani Nashri Tunnelway Limited

Movement in Shareholding Pattern for the year ended March 31, 2017

Date of Purchase/sale /new Issue/buy back etc.	No. of Equity Shares	Transaction price	Details of Purchaser/Investor / Seller	Net Asset Value calculation as on date of the transaction
NOT APPLICABLE				

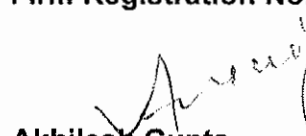
For Consolidating entity


CFO/Authorised signatory


Yadunath Dhuri
Company Secretary

Place : Mumbai
Dale : May 10, 2017

For Luthra & Luthra
Chartered Accountants
Firm Registration No.-002081N


Akhilesh Gupta
Partner
Membership No.-89909



Place : Mumbai
Dale : May 10, 2017

Chenani Nashri Tunnelway Limited
Audit for the year ended March 31, 2017

(Part 1) - Provision for Overlay

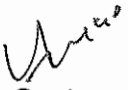
Provision for overlay in respect of toll roads maintained by the Group under service concession arrangements and classified as intangible assets represents contractual obligations to restore an infrastructure facility to a specified level of serviceability in respect of such asset. Estimate of the provision is measured using a number of factors, such as current contractual requirements, technology, expert opinions and expected price levels. Because actual cash flows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provision is reviewed at regular intervals and adjusted to take account of such changes.

Accordingly, provision for overlay in respect of such service concession agreements are based on above assumptions.

Movements in provision made for overlay made in respect of Intangible Assets under SCA are tabulated below:

Particulars	As at March 31, 2017		As at March 31, 2016	
	Non-Current	Current	Non-Current	Current
Opening balance as on	-	-	-	-
Provision made during the year				
Provision utilised				
Adjustment for Foreign exchange fluctuation during the year				
Adjustment for reclassification during the year				
Closing balance as on	-	-	-	-

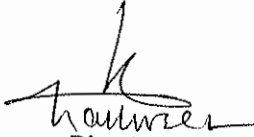
For Luthra & Luthra
Chartered Accountants
Firm Registration No.-002081N



Akhilesh Gupta
Partner
Membership No.-89909



Place : Mumbai
Dale : May 10, 2017

For and on behalf of the Board


Director
J. S. Rathore
DIN-06416261


Director
Shaivali Parekh
DIN-03612820

Place : Mumbai
Dale : May 10, 2017

Chenani Nashri Tunnelway Limited
Audit for the year ended March 31, 2017

(Part 2) - Estimates Used (Intangible Assets)

As per the accounting policy followed by the Group :-

Under Service Concession Arrangement (SCA), where a Special Purpose Vehicle (SPV) has received the right to charge users of a public service, such rights are recognized and classified as "Intangible Assets". Such a right is an unconditional right to receive consideration however the amounts are contingent to the extent that the public uses the service.

The book value of such an Intangible Asset is recognized by the SPV at the fair value of the constructed asset which comprises of the actual construction cost plus the margins as per the SCA.

The Intangible Asset is amortised on the basis of units of usage method over the lower of the remaining concession period or useful life of such intangible asset, in terms of each SCA.

Estimates of margins are based on internal evaluation by the management. Estimates of units of usage, toll rates, contractual liability for overlay expenditure and the timing of the same are based on technical evaluations and / or traffic study estimates by external agencies.

These factors are consistent with the assumptions made in the previous years.

The key elements have been tabulated below:

	Upto March 31, 2017
Margin on construction services recognised in respect of intangible assets (₹)	-
Amortisation charge in respect of intangible assets (₹)	
Units of usage (No. of vehicles) (over the entire life of concession period)	
Total Estimated Revenue for project (over the entire life of concession period)	
	As at March 31, 2017
Carrying amounts of intangible assets (₹)	
Carrying amounts of intangible assets under development (₹)	
Provision for overlay in respect of intangible assets (₹)	-
	For the year ended March 31, 2017
Amortisation charge in respect of intangible assets (₹)	

Particulars	Amount ₹
Total estimated cost till the end of the construction period	
Total estimated margin till the end of the construction period	

