

Jharkhand Road Projects
Implementation Company Limited

Annual Report

2010-11

DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2010-11

Dear Members

Your Directors have pleasure in presenting the Second Annual Report along with the Audited Accounts for the financial year ended March 31, 2011

1. FINANCIAL PERFORMANCE:

The Company was incorporated on August 4, 2009. The first financial year of the Company was taken from August 4, 2009 to September 30, 2010 and the second financial year of the Company is from October 1, 2010 to March 31, 2011

	<i>(Amount in ₹ '000)</i> FY ended March 31, 2011	<i>(Amount in ₹ '000)</i> FY ended Sept. 30, 2010
Total Income		-
Total Expense	(868)	(1,097)
Profit / (Loss) Before Tax	(1,029)	(1,179)
Provisions for Tax	(1,179)	(1,469)
Fringe Benefit Tax	-	-
Wealth Tax	-	-
Profit / (Loss) After Tax	(2,209)	(2,649)
Balance of Profit/ (Loss) Brought Forward	(2,649)	-
Balance Carried to Balance Sheet	(4,858)	(2,649)

The net loss after tax for the year is ₹ 2.21 million. Aggregating the carry forward balance of loss of ₹ 2.64 million a net loss of ₹ 4.85 million is carried to the Balance Sheet

2. SHARE CAPITAL:

Your Company's paid-up equity share capital as on March 31, 2011 stood at ₹156.21 Crores.

3. DIVIDEND:

The Directors do not recommend dividend for the period under review

4. OPERATIONS:

Your Company is engaged in the development of road projects under the Jharkhand Accelerated Road Development Programme (JARDP). Under the JARDP, GoJ has proposed to upgrade about 1500 Lane Km of roads in the state and currently your Company has undertaken development of the following 6 road stretches as identified and conveyed by Government of Jharkhand (GoJ);

S. N.	Road Stretch	Project Id	Length of Project (Km)	Proposed lanes	Total Lane Kms
1a	Ranchi-Patratu Dam Road	RPR – I	35.27	4/2 Lanes	103.74
1b	Patratu Dam - Ramgarh Road	RPR – II	27.12	4 Lanes	108.47
2	Ranchi Ring Road (Sec. III, IV, V & VI)	RRR	36.19	6 Lanes	217.15
3	Chaibasa – Kandra – Chowka Road	CKC	68.70	2 Lanes	137.40
4	Adityapur – Kandra Road	AK	15.10	4 Lanes	60.40
5	Ranchi-Muri Road	RM	57.50	2 Lanes	115.00
6a	Rangamati - Banta Hazam - Silli Road	CK – 2	48.00	2 Lanes	96.00
6b	Silli – Gola – Rajrappa Road	CK - 3	41.0	2 Lanes	82.0
	Total Length		328.98		920.16

The Government of Jharkhand had decided to prioritize the work with respect to the packages comprised in the Ranchi Ring Road (RRR), Ranchi – Patratu road (RPR-I) and Patratu – Ramgarh roads (RPR-II). Your Company signed Concession Agreement for Ranchi Ring Road (Section III, IV, V and VI) on September 23, 2009 and for Ranchi-Patratu Dam Road (RPR-I) and for Patratu Dam – Ramgarh Road (RPR-II) on October 14, 2009. These concession agreements were signed between Government of Jharkhand, Jharkhand Accelerated Road Development Company Limited and Jharkhand Road Project Implementation Company Limited (the Concessionaire).

The Company has also been able to financially close these packages and commence construction activities on these roads. The financial tie-up for Ranchi Ring Road was achieved on March 15, 2010 and that for Ranchi-Patratu Dam Road (RPR-I) and for Patratu Dam – Ramgarh Road (RPR-II) on March 25, 2010

The physical and financial progress for the projects under execution is stated below:

S. N.	Road Stretch	Length (in lane km)	Physical Progress	Financial Progress
1	Ranchi Ring Road (Sec. III, IV, V & VI) (RRR)	217	51.57%	51.6%
2a	Ranchi - Patratu Dam Road (RPR – I)	141	46.8%	47.0%
2b	Patratu Dam - Ramgarh Road (RPR II)	109	34.21%	34.1%

Now it has further been decided to undertake the improvement works on Chaibasa – Kandra – Chowka road package. Jharkhand Accelerated Road Development Company (JARDCL) has, in accordance with the provisions of the PDA, invited open tenders for selection of lumpsum EPC contractors for the Chaibasa – Kandra – Chowka road package. The lowest bidder M/s G R Infraprojects Limited with lowest EPC bids amounting to Rs. 333.07 Crores were selected by JARDCL and now your Company is in the process of executing the Concession Agreement for Chaibasa – Kandra – Chowka road package

5. ROAD INFRASTRUCTURE SECTOR:

For a country of India’s size, an efficient road network is necessary both for national integration as well as for socio-economic development. Road development remains the Government’s top priority to catapult a developing economy into the league of advanced nations. The seriousness is amply reflected in the numbers and policies; recently in the Union Budget the allocation for Bharat Nirman Programme is proposed to be increased to ₹ 58,000 crore in 2011-12. Further the Government is to come up with a comprehensive policy for further developing the PPP Projects

Currently, at 3.3 million km, India’s road network is the second largest in the world. The network is divided into three categories – national highways, state roads including state highways and district roads and rural roads. National highways span a length of 70, 934 km, state highways 131, 899 km, major district roads 467,763 km and rural roads 2,650,000 km. National highways constitute only 2 percent of the total road length but carry nearly 40 percent of the traffic. State highways constitute about 13 percent of the road length and carry 40 percent of the traffic

