

CHENANI NASHRI TUNNELWAY LIMITED

ANNUAL REPORT

2011-12

DIRECTORS' REPORT

The Shareholders,
Chenani Nashri Tunnelway Limited

Your Directors have pleasure in presenting the Second Annual Report along with the Audited Statements of Accounts for the year ended March 31, 2012

Financial Results:

The financial results of the Company are as under:

(in ₹.)

Particulars	Year ended March 31, 2012	Period ended March 31, 2011
Total Income		395,548
Total Expenses		27,641,221
Profit/(Loss) Before Tax		(27,245,673)
Less: Provision for Tax		-
Profit/(Loss)After Tax		(27,245,673)
Balance carried forward		(27,245,673)

Operations:

During the year under review, your Company commenced the excavation and the initial works for the main tunnel and escape tunnel from both the South and North portal for construction of 9 km long road tunnel between Chenani and Nashri of NH-1A in the state of Jammu & Kashmir on Design Build Finance Operate & Transfer (DBFOT) ("Project") on annuity basis awarded by the National Highways Authority of India. The Company has achieved physical progress of 29.37% and financial progress of 27.00% as of March 31, 2012.

Dividend:

Due to inadequacy of profits, your Directors have not recommended any dividend for the financial year under review.

Increase in Capital:

During the year under review, 2,44,10,000 shares of ₹10 each were allotted due to which the paid-up share capital of your Company has increased from ₹3,47,59,00,000 to ₹3,72,00,00,000.

Directors:

In terms of the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Krishna Ghag, Director, is liable to retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment.

Auditors:

M/s. Luthra & Luthra, Chartered Accountants, retires at the ensuing Annual General Meeting of the Company and have expressed their willingness to continue as Statutory Auditors of the Company, if re-appointed.

Corporate Governance:

Four Board Meetings were held during the year under review on April 19, 2011, July 18, 2011, October 18, 2011 and January 19, 2012. The numbers of meetings attended by the Directors are as under:

Sr. No.	Name of Directors	No. of Board Meetings held during tenure	Meetings attended
1	Mr. Krishna Ghag	4	4
2	Mr. Ravi Sreehari	4	3
3	Mr. Ajay Menon	4	4
4	Mr. Mukund Sapre	4	3
5.	Mr. Gopalkrishnan Vishwanathan	4	1

The Audit Committee was constituted on January 25, 2011 in accordance with the provisions of Section 292A of the Companies Act, 1956. The Audit Committee comprises of Mr. Mukund Sapre, Mr. Krishna Ghag, Mr. Ajay Menon and Mr. G Vishwanathan. The Audit Committee met four times during the year under review on April 19, 2011, July 18, 2011, October 18, 2011 and January 19, 2012

Deposits:

Your Company has not invited/ accepted any deposits during the year under review

Particulars of Employees:

There were no employees in respect of whom the information is required to be provided pursuant to Section 217(2A) of the Companies Act, 1956.

Directors Responsibility Statement:

Pursuant to Section 217(2AA) of the Companies Act, 1956 (“the Act”) the Directors based on the representations received from the Operating Management, confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Loss of the Company for that period;

- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis

Foreign Exchange Earnings and Outgo:

There was no earning or outgo of foreign exchange during the year under review.

Since your Company does not have any manufacturing facility, the other particulars in the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable and hence not provided

Acknowledgments:

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

For and on behalf of the Board

Sd/-
Managing Director

Sd/-
Director

Mumbai, April 18, 2012

REPORT OF THE AUDITORS' TO THE MEMBERS OF
CHENANI NASHRI TUNNELWAY LIMITED

1. We have audited the attached Balance Sheet of **CHENANI NASHRI TUNNELWAY LIMITED** (the "Company") as at 31st March, 2012, and the related Profit and loss account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order 2004 (together 'the Order') issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 ('the Act'), we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order on the basis of such checks of the books and records of the company as we considered appropriate and the information and explanation given to us during the course of audit.
4. Further to our comments in the annexure referred to above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;
 - b) In our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from our examination of the books;
 - c) The Balance Sheet, Profit and Loss account and the Cash Flow Statement referred to in this report are in agreement with the books of account.
 - d) In our opinion the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the mandatory accounting standards referred to in Section 211(3C) of the Companies Act, 1956 to the extent applicable.
 - e) On the basis of written representations received from the directors, as on 31st March 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.



- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2012;
 - ii) in the case of the Profit and loss Account, of the loss of the company for the year ended 31st March, 2012; and
 - ii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For Luthra & Luthra

Chartered Accountants

Firm Registration No. 002081N


Amit A. Purohit**Partner****Membership No. 101612**

Mumbai: 18/4/2012

Annexure referred to in paragraph (3) of the Auditors' Report of even date to the members of CHENANI NASHRI TUNNELWAY LIMITED on the financial statements for the year ended 31st March, 2012

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year as per the programme of verification adopted by the management of the Company, which, in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies between book records and the physical inventory have been noticed in respect of the assets physically verified.
- (c) Since, no part of the fixed assets has been disposed off by the Company during the year, paragraph 4(i)(c) of the Order is not applicable.
- (ii) As the company does not have any Inventory, paragraph 4(ii)(a),(b) and (c) of the Order are not applicable.
- (iii) (a) In our opinion and according to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to Companies, firms or other parties covered in the Register maintained under Section 301 of the Act. As such, paragraph 4(iii) (a), (b), (c), (d) of the Order are not applicable.
- (b) In our opinion and according to the information and explanations given to us, the Company has not taken any loan, secured or unsecured, from Companies, firms or other parties covered in the Register maintained under Section 301 of the Act. As such paragraph 4(iii) (e), (f), (g) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and nature of its business for purchase of fixed assets. The activities of the Company during the financial year under audit do not involve purchase of inventory and sale of goods or services. Further, on the basis of the information and explanations given to us, we have neither observed nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
- (v) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into any transaction referred to in Section 301 of the Act. Hence paragraph 4(v)(a) and (b) of the said Order are not applicable.
- (vi) As the Company has not accepted any deposits from the public, paragraph 4(vi) of the Order is applicable.
- (vii) The Company has appointed a firm of Chartered Accountants to carry out its internal audit function. In our opinion, internal audit system is commensurate with its size and nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has prescribed the maintenance of costs records under Section 209(1) (d) of the Companies Act, 1956. On the basis of certificate from the Cost accountant certifying the maintenance of cost records, we are of the opinion that prima facie, the company has made and maintained the same to the extent applicable. We have broadly reviewed the book of accounts and records maintained by the Company. We have, however, not made detailed examination of these records with the view to determine that whether they are accurate and complete.
- (ix) (a) According to the information and explanations given to us and according to the books and records examined by us, the company has been generally regular in depositing with the appropriate authorities undisputed statutory dues including income tax and other material statutory dues as applicable to it. According to the information and explanations given to us,



there are no undisputed amounts payable in respect of such Statutory dues which have remained outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no disputed statutory dues payables by the Company.
- (x) As the Company has been registered for a period less than five years, paragraph 4(x) dealing with accumulated losses and cash losses is not applicable to the Company.
- (xi) Based on our audit procedures and on the basis of information and explanations given by management, we are of the opinion that the Company has not defaulted in repayment of its dues to any Financial Institution, bank or Debenture Holders. As the company has not issued any Debentures the question of examining the repayment of same does not arise.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly Paragraph 4 (xii) of the Order is not applicable.
- (xiii) The Company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly paragraph 4 (xiii) of the Order is not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other Investments. Accordingly, Paragraph 4 (xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, Company has not given any guarantee in respect of loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us and records examined by us, the Company has applied the term loan for the purpose for which the loan was obtained.
- (xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, there are no funds raised on short term basis which have been used for long term purposes.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
- (xix) The Company has not issued any debentures. Accordingly, paragraph 4 (xix) of the Order is not applicable.
- (xx) The Company has not raised any money by public issue during the year. Accordingly, paragraph 4 (xx) of the Order is not applicable.
- (xxi) During the course of our examination of the books of account and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have not come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.