Particulars	Amount Rs.
Opening Margins till March 31, 2016	
During the period under audit	
Construction Revenue	
Construction Cost	
Margin	-
Margins Recognised till the balance sheet date upto March 31, 2017	-

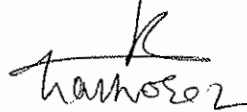
Margin Percentage Applied on Construction Cost to recognise Construction Revenue	%
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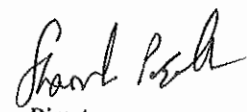
For Luthra & Luthra
Chartered Accountants
Firm Registration No.-002081N


Akhilesh Gupta
Partner
Membership No.-89909



For and on behalf of the Board


Director
J. S. Rathore
DIN-06416261


Director
Shaivali Parekh
DIN-03612820

Place : Mumbai
Date : May 10, 2017

Place : Mumbai
Date : May 10, 2017

Chenani Nashri Tunnelway Limited
Audit for the year ended March 31, 2017

(Part 3) - Estimates Used (Financial Assets)

As per the accounting policy followed by the Group:-

Under a Service Concession Arrangement (SCA), where a Special Purpose Vehicle (SPV) has acquired contractual rights to receive specified determinable amounts (Annuity) for use of an asset, such amounts are recognised as "Financial Assets" and are disclosed as "Receivable against Service Concession Arrangements"

The value of a Financial Asset covered under a SCA includes the fair value estimate of the construction services which is estimated at the inception of the contract and is based on the fair value of the constructed asset and comprises of the actual construction cost, a margin as per the SCA, estimates of the future operating and maintenance costs, including overlay / renewal costs

The cash flows from a Financial Asset commences from the Provisional / Final Commercial Operation Date as certified by the granting authority for the SCA.

The cash flow from a Financial Asset is accounted using the effective interest rate method. The intrinsic interest element in each Annuity receipt is accounted as finance income and the balance amount is accounted towards recovery of dues from the "Receivable against Service Concession Arrangements"

These factors are consistent with the assumptions made in the previous years.

The key elements have been tabulated below:

	Upto / as at March 31, 2017 (Rupees)
Margin on construction and operation and maintenance and renewal services recognised in respect of Financial Assets	3,29,64,68,894
Carrying amounts of Financial Assets included under Receivables against Service Concession Arrangements	54,02,96,99,419
Revenue recognised on Financial Assets on the basis of effective interest method	14,72,51,31,142

Particulars	Amount ₹
Total estimated cost till the end of the construction period	40,00,00,000
Total estimated margin till the end of the construction period	2,73,62,901

Particulars	Amount Rs.
March 31, 2016	2,82,07,07,259
Opening Margins as per last year notes	2,82,07,07,259
Construction Revenue	7,37,58,70,697
Construction Cost	6,90,10,93,786
O & M Revenue	1,64,12,064
O & M Cost	1,73,96,788
Periodic Maintenance Revenue	-
Periodic Maintenance Cost	-
Margin	47,57,61,635
Margins Recognised till the balance sheet date	3,29,64,68,894

Receivable on SCA as at March 31, 2017	54,02,96,99,419
--	-----------------

Margin Percentage Applied on Construction Cost to recognise Construction Revenue	6.84%
--	-------

Financial Income	Amount ₹
Revenue recognised on Financial Assets on the basis of effective interest method	
Up to March 31, 2015	7,82,88,23,555
March 31, 2016	3,67,69,48,980
March 31, 2017	3,21,93,58,608
Total	14,72,51,31,142

Financial Assets Reco:

Particulars	Current	Non-Current
Opening Receivables under Service Concession Arrangements		43,41,97,65,368
Add - Additions during the year		10,60,99,34,051
Less - Receipt of Annuity	6,35,04,00,000	
Closing Receivables Balance as per Balance Sheet	6,35,04,00,000	54,02,96,99,419

For Luthra & Luthra
Chartered Accountants
Firm Registration No.-002081N

Akhilesh Gupta
Partner
Membership No.-89909



For and on behalf of the Board

J. S. Rathore *Shaivali Parekh*
Director Director
J. S. Rathore Shaivali Parekh
DIN-06416261 DIN-03612820

Place : Mumbai
Date : May 10, 2017

Place : Mumbai
Date : May 10, 2017

Chenani Nashri Tunnelway Limited
Audit for the year ended March 31, 2017

(Part 4) - Other Information

Significant terms of Service Concession Arrangements (SCA) are provided below.

