

DIRECTORS' REPORT

To

The Members

Your Directors are pleased to present the Fifth Annual Report together with the audited annual accounts of the Company for the financial year ended 31st March, 2012.

FINANCIAL HIGHLIGHTS

The details of the incidental expenses pending allocation for the financial year ended 31st March, 2012 vis-vis the previous year ended 31st March, 2011 are tabulated below:

(Amount in ₹)		
PARTICULARS	For the Year Ended 31 st March, 2012	For the Year Ended 31 st March, 2011
Establishment and other expenses	4,08,91,936	3,89,46,120
Depreciation	49,36,152	8,81,944
Financing Charges	35,66,38,132	19,42,24,509
Provision for tax – Current tax	11,240	83,75,700
Less:		
Interest received on Fixed Deposits	(44,86,989)	(2,38,51,661)
Other Income	-	(1,48,045)
Total	39,79,90,471	21,84,28,567
Add: Brought forward from previous year	52,07,68,075	30,23,39,508
Balance carried forward to Balance Sheet	91,87,58,546	52,07,68,075

OPERATIONAL HIGHLIGHTS

Your Company was incorporated as a Special Purpose Vehicle (SPV) for implementing the Zirakpur-Parwanoo Expressway project in the States of Punjab, Haryana and Himachal Pradesh. This project for strengthening and widening of existing 17.39 km- two lane carriageway to four lane and construction of a further 10.20 km - four lane bypass had been completed by the Company in the month of March, 2012.

The Zirakpur-Parwanoo Expressway, first in the country with Radio Frequency Identification Device (RFID) technology based, electronic toll collection system was formally inaugurated on 19th of April, 2012 by Dr. C.P. Joshi, Hon'ble Union Minister, Ministry of Road Transport and Highways who dedicated it to the nation, in the presence of Ms. Kumari Selja, Hon'ble Union Minister, Ministry of Culture and Ministry of Housing & Urban Poverty Alleviation; Shri. Bhupinder Singh Hooda, Hon'ble Chief Minister of Haryana; Shri. Sardar Prakash Singh Badal, Hon'ble Chief Minister of Punjab and the official representatives of Prof. Prem Kumar Dhumal, Hon'ble Chief Minister of Himachal Pradesh. The Expressway is now completely operational and the Company has commenced with toll collection with effect from 6th April, 2012 at the toll rates approved by the National Highway Authorities of India (NHAI).

DIVIDEND

Since the Company's project was under implementation during the period under review, no dividend has been recommended for the financial year ended 31st March, 2012.

SHARE CAPITAL

During the year, there was no change in the Share Capital of the Company. The total Authorised and Paid up share capital of the Company as on 31st March, 2012 was ₹ 125 crores and ₹ 118.09 crores respectively.

DIRECTORATE

During the year, Mr. K.C. Batra, Whole time Director whose tenure of office expired on 31st January, 2012 was re-appointed as the Whole time Director for a further period of 3 years w.e.f. 1st February, 2012 with the approval of the members at the Extra-Ordinary General Meeting of the Company held on 23rd January, 2012.

Mr. K.C. Batra, Whole time Director shall retire at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Proposal for his re-appointment has been included in the Notice of the ensuing Annual General Meeting for approval of the members.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors based on the representations received from the operating management and after due enquiry, hereby confirm that:

- In preparation of the Annual Accounts, the applicable Accounting Standards have been followed and there have been no material departures;
- The Directors have in consultation with the Statutory Auditors 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 as at 31st March, 2012 and of the Incidental Expenditure pending allocation of the Company for the year ended on that date;
- Proper and sufficient care has been taken for 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 frauds and other irregularities;
- the Annual Accounts of the Company have been prepared on a "Going Concern Basis".

AUDITORS AND AUDITORS' REPORT

M/s Kishore & Kishore, Chartered Accountants, the existing Statutory Auditors of the Company hold office until conclusion of the ensuing Annual General Meeting and being eligible for reappointment, have expressed their willingness to continue as the Statutory Auditors of the Company, if re-appointed at the ensuing Annual General Meeting.

The Company has received from the Auditors, a Certificate stating that their appointment, if made, will be within the prescribed limit under section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such reappointment within the meaning of Section 226 of the said Act.

The notes to Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

FIXED DEPOSITS

During the year under review, the Company has neither invited nor accepted any deposit under Section 58A and 58AA of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

PARTICULARS OF EMPLOYEES

During the year under review, none of the employees was in receipt of remuneration exceeding the limits prescribed under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

Since the Company does not own any manufacturing facility, the requirements pertaining to disclosure of particulars relating to Conservation of energy, Technology Absorption prescribed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in Report of Board of Directors) Rules, 1988 are not applicable to the Company.

