

**DIRECTORS' REPORT**

Dear Members,

The Directors of your Company are pleased to present the 7<sup>th</sup> Annual Report together with the Audited Accounts for the financial year ended 31<sup>st</sup> March, 2014.

**FINANCIAL HIGHLIGHTS**

The Company's financial performance for the year ended 31<sup>st</sup> March, 2014 is summarised below:

PARTICULARS	2013 - 2014 (in Rs.)	2012 - 2013 (in Rs.)
Revenue from Operations	30,83,44,483	27,59,84,042
Other Income	2,68,352	6,63,465
<b>Total Revenue</b>	<b>30,86,12,835</b>	<b>27,66,47,507</b>
Operating Expenses	8,87,33,380	10,91,69,419
Finance Costs	40,20,99,749	39,18,70,798
Depreciation and Amortization Expenses	10,81,66,225	9,71,31,919
<b>Total Expenditure</b>	<b>59,89,99,354</b>	<b>59,81,72,136</b>
<b>Profit / (Loss) before Extra-ordinary / Exceptional Items and Tax</b>	<b>(29,03,86,519)</b>	<b>(32,15,24,629)</b>
- Exceptional/ Extra-ordinary Items	-	-
- Tax Expense (Excess Provision for Tax written back)	(71,329)	-
<b>Net Profit/(Loss) for the period</b>	<b>(29,03,15,190)</b>	<b>(32,15,24,629)</b>

**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. The Expressway connecting the three states became operational and the toll collection started from 6<sup>th</sup> April, 2012.

Being the first in the country with Radio Frequency Identification Device (RFID) technology based electronic toll collection system, the Expressway has provided a seamless travel to long journey road users while saving cost and time. During the year under report, the toll collection at the Expressway has shown an appreciable increase over the previous year.

**DIVIDEND**

Due to absence of profits during the year under report, the Directors regret their inability to recommend any dividend for the financial year ended 31<sup>st</sup> March, 2014.

S. C. Sharma

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## SHARE CAPITAL

During the year under report, there was no change in the Share Capital of the Company. The total Authorised Share Capital as on 31<sup>st</sup> March, 2014 was Rs. 150,00,00,000 (Rupees One Hundred Fifty Crores only) comprising of 12,50,00,000 Equity Shares of Rs. 10/- each and 25,00,000, 11% Redeemable Cumulative Preference Shares of Rs. 100/- each; and

The total Paid up Share Capital as on 31<sup>st</sup> March, 2014, was Rs. 143,09,00,000 (Rupees One Hundred Forty Three Crores Nine Lacs only) comprising 11,80,90,000 Equity Shares of Rs. 10/- each and 25,00,000, 11% Redeemable Cumulative Preference Shares of Rs. 100/- each.

## NON- CONVERTIBLE DEBENTURES

During the year under report, 5000 Redeemable, Secured, Non Convertible Debentures of face value of Rs. 1,00,000 each aggregating Rs. 50 Crores were issued and allotted to India Infradebt Ltd. for refinancing a part of the Company's outstanding debt availed from ICICI Bank Ltd. The said Debentures bear "BBB" Credit rating from CARE.

Out of the aforesaid NCDs, first lot of 12 Debentures worth Rs. 12 Lacs was redeemed on 31.03.2014 in accordance with the terms of issue of the said debentures.

## DIRECTORS

Shri Har Prasad, Director shall retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

## 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 the following in respect of the Audited Accounts for the year ended 31<sup>st</sup> March, 2014 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 31<sup>st</sup> March, 2014 and of the losses 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 the 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 re-appointment, 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 the certificate to the effect that their re-appointment, if made, would be in accordance with section 139(1) of the Companies Act, 2013 and rules made there under, as applicable and that they are not disqualified for such re-appointment.

S. K. Shrivastava

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

#### **AUDIT COMMITTEE**

The Audit Committee constituted in terms of section 292A of the Companies Act, 1956 comprises of Shri Sunil Kumar Sharma as Chairman and Shri Sameer Gaur and Shri K.C Batra, Directors as members.

#### **FIXED DEPOSITS**

The Company did not invite/accept any Fixed Deposits from the Public during the year under report.

#### **PARTICULARS OF EMPLOYEES**

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

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

Since the Company does not own any manufacturing facility, the requirements pertaining to disclosure of particulars relating to Energy Conservation, Research and Development and 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 year under report.


#### **EMPLOYEE RELATIONS**

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

#### **ACKNOWLEDGEMENT**

The Board of Directors acknowledges with gratitude and wishes 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 their valued support and continued co-operation provided to the Company.

For and on behalf of the Board of Directors



(Sunil Kumar Sharma)  
Chairman

Place: Noida  
Date: 24.05.2014

Flat No. 9, First Floor, Ansar Market, (Opp. Ram Mandir),  
Darya Ganj, New Delhi 110 002  
Tel.: 91-11-2327 7041, 2328 1035  
Telefax : 91-11-2328 1034  
E-mail : kishoreca@hotmail.com  
sckishore@gmail.com  
sckishore@kishoreandkishore.com

**KISHORE & KISHORE**  
CHARTERED ACCOUNTANTS

## Independent Auditor's Report

To the Members of Himalyan Expressway Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of **HIMALYAN EXPRESSWAY LIMITED** which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and notes on the financial statements, and other explanatory information.

### Management's Responsibility for the Financial Statements

The management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that these give a true and fair view and are free from material misstatements, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the



management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **OPINION**

We further opine that to the best of our information and according to the explanations given to us, the financial statements 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended 31<sup>st</sup> March 2014; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended 31<sup>st</sup> March 2014.

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

1. As required by the Companies (Auditor's Report) Order, 2003 as amended, issued by the Central Government in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 as required by law have been kept by the Company so far as appears from our examination of those books,
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts,
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs.

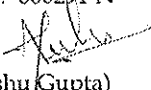


- e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Place : Noida  
Dated : 24.05.2014



For Kishore & Kishore  
Chartered Accountants  
FRN : 000281 N

  
(Anshu Gupta)  
Partner  
M.No. 77891

## ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of our report of even date on the accounts for the year ended 31<sup>st</sup> March 2014, of

### HIMALYAN EXPRESSWAY LIMITED.

- (i)
  - [a] The Company is maintaining 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.
  - [c] No Fixed assets have been disposed off during the year, which could affect the Company's status 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, however no inventory is available at the end of the year.
  - [b] The procedures for 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 taken unsecured loans from Company covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion, there is 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) On the basis of the certificate of cost accountants the cost sheet/cost records/Performa in respect of the various projects/subprojects are being maintained apparently in compliance of section 209(1)(d) of the Companies Act, 1956. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete
- (ix) (a) As per the 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 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 the records produced before us and according to the information and explanations given to us there are no dues of Customs duty, Wealth tax, Service tax, Excise Duty or Cess which have not been deposited on account of any dispute, except the demand of Income tax for Rs. 37.44 lac relating to the Assessment year 2011-12 which is being contested by the Company in Appeal and the Company is hopeful that no demand would be payable.
- (x) The Company's accumulated losses are less than fifty percent of its net worth however, cash losses are incurred in the current year, and preceding financial year.
- (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 loans and advances 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.