The Road infrastructure in Jharkhand requires augmentation. Growth of population and vehicles has burdened the existing road network. This needs to be taken care of by means of maintenance, upgradation and construction

The Road infrastructure of the state is divided basically into three categories -

- National Highway
- State Highway & Major District Roads
- Rural Roads & Minor District Roads

National Highways are the primary system of roads. Similarly State Highways, Major Districts Roads (MDR) and other roads provide secondary system and the Rural Roads and Minor District Roads provide tertiary systems. The present availability of these roads is as follows:

Category of roads in the State of Jharkhand	Length (Km)
National Highways including NH-2 (transferred to NHDP)	1844.00 Km
State Highways	1886.40 Km
Major District roads	4828.10Km
Other Roads of PWD/ODR	166.00 Km
Total	8724.50 Km

Government of Jharkhand has launched a massive programme for improvement of the secondary system of roads in the State and has introduced the Jharkhand Accelerated Road Development Programme (JARDP) through a public-private partnership. Under the JARDP, road length of around 1500 lane km would be taken up for development

6. FUTURE OUTLOOK:

Your Company has been mandated to develop road projects in the State of Jharkhand. Government of Jharkhand intends to improve over 1500 lane kilometers of road in the State of Jharkhand and has initially shortlisted road stretches aggregating to around 1000 lane kilometers

FY 2011-12 is going to be an important year for your Company. The construction works for Ranchi Ring Road and Ranchi Patratu Dam Ramgarh Road Projects are under progress and are expected to be commissioned by September 2012

The Concession Agreement for Chaibasa – Kandra – Chowka road package is expected to be executed in this FY and financial close for this stretch is also expected to be achieved in the coming year

7. DIRECTORS AND OTHER MANAGERIAL PERSONNEL:

Mr K Ramchand resigned as Director and his resignation was accepted on January 27, 2011. Your directors wish to place on record their appreciation of the contributions made by Mr K Ramchand for the Company

In accordance with Article 256 of the Companies Act, 1956 Mr Mukund Sapre, Director retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment

8. AUDITORS:

Messrs U Narain & Company, Chartered Accountants, hold office till the conclusion of the ensuing Annual General Meeting and have expressed their willingness to continue as Auditors of the Company, if re-appointed at the ensuing Annual General Meeting of the Company. They have further confirmed that the said appointment would be in conformity with the provisions of Section 224(1B) of the Companies Act, 1956

9. DEPOSITS:

Your Company has not accepted any deposits from the public during the year

10. CORPORATE GOVERNANCE:

The Board of Directors of the Company was composed of the following Directors on 31st March 2011:

Director	Executive/ Non-executive	Category
Mr Mukund Sapre	Non-executive	Promoter Company's Director (IL&FS)
Mr Harish Mathur	Non-executive	Promoter Company's Director (IL&FS)
Mr Deep Sen	Non-executive	Promoter Company's Director (IL&FS)
Mr Sanjay Kumar Minglani	Non-executive	Promoter Company's Director (IL&FS)

Attendance of Directors at Board Meetings held during the financial year 2010-11 and last AGM held on January 6, 2011:

Directors	No of Board Meetings Held during tenure	Attendance for Board Meetings	Attendance in Annual General Meeting
Mr K Ramchand*	2	2	-
Mr Mukund Sapre	2	2	-
Mr Harish Mathur	2	2	Yes
Mr Deep Sen	2	2	-
Mr Sanjay Kumar Minglani	2	2	Yes

*Resigned on January 27, 2011

The Credit Approval Committee has been constituted by the Board of Directors on February 22, 2010 with Mr Harish Mathur and Mr Mukund Sapre as its members

The Audit Committee had been reconstituted by the Board of Directors on October 25, 2010 for ensuring good corporate governance and providing focused attention on the affairs of the Company. As on 31st March 2011, the Audit Committee comprised of Mr Sanjay Kumar Minglani (Director and Chairman of the Committee), Mr Harish Mathur and Mr Deep Sen as other members. During the year under review, the Audit Committee met on October 25, 2010 for review of the financial statements for the year ended September 30, 2010. For review of the Financial Statements for the quarter ended December 31, 2010 the Audit Committee Meeting was held on January 25, 2011

11. DIRECTOR'S RESPONSIBILITY STATEMENT:

Section 217 (2AA) of the Companies Act, 1956 as amended in December 2000 requires the Board of Directors to provide a statement to the members of the Company in connection with maintenance of books, records, preparation of Annual Accounts in conformity with the accepted accounting standards and past practices followed by the Company. Pursuant to the foregoing and on the basis of representations received from the Operating Management, and after due enquiry, it is confirmed that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors have prepared the annual accounts on a going concern basis.