For Luthra & Luthra
Chartered Accountants
FRN: 002081N

Amit A. Purohit
Amit A. Purohit
Partner

Membership No. 101612

Mumbai: 18/4/2012

CHENANI NASHRI TUNNELWAY LIMITED
Balance Sheet As At March 31, 2012

Particulars	Note	As At		As At	
		March 31, 2012		March 31, 2011	
I EQUITY AND LIABILITIES					
1 SHAREHOLDERS' FUNDS					
(a) Share capital	2	3,720,000,000		3,475,900,000	
(b) Reserves and surplus	3	(39,615,753)	3,680,384,247	(27,245,673)	3,448,654,327
2 SHARE APPLICATION MONEY PENDING ALLOTMENT					244,100,000
3 NON-CURRENT LIABILITIES					
(a) Long-term borrowings	4	9,065,400,000		-	
(b) Other long term liabilities	6	404,127,890	9,469,527,890	137,188,143	137,188,143
4 CURRENT LIABILITIES					
(a) Trade payables	5	837,287,233		3,468,059,457	
(b) Other current liabilities	7	13,966,051	851,253,284	484,632,918	3,952,692,375
TOTAL			14,001,165,421		7,782,634,845
II ASSETS					
1 NON CURRENT ASSETS					
(a) Fixed assets	8				
(i) Tangible assets		1,462,281		1,462,281	
(ii) Capital work-in-progress		11,371,522,907	11,372,985,188	5,120,575,060	5,122,037,341
(b) Long-term loans and advances	9		1,825,254,920		2,400,001,000
2 CURRENT ASSETS					
(a) Cash and cash equivalents	12	197,074,443		260,270,922	
(b) Short-term loans and advances	10	605,850,870		62,057	
(c) Other current assets	11	-	802,925,313	263,525	260,596,504
TOTAL			14,001,165,421		7,782,634,845

Notes 1 to 26 form part of the financial statements.

As per our Report of even date

For LUTHRA & LUTHRA
Chartered Accountants
Firm Registration No. 002081

Amit A. Purohit
Amit A. Purohit
Partner
Membership Number : 101612
Place:
Date: April 14 2012



For and on behalf of the Board

S. S. Mehta
Managing Director
M. Mehta
Director



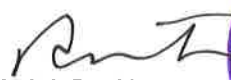
CHENANI NASHRI TUNNELWAY LIMITED
Statement of Profit and Loss for the Year Ended March 31, 2012

		₹	
Particulars	Note	Year ended March 31, 2012	Period ended March 31, 2011
I Revenue from operations		-	-
II Other income	14	-	395,548
III Total revenue		-	395,548
IV Expenses			
Other Expenses	15	1,570,080	27,641,221
Total expenses		1,570,080	27,641,221
V Profit/ (Loss) before exceptional and extraordinary items and tax (III-IV)		(1,570,080)	(27,245,673)
VI Exceptional items		-	-
VII Profit/ (Loss) before extraordinary items and tax (V-VI)		(1,570,080)	(27,245,673)
VIII Extraordinary items		-	-
IX Profit/ (Loss) before tax (VII-VIII)		(1,570,080)	(27,245,673)
X Tax expense:			
(1) Current tax		(10,800,000)	-
(2) Deferred tax		-	-
Total tax expenses (X)		(10,800,000)	-
XI Profit/ (Loss) for the period (IX-X)		(12,370,080)	(27,245,673)
Earnings per equity share (Face value per share Rupees 10/-):	16		
(1) Basic		(0.03)	(0.21)
(2) Diluted		(0.03)	(0.21)

Notes 1 to 26 form part of the financial statements.