Particulars	Chenani Nashri Tunnelway Limited
Nature of Assets	Financial Asset
Year when SCA granted	28-Jun-10
Period	20 years (Including 5 year of Construction Period)
Extension of period	NIL
Construction	Under Construction
Premature Termination	NIL
Frequency of Annuity	Semi-Annually
Special Term	NIL
Brief description of Concession	<p>Service Concession Arrangement (SCA) dated June 28, 2010 entered into with National Highways Authority of India (NHAI), envisages Rehabilitation Strengthening and four laning of Chenani to Nashri Section of NH-1A, from km 89.00 to km 130.00 including 9km long tunnel (2 lane) with parallel escape tunnel on Design, Build, Finance, Operate and Transfer (DBFOT) basis in the state of Jammu & Kashmir. The Concession Agreement envisages concession for a period of 20 years including construction period of 1825 days commencing from 23rd May 2011 (the 'Appointed date'). Premature termination is permitted only upon happening of a force majeure event or upon the parties defaulting on their obligation.</p> <p>the company is entitled to earn Semi-annuity of Rs. 317.52 Crores each on the dates specified in the SCA. NHAI will retain the right to levy and collect fees from the users of the Road and to permit advertisements, hoardings and other commercial activities at the Road site.</p> <p>At the end of the concession period, the company will hand over the Road to NHAI without additional consideration.</p>

For Luthra & Luthra
Chartered Accountants
Firm Registration No.-002081N

Akhilesh Gupta
Partner
Membership No.-89909



Place : Mumbai
Dale : May 10, 2017

For and on behalf of the Board

J. S. Rathore

Director
J. S. Rathore
DIN-06416261

Shaivali Parekh

Director
Shaivali Parekh
DIN-03612820

Place : Mumbai
Dale : May 10, 2017

Chenani Nashri Tunnelway Limited
Audit for the year ended March 31, 2017

List of Related Parties and transactions / balances with them not included in Related Party Disclosures in Notes to Accounts.

Part 1

1. Name of the related parties and description of relationship:

Nature of Relationship with "IL&FS"	Name of Entity	Acronym used
Holding Company :		
Fellow Subsidiaries		
Associates :		
Co - Venture :		
Key Management personnel :		

2. Details of balances and transactions during the period with related parties ₹

Account head	Name of Entity	31-Mar-17	31-Mar-16
Balances:			
Account head	Name of Entity	31-Mar-17	31-Mar-16
Transactions:			

3. Managerial Remuneration to Key Management Personnel (KMP) for Related Party Disclosure: ₹

Name	Remuneration	Director's Sitting Fees	Rent	Interest payment	Others (Specify, if any) (See Note below)	Total
Mr Ravi Parthasarathy						-
Mr Hari Sankaran						-
Mr Arun K Saha						-
Mr Vibhav Kapoor						-
Mr Manu Koehhar						-
Mr Ramesh C Bawa						-
Mr K Ramchand						-
Mr Shahzaad Dalal						-
Ms Vishpala Parthasarathy						-
Ms Sulagna Saha						-
Ms Nafisa Dalal						-
Mr Faiznan Dalal						-

Note: Please add respective columns for the outstanding balances with the above KMPs also in addition to Profit & Loss transactions

Part 2

1. Name of the related parties and description of relationship:

Nature of Relationship with "ITNL"	Name of Entity	Acronym used
Holding Company :		
Fellow Subsidiaries		
Associates :		
Co - Venture :		
Key Management personnel :		

2. Details of balances and transactions during the period with related parties ₹

Account head	Name of Entity	31-Mar-17	31-Mar-16
Balances:			
Account head	Name of Entity	31-Mar-17	31-Mar-16
Transactions:			

In terms of our clearance memorandum attached
For Luthra & Luthra
Chartered Accountants
Firm Registration No.-002081N

Akhilesh Gupta
Partner
Membership No.-89909



For Consolidating entity

CFO / Authorised signatory

Place : Mumbai
Date : May 10, 2017

Place : Mumbai
Date : May 10, 2017

Chenani Nashri Tunnelway Limited
Audit for the year ended March 31, 2017

Movement of Long term Investments for Cash flow

All the movements in Long term Investment needs to be given under following table to identify the cash flow impact

Script	Opening Balance as of 1/4/2016	Purchase Amount	Cost of Sale	Profit / (Loss)	Sale Value	Forex adjustments	Other adjustments	Transfer	Closing Balance as of 31/3/2017	Remarks
NOT APPLICABLE										

In terms of our clearance memorandum attached
For Luthra & Luthra
Chartered Accountants
Firm Registration No.-002081N

For Consolidating entity



Akhilesh Gupta
Partner
Membership No.-89909

[Signature]
CFO / Authorised signatory

Place : Mumbai
Date : May 10, 2017

Place : Mumbai
Date : May 10, 2017

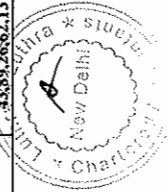
Chenani Nashri Tunnelway Limited
Audit for the year ended March 31, 2017

Variance Analysis with Comparatives:

All the Companies needs to provide reasons / justifications of variances in comparison with previous period

(1) Balance sheet :

	March 31, 2017	March 31, 2016	Increase / (Decrease)	Reasons for Variance
ASSETS				
Non-current Assets				
(a) Property, plant and equipment	14,62,281	14,62,281	-	
(b) Financial assets				
(i) Other financial assets	47,91,83,55,516	43,41,97,66,371	4,49,85,89,145	Increase due to construction
(c) Tax assets				
(i) Current Tax Asset (Net)	60,46,457	85,47,053	(25,00,596)	
(d) Other non-current assets	6,88,843	32,74,20,543	(32,67,31,700)	Mobilisation Advance Recovered
Total Non-current Assets	47,92,65,53,097	43,75,71,96,248	4,16,93,56,849	
Current Assets				
(a) Financial assets				
(i) Cash and cash equivalents	71,86,03,490	2,00,09,325	69,85,94,165	
(ii) Bank balances other than (i) above	10,54,58,735	9,84,37,500	70,21,235	
(iii) Other financial assets	6,35,04,20,300	11,84,65,514	6,35,04,01,611	Increase due to construction
(b) Other current assets	18,41,422	1,70,00,369	(1,51,58,947)	
Total Current Assets	7,17,63,23,947	13,54,65,883	7,04,08,58,064	
Total Assets	55,10,28,77,044	43,89,26,62,131	11,21,02,14,913	
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	3,72,00,00,000			
(b) Other Equity	81,52,44,736	2,29,40,07,566	(1,47,87,62,830)	
Equity attributable to owners of the Company	4,53,52,44,736	6,01,40,07,566	(1,47,87,62,830)	
Total Equity	4,53,52,44,736	6,01,40,07,566	(1,47,87,62,830)	
LIABILITIES				
Non-current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	34,30,86,51,980	32,34,72,77,378	1,96,13,74,602	Increase in Borrowings
(ii) Other financial liabilities	1,19,62,86,351	69,12,01,884	50,50,84,467	Increase in Borrowings / Other Liabilities
Total Non-current Liabilities	35,50,49,38,331	33,03,84,79,262	2,46,64,59,069	
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	5,11,23,67,709	1,70,55,67,425	3,40,68,00,284	Increase in Borrowings
(iii) Other financial liabilities	9,92,81,62,623	3,09,34,89,095	6,83,46,73,528	Increase in Borrowings / Other Liabilities
(b) Other current liabilities	2,21,63,645	4,11,18,783	(1,89,55,138)	
Total Current Liabilities	15,06,26,93,977	4,84,01,75,303	10,22,25,18,674	
Total Liabilities	50,56,76,32,508	37,87,86,54,565	12,68,89,77,943	
Total Equity and Liabilities	55,10,28,77,044	43,89,26,62,131	11,21,02,14,913	



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Chenani Nashri Tunnelway Limited
Audit for the year ended March 31, 2017

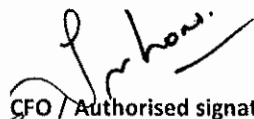
Variance Analysis with Comparatives:

All the Companies needs to provide reasons / justifications of variances in comparison with previous period

(2) Statement of Profit and Loss:

Statement of Profit and Loss	March 31, 2017	March 31, 2016	Increase / (Decrease)	Reasons for variance
Income				
Revenue from Operations	10,60,99,34,051	9,69,56,76,569	91,42,57,482	Increase due to Construction Revenue
Other income	18,45,048	-	18,45,048	
			-	
Total Income	10,61,17,79,099	9,69,56,76,569	91,61,02,530	
			-	
Expenses				
Construction Costs	6,90,10,93,786	5,48,99,26,010	1,41,11,67,776	Increase due to Construction Cost
Operating expenses of SCA	1,64,12,064	-	1,64,12,064	O & M Started
Finance costs	5,00,50,40,075	3,97,14,05,054	1,03,36,35,021	Increase in Borrowing Cost
Other expenses	6,07,97,737	56,21,198	5,51,76,539	Innaugration Expenses
			-	
Total expenses	11,98,33,43,662	9,46,69,52,262	2,51,63,91,400	
			-	
Profit before exceptional items and tax	(1,37,15,64,563)	22,87,24,307	(1,60,02,88,870)	
Add: Exceptional items			-	
Profit before tax	(1,37,15,64,563)	22,87,24,307	(1,60,02,88,870)	
			-	
Less: Tax expense			-	
(1) Current tax			-	
(2) Deferred tax			-	
			-	
Profit for the period from continuing operations (I)	(1,37,15,64,563)	22,87,24,307	(1,60,02,88,870)	
			-	
Profit for the period (III=I+II)	(1,37,15,64,563)	22,87,24,307	(1,60,02,88,870)	
			-	
			-	
			-	
Other Comprehensive Income				
A (i) Items that may be reclassified to profit or loss				
(a) Effective portion of gains and losses on designated portion of hedging instruments in a cash flow hedge	(10,71,95,850)	(3,03,62,577)	(7,68,33,273)	
			-	
Total other comprehensive income (IV=A (i-ii)+B(i-ii))	(10,71,95,850)	(3,03,62,577)	(7,68,33,273)	
			-	
Total comprehensive income for the period (III+IV)	(1,47,87,60,413)	19,83,61,730	(1,67,71,22,143)	
			-	

For Consolidating Entity


CFO / Authorised signatory

Place : Mumbai
Date : May 10, 2017



Utilisation of fund investments by Parent Company in Toll / Rail / Checkpost Project Company under construction during year ended March 31, 2017

Project Company	Financial Year of Investment	Instrument	Name of Parent company	Incremental Investment by Parent Company in Project Company (Rs)	Amount used in project / construction activity by Project Company (Rs)	Amount used for general administrative expenses by Project Company (Rs)	Amount lying in FD, cash / bank balance (Rs)	Amount used for any other purposes (Pls define) by Project Company (Rs)	Project Status - Operational / Under construction	Project Commissioning date	Remarks (if any)
For example :											
ABC Ltd	For 2014-15	Equity shares									
		Adv - Invst									
		Pref shares									
		Others (Pls specify)									
	For 2015-16	Equity shares									
		Adv - Invst									
		Pref shares									
		Others (Pls specify)									
	For 2016-17	Equity shares									
		Adv - Invst									
		Pref shares									
		Others (Pls specify)									
NOT APPLICABLE											
ABC Ltd	As of March 31, 2017	Equity shares									
		Adv - Invst									
		Pref shares									
		Others (Pls specify)									

In terms of our clearance memorandum attached
For Luthra & Luthra
Chartered Accountants
Firm Registration No.-002081N



Akhil Gupta
Akhil Gupta
Partner
Membership No.-89909

Place : Mumbai
Date : May 10, 2017

For Consolidating entity
[Signature]
CFO / Authorised signatory

Place : Mumbai
Date : May 10, 2017