There were no foreign exchange earnings and outgo during the period under review.

EMPLOYEE RELATIONS

The Employee relations continued to be cordial throughout the year. Your Directors wish to place on record their sincere appreciation for the contribution of its employees at all levels.

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude and wish to thank the Government of India, Government of Punjab, Government of Haryana, Government of Himachal Pradesh and other Departments of Central and State Governments, National Highways Authority of India (NHAI), Financial institutions, Banks and all other authorities for the valued support and continued co-operation provided to the Company.

On behalf of the Board of Directors
For Himalyan Expressway Ltd.

Sunil Kumar Sharma
Chairman

Place : Noida
Date : 16th May, 2012

AUDITORS' REPORT TO THE SHAREHOLDERS

To the Members of Himalyan Expressway Limited

We have audited the attached Balance Sheet of **HIMALYAN EXPRESSWAY LIMITED** as at 31st March 2012, Statement of Incidental Expenditure Pending Allocation and Cash Flow statement for the year ended on that date. 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.

We conducted our audit in accordance with 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 misstatement. 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

- (1) As required by the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Government of India in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as are considered appropriate and according to the information and explanations given to us, we give in the Annexure, a statement on the matters specified in Paragraphs 4 and 5 of the said order.
- (2) Further to our comments in the Annexure referred to in paragraph 1 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 our audit;
 - (b) In our opinion, proper books of account have been kept by the Company as required by law so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Incidental Expenditure Pending Allocation and Cash Flow Statement referred

to in this report, are in agreement with the books of accounts, however, there has been no activity during the year and the previous year, necessitating the preparation of Profit & Loss Account;

- (d) In our opinion, the Balance Sheet, Statement of Incidental Expenditure Pending Allocation and Cash Flow Statement referred to in this report, comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (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 are disqualified as on 31st March 2012 from being appointed as a director in terms of clause(g) of sub-section(I) 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 significant accounting policies and 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; and
 - ii) in the case of Statement of Incidental Expenditure Pending Allocation, of the income and expenditure of the Company pending allocation till that date.
 - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **Kishore & Kishore**
Chartered Accountants

Anshu Gupta
Partner
M.No. 77891
FRN : 000291N

Place : New Delhi
Dated : 16.05.2012

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 1 of our report of even date on the accounts for the year ended 31st March 2012 of

HIMALYAN EXPRESSWAY LIMITED.

- (i) [a] The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- [b] A substantial portion of the Fixed Assets have been physically verified by the management during the year and to the best of our knowledge and information given to us, no material discrepancies have been noticed on such physical verification.
- [c] No Fixed assets have been disposed off during the year, so as to affect the Company as a going concern.
- (ii) [a] The inventory has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
- [b] The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- [c] The Company is maintaining proper records of inventory. No discrepancy was noticed on verification between the physical stocks and the book records.
- (iii) The Company has not granted nor taken any loan, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) Based on the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered into the register required to be maintained under that section. The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposit from the public during the year.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) As the Company is in its implementation stage, Clause (viii) of Para 4 of the Order is not applicable.
- (ix) (a) As per records produced before us and according to the information and explanations given to us the Company is generally regular in depositing undisputed statutory dues applicable to it like Income-tax, provident fund etc with the appropriate authorities, and there were no arrears of such dues at the year-end which have remained outstanding for a period of more than six months from the date they became payable.
- (b) As per records produced before us and according to the information and explanations given to us there are no dues of Income-tax, Sales-tax, Custom-duty, Wealth-tax, Service-Tax, Excise-Duty or Cess which have not been deposited on account of any dispute.
- (x) As the Company is in its implementation stage, Clause (x) of Para 4 of the Order is not applicable.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to any financial institution, bank or debenture holder.
- (xii) The Company has not granted any loan and advance on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/society, hence, Clause (xiii) of Para 4 of the Order is not applicable.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, debentures or other investments. Accordingly, Clause (xiv) of Para 4 of the Order is not applicable.
- (xv) The company has not given any guarantee for loans taken by others from banks or financial institutions; hence Clause (xv) of Para 4 of the Order is not applicable.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were applied by the Company during the year for the purposes for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we find that no funds were raised on short term basis, hence the question of their use for long term investment does not arise.
- (xviii) The Company has not made any preferential allotment of shares during the period.
- (xix) As the Company has not issued any debentures, Clause (xix) of Para 4 of the Order is not applicable.
- (xx) As the Company has not raised any money by way of public issues, Clause (xx) of Para 4 of the Order is not applicable.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **Kishore & Kishore**
Chartered Accountants