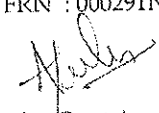


- (xiv) In our opinion, the Company is not dealing in or trading in shares, debentures or other investments and accordingly, clause (xiv) of Para 4 of the Order is not applicable.
- (xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions; hence clause (xv) of Para 4 of the Order is not applicable.
- (xvi) To the best of our knowledge, the term loans obtained by the Company were applied by it for the purpose for which the loans were obtained.
- (xvii) On our examination we find that no funds were raised on short term basis, and hence question of their use for long term investment does not arise.
- (xviii) The Company has not made any preferential allotment of shares to the Company covered in the register maintained u/s 301 of the act.
- (xix) The Company has issued 5000 Non Convertible Debentures of Rs. 1,00,000 each, the terms of issue of which require creation of security. The Company has created security in accordance with the terms of issue of the said Debentures.
- (xx) The Company has not raised any money by way of public issues, hence 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.

Place : Noida  
Dated :24.05.2014



For Kishore & Kishore  
Chartered Accountants  
FRN : 000291N

  
(Anshu Gupta)  
Partner  
M.No. 77891

# **HIMALYAN EXPRESSWAY LIMITED**

**(Zirakpur Parwanoo Project)**

**BALANCE SHEET AS AT 31.03.2014**

**HIMALYAN EXPRESSWAY LIMITED**

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2014**

Particulars	Note No.	As at 31.03.2014 ₹	As at 31.03.2013 ₹
<b>I. Equity and Liabilities</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	2	1,43,09,00,000	1,43,09,00,000
(b) Reserves and surplus	3	55,18,01,181	84,21,16,371
(c) Money received against share warrants			
		<u>1,98,27,01,181</u>	<u>2,27,30,16,371</u>
<b>(2) Share application money pending allotment</b>			
			-
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings - Secured	4	2,96,94,59,398	2,98,87,50,000
(b) Long-term borrowings - Unsecured	4	2,11,00,00,000	1,92,50,00,000
(c) Deferred tax liabilities (Net)			
(d) Other Long term liabilities			
(e) Long-term provisions	5	2,36,976	2,89,275
		<u>5,07,96,96,374</u>	<u>4,91,40,39,275</u>
<b>(4) Current liabilities</b>			
(a) Short-term borrowings			
(b) Trade payables			
(c) Other current liabilities	6	8,13,49,791	6,36,02,575
(d) Short-term provisions	7	2,08,41,915	2,11,72,749
		<u>10,21,91,706</u>	<u>8,47,75,324</u>
<b>Total</b>		<u><u>7,16,45,89,261</u></u>	<u><u>7,27,18,30,970</u></u>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	8		
(i) Tangible assets		1,86,93,217	2,02,43,338
(ii) Intangible assets		7,08,42,78,243	7,19,08,22,409
(iii) Incidental Expenses pending allocation	9	-	-
(iv) Intangible Assets under development	9A	91,01,922	-
(b) Non-current investments			
(c) Deferred tax assets (Net)			
(d) Long-term loans and advances			
(e) Other non-current assets	10	1,00,000	3,00,000
		<u>7,11,21,73,382</u>	<u>7,21,13,65,747</u>
<b>(2) Current assets</b>			
(a) Current investments		-	-
(b) Inventories	11	-	82,154
(c) Trade Receivables		-	-
(d) Cash and cash equivalents	12	1,29,93,056	95,42,195
(e) Short-term loans and advances	13	3,93,21,636	5,07,26,523
(f) Other current assets	14	1,01,187	1,14,351
		<u>5,24,15,879</u>	<u>6,04,65,223</u>
<b>Total</b>		<u><u>7,16,45,89,261</u></u>	<u><u>7,27,18,30,970</u></u>
Summary of Significant Accounting Policies	1		
Other notes to accounts	21-31		
The accompanying notes form an integral part of the Financial Statements			

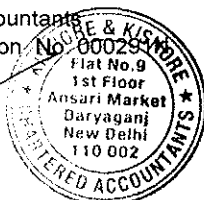
As per our report of even date attached to the Balance Sheet

For and on behalf of the Board

For Kishore & Kishore  
Chartered Accountants

Firm Registration No. 00029

Anshu Gupta  
Partner  
M.No. 77891



Place: Noida  
Date: 24 May 2014

*S. K. Sharma*

Sunil Kumar Sharma  
Chairman

*Sameer Gaur*  
Sameer Gaur  
Director

*Hrishikesh Kumar*  
Hrishikesh Kumar  
DGM ( F&A)

*Pallavi Vardhan*  
Pallavi Vardhan  
Company Secretary

**HIMALYAN EXPRESSWAY LIMITED**

**Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2014**

Particulars	Note No.	For the year ended 31.03.2014	For the year ended 31.03.2013
<b>REVENUE</b>			
Revenue from Operations	15	30,83,44,483	27,59,84,042
Other Income	16	2,68,352	6,63,465
<b>Total Revenue</b>		<b>30,86,12,835</b>	<b>27,66,47,507</b>
<b>EXPENSES</b>			
Employee Benefits Expenses	17	3,79,06,306	4,48,29,831
Finance Costs	18	40,20,99,749	39,18,70,798
Depreciation and Amortization Expenses	8	10,81,66,225	9,71,31,919
Other Expenses	19	5,08,27,074	6,43,39,588
<b>Total Expenses</b>		<b>59,89,99,354</b>	<b>59,81,72,136</b>
<b>Profit / Loss before exceptional and extraordinary items and tax</b>		<b>(29,03,86,519)</b>	<b>(32,15,24,629)</b>
Exceptional Items		-	-
<b>Profit / Loss before extraordinary items and tax</b>		<b>(29,03,86,519)</b>	<b>(32,15,24,629)</b>
Extraordinary Items		-	-
<b>Profit / Loss Before Tax</b>		<b>(29,03,86,519)</b>	<b>(32,15,24,629)</b>
Tax Expense:			
- Current tax		-	-
- For earlier year		-	-
- Excess Provision for Tax Written Back		(71,329)	-
<b>Tax expenses of continuing operations</b>		<b>(71,329)</b>	<b>-</b>
<b>Profit / (Loss) for the year from continuing operations</b>		<b>(29,03,15,190)</b>	<b>(32,15,24,629)</b>
Profit/(Loss) from discontinuing operations		-	-
Tax expenses of discontinuing operations		-	-
Profit/(Loss) from discontinuing operations (after Tax)		-	-
<b>Profit / (Loss) for the year</b>		<b>(29,03,15,190)</b>	<b>(32,15,24,629)</b>
Earning Per Equity Share (Face value of ₹ 10/- each)	20		
(1) Basic		(2.46)	(2.72)
(2) Diluted		(2.46)	(2.72)
Summary of Significant Accounting Policies	1		
Other notes to accounts	21-31		
The accompanying notes form an integral part of the Financial Statements			