As per our Report of even date

For LUTHRA & LUTHRA
Chartered Accountants
Firm Registration No. 0020871N


Amit A. Purohit
Partner
Membership Number : 101612
Place:
Date: April 18 2012



For and on behalf of the Board


Managing Director


Director

RI

	As at 31-Mar-12	As at 31-Mar-11
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) Before Taxes	(1,570,080)	(27,245,673)
Adjustments for :-		
Interest on Fixed Deposits	-	(395,548)
Operating profit/ (Loss) before Working Capital Changes	(1,570,080)	(27,641,221)
Adjustments changes in working capital:		
Decrease/ (Increase) in other current, Other Non-Current assets & Trade Receivables	-	(263,525)
(Decrease)/ Increase in Other Current, Other Non-Current Liabilities & Trade Payables	-	114,511
Cash Generated from Operating Activities	(1,570,080)	(27,790,235)
NET CASH GENERATED/ (USED) IN OPERATING ACTIVITIES	A	(1,570,080)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (including Intangible Assets)	-	(1,462,281)
(Increase) / decrease in Loans & advances related to Investment activities	(30,312,176)	(2,400,001,000)
Increase / (decrease) in payables related to Investment activities	(2,834,499,344)	4,089,766,007
Interest on Fixed Deposits	-	395,548
Capital Work In Progress	(6,250,947,847)	(5,120,575,060)
Payment of Taxes	(11,267,032)	(62,057)
NET CASH (USED IN)/ GENERATED FROM INVESTING ACTIVITIES	B	(9,127,026,399)
(C) CASH FROM FINANCING ACTIVITIES		
Issue of Equity Share Capital	-	3,475,900,000
Proceeds from Long term Borrowings	9,065,400,000	-
Increase /(decrease) in Advance towards capital	-	244,100,000
NET CASH GENERATED FROM FINANCING ACTIVITIES	C	9,065,400,000
(D) Net Increase/ (Decrease) in Cash and Cash Equivalents	(A+B+C)	(63,196,479)
Cash and Cash Equivalent at the beginning of the year (Note No. 12)	260,270,922	-
Cash and Cash Equivalent at the end of the year (Note No. 12)	197,074,443	260,270,922
Net Increase / (Decrease) in Cash & Cash Equivalents	(63,196,479)	260,270,922
Notes:		
Components of Cash & Cash Equivalent		
Cash on Hand	14,910	5,510
Cheques on Hand	-	-
Balance with Scheduled Banks - Current Accounts	197,059,533	110,265,412
Balance with Scheduled Banks in term deposits (maturity less than 3 months)	-	150,000,000
	197,074,443	260,270,922
Fixed deposits placed for periods exceeding 3 months	-	-
Cash & Bank Balances (Refer Note No."12")	197,074,443	260,270,922

As per our Report of even date

For LUTHRA & LUTHRA
Chartered Accountants
Firm Registration No. 0020811

Amit A. Purohit
Partner
Membership Number : 101612
Place:
Date: April 18/2012



For and on behalf of the Board


Managing Director


Director

RL

CHENANI NASHRI TUNNELWAY LIMITED
Year Ended March 31, 2012

Note 2: Share capital

Particulars	As at March 31, 2012		As at March 31, 2011	
	Number	₹	Number	₹
Authorised Equity Shares of Rupees 10/- each	372,000,000	3,720,000,000	372,000,000	3,720,000,000
Issued Equity Shares of Rupees 10/- each	372,000,000	3,720,000,000	347,590,000	3,475,900,000
Subscribed and Paid up Equity Shares of Rupees 10/- each fully paid (refer foot note no. i, ii and iii)	372,000,000	3,720,000,000	347,590,000	3,475,900,000
Total	372,000,000	3,720,000,000	347,590,000	3,475,900,000

Foot Notes:

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

During the year ended 31st March 2012, no dividend is declared by Board of Directors (Previous year - Nil).

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

Particulars	As at March 31, 2012		As at March 31, 2011	
	Equity Shares		Equity Shares	
	No. of Shares	₹	No. of Shares	₹
Shares outstanding at the beginning of the period / year	347,590,000	3,475,900,000	-	-
Shares issued during the period / year	24,410,000	244,100,000	347,590,000	3,475,900,000
Shares bought back during the period / year	-	-	-	-
Shares outstanding at the end of the period / year	372,000,000	3,720,000,000	347,590,000	3,475,900,000

iii. Shareholding more than 5% shares

Name of Shareholder	As at March 31, 2012		As at March 31, 2011	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
IL&FS Transportation Networks Limited (The Holding Company) & it's Nominees	372,000,000	100%	347,590,000	100%
Total	372,000,000	100%	347,590,000	100%



CHENANI NASHRI TUNNELWAY LIMITED
Year Ended March 31, 2012

Note 3: Reserves and surplus

Particulars	As at March 31, 2012		As at March 31, 2011	
Surplus / (Deficit) in the Statement of Profit and Loss				
Balance as per last financial statements	(27,245,673)		-	
(+) Profit/ (Loss) for the current year / period	(12,370,080)	(39,615,753)	(27,245,673)	(27,245,673)
Total		(39,615,753)		(27,245,673)



Note 4: Long-term borrowings

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Term Loans				
(i) Secured				
From banks (refer foot note no. i)		9,065,400,000		
Total		9,065,400,000		

Foot Notes:

(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 first mortgage and charge on all the Company's immovable properties, both present and future, save and except the project assets;
- 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;
- 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;
- a charge on all tangibles 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.
- 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.

that the mortgages, charges and assignments as above in favour of the subordinate lenders shall be created to the extent permitted under the concession agreement.

