

CHENANI NASHRI TUNNELWAY LIMITED

ANNUAL REPORT

2013-14

DIRECTORS' REPORT

The Shareholders,
Chenani Nashri Tunnelway Limited

Your Directors have pleasure in presenting the Fourth Annual Report along with the Audited Statements of Accounts for the year ended March 31, 2014

Financial Results:

The financial results of the Company are as under:

(in ₹)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Total Income	361,613	3,408
Total Expenses	(2,154,250)	1,581,410
Profit/(Loss) Before Tax	(1,792,637)	(1,578,002)
Provision for Tax	-	(3,000,000)
Profit/(Loss)After Tax	(1,792,637)	(4,578,002)
Balance carried forward	(47,786,392)	(44,193,755)

Operations:

Your Company continued the development work 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) on annuity basis awarded by the National Highways Authority of India. During the year under review the with the excavation and the initial works for the main tunnel and escape tunnel from both the South and North portal and final lining works in the tunnel was commenced. The Company had achieved physical progress of 66.11% and financial progress of 73.23% as of March 31, 2014

Dividend:

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

Directors:

Mr. Krishna Ghag and Mr. Mukund Sapre, Directors, retire by rotation at the forthcoming Annual General Meeting and being eligible have offered themselves for re-appointment

Auditors:

M/s. Luthra & Luthra, Chartered Accountants, retires at the ensuing Annual General Meeting of the Company

Corporate Governance:

Four Board Meetings were held during the year under review on April 17, 2013, July 17, 2013, October 17, 2013 and January 20, 2014. 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. Ajay Menon	4	3
3	Mr. Mukund Sapre	4	4
4	Mr. Gopalkrishnan Viswanathan	4	3
5.	Mr. J. S. Rathore	4	3
6.	Mr. S. C. Mittal	4	4

The Audit Committee has been constituted for good corporate governance and focused attention on the affairs of the Company. The Audit Committee comprises of Mr. Krishna Ghag, Mr. Ajay Menon, Mr. Mukund Sapre and Mr. Gopalkrishnan Viswanathan. The Audit Committee met four times during the year under review on April 17, 2013, July 17, 2013, October 17, 2013 and January 20, 2014. The numbers of meetings attended by the Members 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. Ajay Menon	4	3
3	Mr. Mukund Sapre	4	4
4	Mr. Gopalkrishnan Viswanathan	4	3

The Chairman of the Audit Committee was present at the AGM

Deposits:

Your Company has not 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

Mumbai, April 22, 2014

Sd/-
Managing Director

Sd/-
Director