Anshu Gupta
Partner
M.No. 77891
FRN : 000291N

Place : New Delhi
Dated : 16.05.2012

BALANCE SHEET AS AT 31ST MARCH, 2012

(Amount in ₹)

Particulars	Notes	March 31, 2012 ₹	March 31, 2011 ₹
Equity and Liabilities			
Shareholders' funds			
Share capital	2	1,180,900,000	1,180,900,000
Reserves and surplus	3	1,163,641,000	842,941,000
Money received against share warrants		-	-
		2,344,541,000	2,023,841,000
Share application money pending allotment		-	-
Non-current liabilities			
Long-term borrowings	4	4,915,000,000	1,740,000,000
Deferred tax liabilities (Net)		-	-
Other Long term liabilities		-	-
Long-term provisions	5	1,080,807	844,677
		4,916,080,807	1,740,844,677
Current liabilities			
Short-term borrowings		-	-
Trade payables		-	-
Other current liabilities	6	294,698,697	1,340,371,219
Short-term provisions	7	20,848,440	20,837,200
		315,547,137	1,361,208,419
		7,576,168,944	5,125,894,096
Assets			
Non-current assets			
Fixed assets	8		
- Tangible assets		14,242,690	5,943,989
- Intangible assets		20,788,209	25,012,323
- Capital work-in-progress		6,421,088,843	4,336,776,646
- Incidental Expenses pending allocation			
	9	918,758,546	520,768,076
Non-current investments		-	-
Long-term loans and advances		-	-
Other non-current assets		-	-
		7,374,878,288	4,888,501,034
Current assets			
Current investments		-	-
Inventories	10	2,989,499	-
Cash and cash equivalents	11	169,398,828	180,508,171
Short-term loans and advances	12	28,689,452	54,996,298
Other current assets	13	212,877	1,888,593
		201,290,656	237,393,062
		7,576,168,944	5,125,894,096
Summary of significant accounting policies	1		
Other notes to accounts	14		
The accompanying notes are an integral part of the financial statements			

As per our report of even date attached

For **Kishore & Kishore**
Chartered Accountants
Firm R. No. 00029IN

Anshu Gupta
Partner
M. No. 77891

Place: Noida
Date: 16th May, 2012

Hrishikesh Kumar
AGM (Finance)

For and on behalf of the Board

Sunil Kumar Sharma
Chairman

K. C. Batra
Director

Notes to the financial statements for the year ended March 31, 2012

Note No. 1 Significant accounting policies

Basis of accounting

The financial statements are prepared under historical cost convention, on accrual basis, on the principles of going concern, in accordance with the generally accepted accounting principles, the relevant accounting standards and guidance notes issued by the Institute of Chartered Accountants of India (ICAI) and the applicable provisions of the Companies Act, 1956.

Revenue Recognition

Expenditure and Income are accounted for on accrual basis.

Use of Estimates

The Preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and reported amount of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/ materialized.

Grant

Grant Received from NHAI is in the nature of promoter's contribution and is being credited to capital reserve and treated as a part of shareholder's fund.

Fixed Assets

Fixed Assets are stated at cost of acquisition or construction inclusive of freight, erection & commissioning charges, duties, taxes and other incidental expenses related thereto.

Capital Work –in- Progress

Capital work-in-progress represents capital expenditure incurred in respect of the project under execution and is carried at cost. Cost includes construction costs, borrowing costs capitalized and other direct expenditure.

Depreciation/Amortisation

Depreciation on Fixed Assets is provided on Straight Line Method as per the classification and in manner specified in Schedule XIV to the Companies Act, 1956. Software are amortised over six years on Straight Line Method. Depreciation on additions to / deduction from Fixed Assets during the year is charged on Pro-rata basis / upto month in which asset is available to use / disposal.

Inventories

Inventories of Store and Spares are valued at Weighted Average Cost.

Employee's Benefits

Employee's Benefits are provided in the books as per AS-15 (revised) in the following manner:

- Provident Fund and Pension contribution – as a percentage of salary / wages is a Defined Contribution Scheme.
- Gratuity and Leave Encashment is a defined benefit obligation. The liability is provided for on the basis of actuarial valuation made at the end of each financial year. The actuarial valuation is made on Projected Unit Credit method.

Miscellaneous Expenditure

Preliminary Expenses are written off as per Accounting Standard (AS – 26).

Expenditure during Construction Period

Expenditure incurred on the project during construction is capitalized to project asset(s) on commissioning.

Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets.

Note No. 2 Share capital

	March 31, 2012		March 31, 2011	
	No of shares	₹	No of shares	₹
Authorised				
Equity shares of ₹ 10 each	125,000,000	1,250,000,000	125,000,000	1,250,000,000
	125,000,000	1,250,000,000	125,000,000	1,250,000,000
Issued, Subscribed and Fully Paid-up				
Equity shares of ₹ 10 each	118,090,000	1,180,900,000	118,090,000	1,180,900,000
	118,090,000	1,180,900,000	118,090,000	1,180,900,000

(a) Reconciliation of the shares outstanding

	March 31, 2012		March 31, 2011	
	No of shares	₹	No of shares	₹
Equity shares				
At the beginning of the year	118,090,000	1,180,900,000	118,090,000	1,180,900,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	118,090,000	1,180,900,000	118,090,000	1,180,900,000

(b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share and dividend, if any, declared/paid by the Company in Indian Rupees.

(c) Shares held by holding / ultimate holding company and / or their subsidiaries / associates

	March 31, 2012		March 31, 2011	
	No of shares	% holding	No of shares	% holding
Equity shares of ₹ 10 each fully paid up	118,090,000	100 *	118,090,000	100
Total	118,090,000	100	118,090,000	100

* Equity held by Jaiprakash Associates Limited and 6 shareholders holding beneficial interest of JAL

Note No. 3 Reserves and Surplus

	March 31, 2012	March 31, 2011
	₹	₹
Capital Reserves - Grant from NHAI		
Opening balance	849,300,000	556,400,000
Received during the year	320,700,000	292,900,000
Written back in the current year	-	-
Closing balance A	1,170,000,000	849,300,000
Surplus		
Opening balance	(6,359,000)	(6,359,000)
Net profit/(loss) for the current year	-	-
Closing balance B	(6,359,000)	(6,359,000)
Total	A+B	842,941,000

In terms of concession agreement dated August 31, 2007 entered into with National Highway Authority of India (NHAI), they had given the capital grant of ₹ 1,17,00,00,000/- to the Company.

Note No. 4
Long term borrowings

	March 31, 2012	March 31, 2011
	₹	₹
Secured Term Loans From Banks		
Corporation Bank	-	290,300,000
Central Bank of India	-	435,600,000
Axis Bank	-	513,300,000
IIFCL	-	500,800,000
ICICI Bank Ltd.	2,885,000,000	-
Total A	2,885,000,000	1,740,000,000

The project has been re - financed by ICICI Bank Ltd by sanctioning rupee term loan of ₹ 300,00,00,000/- during the year secured against first charge on all immovable assets except project assets, all tangible moveable assets, all intangible assets, all accounts of the Company -Escrow Account/ sub accounts, the receivables, and all authorised investments , present and future and pledge of 30% Shares of the Company held by Jaiprakash Associates Ltd (Holding Company). The Company has availed this loan during the year and repaid the outstanding amount of loan from consortium lenders. The rupee term loan availed from ICICI Bank Ltd is repayable in 52 quarterly structured instalments commencing from July 2013 and payable till April 2026.

Long Term Borrowings from related parties

Unsecured Loan from Jaiprakash Associates Limited (Holding Company)	2,030,000,000	-
Total B	2,030,000,000	-
Grand Total A+B	4,915,000,000	1,740,000,000

In compliance of loan agreement with ICICI Bank Ltd dated 30-03-2011, the Jaiprakash Associates Ltd (holding company) has provided interest free unsecured loan of ₹ 203,00,00,000/-. The loan is repayable after the repayment of rupee term loan from ICICI Bank Ltd.

Note No. 5
Long Term Provisions

	March 31, 2012	March 31, 2011
	₹	₹
Provision for employee's benefits		
Provision for gratuity	230,165	76,130
Provision for leave benefits	850,642	768,547
Total	1,080,807	844,677

Note No. 6
Other current liabilities

	March 31, 2012	March 31, 2011
	₹	₹
Due to Staff	4,000	33,063
Sales Tax Payable	-	5,922
Service Tax Payable	-	2,367,676
TDS- Consultancy and Professional Services	151,927	74,608
TDS-Directors' Remuneration	-	45,000
TDS-Employees' Salary	77,750	72,100
TDS-Rent	21,903	19,901
TDS-Transporters	3,356	4,144
TDS-Hire Charges	-	400
TDS-Contractors	6,183,314	27,309,293
Salary Payable-Staff	627,779	693,733
Expenses Payable	1,888,990	2,122,721
Employees Contribution to PF Payable	14,392	-
Security Deposit-Creditors	900,000	900,000
Security Deposit-PRW	37,459,273	88,191,373
Project Creditors	247,366,013	1,218,531,285
(Amount due to Micro,Small and Medium Enterprises including interest for delayed payment ₹ Nil (previous year ₹ Nil))		
Total	294,698,697	1,340,371,219