(B) The Company shall make out a good and marketable title to its tangible assets and properties on which security is required to be created in favour of the senior lenders as aforesaid, to the satisfaction of the senior lenders and comply with all such formalities as may be necessary or required for the creation and perfection of the security in favour or for the benefit of the senior lenders.

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:

Total Loans Commitment is Rs. 3348,00,00,000/- (Senior Debts is Rs. 2976,00,00,000/- & Sub Debts is Rs. 372,00,00,000/-) In quarterly basis installments commencing from September 2016 and terminating on September 2025:

Senior Debts Repayment Schedule:

Year	Repayment of Loans
September 2016 to March 2017	1,169,700,000
June 2017 to March 2018	1,732,200,000
June 2018 to March 2019	1,993,900,000
June 2019 to March 2020	2,175,400,000
June 2020 to March 2021	2,342,100,000
June 2021 to March 2022	2,514,600,000
June 2022 to March 2023	2,753,000,000
June 2023 to March 2024	2,817,600,000
June 2024 to March 2025	2,817,600,000
June 2025 to September 2025	9,443,900,000
	29,760,000,000

Sub Debt Repayment Schedule:

Year	Repayment of Loans
September 2016 to March 2017	146,100,000
June 2017 to March 2018	216,400,000
June 2018 to March 2019	249,100,000
June 2019 to March 2020	272,000,000
June 2020 to March 2021	292,800,000
June 2021 to March 2022	314,400,000
June 2022 to March 2023	344,000,000
June 2023 to March 2024	352,000,000
June 2024 to March 2025	352,000,000
June 2025 to September 2025	1,181,200,000
	3,720,000,000



CHENANI NASHRI TUNNELWAY LIMITED
Year Ended March 31, 2012

Note 5: Trade Payables

₹

Particulars	As at March 31, 2012		As at March 31, 2011	
(A) Total outstanding dues to Micro Enterprises and small enterprises (Refer Footnote)		-		-
(B) Total outstanding dues other (A) above: Trade Payables Related Party		837,287,233		3,468,059,457
Total		837,287,233		3,468,059,457

Note 6: Other long term liabilities

₹

Particulars	As at March 31, 2012		As at March 31, 2011	
Others Retention Money		404,127,890		137,188,143
Total		404,127,890		137,188,143

Note 7: Other current liabilities

₹

Particulars	As at March 31, 2012		As at March 31, 2011	
Other liabilities (Refer Footnote)		13,966,051		484,632,918
Total		13,966,051		484,632,918

Foot notes:

There is no supplier covered under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act"). This information has been determined based on the details regarding the status of suppliers obtained by the Company and the same has been relied upon by the Auditors.



CHENANI NASHRI TUNNELWAY LIMITED
Year Ended March 31, 2012

Note 8: Fixed assets

Particulars	Gross block		Accumulated depreciation		Net block	
	Balance as at 1-Apr-2011	Balance as at 31-Mar-2012	Balance as at 1-Apr-2011	Depreciation charge for the year	Balance as at 31-Mar-2012	Balance as at 31-Mar-2011
a) Tangible assets						
Land	1,462,281	1,462,281	-	-	1,462,281	1,462,281
b) Capital work-in-progress	5,120,575,060	11,371,522,907	-	-	11,371,522,907	-
Gross Total	5,122,037,341	11,372,985,188	-	-	11,372,985,188	-
Previous Period 31-Mar-2011	5,122,037,341	5,122,037,341	-	-	5,122,037,341	-



CHENANI NASHRI TUNNELWAY LIMITED
Year Ended March 31, 2012

Note 9: Long-term loans and advances

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Security Deposits				
Unsecured, considered good		1,000		1,000
(b) Loans and advances to related parties				
Unsecured, considered good				
- Advance against Capital expenditure		1,818,784,238		2,400,000,000
(c) Other loans and advances				
Unsecured, considered good				
- Prepaid Expenses		6,469,681		-
Total		1,825,254,920		2,400,001,000

Note 10: Short-term loans and advances

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Loans and advances to related parties				
Unsecured, considered good				
- Advance against Capital expenditure		581,215,762		-
(b) Other loans and advances				
Unsecured, considered good				
- Advance payment of taxes (net of provision)	529,089.00		62,057.00	
- Prepaid Expenses	24,106,020	24,635,109	-	62,057
Total		605,850,870		62,057

Note 11: Other current assets

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Interest accrued				263,525
Total				263,525

Note 12: Cash and Cash Equivalents

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Cash and cash equivalents				
Cash on hand	14,910		5,510	
Balance with Banks				
- on Escrow / Current accounts	197,059,533		110,265,412	
(Refer Footnote)				
Fixed Deposits placed for a period less than 3 months		197,074,443	150,000,000	260,270,922
Total		197,074,443		260,270,922

Footnote:

As per the Concession Agreement entered into by the Company, the Company is required to maintain an Escrow Account with the Lead Bank and route all the receipts an account of borrowing/ capital contribution/annuity income and other receipts and project related expenditure through the same.