As per our report of even date attached to the Balance Sheet

For Kishore & Kishore  
Chartered Accountants  
Firm Registration No. 00029/N  
1st Floor  
Ansar Market  
Daryaganj  
New Delhi  
110 002

Anshu Gupta  
Partner  
M.No. 77891

Place: Noida  
Date: 24 May 2014

Prishikesh Kumar  
DGM ( F&A)

For and on behalf of the Board

S. K. Sharma  
Sunil Kumar Sharma  
Chairman

Sameer Gaur  
Director

Pallavi Vardhan  
Company Secretary

## **HIMALYAN EXPRESSWAY LIMITED**

**Notes to the financial statements for the year ended March 31, 2014**

### **Note No. 1**

#### **Summary of significant accounting policies**

##### **Note No.1.1**

###### **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), the applicable provisions of the Companies Act, 1956 and the Companies Act ,2013 to the extent notified.

##### **Note No.1.2**

###### **Revenue Recognition**

Expenditure and Income are accounted for on accrual basis. The Revenue from Toll Road is recognized based on Toll fee collected.

##### **Note No.1.3**

###### **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/ materialise.

##### **Note No.1.4**

###### **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 shareholders' fund.

##### **Note No.1.5**

###### **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.

##### **Note No.1.6**

###### **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.



*J. Sheena*

**Note No.1.7****Depreciation/Amortization**

- (i) Depreciation on Intangible Assets (Toll Road) is provided in the manner prescribed in Serial-V of Schedule XIV to the Companies Act, 1956.
- (ii) Depreciation on Assets other than in (i) above is provided on Straight Line Method as per the classification and in the manner specified in Schedule XIV to the Companies Act, 1956.
- (iii) Software are amortized 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 the month in which the asset is available for use \ disposal.

**Note No.1.8****Inventories**

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

**Note No.1.9****Employees Benefits**

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

- i. Provident Fund and Pension contribution – as a percentage of salary / wages is a Defined Contribution Scheme.
- ii. 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.

**Note No.1.10****Miscellaneous Expenditure**

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

**Note No.1.11****Expenditure during Construction Period**

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



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**HIMALYAN EXPRESSWAY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**

**Note No. 2**

	As at 31.03.2014		As at 31.03.2013	
	No of shares	₹	No of shares	₹
<b>Share capital</b>				
<b>Authorised</b>				
Equity shares of Rs. 10 each	12,50,00,000	1,25,00,00,000	12,50,00,000	1,25,00,00,000
Preference Shares of Rs 100 each	25,00,000	25,00,00,000	25,00,000	25,00,00,000
	<b>12,75,00,000</b>	<b>1,50,00,00,000</b>	<b>12,75,00,000</b>	<b>1,50,00,00,000</b>
<b>Issued, Subscribed and Fully Paid-up</b>				
Equity shares of Rs. 10 each	11,80,90,000	1,18,09,00,000	11,80,90,000	1,18,09,00,000
Preference Shares of Rs 100 each	25,00,000	25,00,00,000	25,00,000	25,00,00,000
	<b>12,05,90,000</b>	<b>1,43,09,00,000</b>	<b>12,05,90,000</b>	<b>1,43,09,00,000</b>

**(a) Reconciliation of the shares outstanding**

	As at 31.03.2014		As at 31.03.2013	
	No of shares	₹	No of shares	₹
<b>Equity shares</b>				
At the beginning of the year	11,80,90,000	1,18,09,00,000	11,80,90,000	1,18,09,00,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>11,80,90,000</b>	<b>1,18,09,00,000</b>	<b>11,80,90,000</b>	<b>1,18,09,00,000</b>
<b>Preference Shares (11% Redeemable)</b>				
At the beginning of the year	25,00,000	25,00,00,000	-	-
Issued during the year	-	-	25,00,000	25,00,00,000
Outstanding at the end of the year	<b>25,00,000</b>	<b>25,00,00,000</b>	<b>25,00,000</b>	<b>25,00,00,000</b>

**(b) Terms/ rights attached to Equity & Preference Shares**

The Company has only one class of equity shares having a par value of Rs. 10 each per share. Each holder of equity shares is entitled to one vote per share and dividend, if any, declared/paid by the company, subject to approval of shareholders.

The Company has issued 11% Redeemable Cumulative Preference Share of Rs. 100/- each fully paid up for a period of 10 years extendable up to 20 years, redeemable at any time at the option of the Company and among other conditions inter alia that the Preference Share holders shall have priority over equity share holders in the payment of dividend and repayment of capital in case of liquidation of the Company.

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

	As at 31.03.2014		As at 31.03.2013	
	No of shares	% holding	No of shares	% holding
Equity shares of Rs. 10 each fully paid up	11,80,90,000	100 *	11,80,90,000	100 *
11% Redeemable Cum. Pref. Shares of Rs 100 each fully paid up held by Jaiprakash Associates Limited	25,00,000	100	25,00,000	100
<b>Total</b>	<b>12,05,90,000</b>	<b>100</b>	<b>12,05,90,000</b>	<b>100</b>

\* Equity held by Jaiprakash Associates Limited and 6 shareholders holding shares as nominees and for benefit of JAL

**(d) Details of shares allotted during the period of 5 years immediately preceding in respect of undermentioned particulars:**

Particulars	Aggregate No. of Shares (FY 2013-14)	Aggregate No. of Shares (FY 2012-13)	Aggregate No. of Shares (FY 2011-12)	Aggregate No. of Shares (FY 2010-11)	Aggregate No. of Shares (FY 2009-10)
<b>Equity / Preference Shares</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-



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**HIMALYAN EXPRESSWAY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2014**

**Note No.3**

<b>Reserves and Surplus</b>	<b>As at 31.03.14</b>	<b>As at 31.03.13</b>
	₹	₹
<b>Capital Reserves - Grant from NHAI</b>		
As per last Balance Sheet	1,17,00,00,000	1,17,00,00,000
Received during the year	-	-
Written back during the year	-	-
<b>Closing balance A</b>	<u>1,17,00,00,000</u>	<u>1,17,00,00,000</u>

<b>Surplus</b>	<b>As at 31.03.14</b>	<b>As at 31.03.13</b>
	₹	₹
As per last Balance Sheet	(32,78,83,629)	(63,59,000)
Net profit/( loss) for the year	(29,03,15,190)	(32,15,24,629)
<b>Closing balance B</b>	<u>(61,81,98,819)</u>	<u>(32,78,83,629)</u>
<b>Total A+B</b>	<u>55,18,01,181</u>	<u>84,21,16,371</u>

In terms of concession agreement dated August 31, 2007 entered into with National Highway Authority of India (NHAI) , NHAI had given the capital grant of Rs.117,00,00,000/- to the Company.

**Note No.4**

<b>Long term borrowings</b>	<b>As at 31.03.14</b>		<b>As at 31.03.13</b>	
<b>(A) Secured Loans</b>	₹		₹	
	Current	Non Current	Current	Non Current
<b>(i) Secured Term Loans From Banks</b>				
ICICI Bank Ltd	1,56,17,168	2,47,37,59,398	1,12,50,000	2,98,87,50,000
<b>(ii) Secured Redeemable Non Convertible Debentures</b>	31,00,000	49,57,00,000	-	-
<b>Total A</b>	<b>1,87,17,168</b>	<b>2,96,94,59,398</b>	<b>1,12,50,000</b>	<b>2,98,87,50,000</b>

The Term Loan from ICICI Bank is secured against first charge on all immovable assets except project assets, all tangible moveable assets, all intangible assets, all accounts of the Company -escrow accounts/ 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). It is repayable in 49 quarterly structured installments with effect from May 2014 till March 2026.

The Redeemable Secured Non-Convertible Debentures (NCDs) of ₹ 1,00,000/- each aggregating to ₹ 49.88 Crores, mentioned at (ii) above rank pari passu with indebtedness of the company under the Facility Agreement with ICICI Bank. These are redeemable in 48 quarterly structured installments with effect from June 2014 till February 2026.

**(B) Unsecured Loans**

Unsecured Loan from Jaiprakash Associates Limited (Holding Company)	-	2,11,00,00,000	-	1,92,50,00,000
<b>Total B</b>	<b>-</b>	<b>2,11,00,00,000</b>	<b>-</b>	<b>1,92,50,00,000</b>
<b>Grand Total A+B</b>	<b>1,87,17,168</b>	<b>5,07,94,59,398</b>	<b>1,12,50,000</b>	<b>4,91,37,50,000</b>

Jaiprakash Associates Ltd (holding company) has provided interest free unsecured loan of Rs.211,00,00,000/- in compliance of loan agreement with ICICI Bank Ltd dated 30-03-2011. The loan is repayable after the repayment of rupee term loan of ICICI Bank Ltd. & redemption of NCDs.



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**HIMALYAN EXPRESSWAY LIMITED**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2014

**Note No.5**

Long Term Provisions	As at 31.03.14 ₹	As at 31.03.13 ₹
<b>Provision for Employees Benefits</b>		
Provision for Gratuity	-	-
Provision for Leave Encashment	2,36,976	2,89,275
<b>Total</b>	<b>2,36,976</b>	<b>2,89,275</b>

**Note No.6**

Other current liabilities	As at 31.03.14 ₹	As at 31.03.13 ₹
Current maturities of Long Term Debts	1,56,17,168	1,12,50,000
Current maturities of NCDs	31,00,000	-
Due to Staff	5,00,005	1,88,561
Salary Payable-Staff	8,69,475	9,56,017
Employees Contribution to PF Payable	39,861	96,556
Service Tax Payable	20,266	-
Works Contract Tax	1,844	44,834
TDS- Consultancy and Professional Services	1,08,858	82,371
TDS-Directors' Remuneration	-	1,79,156
TDS-Employees' Salary	1,26,250	2,47,468
TDS-Rent	12,500	12,500
TDS-Contractors	2,65,530	76,464
TDS-Interest	1,510	-
Expenses Payable	18,19,499	5,27,226
Power & Electricity Charges Payable	8,30,740	5,21,390
Telephone & Telex Charges Payable	7,609	4,300
Security Deposit-Creditors	9,00,000	9,00,000
Security Deposit-PRW	3,87,74,498	3,74,59,273
Security Money (Passes)	8,88,800	6,66,400
Sundry Creditors (Amount due to Micro, Small and Medium Enterprises including interest for delayed payment Rs. Nil (previous year Rs. Nil))	1,74,65,378	1,03,90,059
<b>Total</b>	<b>8,13,49,791</b>	<b>6,36,02,575</b>

**Note No.7**

Short Term Provisions	As at 31.03.14 ₹	As at 31.03.13 ₹
Provision for Income Tax	2,02,26,400	2,06,24,400
Provision for Fringe Benefit Tax	1,20,000	1,71,500
Provision for Wealth Tax	65,060	65,060
Provision for Gratuity	11,550	11,572
Provision for Leave Encashment	86,682	51,523
Provision for Bonus to Staff	3,32,223	2,48,694
<b>Total</b>	<b>2,08,41,915</b>	<b>2,11,72,749</b>



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HIMALYAN EXPRESSWAY LIMITED  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Note No.8  
Fixed Assets

Description	Gross Carrying Value				Depreciation / Amortization			Net Carrying Value		
	Balance as at 31.03.2013	Additions during the year	Deletions / Adjustments / Transfer during the year	Total as at 31.03.2014	Balance as at 31.03.2013	Provided during the year	Deductions during the year	Total as at 31.03.2014	As at 31.03.2014	As at 31.03.2013
<b>Tangible</b>										
Plant and Machinery	57,61,953	-	-	57,61,953	2,51,544	2,73,505	-	5,25,049	52,36,904	55,10,409
Motor Vehicle	83,44,343	-	-	83,44,343	20,67,760	7,92,711	-	28,60,471	54,83,872	62,76,583
Furniture and Fixtures	33,31,112	-	-	33,31,112	2,17,169	2,10,846	-	4,28,015	29,03,097	31,13,943
Office Equipments	52,65,279	-	-	52,65,279	2,60,873	2,46,293	-	5,07,166	47,58,113	50,04,406
Computers	5,91,526	71,938	-	6,63,464	2,53,529	98,704	-	3,52,233	3,11,231	3,37,997
<b>Total A</b>	<b>2,32,94,213</b>	<b>71,938</b>	<b>-</b>	<b>2,33,66,151</b>	<b>30,50,875</b>	<b>16,22,059</b>	<b>-</b>	<b>46,72,934</b>	<b>1,86,93,217</b>	<b>2,02,43,338</b>
<b>Intangible</b>										
Zirakpur Panwano Toll Road	7,26,58,18,896	-	-	7,26,58,18,896	9,15,58,892	10,23,20,052	-	19,38,78,944	7,07,19,39,952	7,17,42,60,004
Software	2,53,54,824	-	-	2,53,54,824	87,92,419	42,24,114	-	1,30,16,533	1,23,38,291	1,65,62,405
<b>Total B</b>	<b>7,29,11,73,720</b>	<b>-</b>	<b>-</b>	<b>7,29,11,73,720</b>	<b>10,03,51,311</b>	<b>10,65,44,166</b>	<b>-</b>	<b>20,68,95,477</b>	<b>7,08,42,78,243</b>	<b>7,19,08,22,409</b>
<b>Grand Total A+B</b>	<b>7,31,44,67,933</b>	<b>71,938</b>	<b>-</b>	<b>7,31,45,39,871</b>	<b>10,34,02,186</b>	<b>10,81,66,225</b>	<b>-</b>	<b>21,15,68,411</b>	<b>7,10,29,71,460</b>	<b>7,21,10,65,747</b>
Previous Year	4,13,01,166	7,27,31,66,767	-	7,31,44,67,933	62,70,267	9,71,31,919	-	10,34,02,186	7,21,10,65,747	-
Incidental Expenses pending allocation (Refer - Note 9) - Intangible Assets										
Capital Work - in - Progress - Intangible Assets (Refer Note 9 A)										91,01,922



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**HIMALYAN EXPRESSWAY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2014**

**Note No.9**

**Incidental expenses during construction pending allocation**

	As at 31.03.14 ₹	As at 31.03.13 ₹
Salary, Wages & Other Benefits to Staff	-	-
Power, Electricity Charges	-	-
Office & Camp Maintenance	-	-
Technical Fees	-	-
Rent	-	-
Rates & Taxes	-	-
Insurance	-	-
Travelling & Conveyance	-	-
Vehicle running, Maintenance & Hire Charges	-	-
Vehicle hire Charges	-	-
Legal & Professional Charges	-	-
Printing & Stationery	-	-
Telephone Expenses	-	-
Miscellaneous Expenses	-	-
Depreciation	-	-
Financing Charges	-	-
Interest on Term Loans	-	-
Auditors' Remuneration	-	-
-Audit Fees	-	-
-Certification Fees and reimbursements	-	-
Loss on sale of Fixed Assets	-	-
Provision for Tax	-	-
-Current Tax	-	-
<b>Sub Total</b>	<b>A</b>	-
Less :		
Interest Received on Fixed Deposit	-	-
Other Income	-	-
<b>Sub Total</b>	<b>B</b>	-
<b>Total</b>	<b>A+ B</b>	-
Add: Brought Forward from Previous Year	-	91,87,58,546
Less: Capitalized during the year	-	91,87,58,546
Balance Carried Forward to Balance Sheet	-	-

**Note No. 9 A**

**Capital Work in Progress (Intangible Assets)**

	As at 31.03.14 ₹	As at 31.03.13 ₹
Balance Brought Forward from previous year	-	6,42,10,88,843
Add: Additions during the year	91,01,922	(7,40,28,493)
Less: Capitalized during the year	-	6,34,70,60,350
Balance Carried Forward to Balance Sheet	91,01,922	-



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**HIMALYAN EXPRESSWAY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2014**

**Note No.10**

<b>Other Non Current Assets</b>	<b>As at 31.03.14</b>	<b>As at 31.03.13</b>
	₹	₹
Other Bank Balances- On Deposit Accounts	1,00,000	3,00,000
	<b>1,00,000</b>	<b>3,00,000</b>

The above include FDRs worth ₹ 1,00,000/ (previous year ₹ 3,00,000/- ) are pledged as Margin Money against B.Gs and have maturity period of more than 12 months.

**Note No.11**

<b>Inventories</b>	<b>As at 31.03.14</b>	<b>As at 31.03.13</b>
	₹	₹
Hardware and Tools	-	82,154
Paints, Sanitary, Wood and Stone	-	-
General Stores and Spares	-	-
Electricals and Electronics	-	-
	<b>-</b>	<b>82,154</b>

**Note No.12**

<b>Cash and Cash Equivalents</b>	<b>As at 31.03.14</b>	<b>As at 31.03.13</b>
	₹	₹
<b>A) Balances with Banks</b>		
(i) On Current Accounts	82,94,322	33,16,510
(ii) On Deposits Accounts	2,00,000	1,00,000
<b>Total</b> <span style="float: right;">A</span>	<b>84,94,322</b>	<b>34,16,510</b>
<b>B) Cash on hand</b>		
Cash on hand	44,98,734	61,25,685
<b>Total</b> <span style="float: right;">B</span>	<b>44,98,734</b>	<b>61,25,685</b>
<b>A+B</b>	<b>1,29,93,056</b>	<b>95,42,195</b>

FDRs included in A.(ii) above includes FDRs worth ₹ 2,00,000/ (previous year ₹ 1,00,000/- ) pledged as Margin Money against B.Gs.

**Note No.13**

<b>Short Term Loans and Advances</b>	<b>As at 31.03.14</b>	<b>As at 31.03.13</b>
	₹	₹
Prepaid Expenses	37,65,399	37,59,500
Income Tax and Advance Income Tax	95,61,924	14,34,804
Income Tax Deducted at Source - Interest	70,78,368	70,77,002
Income Tax Deducted at Source - Contract	34,48,434	26,85,826
Security Deposit - Electricity Boards	22,42,741	22,42,741
Security Deposit - Other Govt Departments	4,10,355	27,33,869
Security Deposit - Gas Agencies	10,200	2,880
Security Deposit - Land Lords	4,75,600	4,75,600
Security Deposit -LPG	-	3,400
Advance against Gratuity	94,521	1,11,944
Advances to suppliers & others	1,22,34,094	3,01,98,957
<b>Total</b>	<b>3,93,21,636</b>	<b>5,07,26,523</b>

**Note No.14**

<b>Other Current Assets</b>	<b>As at 31.03.14</b>	<b>As at 31.03.13</b>
	₹	₹
Interest accrued on FDRs	1,01,187	1,14,351
<b>Total</b>	<b>1,01,187</b>	<b>1,14,351</b>



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HIMALYAN EXPRESSWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Note No.15 REVENUE FROM OPERATIONS

	For the year ended 31.03.2014 ₹	For the year ended 31.03.2013 ₹
(i) Revenue - Toll Fees	28,85,03,915	25,67,58,837
(ii) Revenue - Passes	1,98,40,568	1,92,25,205
	<u>30,83,44,483</u>	<u>27,59,84,042</u>

Note No.16 OTHER INCOME

	For the year ended 31.03.2014 ₹	For the year ended 31.03.2013 ₹
(i) Interest from Banks on FDRs	36,647	5,86,092
(ii) Interest - Others	2,27,470	-
(iii) Miscellaneous Income	4,235	77,373
	<u>2,68,352</u>	<u>6,63,465</u>

Note No.17 EMPLOYEE BENEFITS EXPENSE

	For the year ended 31.03.2014 ₹	For the year ended 31.03.2013 ₹
(i) Salaries, Wages, Bonus & other benefits	3,72,40,174	4,42,31,647
(ii) Contribution to Provident Fund	5,33,318	4,69,040
(iii) Staff Welfare Expenses	1,32,814	1,29,135
	<u>3,79,06,306</u>	<u>4,48,29,831</u>

Note No.18 FINANCE COST

	For the year ended 31.03.2014 ₹	For the year ended 31.03.2013 ₹
(a) Interest Expense		
(i) Interest on Term Loan	37,78,53,801	38,91,04,785
	<u>37,78,53,801</u>	<u>38,91,04,785</u>
(b) Interest on NCDs	1,51,02,337	
(c) Other Financing Charges	91,43,611	27,66,013
TOTAL	<u>40,20,99,749</u>	<u>39,18,70,798</u>



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**Note No.19 OTHER EXPENSES**

	For the year ended 31.03.2014		For the year ended 31.03.2013
	₹		₹
(i) Advertisement & Marketing Expenses		60,200	33,21,481
(ii) Consultancy & Advisory Charges		1,08,05,106	1,58,35,940
(iii) Travelling & Conveyance Expenses		4,42,642	5,66,260
(iv) Postage & Telephone Expenses		1,26,380	4,16,836
(v) Insurance Charges		38,21,541	31,59,609
(vi) Rent		15,00,000	17,91,386
(vii) Rates & Taxes		27,08,421	9,99,259
(viii) Electricity, Power & Fuel Expenses		1,04,75,232	1,22,38,331
(ix) Office and Camp Maintenance		16,56,462	88,73,696
(x) Vehicles Running & Maintenance		23,20,604	38,00,005
(xi) Printing & Stationery		5,13,315	6,61,995
(xii) Security Service Expenses		62,55,199	58,92,355
(xiii) Road Maintenance Expenses		48,23,070	43,56,251
(xiv) Miscellaneous Expenses		48,59,609	20,28,842
(xv) Auditors' Remuneration:-			
(a) Audit Fee	3,37,080		3,37,080
(b) Tax Audit Fee	84,270		-
(c) Certification Fees & Reimbursement of Expenses	37,943		60,262
		4,59,293	3,97,342
		<b>5,08,27,074</b>	<b>6,43,39,588</b>

**Note No. 20 Earnings Per Share in accordance with Accounting Standard [AS – 20] for the year ended 31.03.2014**  
Computation of Basic & Diluted Earnings per Share is as under:

	For the year ended 31.03.2014	For the year ended 31.03.2013
Net Profit /(Loss) after Tax (₹)	(29,03,15,190)	(32,15,24,629)
Weighted average number of Equity shares for Earnings per share computation.		
(i) Number of Equity Shares at the beginning of the year.	11,80,90,000	11,80,90,000
(ii) Number of Equity Shares allotted during the year	-	-
(iii) Weighted average number of Equity Shares allotted during the year	-	-
(iv) Weighted average number of Equity Shares at the end of the year	11,80,90,000	11,80,90,000
Basic & diluted earnings per share (₹)	(2.46)	(2.72)
Face Value per Share (₹)	10.00	10.00



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## HIMALYAN EXPRESSWAY LIMITED

### Notes to the financial statements for the year ended March 31, 2014

#### Note No. 21

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 and terminating at Km 67.000 of NH-22.

The "Zirakpur - Parwanoo Road Project" has achieved COD and commenced operations on 6<sup>th</sup> April, 2012. The company is pursuing with the NHA for increase in concession period by 584 days i.e. up to 5<sup>th</sup> October, 2029 in place of existing concession period i.e. upto 28<sup>th</sup> February, 2028, in view of significant increase in the cost and delays.

#### Note No. 22

Contingent Liabilities not provided for;

(a) In respect of outstanding amount of Bank Guarantees are ₹19,18,00,000 /- .(Previous year ₹ 19,18,00,000/-).

(b) In respect of income tax for AY 2011-12 ₹ 37,43,830/- (Previous year ₹ Nil)

#### Note No. 23

Income Tax matters under Appeal are as below:

S.No.	Assessment Year	Tax Demand (₹)	Tax Deposited under protest (₹)
I	2009-10	60,97,048	60,97,048
ii	2010-11	72,24,820	72,24,820
lii	2011-12	74,87,660	37,43,830

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 was not made during the previous year(s) 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.



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Such income is a capital receipt required to be capitalized and be set off against pre operative expenses.

The company has preferred appeal against the demand raised by the Income Tax Department on such income which is pending with the requisite authority. The company is hopeful of suitable relief in this regard.

**Note No.24**

Amount of contracts remaining to be executed on capital account is ₹ 47.19 Crores, (Previous Year ₹ 49.82 Crores). Other than capital account Nil (Previous year Nil).

**Note No.25**

In the opinion of Board of Directors, the "Current Assets" 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.

**Note No.26**

Debenture Redemption Reserve has not been created in view of inadequacy of profit during the year.

**Note No.27**

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.

**Note No.28**

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 30th March,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 as below:



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Amount in ₹

Sl. No.	Particulars	Gratuity – Funded	Leave Encashment -Non Funded
I	Expenses recognized in the Financial Statements for the year ended 31st March 2014.		
	1. Current Service Cost.	1,19,487 (98,402)	1,47,375 (1,62,105)
	2. Interest Cost	22,794 (49,020)	28,968 (72,305)
	3. Employee Contribution	- (-)	- (-)
	4. Actuarial (Gains)/Losses	(-) 90,606 (-)4,45,730)	(-)72,493 (-)6,24,607)
	5. Past Service Cost	- (-)	- (-)
	6. Settlement Cost	- (-)	- (-)
	7. Total Expenses	17,401 (-)3,30,537)	1,03,850 (-)3,90,197)
II	Net Asset / (Liability) recognized in the Balance Sheet as at 31st March 2014.		
	1. Present Value of Defined Benefit Obligation.	3,18,802 (2,68,165)	3,23,658 (3,40,798)
	2. Fair Value of Plan Assets	4,01,773 (3,68,537)	- (-)
	3. Funded Status (Surplus/Deficit)	82,971 (1,00,372)	(-)3,23,658 (-)3,40,798)
	4. Net Asset/(Liability) as at March 31, 2014.	82,971 (1,00,372)	(-) 3,23,658 (-)3,40,798)



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III	Change in Obligation during the year ended March 31, 2014.		
	1. Present value of Defined Benefit Obligation at the beginning of the year.	2,68,165 (5,76,711)	3,40,798 (8,50,642)
	2. Current Service Cost.	1,19,487 (98,402)	1,47,375 (1,62,105)
	3. Interest Cost.	22,794 (49,020)	28,968 (72,305)
	4. Settlement Cost.	- (-)	- (-)
	5. Past Service Cost.	- (-)	- (-)
	6. Employee Contributions.	- (-)	- (-)
	7. Actuarial (Gains)/Losses	(91,644) ((-)4,55,968)	(-)72,493 ((-)6,24,607)
	8. Benefit Payments	- (-)	(-)1,20,990 ((-)1,19,647)
	9. Present Value of Defined Benefit Obligation at the end of the year.	3,18,802 (2,68,165)	3,23,658 (3,40,798)
IV	Change in Assets during the year ended March, 2014.		
	1. Plan Assets at the beginning of the year.	3,68,537 (3,46,546)	- (-)
	2. Assets acquired on amalgamation in previous year.	- (-)	- (-)
	3. Settlements.	- (-)	- (-)
	4. Expected return on Plan Assets.	34,274 (32,229)	- (-)
	5. Contribution by Employer.	- (-)	- (-)
	6. Actual Benefit Paid.	- (-)	- (-)



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7. Actuarial Gains/ (Losses).	(1,038) (-10,238)	- (-)
8. Plan Assets at the end of the year.	4,01,773 (3,68,537)	- (-)
9. Actual Return on Plan Assets.	(-33,236) (-21,991)	- (-)

(Previous year figures are in brackets)

Assets/Liabilities:

	As on	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
<b><u>Gratuity</u></b>						
A	PBO(C)	3,18,802	2,68,165	5,76,711	4,01,689	2,30,250
B	Plan Assets	4,01,773	3,68,537	3,46,546	3,25,559	1,05,982
C	Net Assets/ (Liabilities)	82,971	1,00,372	(-2,30,165)	(-76,130)	(-1,24,268)
<b><u>Leave Encashment</u></b>						
A	PBO(C)	3,23,658	3,40,798	8,50,642	7,68,547	5,13,705
B	Plan Assets		-	-	-	-
C	Net Assets/ (Liabilities)	(-) 3,23,658	(-) 3,40,798	(-)8,50,642	(-)7,68,547	(-)5,13,705

VI. Experience on actuarial Gain/(Loss) for PBO and Plan Assets:

<b><u>Gratuity</u></b>						
A	On Plan PBO	67,321	4,13,765	29,064	4,749	45,285
B	On Plan Assets	(-)1,038	(-) 10,328	(-) 8,313	371	-
<b><u>Leave Encashment</u></b>						
A	On Plan PBO	48,897	5,98,883	75,917	89,335	1,19,532
B	On Plan Assets	-	-	-	-	-



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Enterprises best estimate of contribution during next year:

Gratuity	₹ 90,565
Leave encashment	₹ 1,11,443

#### Actuarial Assumptions

- I. Discount Rate - 8.50%
- II. Mortality Table - IALM (2006-08)
- III. Turnover Rate - Up to 30 years -2%, 31-44years -5% Above44 -3%
- IV. Future Salary Increase - 6.00%

#### Note No.29

Managerial remuneration paid to Whole Time Director (excluding provision for gratuity and leave encashment on retirement) shown in Statement of Profit & Loss.

	Amount in ₹	
	Current Year	Previous Year
Basic Pay	-	27,00,000
House Rent Allowance	-	16,20,000
Perquisite	-	5,78,470
Total	-	48,98,470

#### Note No. 30

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 (JPVL)
- (2) Jaypee Powergrid Limited (subsidiary of JPVL)
- (3) Jaypee Infratech Limited
- (4) Jaypee Agra Vikas Limited
- (5) Jaypee Sports International Limited (JPSI)
- (6) Jaypee Ganga Infrastructure Corporation Limited
- (7) Bhilai Jaypee Cement Limited
- (8) Bokaro Jaypee Cement Limited



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- (9) Gujarat Jaypee Cement & Infrastructure Limited
- (10) Jaypee Assam Cement Limited.
- (11) Himalyaputra Aviation Limited.
- (12) Jaypee Arunachal Power Limited
- (13) Sangam Power Generation Company Limited
- (14) Prayagraj Power Generation Company Limited
- (15) Jaypee Fertilizers & Industries Limited
- (16) Jaypee Meghalaya Power Limited
- (17) Jaypee Cement Corporation Limited (JCCL)
- (18) Jaypee Cement Cricket (India) Limited
- (19) Jaypee Cement Hockey (India) Limited
- (20) Jaiprakash Agri Initiatives Company Limited
- (21) Jaypee Healthcare Limited
- (22) Jaypee Uttar Bharat Vikas Private Limited
- (23) Kanpur Fertilizers & Cement Limited
- (24) Himachal Baspa Power Company Limited (w.e.f. 14.03.2014)
- (25) Himachal Karcham Power Company Limited (w.e.f.14.03.201)

**(C) Associate Companies:**

- (1) Jaypee Infra Ventures (A Private Company with Unlimited Liability)(JIV)
- (2) Jaypee Development Corporation Limited (JDCL)(subsidiary of JIV)
- (3) JIL Information Technology Limited (JILIT)(subsidiary of JIV)
- (4) Andhra Cements Limited (subsidiary of JDCL)
- (5) Gaur & Nagi Limited (subsidiary of JILIT)
- (6) Indesign Enterprises Private Limited (IEPL)(subsidiary of JIV)
- (7) Madhya Pradesh Jaypee Minerals Limited
- (8) Jaiprakash Kashmir Energy Limited
- (9) Sonebhadra Minerals Private Limited
- (10) RPJ Minerals Private Limited
- (11) Jaypee International Logistics Company Private Limited (subsidiary of JIV)
- (12) Tiger Hills Holiday Resort Private Limited (subsidiary of JDCL)
- (13) Sarveshwari Stone Products Private Limited (subsidiary of RPJ Minerals Private Limited)
- (14) Rock Solid Cement Limited (subsidiary of RPJ Minerals Private Limited)
- (15) MP Jaypee Coal Limited
- (16) MP Jaypee Coal Fields Limited
- (17) Anvi Hotels Private Limited (subsidiary of JIV)

**(d) Key Managerial Personnel (KMP):**

Shri Sunil Kumar Sharma, Chairman



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**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
<b>Receipts:</b>			
Unsecured Loan	18,50,00,000 (14,50,00,000)		
<b>Expenditure:</b>			
Contract Expenses	2,63,04,485 (-)		
Director's Remuneration			- (48,98,470)
Consultancy / Repair & Maintenance		- (5,30,966)	
Advertisement		- (20,43,472)	
<b>Payables:</b>			
Creditors	1,49,91,867 (34,85,399)	(-) 18,951 (1,85,579)	
Security Deposit	3,87,53,573 (3,74,38,348)		
Unsecured Loan	211,00,00,000 (192,50,00,000)		

(Previous year figures are given in brackets)

Note: There were no transactions with the relationships referred to (b) & (d) above during the year.



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**Note No.31**

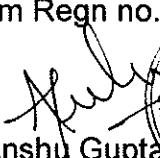
Additional information pursuant to provisions of paragraphs 5 of Part-II of the Revised Schedule-VI to the Companies Act, 1956:

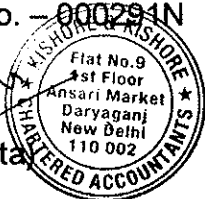
<b>Foreign Exchange Outgo</b>	<b>Current Year</b>	<b>Previous Year</b>
Expenditure in Foreign Currency	Nil	Nil

Previous year figures have been reworked/ regrouped/ rearranged wherever necessary to conform to those of current year.

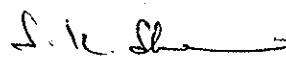

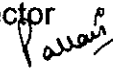
All the figures have been rounded off to nearest Rupee.

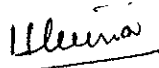
Signature to Notes 1 to 31 of Financial Statements for the year ended on 31<sup>st</sup> March 2014.

For Kishore & Kishore  
Chartered Accountants  
Firm Regn no. - 000291N  
  
(Anshu Gupta)  
Partner  
M. No. : 77891



For and on behalf of the Board

  
Sunil Kumar Sharma  
Chairman  
  
Sameer Gaur  
Director  
  
Pallavi Vardhan  
Company Secretary

  
Hrishikesh Kumar  
DGM ( F&A)

Place: Noida  
Date :24<sup>th</sup> May,2014

**HIMALYAN EXPRESSWAY LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

	For the Year ended March 31, 2014 ₹	For the Year ended March 31, 2013 ₹
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before Tax as per Statement of Profit & Loss	(29,03,86,519)	(32,15,24,629)
<b>Add Back:</b>		
(a) Depreciation	10,81,66,225	9,71,31,919
(b) Interest & Finance Charges	40,20,99,749	39,18,70,798
	51,02,65,974	48,90,02,717
<b>Deduct:</b>		
(a) Interest Income	2,64,117	5,86,092
	<u>2,64,117</u>	<u>5,86,092</u>
Operating Profit before Working Capital Changes	21,96,15,338	16,68,91,996
<b>Deduct:</b>		
(a) Decrease in Current Liabilities		23,07,71,813
(b) Increase in Short Term Loan & Advances		2,20,37,071
		<u>25,28,08,884</u>
<b>Add</b>		
(a) Decrease in Inventories	82,154	29,07,345
(b) Decrease in Short Term Loan & Advances	1,14,76,216	-
(c) Increase in Current Liabilities	1,74,16,382	-
(d) Decrease in Other Current Assets	13,164	98,526
	<u>2,89,87,916</u>	<u>30,05,871</u>
Cash Generated from Operations	24,86,03,254	(8,29,11,017)
<b>Deduct:</b>		
(a) Tax Paid	-	-
(b) Dividend Paid (including Dividend Distribution Tax)	-	-
	<u>-</u>	<u>-</u>
<b>CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>24,86,03,254</b>	<b>(8,29,11,017)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
<b>Inflow:</b>		
(a) Interest Income	2,64,117	5,86,092
(b) Sale of Fixed Assets	-	-
(c) Decrease in Fixed Assets	-	6,66,80,622
	<u>2,64,117</u>	<u>6,72,66,714</u>
<b>Outflow:</b>		
(a) Increase in Fixed Assets (including Capital work in progress)	91,73,860	-
	<u>91,73,860</u>	<u>-</u>
<b>CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>(89,09,743)</b>	<b>6,72,66,714</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
<b>Inflow:</b>		
(a) Proceeds from issue of Share Capital	-	25,00,00,000
(b) Grant from NHAi	-	-
(c) Long-Term Borrowings -Secured	-	10,37,50,000
(d) Long-Term Borrowings -UnSecured	18,50,00,000	-
(e) Other Long-Term Liabilities	-	-
	<u>18,50,00,000</u>	<u>35,37,50,000</u>
<b>Outflow:</b>		
(a) Long-Term Borrowings - Secured	1,92,90,602	-
(a) Other Long-Term Liabilities	52,299	7,91,532
(b) Interest Paid	40,20,99,749	39,18,70,798



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(c) Long-Term Borrowings -UnSecured	-	10,50,00,000
	42,14,42,650	49,76,62,330
<b>CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>(23,64,42,650)</b>	<b>(14,39,12,330)</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS "A+B+C"</b>	<b>32,50,861</b>	<b>(15,95,56,633)</b>
<b>CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR</b>	<b>98,42,195</b>	<b>16,93,98,828</b>
<b>CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR</b>	<b>1,30,93,056</b>	<b>98,42,195</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS :</b>		
In Balance with Schedule Banks		
In Current Accounts	82,94,322	33,16,510
In Deposit Account -Current	2,00,000	1,00,000
In Deposit Account -Non Current	1,00,000	3,00,000
Cash and Cheque in Hand	44,98,734	61,25,685
	<b>1,30,93,056</b>	<b>98,42,195</b>
<p>For Kishore &amp; Kishore Chartered Accountants FRN 000291N</p> <p><i>Anshu Gupta</i> Anshu Gupta Partner M.No. 77891</p> <p>Place: Noida Date: 24 May 2014</p>		
<p>For and on behalf of the Board</p> <p><i>S.K. Sharma</i> Sunil Kumar Sharma Chairman</p> <p><i>Samir Gaur</i> Samir Gaur Director</p> <p><i>Hrishikesh Kumar</i> Hrishikesh Kumar DGM (F &amp;A)</p> <p><i>Pallavi Vardhan</i> Pallavi Vardhan Company Secretary</p>		