12. PARTICULARS OF EMPLOYEES:

With regard to the statement of employees required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, the Company does not have any employee drawing remuneration in excess of the limits prescribed under the provisions of the Act/rules

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

There has not been any income/earning and outgo of foreign exchange during the period under review. Since your Company does not own any manufacturing facility, the other particulars in the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to it

14. ACKNOWLEDGEMENTS:

Your Company had excellent relationships with Government of Jharkhand, Central Government, Shareholders and Regulatory Authorities during the period under review. Your Directors are grateful for the support extended by them and look forward to receiving their continued support and encouragement

The proactive support and guidance extended by functionaries of Government of Jharkhand, Infrastructure Leasing & Financial Services Limited, Bank of India and other members of the consortium of lenders and Jharkhand Accelerated Road Development Company Limited in implementation of the Project needs special acknowledgement by your Directors. Your Directors also wish to place on record their appreciation for the contributions made by employees at all level through their sincerity, hard work, competence and dedication

For and on behalf of the Board



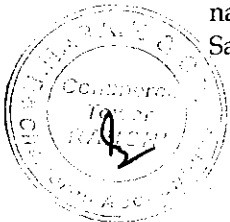
Harish Mathur
Director



Sanjay Kumar Minglani
Director

AUDITOR'S REPORT TO THE MEMBERS

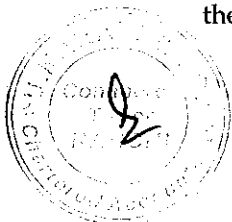
1. We have audited the attached Balance Sheet of **JHARKHAND ROAD PROJECTS IMPLEMENTATION CO. Limited** as at **31st March, 2011** and the related Profit & Loss Account and the Cash Flow Statement of the Company for the period from **1st October, 2010** to **31st March, 2011** both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956, of India (the Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we report that :
 - A. a. The Company has maintained proper records to show full particulars, including quantitative details and situation of its Fixed Assets.
b. The Fixed Assets of the Company have been physically verified by the Management during the period and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
c. In our opinion and according to the information and explanations given to us, the Company has not disposed off any substantial part of its fixed assets during the period.
 - B. The Company does not have any inventory and hence this clause is not applicable.
 - C. a. The Company has not granted any loans, secured and unsecured to the companies, firms or other parties covered in the register to be maintained under section 301 of the Companies Act, 1956.
 - D. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regards to purchases of Inventory, fixed assets and with regards to Sale of goods. Further, on the basis of our examination and information and according to the



B.O.: Ranchi - Patna - Hazaribag - Kolkata - Ahmedabad

explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.

- E. According to the information and explanation given to us, there were no transactions of purchase or sale made by the Company in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956.
- F. According to the information and explanations given to us the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- G. In our opinion the company has an Internal Audit Systems commensurate with the size and operations of the Company.
- H. As explained to us the Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Company Act, 1956, for any of the products of the Company.
- I. a. According to the information and explanations given to us and records of the company examined by us, in our opinion the company has generally been regular in depositing undisputed statutory dues in respect of income-tax and other material statutory dues as applicable, with the appropriate authorities. Also there are no Statutory dues which were outstanding for more than six months from the date they become payable.
- b. As per the information and explanations given to us the Company does not have any disputed statutory dues with the authorities.
- J. The Company's accumulated losses at the end of the financial period are less than fifty percent of its net worth.
- K. As per the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank during the period.
- L. According to the information and explanation given to us and based on the documents and records produced to us, The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- M. In our opinion, considering the nature of activities carried on by the Company during the period, the provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/ societies are not applicable to the Company.
- N. The Company has not traded in shares, securities, debentures and other investments during the financial period under audit.



- O. The Company has not given any guarantees for loans taken by others from banks or financial institutions.
- P. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purpose for which they were obtained.
- Q. Based on the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, in our opinion there are no funds raised on a short-term basis, which have been used for long-term investment.
- R. The Company has made preferential allotment of 36250000 Equity shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956, during the period.
- S. As at March 31, 2011, according to the records of the company, the company has not issued any debentures during the period.
- T. The Company has not raised any money by public issue during the period.
- U. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the period, nor have we been informed of such case by the management.
4. Further to our comments in paragraph 3 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 accounts as required by the law have been kept by the company so far as appears from our examination of the books;
- (c) The Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 to the extent applicable.
- (e) On the basis of written representation received from the directors and taken on record by Board of Director, none of the director is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;



U. NARAIN & CO.
CHARTERED ACCOUNTANTS

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Opp. G.E.L. Church Complex,
Main Road, Ranchi - 834 001.

PH. NO. : 0651-2330305, 2331814

Fax No. 0651-2330305

Mobile - 9431115338

E-mail : unarainco_ac@yahoo.com

(f) In our opinion and to the best of our information and according to explanations given to us, the said accounts together with the Notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
- (ii) In case of the Profit and Loss Account, of the Loss for the period ended on that date; and
- (iii) In case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Place: Ranchi
Date: 20/04/2011



For U. NARAIN & CO.
Chartered Accountants
Form Registration No. 00935C

(AJAY CHHABRA)
Partner

Membership No. 071431

B.O.: Ranchi - Patna - Hazaribag - Kolkata - Ahmedabad

JHARKHAND ROAD PROJECTS IMPLEMENTATION CO. LTD

BALANCE SHEET AS AT MARCH 31, 2011

	Schedule	Rupees	As at March 31, 2011 Rupees	Rupees	As at September 30, 2010 Rupees
I. SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	A		1,56,21,50,000		1,19,96,50,000
Share Application Money			-		6,25,00,000
LOAN FUNDS					
Secured Loans	B		6,79,27,12,928		4,16,09,01,439
Deferred tax liability (net) (Refer schedule "H" Note no. 5)			-		-
TOTAL			8,35,48,62,928		5,42,30,51,439
II. APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	C	7,82,138		6,17,067	
Less: Depreciation		2,43,271		82,139	
Net Block		5,38,867		5,34,928	
Add: Capital Work in Progress	D	7,71,49,41,129	7,71,54,79,996	4,53,72,05,827	4,53,77,40,755
CURRENT ASSETS, LOANS AND ADVANCES					
Cash and Bank Balances	E	36,05,71,554		18,05,53,673	
Other Current Assets		6,60,299		-	
Loans and Advances		76,94,77,569		94,73,66,684	
		1,13,07,09,422		1,12,79,20,357	
LESS: CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	F	49,33,57,078		7,44,85,569	
Provisions		28,27,732		17,07,73,095	
		49,61,84,810		24,52,58,664	
NET CURRENT ASSETS			63,45,24,612		77,65,93,589
PROFIT AND LOSS ACCOUNT -DEBIT BALANCE			48,58,320		26,48,991
TOTAL			8,35,48,62,928		5,31,69,83,335

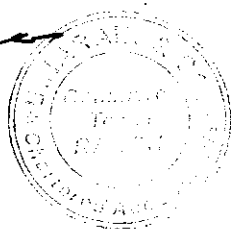
Significant Accounting Policies & Notes on Accounts H

Schedules "A" to "F" and "H" annexed hereto form integral part of the balance sheet

As per our report of even date attached

For **U NARAIN & CO**
Chartered Accountants

Ajoy Chhabra
Ajoy Chhabra
Partner
Membership Number : 71431
Firm Registration No. 0935C



For and on behalf of the Board

[Signature]
Director

[Signature]
Director

[Signature]
Manager

Place: Ranchi
Date: 20.04.2011

JHARKHAND ROAD PROJECTS IMPLEMENTATION CO. LTD

PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM OCTOBER 01, 2010 TO MARCH 31, 2011

	Schedule	For the period from October 01, 2010 to March 31, 2011 Rupees	For the period from August 04, 2009 to September 30, 2010 Rupees
INCOME		-	-
EXPENSES		-	-
Administrative and General Expenses	G	8,68,704	10,64,933
Preliminary Expenses		-	32,404
		8,68,704	10,97,337
LOSS BEFORE DEPRECIATION and TAX		(8,68,704)	(10,97,337)
Less: Depreciation		1,61,132	82,139
LOSS BEFORE TAX		(10,29,836)	(11,79,476)
Provision for Taxation		11,79,493	14,69,515
- Current Tax		-	-
- Deferred Tax		-	-
LOSS AFTER TAX		(22,09,329)	(26,48,991)
Balance of loss brought forward		(26,48,991)	-
Balance of loss carried to Balance Sheet		(48,58,320)	(26,48,991)
Earnings Per Share (EPS)			
Basic		(0.01)	(0.04)
Diluted		(0.01)	(0.04)

Significant Accounting Policies & Notes on Accounts

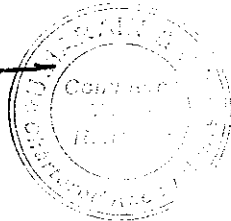
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Schedules "G" and "H" annexed hereto form integral part of the profit & loss account

As per our report of even date attached

For U NARAIN & CO
Chartered Accountants

Ajoy Chhabra
Partner
Membership Number : 71431
Firm Registration No. 0935C



For and on behalf of the Board

[Signature]

Director

[Signature]

Director

[Signature]

Manager

Place: Ranchi
Date: 20.04.2011

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JHARKHAND ROAD PROJECTS IMPLEMENTATION CO. LTD

CASH FLOW STATEMENT FOR THE PERIOD FROM OCTOBER 01, 2010 TO MARDH 31, 2011

	For the period from October 01, 2010 to March 31, 2011 Rupees	For the period from August 04, 2009 to September 30, 2010 Rupees
Cash Flow from Operating Activities		
Net Loss Before Tax	(10,29,836)	(11,79,476)
Add: Depreciation	1,61,132	82,139
Operating Loss before Working Capital Changes	(8,68,704)	(10,97,337)
Adjustments changes in working capital:		
Increase / (decrease) in Trade and other receivable	-	-
Increase / (decrease) in Trade payable and others	1,23,264	35,460
Operating Cash Flows after Working Capital Changes	(7,45,440)	(10,61,877)
Direct Taxes Paid	(7,65,000)	(18,70,400)
Net Cash Flow from Operations (A)	(15,10,440)	(29,32,277)
Cash flow from Investing Activities		
Fixed Assets Addition during the period	(1,65,071)	(6,17,067)
(Increase) / Decrease in Capital Work In Progress	(3,17,77,35,302)	(4,53,72,05,827)
Increase / (Decrease) in Current Liabilities & Provisions	24,96,23,389	24,37,53,689
(Increase) / Decrease in Current Assets Loans & Advances	17,79,93,816	(94,54,96,284)
Net Cash from Investing Activities (B)	(2,75,02,83,168)	(5,23,95,65,489)
Cash flow from Financing Activities		
Issue of Equity Shares	30,00,00,000	1,19,96,50,000
Share Application Monies Received / Converted in Equity Shares	-	6,25,00,000
Proceeds from Secured Loans	2,63,18,11,489	4,16,09,01,439
Net Cash from Financing Activities (C)	2,93,18,11,489	5,42,30,51,439
Net Increase in Cash & Cash Equivalents (A+B+C)	18,00,17,881	18,05,53,673
Cash and Cash Equivalent at the beginning of the Period	18,05,53,673	-
Cash and Cash Equivalent at the end of the Period	36,05,71,554	18,05,53,673
Net Increase / (Decrease) in Cash & Cash Equivalents	18,00,17,881	18,05,53,673
Components of Cash & Cash Equivalent		
Cash in Hand	43,748	62,910
Balance with Scheduled Banks		
- Current Accounts	11,84,060	8,90,734
- In Deposits (with original maturity of less than 3 months)	35,93,43,745	17,96,00,029
Cash and Bank Balance (Schedule E)	36,05,71,554	18,05,53,673

Significant Accounting Policies & Notes on Accounts

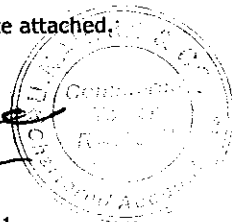
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As per our report of even date attached.

For U MARAIN & CO
Chartered Accountants

Ajoy Chhabra
Partner
Membership Number : 71431
Firm Registration No. 0935C

Place: Ranchi
Date: 28.06.2011



For and on behalf of the Board

[Signature]

Director

[Signature]

Manager

[Signature]

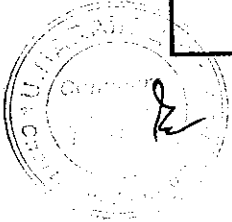
Director

JHARKHAND ROAD PROJECTS IMPLEMENTATION CO. LTD

SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2011

SCHEDULE A : SHARE CAPITAL

	As at March 31, 2011 Rupees	As at September 30, 2010 Rupees
AUTHORISED		
20,00,00,000 equity shares of Rs. 10/- each	2,00,00,00,000	2,00,00,00,000
	2,00,00,00,000	2,00,00,00,000
ISSUED		
15,62,15,000 (previous period 11,99,65,000) equity shares of Rs. 10/- each	1,56,21,50,000	1,19,96,50,000
	1,56,21,50,000	1,19,96,50,000
SUBSCRIBED AND PAID-UP *		
15,62,15,000 (previous period 11,99,65,000) equity shares of Rs. 10/- each	1,56,21,50,000	1,19,96,50,000
	1,56,21,50,000	1,19,96,50,000
<i>*Of the above, 15,31,65,000 (previous period 11,99,15,000) shares are held by the holding Co. IL&FS Transportation Networks Limited.</i>		



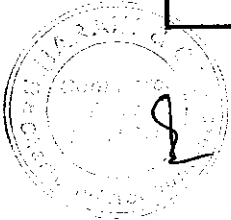
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JHARKHAND ROAD PROJECTS IMPLEMENTATION CO. LTD

SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2011

SCHEDULE B : SECURED LOANS

	As at March 31, 2011 Rupees	As at September 30, 2010 Rupees
SECURED LOANS		
From Scheduled Banks	6,30,93,06,873	4,16,09,01,439
From Others (Secured by Second pari passu charged)	48,34,06,055	
<i>Secured by:</i> <i>(i) Hypothecation of all movable, tangible and intangible assets, Receivables, Cash and Investments created as a part of the Project other than the project Assets</i> <i>(ii) Monies lying in the Escrow Account into which all the investments in the Project and all Project revenues and Insurance proceeds are to be deposited.</i> <i>(iii) Assignment of all the rights, title, benefits, claims and demands of the Company under the Project Agreements</i> <i>(iv) Assignment of all the rights under Project Guarantees obtained pursuant to Development Contract or Operations Contract, if any, relating to the Project.</i> <i>(v) First ranking assignment of all contracts, documents, insurance, clearances and interests of the Company with respect to the Project.</i> <i>(vi) Assignment of debts service reserve account if any</i> <i>(vii) Assignment of all rights and benefits in the Letter of credit provided by GOJ to the Company towards one Annuity payment amount as per provision of Concession Aareement.</i>		
Total Secured Loans	6,79,27,12,928	4,16,09,01,439



JHARKHAND ROAD PROJECTS IMPLEMENTATION CO. LTD

SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2011

Schedule C : FIXED ASSETS

Particulars	Gross Block						Depreciation			Net Block	
	Opening as at 01-10-2010	Additions	Deletions	Closing as at 31-03-2011	Upto 30-09-2010	For the period ended 31-03-2011	Deletions	Upto 31-03-2011	As at 31-03-2011	As at 30-09-2010	
Furniture & Fixtures	2,34,083	14,625	-	2,48,708	16,326	21,800	-	38,126	2,10,582	2,17,757	
Office Equipments	1,33,504	1,09,646	-	2,43,150	39,095	1,07,452	-	1,46,547	96,603	94,409	
Data Processing Equipments	1,90,280	40,800	-	2,31,080	19,601	24,501	-	44,102	1,86,978	1,70,679	
Software & Accessories	59,200	-	-	59,200	7,117	7,379	-	14,496	44,704	52,083	
Total	6,17,067	1,65,071	-	7,82,138	82,139	1,61,132	-	2,43,271	5,38,867	5,34,928	
Previous Period	-	6,17,067	-	6,17,067	-	82,139	-	82,139	5,34,928	-	

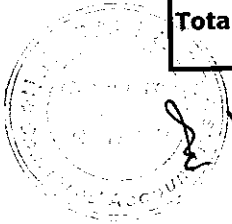


JHARKHAND ROAD PROJECTS IMPLEMENTATION CO. LTD

SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2011

SCHEDULE D: CAPITAL WORK IN PROGRESS

	As at March 31, 2011 Rupees	As at September 30, 2010 Rupees
EPC Cost	4,57,50,83,345	2,03,44,30,898
Project Development & Management Fees	2,27,73,87,495	2,03,05,12,497
Project Development Expenses	1,84,38,701	1,76,94,176
Cosultancy Fees-RRR	9,63,58,080	9,63,58,080
Credit Rating Fees	28,78,830	28,78,830
Independed Counsultancy Fees	1,85,75,089	62,48,164
Insurance ALOP	1,28,62,761	-
Inspection Charges	42,000	-
Lender Engineer Fees	4,91,667	1,91,667
Interest & Financial Charges	50,78,25,881	20,46,47,608
Travelling Expenses	48,77,527	35,33,000
Railway Over Bridge Fees	2,59,81,486	36,28,000
Railway Under Bridge Fees	3,20,64,183	-
Manpower Hiring Charges	16,67,438	10,68,458
Deputation Cost	26,18,161	21,51,978
Vehicle Hiring Charges	37,61,336	19,97,677
Tele & Communication Expenses	3,40,278	1,63,582
Printing & Stationery	7,87,200	5,53,780
ROC Registration Fees	1,00,90,000	1,00,90,000
Legal & Professional Fees	9,58,502	6,33,502
Guest House Expenses	10,99,651	7,05,812
Miscellaneous Expenses	18,65,766	8,32,366
Syndication Fees	11,88,85,752	11,88,85,752
Total Capital Work in Progress	7,71,49,41,129	4,53,72,05,827

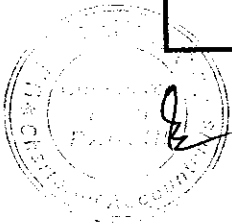


JHARKHAND ROAD PROJECTS IMPLEMENTATION CO. LTD

SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2011

SCHEDULE E : CURRENT ASSETS AND LOANS & ADVANCES

	As at March 31, 2011 Rupees	As at September 30, 2010 Rupees
CURRENT ASSETS		
Cash and Bank Balances		
Cash on hand	43,748	62,910
Balance with scheduled banks in Current Accounts	11,84,060	8,90,734
in Term Deposit	35,93,43,745	17,96,00,029
Total Cash and Bank Balances	36,05,71,554	18,05,53,673
OTHER CURRENT ASSETS		
Interest accrued on FDR	6,60,299	-
Total Other Current Assets	6,60,299	-
LOANS & ADVANCES (Unsecured, Considered Good)		
Advance against EPC Contract	76,64,84,225	94,53,12,872
Other Advances	2,94,000	1,64,000
Prepaid Expenses	60,944	16,412
Corpus Fees	3,000	3,000
TDS Receivable on FDR	9,70,400	9,70,400
Advance Income Tax	16,65,000	9,00,000
Total Loans & Advances	76,94,77,569	94,73,66,684



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JHARKHAND ROAD PROJECTS IMPLEMENTATION CO. LTD

SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2011

SCHEDULE F : CURRENT LIABILITIES AND PROVISIONS

	As at March 31, 2011 Rupees	As at September 30, 2010 Rupees
CURRENT LIABILITIES		
(a) Sundry Creditors		
- Total outstanding dues to Micro and Small Enterprises	-	-
- Total outstanding dues to creditors other than Micro and Small enterprises	43,69,70,444	5,42,18,527
(b) Other Liabilities	5,63,86,634	2,02,67,042
Total Current Liabilities	49,33,57,078	5,42,18,527
PROVISIONS		
Provision for EPC Cost	-	16,71,00,000
Provision for Expenses	1,78,724	22,03,580
Provision for Income Tax	26,49,008	14,69,515
Total Provisions	28,27,732	17,07,73,095



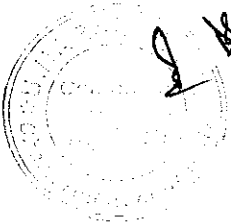
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JHARKHAND ROAD PROJECTS IMPLEMENTATION CO. LTD

SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2011

SCHEDULE G : ADMINISTRATIVE & GENERAL EXPENSES

	For the period from October 01, 2010 to March 31, 2011 Rupees	For the period from August 04, 2009 to September 30, 2010 Rupees
Auditors' Remuneration	1,10,300	1,54,420
Bank Charges	13,477	8,320
Books & Periodicals	3,516	15,812
Computer Expenses	23,050	9,490
Electric Consumables & Other Charges	1,15,213	-
Internal Audit Fees	44,120	-
Office Rent	2,46,360	4,28,310
Office Operating & Maintenance	58,879	1,23,646
Postage & Courier Charges	23,160	24,016
Professional Fees	10,572	22,640
Directors Sitting Fees	77,784	1,00,008
Invitees Sitting Fees	11,112	-
Registration Fees	-	3,000
Stamp Paper	1,280	12,700
Tax Audit Fees	55,150	-
Repair & Maintenance	58,216	1,24,682
Miscellaneous Expenses	16,515	37,835
Total Administrative & General Expenses	8,68,704	10,64,879



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SCHEDULE – “ H ”

Schedules to Accounts

A. Significant Accounting Policies

1. Basis of Preparation of Financial Statements

The financial statements are prepared as per historical cost convention in accordance with the Generally Accepted Accounting Principles in India, the provisions of the Companies Act, 1956 and the applicable Accounting Standards referred to in Section 211(3C) of Companies Act, 1956. All income and expenditure having a material bearing on the financial statements are recognized on an accrual basis.

2. Use of Estimates

The preparation of financial statements in conformity with the Generally Accepted Accounting Principles requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including current liabilities) as of the date of the financial statements, the reported income and expenses during the reporting period and disclosure of contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

3. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any. For this purpose, cost includes purchase price (excluding refundable tax) and subsequent improvements thereto inclusive of taxes, duties, freight and other incidental expenses related to acquisition, improvements and installation, except in case of revaluation of such assets where it is stated at revalued amount

4. Depreciation

Depreciation on computers and software & accessories is computed using the Straight Line Method so as to depreciate 100% of the cost at rates higher than those prescribed under Schedule XIV to the Companies Act, 1956 based on the Management's estimate of useful life of such assets which is 4 years.

All categories of assets costing less than Rs.5, 000 each, mobile phones and items of soft furnishing are written off in the year of capitalization.

Depreciation on the fixed assets has been provided for using the Written down Value Method at rates prescribed by Schedule XIV of the Companies Act, 1956.



Leasehold improvement costs are capitalised and amortised on a straight-line basis over the period of lease agreement unless the corresponding rates under Schedule XIV are higher, in which case, such higher rates are used.

Depreciation is computed pro-rata from the date of acquisition and upto the date of disposal.

5. Intangible Assets and Amortisation

Intangible assets are reported at acquisition value with deductions for accumulated amortization and impairment losses, if any. Amortization policy for various intangible assets is 4 years or the useful life of the asset, whichever is shorter.

6. Impairment of Assets

The carrying values of assets of the Company's cash-generating units are reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognized, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor.

7. Inventories

Inventories are valued at lower of cost and net realisable value. Unserviceable/damaged/discarded stocks and shortages observed at the time of physical verification are charged to the Profit and Loss Account.

8. Investments

Investments held by the Company which are long term in nature are stated at cost unless there is any permanent diminution in value. Any permanent diminution in value of such investments will be met from Reserves. Short term investments are valued at cost or market price whichever is lower. Earnings on investments are accounted for on accrual basis.

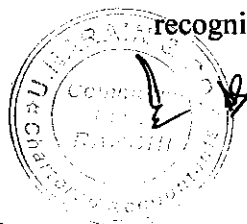
9. Borrowing Cost

Borrowing costs attributable to construction of the road are included under "Capital Work in Progress" and the same will be capitalised once the road is ready for the Commercial Operations. Other borrowing costs are recognized as expenses in the year in which they arise.

10. Taxes on Income

Current tax is determined on the amount of tax payable in respect of taxable income for the year.

Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all timing differences, which occur as a result of items being allowed for income tax purposes during a period different from when they were recognized in the financial statements.



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The deferred tax charge or credit is recognized using current tax rates. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a part of the aggregate deferred tax asset to be recognized.

11. Earning Per Share

Basic Earnings per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares in issue during the year.

Diluted earnings per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the company by the weighted number of equity shares determined by assuming conversion on exercise of conversion rights for all potential dilutive securities.

12. Provisions, Contingent Liabilities and Assets

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes to the financial statement. A contingent asset is neither recognised nor disclosed.

B. Notes forming part of Accounts as at March 31, 2011

1. Background

The Company was incorporated under the Companies Act 1956 on August 04, 2009. It was issued "Certificate of Commencement of Business" on October 15, 2009. It is the first year of Company, hence corresponding figures of previous reporting period are not available, being not applicable.

The Company is a special purpose vehicle (SPV) promoted by Infrastructure Leasing and Financial Services Limited (IL & FS). IL&FS along with IL&FS Transportation Networks Limited (ITNL), a subsidiary of IL&FS, hold 100% of the shareholding in the ratio of 10:90.

The Company has entered into Tripartite Concession Agreement with Govt. of Jharkhand (GOJ) and Jharkhand Accelerated Road Development Co. Ltd. on September 23, 2009 for Ranchi Ring Road and on October 14, 2009 for Ranchi- Patratu Dam Road & Patratu Dam- Ramgarh Road Project to Develop, Design, Engineer, Finance, Procure, Construct, Operate and Maintain 6 /4 laning roads in the State of Jharkhand on Build, Own and Transfer (Annuity) basis. The Concession Agreement envisages concession for a period of 17.5 Years commencing from the Commencement date, including the exclusive right, license and authority during the subsistence of this Agreement to implement the Project and the Concession in the respect of the Project Highway.



2. Segment Reporting

The Company is a special purpose vehicle and is engaged in the business of construction of road as mentioned in the para above and thus operates in a single business and geographical segment. As a result, disclosures required under AS-17 on "Segment Reporting" have not been made.

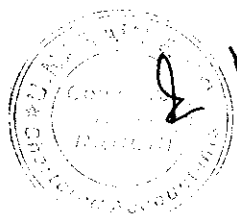
3. Related Party Disclosure

Related Party Disclosures as per the AS-18 on "Related Party Disclosure" in respect of the Company as at March 31, 2011 are as follows:

(a) Related Parties and their relationship

As per Accounting Standard (AS) 18 on "Related Party Disclosure", the related parties are as follows:

- | | |
|--|--|
| 1. Ultimate Holding Company | - Infrastructure Leasing & Financial Services Ltd (IL&FS). |
| 2. Holding Company | - IL&FS Transportation Networks Ltd (ITNL) |
| 3. Subsidiaries of the Holding Company with whom company has transaction during the year | - Jharkhand Accelerated Road Development Co Ltd. (JARDCL)
- IL&FS Trust Company Limited (ITCL)
- IL&FS Financial Services Limited (IFIN) |
| 4. Key Management Personnel | - Mr. Rajnish Saxena, Manager |
| 5. Associates (Direct & Indirect) | - NIL |
| 6. Joint Venture | - NIL |
| 7. Enterprises over which JRPICL has Control | - NIL |



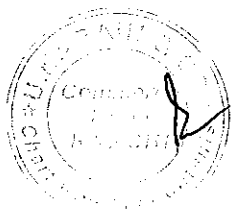
(b) The nature and volume of transactions during the period with the above related parties were as follows:

			(Rs.)
Name of the Company	Nature of Transaction	Transaction during the Period ended March 31, 2011	Balance as at March 31, 2011
Infrastructure Leasing & Financial Services Limited	Share Capital	3,00,00,000 (4,99,400)	3,04,99,400 (4,99,400)
IL&FS Transportation Networks Limited	Share Capital	33,25,00,000 (1,19,91,50,000)	1,53,16,50,000 (1,19,91,50,000)
	Share Application Money	- (6,25,00,000)	- (6,25,00,000)
	Subordinate Debts	47,00,00,000 (-)	47,00,00,000 (-)
	Interest on Subordinate Debts	1,48,95,616 (-)	1,34,06,055 (-)
	Project Development & Management Fees (Supervision Fees)	24,68,74,998 (2,03,05,12,497)	- (3,70,31,249)
	Reimbursement of Expenses (Deputation Cost)	4,66,183 (20,41,405)	80,268 (69,431)
IL&FS Financial Services Limited	Reimbursement of Expenses	- (4,88,891)	- (-)
	Syndication Fees	- 11,88,85,752	- (-)
IL&FS Trust Company Limited	Security Trust Fees	- 59,89,441	- (-)
	Reimbursement of Expenses	- 10,920	- (-)
Jharkhand Accelerated Road Development Co. Ltd.	Reimbursement of Expenses	9,28,031 (1,92,66,093)	- (-)

Note: Figure in brackets represent previous period

4. Auditors' Remuneration

			(Rs.)
Particulars	For the period from October 01, 2010 to March 31, 2011	For the period from August 04, 2009 to September 30, 2010	
Statutory Audit Fees	80,000	80,000	
Other Fees	20,000	66,000	
Service Tax on Above	10,300	15,038	
Total	1,61,038	1,10,300	



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5. **Provision for Taxation**

In terms of accounting standards – 22 issued by Institute of Chartered Accountants of India in respect of “Accounting for Taxes on Income“ the Company as a matter of prudence has not recognised the net deferred tax assets as on 31/03/11.

6. **Dues to Micro, Small and Medium Enterprises**

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

7. **Directors’ Remuneration**

Rs. NIL (previous period NIL)

8. **Earning per Share (E.P.S.)**

Particulars		For the period from October 01, 2010 to March 31, 2011	For the period from August 04, 2009 to September 30, 2010
Profit / (Loss)	Rs.	(22,09,329)	(26,48,991)
Weighted average number of equity shares outstanding in calculating Basic EPS	Nos.	15,62,15,000	6,26,84,551
Weighted average number of equity shares outstanding in calculating Diluted EPS	Nos.	15,62,15,000	6,56,51,454
Nominal Value of Equity Shares	Rs.	10/-	10/-
EPS – Basic	Rs.	(0.01)	(0.04)
EPS – Diluted	Rs.	(0.01)	(0.04)

9. **Contingent Liabilities**


Particulars	(Rs.)	
	As at March 31, 2011	As at September 30, 2010
Capital Commitments in respect of Road Projects (net of advance paid of Rs.,76,64,84,255)	5,24,13,26,069	7,91,79,35,734
TOTAL	5,24,13,26,069	7,91,79,35,734



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10. In the opinion of the Board of Directors, Current Assets, Loans and Advances are realizable at a value, which is at least equal to the amount at which these are stated in the ordinary course of business and provision made for all known and determined liability are adequate and not in excess of the amount stated.
11. Interest on Term Deposit of Rs. 38,17,128/- (previous period Rs.47,55,713/-) received during the period has been set off against cost of interest during construction.
12. The company has incurred deputation cost of Rs. 4,66,183/- (previous period Rs.20,41,405/-) during the period which was paid / payable to ITNL, the Holding Company.
13. Rs. 7,44,525/- (previous period Rs.1,76,94,176/-) paid to JARDCL being reimbursement of Project Development expenses includes amounts related to the period prior to incorporation of the company/ commencement of business by the company.
14. The Company has incurred expenditure for its Road Project's being EPC Cost, Project Development Fees, Success Fees, Management Fees, Service Fees and other expenditures and the same has been classified as " Capital Work in Progress "
15. Claims against the Company not acknowledged as debts Rs. NIL (Previous Period – NIL)
16. The Company has adopted first financial year for the period from August 04, 2009 to September 30, 2010 and second financial year for the period from October 01, 2010 to March 31, 2011
17. Figures for the previous period have been regrouped / reclassified whenever necessary to conform to the classification of the Current Period

As per our report of even date
For U. Narain & Co.
 Chartered Accountants


 Ajoy Chhabra
 Partner

M. No- 71431
 Firm Reg. No. 09350



Place: Ranchi
 Date: 20.04.2011

For and behalf of the Board



Director


 Director


 Manager