Note 13: Contingent liabilities and capital commitments & Other Information

(A) Estimated amount of contracts remaining to be executed on capital and other account :

₹

Particulars (Name of party & description)		As at March 31, 2012	As at March 31, 2011
1	IL&FS Transportation Networks Limited	17,340,508,879	22,876,503,810

(B) Estimated amount of contracts remaining to be executed on Operation & Maintenance and other account :

₹

Particulars (Name of party & description)		As at March 31, 2012	As at March 31, 2011
1	IL&FS Transportation Networks Limited	6,724,649,304	6,724,649,304

(C) Basic Information of the Company:

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 29, 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 commencing from the 'Appointed date', including construction period of 1825 days required for the Project.



CHENANI NASHRI TUNNELWAY LIMITED
Year Ended March 31, 2012

Note 14: Other income

Particulars	Year ended March 31, 2012		Period ended March 31, 2011	
Interest Income				
Interest on bank deposits		-		395,548
		-		395,548



CHENANI NASHRI TUNNELWAY LIMITED
Year Ended March 31, 2012

Note 15: Other Expenses

₹

Particulars	Year ended March 31, 2012		Period ended March 31, 2011	
Legal and consultation fees	478,741		68,089	
Rates and taxes	247,823		27,173,733	
Bank commission	16,800		42,725	
Directors' fees	150,000		70,000	
Preliminary Expenses	-		21,954	
Auditor's remuneration (refer foot note)	676,716	1,570,080	264,720	27,641,221
		1,570,080		27,641,221

Footnote:

Disclosure of the amount paid/Payable to Auditors :

Particulars (Name of party & description)		As at March 31, 2012	As at March 31, 2011
1	As Auditor	165,707	110,300
2	For Taxation Matters	84,270	-
3	For Others Services	424,891	154,420
4	For reimbursement of expenses	1,848	-
	Total	676,716	264,720



CHENANI NASHRI TUNNELWAY LIMITED
Year Ended March 31, 2012

Note 16: Earnings per equity share

Particulars	Unit	Year ended March 31, 2012	Year ended March 31, 2011
Profit/(loss) after tax	₹	(12,370,080)	(27,245,673)
Profit available for Equity Shareholders	₹	(12,370,080)	(27,245,673)
Weighted number of Equity Shares outstanding	Numbers	370,799,508	128,610,264
Nominal Value of equity shares	₹	10	10
Basic Earnings per share	₹	(0.03)	(0.21)
Equity shares used to compute diluted earnings per share	Numbers	370,799,508	128,610,264
Diluted Earnings per share	₹	(0.03)	(0.21)

Note 17: Managerial Remuneration

During the period, the Company has appointed a Managing Director. The Terms of appointment does not include any remuneration. Directors are paid only sitting fees in respect of the meetings attended by them.

Note 18:

In the opinion of the Board of Directors, Current Assets, Loans and Advances are realizable at a value, which is at least equal to the amount at which these are stated in the ordinary course of business and provision made for all known and determined liability are adequate and not in excess of the amount stated.

Note 19:

In the absence of book / tax profits or losses and consequent impact of the timing differences on the same, provision for Deferred Taxes and Current Income Tax has not been made.

Note 20:

The Company has not taken any derivative instrument during the period and there is no derivative instrument outstanding on the Balance Sheet date. Further, on the Balance Sheet date there is no outstanding foreign currency exposure in respect of receivables and payables.

Note 21:

Loans & Advances and sundry creditors are subject to balance confirmations and reconciliation, if any.

Note 22: Segment Reporting:

The Company is a special purpose vehicle and is engaged in the business of construction and maintenance of Checkposts and thus operates in a single business and geographical segment. As a result, disclosures required under AS-17 on 'Segment Reporting' have not been given.

Note 23:

Additional information pursuant to Part II of Revised Schedule VI of the Companies Act, 1956 have been given to the extent applicable.