Note No. 7
Short Term Provisions

	March 31, 2012	March 31, 2011
	₹	₹
Provision for Income Tax	20,624,400	20,624,400
Provision for Fringe Benefit Tax	171,500	171,500
Provision for Wealth Tax	52,540	41,300
Total	20,848,440	20,837,200

Note No. 8
Fixed Assets

(Amount in ₹)

Description	Gross carrying amount			Accumulated depreciation / impairment			Net carrying amount	
	As at March 31, 2011	Additions / adjustments during the year	Deletions during the year	As at March 31, 2011	Provided during the year	Deductions during the year	As at March 31, 2012	As at March 31, 2011
Tangible								
Plant and Machinery	396,076	3,061,937	-	53,377	28,792	-	3,375,844	342,699
Motor Vehicle	6,348,922	1,122,079	895,368	1,145,418	590,169	339,569	5,179,615	5,203,504
Furniture and Fixtures	117,780	2,633,813	-	17,925	14,976	-	2,718,692	99,855
Office Equipments	70,450	2,499,127	-	12,257	20,980	-	2,536,340	58,193
Computers	341,944	249,582	-	102,206	57,121	-	432,199	239,738
Total A	7,275,172	9,566,538	895,368	1,331,183	712,038	339,569	14,242,690	5,943,989
Intangible								
Software	25,354,824	-	-	342,501	4,224,114	-	20,788,209	25,012,323
Total B	25,354,824	-	-	342,501	4,224,114	-	20,788,209	25,012,323
Grand Total A+B	32,629,996	9,566,538	895,368	1,673,684	4,936,152	339,569	35,030,899	30,956,312
Previous Year	4,199,316	28,430,680	-	791,740	881,944	-	30,956,312	-
Capital Work - in - Progress								
Incidental Expenses pending allocation (Refer - Note 9 - A)							6,421,088,843	4,336,776,646
Capital Work-in-Progress (Net of money received for the specific purpose) including civil works & other expenses							918,758,546	520,768,076

Note No. 9
Incidental Expenses pending allocation

	March 31, 2012	March 31, 2011
	₹	₹
Salary, Wages & Other Benefits to Staff	10,611,846	10,342,992
Power, Electricity Charges	1,813,497	240,432
Office & Camp Maintenance	929,595	342,457
Technical Fees *	11,485,339	16,684,703
Rent	2,303,864	2,141,790
Rate & Taxes	78,478	-
Insurance	287,277	59,996
Travelling & Conveyance	1,061,628	1,029,832
Vehicle running & maintenance	976,302	659,672
Vehicle hire Charges	2,507,010	2,685,265
Legal & Professional Charges	7,458,020	4,166,600
Printing & Stationery	170,771	74,328
Telephone Expenses	131,949	180,448
Miscellaneous Expenses	516,201	45,310
Depreciation	4,936,152	881,944
Financing Charges	34,039,682	2,834,375
Interest on Term Loans	322,598,450	191,390,135
Auditors' Remuneration		
-Audit Fees	280,900	220,600
-Certification Fees and reimbursements	153,460	71,695
Loss on sale of Fixed Assets	125,799	-
Provision for Tax		
-Current Tax	11,240	8,375,700
Total A	402,477,460	242,428,274
Less :		
Interest Received on Fixed Deposit	4,486,989	23,851,661
(TDS ₹ 4,42,878/- Previous Year TDS ₹ 23,84,295/-)		
Other Income	-	148,045
Total B	4,486,989	23,999,706
Total A+ B	397,990,471	218,428,568
Add: Brought Forward from Previous Year	520,768,075	302,339,508
Balance Carried Forward to Balance Sheet	918,758,546	520,768,076

* includes ₹ 2,15,711/- related to previous years

Note No. 10
Inventories

	March 31, 2012	March 31, 2011
	₹	₹
Hardware and Tools	360,639	-
Paints, Sanitary, Wood and Stone	10,215	-
General Stores and Spares	2,316,038	-
Electricals and Electronics	302,607	-
	2,989,499	-

Inventories are valued at weighted cost

Note No.11
Cash and Cash Equivalents

	March 31, 2012	March 31, 2011
	₹	₹
A) Balances with Banks		
In Current accounts	132,693,705	15,076,730
In fixed Deposits	35,400,000	164,484,077
Total A	168,093,705	179,560,807
B) Cash on hand		
Cash on hand	484,687	930,574
Imprest to staff & others	820,436	16,790
Total B	1,305,123	947,364
Total A+B	169,398,828	180,508,171

Note No. 12
Short Term Loans and Advances

	March 31, 2012	March 31, 2011
	₹	₹
Prepaid Expenses	32,258	2,023,928
Prepaid Insurance	2,327,898	11,440
Income Tax and Advance Income Tax	1,459,804	1,451,674
Income Tax Deducted at Source - Interest	9,811,957	9,369,079
Income Tax Deducted at Source - Contract	3,690,068	2,094,485
Security Deposit - Electricity Boards	2,242,741	2,242,741
Security Deposit - Other Govt Departments	2,733,869	-
Security Deposit - Land Lords	489,600	459,000
Advances to supplier & others	5,901,257	37,343,951
Total	28,689,452	54,996,298

Note No. 13
Other Current Assets

	March 31, 2012	March 31, 2011
	₹	₹
Interest Accrued Others	212,877	1,888,593
Total	212,877	1,888,593

Note No. 14
Notes to Accounts

- Himalyan Expressway Limited is a wholly owned subsidiary of Jaiprakash Associates Limited, incorporated on 25-05-2007 to execute the road project "Zirakpur to Parwanoo including Pinjore – Kalka – Parwanoo Bypass is a section of NH-22" starting at Km 39.860 (just after the Yadvendra Bridge at Zirakpur in the State of Punjab) and terminating at the end of Pinjore – Kalka – Parwanoo Bypass at existing Km 67.000 of NH-22 in the State of Himachal Pradesh. The total length of the Project Highway is 27.950 kms with estimated cost of projected cost as appraised by Lenders ₹ 738.10 crores. On its way it connects the townships of Zirakpur, Panchkula, Pinjore and Kalka. The project road follows the alignment of existing NH-22 from Km 39.860 to Km 57.400, thereafter follows new alignment for proposed bypass of Pinjore – Kalka – Parwanoo to meet existing NH-22 at Km 67.000. The service roads on both sides along the habitat area has also been planned in city area of Punjab & Haryana. The construction work has been completed and the project is ready for commercial operation as on the date of Balance Sheet and finally the COD achieved w.e.f. 6th April, 2012. The Company is also pursuing with the NHAI for increase in the period of Concession Agreement in view of significant increase in the cost and delays.
- Contingent Liabilities not provided for in respect of outstanding amount of Bank Guarantees 3,00,000 /-.(Previous year ₹ Nil)
- Amount of contracts remaining to be executed on capital account is ₹ 10.84 crore. (Previous Year ₹ 219.21 crore). Other than capital account Nil (Previous year Nil).
- In the opinion of Board of Directors, the "Current Assets, Loans and Advances" have a value on realization, in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.
- Relying upon the decision of Delhi High Court in the matter of Indian Oil Panipat Power Consortium Limited Vs. ITO 315 ITR 255(Del) provision for Income Tax has not been made during the year by the Company in respect of interest earned on temporarily placed funds in fixed deposit , which were otherwise inextricably linked to the implementation of Infrastructure road project. Such income is a capital receipt required to be capitalized to be set off against pre operative expenses.
- Deferred tax assets/ liabilities for timing difference has not been created in view of uncertainty of future taxable income against which such deferred tax can be realized.
- Jaiprakash Associates Limited (JAL) (the holding company) has constituted a separate gratuity fund trust under the name Jaiprakash Associates Employees Gratuity Fund Trust vide Trust Deed dated 30-03-2009 for employees of JAL and its subsidiaries and appointed SBI Life Insurance Co. Ltd. for the management of the trust funds for employees benefit. As a subsidiary of JAL, the Company is participating in the trust fund by contributing its liability accrued up to the close of each financial year to the trust fund. Provision has been made for Gratuity & Leave Encashment as per actuarial valuation

Amount in ₹

Sl. No.	Particulars	Gratuity - Funded	Leave Encashment -Non Funded
I	Expenses recognized in the Statement of Incidental Expenditure during construction Pending allocation for the year ended 31st March 2012.		
1.	Current Service Cost.	1,71,951 (1,57,768)	2,60,212 (3,17,481)
2.	Interest Cost	34,144 (18,420)	65,326 (41,096)
3.	Employee Contribution	- (-)	- (-)

Sl. No.	Particulars	Gratuity - Funded	Leave Encashment -Non Funded
4.	Actuarial (Gains)/Losses	(21783) (-) 5,120)	(79,759) (-)89,335)
5.	Past Service Cost	- (-)	- (-)
6.	Settlement Cost	- (-)	- (-)
7.	Total Expenses	1,54,035 (1,61,530)	2,45,779 (2,69,242)
II	Net Asset / (Liability) recognized in the Balance Sheet as at 31st March 2012.		
1.	Present Value of Defined Benefit Obligation.	5,76,711 (4,01,689)	8,50,642 (7,68,547)
2.	Fair Value of Plan Assets	3,46,546 (3,25,559)	- (-)
3.	Funded Status (Surplus/Deficit)	(2,30,165) (-) 76,130)	(8,50,642) (-)7,68,547)
4.	Net Asset/(Liability) as at March 31, 2011	(76,130) (-)4,01,689)	(8,50,642) (-)7,68,547)
III	Change in Obligation during the year ended March 31, 2012.		
1.	Present value of Defined Benefit Obligation at the beginning of the year.	4,01,689 (2,30,250)	7,68,547 (5,13,705)
2.	Current Service Cost.	1,71,951 (1,57,768)	2,60,212 (3,17,481)
3.	Interest Cost.	34,144 (18,420)	65,326 (41,096)
4.	Settlement Cost.	- (-)	- (-)
5.	Past Service Cost.	- (-)	- (-)
6.	Employee Contributions.	- (-)	- (-)
7.	Actuarial (Gains)/Losses	(31073) (-) 4,749)	(79,759) (-)89,335)
8.	Benefit Payments	- (-)	(1,63,684) (-)14,400)
9.	Present Value of Defined Benefit Obligation at the end of the year.	5,76,711 (4,01,689)	8,50,642 (7,68,547)
IV	Change in Assets during the year ended March, 2012.		
1.	Plan Assets at the beginning of the year.	3,25,559 (1,05,982)	- (-)
2.	Assets acquired on amalgamation in previous year.	- (-)	- (-)
3.	Settlements.	- (-)	- (-)
4.	Expected return on Plan Assets.	30,277 (9,538)	- (-)
5.	Contribution by Employer.	- (2,09,668)	- (-)
6.	Actual Benefit Paid.	- (-)	- (-)
7.	Actuarial Gains/ (Losses).	(9,290) (371)	- (-)
8.	Plan Assets at the end of the year.	3,46,546 (3,25,559)	- (-)
9.	Actual Return on Plan Assets.	20,987 (9,909)	- (-)

(Previous year figures are in brackets)

Actuarial Assumptions

- I. Discount Rate - 8.50%
- II. Mortality - LIC (1994-96) mortality tables
- III. Turnover Rate - Up to 30 years - 4%, 31- 44 years - 4%
Above 44 - 4%
- IV. Future Salary Increase - 8.50%
8. Managerial remuneration paid to Whole Time Director (excluding provision for gratuity and leave encashment on retirement) shown in Statement of Incidental Expenditure.

Amount in ₹

	Current Year	Previous Year
Basic Pay	25,20,000	13,40,000
House Rent Allowance	15,12,000	8,04,000
Perquisite	32,393	58,928
Total	40,64,393	22,02,928

9. Related party disclosure, as required in terms of 'Accounting Standard [AS] - '18' are given below :

Relationships (Related party relationships are as identified by the Company and relied upon by the Auditors)

(a) Holding Company: Jaiprakash Associates Limited (JAL)

(b) Fellow Subsidiary Companies:

- (1) Jaiprakash Power Ventures Limited
- (2) Jaypee Powergrid Limited
- (3) Sangam Power Generation Company Limited
- (4) Prayagraj Power Generation Company Limited
- (5) Jaypee Arunachal Power Limited
- (6) Jaypee Meghalaya Power Limited
- (7) Jaypee Assam Cement Limited
- (8) Himalyaputra Aviation Limited
- (9) Jaypee Ganga Infrastructure Corporation Limited
- (10) Jaypee Infratech Limited
- (11) Jaypee Sports International Limited
- (12) Jaypee Cement Corporation Limited
- (13) Bhilai Jaypee Cement Limited
- (14) Bokaro Jaypee Cement Limited
- (15) Gujarat Jaypee Cement & Infrastructure Limited
- (16) Jaypee Agra Vikas Limited
- (17) Jaypee Fertilizers & Industries Limited

(C) Associate Companies / Concerns :

- (1) Jaypee Infra Ventures (A Private Company with unlimited liability)
- (2) Jaypee Development Corporation
- (3) JIL Information Technology Limited
- (4) Gaur & Nagi Limited
- (5) Indesign Enterprises Pvt. Limited
- (6) Andhra Cement Limited
- (7) GM Global Mineral Mining Private Limited
- (8) Jaypee Technical Consultants Private Limited
- (9) Jaiprakash Agri Initiatives Company Limited
- (10) Jaypee International Logistics Company Private Limited
- (11) Tiger Hills Holiday Resort Private Limited
- (12) Anvi Hotels Private Limited

- (13) Jaypee Uttar Bharat Vikas Pvt. Limited
- (14) Kanpur Fertilisers and Cement limited
- (15) RPJ Minerals Private Limited
- (16) Sarveshwari Stone Products Pvt. Ltd.
- (17) Rock Solid Cement Limited
- (18) Sonebhadra Minerals Private Limited
- (19) MP Jaypee Coal Limited
- (20) Madhya Pradesh Jaypee Minerals Limited
- (21) MP Jaypee Coal Fields Limited
- (22) Jaiprakash Kashmir Energy Limited
- (23) Jaypee Mining Venture Private Limited
- (24) Ceekay Estate Private Limited
- (25) Jaiprakash Exports Private Limited
- (26) Bhumi Estate Developers Private Limited
- (27) PAC Pharma Durgs and Chemicals Private Limited

(d) Key Managerial Personnel:

Shri K.C. Batra, Whole-time Director

Transactions Carried out with related parties referred to above in the ordinary course of business:-

Amount in ₹

	Referred in (a) above	Referred in (c) above	Referred in (d) above
Receipts:			
Unsecured Loan	203,00,00,000 (Nil)	-	-
Expenditure:			
Contract Expenses	208,37,43,708 (2,40,70,92,847)	-	-
Director's Remuneration	-	-	40,64,393 (22,02,928)
Printing	-	6,968 (8,381)	-
Payables:			
Creditors	20,58,23,164 (121,79,95,216)	- (8,381)	-

(Previous year figures are given in brackets)

Note: There were no transactions with relationship referred to (b) above

10. Foreign Currency transactions :

(Foreign Exchange Outgo)	Current Year	Previous Year
	₹	₹
Consultancy Fee	Nil	1,81,33,412/-

11. Previous year figures have been reworked/ regrouped/ rearranged wherever necessary to confirm to this year classification.

12. All the figures have been rounded off to nearest Rupee.

Signature to Note 1 to 14 of Financial Statement for the Year ended on 31st March 2012.

For **Kishore & Kishore**
Chartered Accountants
Firm R. No. 000291N

For and on behalf of the Board

Sunil Kumar Sharma
Chairman

Anshu Gupta
Partner
M. No. 77891

Hrishikesh Kumar
AGM (Finance)

K. C. Batra
Director

Place: Noida
Date: 16th May, 2012

Cash Flow Statement for the year ended March 31, 2012

	March 31, 2012 ₹	March 31, 2011 ₹
A) Cash Flow from operating activities		
Net profit before tax and prior period items	-	-
Operating profit before working capital changes	-	-
B) Cash Flow from investing activities		
(Increase)/ Decrease in Current Assets	24,993,063	(14,335,770)
Increase/ (Decrease) in Current Liabilities	(1,045,661,282)	1,219,320,596
Acquisition of fixed assets (including capital work in progress)	(9,566,538)	(1,909,391,306)
Capital work in progress	(2,084,312,197)	-
Incidental expenses pending allocation	(392,928,519)	(217,546,623)
Proceeds from disposal of Fixed Assets	430,000	-
Increase/ (Decrease) in Long term provisions	236,130	-
Net cash used in investing activities	(3,506,809,343)	(921,953,103)
C) Cash Flow from financing activities		
Grant from NHAI	320,700,000	292,900,000
Proceeds from Long Term borrowings	3,175,000,000	449,782,356
Net cash flow from financing activities	3,495,700,000	742,682,356
Net decrease in cash and cash equivalents	(11,109,343)	(179,270,747)
Cash and cash equivalents at the beginning	180,508,171	359,778,918
Cash and cash equivalents at the close	169,398,828	180,508,171
	(11,109,343)	(179,270,747)
Cash and bank balance (as per schedule to the Financial Statements)	169,398,828	180,508,171

As per our report of even date attached

 For **Kishore & Kishore**
 Chartered Accountants
 Firm R. No. 00029IN

For and on behalf of the Board
Sunil Kumar Sharma
 Chairman

Anshu Gupta
 Partner
 M. No. 77891

Hrishikesh Kumar
 AGM (Finance)

K. C. Batra
 Director

 Place: Noida
 Date: 16th May, 2012