CHENANI NASHRI TUNNELWAY LIMITED
Year Ended March 31, 2012

Note 24 : Related Party Disclosures as per the AS-18 on "Related Party Disclosure" in respect of the Company as on March 31, 2012 are as follows:

Nature of Relationship	Name of Entity
Ultimate Holding Company :	Infrastructure Leasing & Financial Services Limited (IL&FS)
Holding Company :	IL&FS Transportation Networks Limited
Fellow Subsidiaries (with whom there have been transactions during the year)	IL&FS Trust Company Limited
	IL&FS Financial Services Limited
Key Management personnel :	IL&FS Education & Technology Service Ltd
	Mr. Gopalkrishnan Viswanathan (Managing Director)

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

Account head	Name of Entity	31-Mar-12	31-Mar-11
Balances:			
Sundry Creditors	IL&FS Transportation Networks Limited	837,287,233	1,070,601,610
Share Capital	IL&FS Transportation Networks Limited	3,719,999,400	3,475,900,000
Mobilisation Advances	IL&FS Transportation Networks Limited	2,400,000,000	2,400,000,000
Retention Money	IL&FS Transportation Networks Limited	404,127,890	137,188,143
Sundry Creditors	IL&FS Trust Company Limited	-	2,308,231
Sundry Creditors	IL&FS Financial Services Limited	-	371,848,779
Sundry Creditors	IL&FS Education & Technology Service Ltd	-	9,000,000
Account head			
Transactions:			
Equity Share Capital	IL&FS Transportation Networks Limited	-	3,475,900,000
Share Application Monies	IL&FS Transportation Networks Limited	-	244,100,000
Mobilisation Advances	IL&FS Transportation Networks Limited	-	2,400,000,000
Project Development Fees	IL&FS Transportation Networks Limited	-	1,780,000,000
Project Management Fees	IL&FS Transportation Networks Limited	197,199,996	65,733,333
Milestone Payment	IL&FS Transportation Networks Limited	5,338,794,935	2,743,762,857
Security Trustee Fees	IL&FS Trust Company Limited	661,800	2,564,701
Syndication & Advisory Fees	IL&FS Financial Services Limited	-	410,316,000
Underwriting Fees	IL&FS Financial Services Limited	-	2,481,750
Legal & Professional Fees	IL&FS Education & Technology Service Ltd	-	10,000,000

Note 25: Previous period

Till previous period ending on 31st March 2011, the company was using pre-revised Schedule VI to the Companies Act, 1956 for preparation and presentation of its financial statements. During the year ending 31st March 2012, the revised Schedule VI as notified under the Companies Act, 1956 has become applicable to the Company. As result, the company has re-classified previous period figures to conform to the current year's classification. Figures of Statement of Profit and Loss for the previous period are not strictly comparable with the current year figures, as the same are for the period beginning June 2, 2010 (being the date of incorporation) and ending on March 31, 2011 (less than one year).



Note 26: Segment Information

(I) Primary - Business Segments:

	Surface Transportation Business		Building Maintenance		Non reportable		Total
	As at / for the year ended March 31, 2012	As at / for the year ended March 31, 2011	As at / for the year ended March 31, 2012	As at / for the year ended March 31, 2011	As at / for the year ended March 31, 2012	As at / for the year ended March 31, 2011	
Revenue							
External							
Inter-Segment							
Segment Revenue							
Total Revenue							
Segment results							
Unallocated income (excluding interest income)							
Unallocated expenditure							
Interest Expenses							
Interest Income unallocated							
Provision for taxation (Including Wealth Tax & Fringe Benefit Tax) Add: Share of Profit / (Loss) of Associates							
Add: Share of (Loss)/Profit of Minority Interest							
Net Profit / (Loss)							
Segment assets							
Unallocated Assets (Refer footnote 1)							
Total assets							
Segment liabilities							
Unallocated Liabilities (Refer footnote 2)							
Total liabilities							
Capital Expenditure for the year							
Depreciation for the year							
Non cash expenditure other than depreciation for the year							

(II) Secondary - Geographical Segments:

Particulars	India		Outside India	
	As at / for the year ended March 31, 2012	As at / for the year ended March 31, 2011	As at / for the year ended March 31, 2012	As at / for the year ended March 31, 2011
Revenue - External				
Segment Assets				
Capital Expenditure				
			Not Applicable	

Footnotes:

