

Independent Auditor's Report on Financial Statements Prepared for Consolidation Purposes

From: Deloitte Haskins & Sells LLP, Gurgaon

Date: 25 May, 2017

Subject: Component Audit of JHARKHAND ACCELERATED ROAD DEVELOPMENT COMPANY LIMITED for the year ended 31 March, 2017

To: Board of Directors of JHARKHAND ACCELERATED ROAD DEVELOPMENT COMPANY LIMITED

Report on the Special Purpose Financial Statements and other deliverables as per the referral instructions

We have audited accompanying (a) Special Purpose Financial Statements of **JHARKHAND ACCELERATED ROAD DEVELOPMENT COMPANY LIMITED (JARDCL)** ("the Company"), which comprise the Balance Sheet as at 31 March, 2017, the Statement of Profit and Loss and the Cash flow statement for the year then ended and a summary of the significant accounting policies and other explanatory information; and (b) other deliverable as listed in the referral instructions (GRI) (referred to as the "Reporting Package"). The Special Purpose Financial Statements and Reporting Package have been prepared by the management of the Company based on the GRI dated 30 March, 2017 issued by the Management of Infrastructure Leasing & Financial Services Limited (IL&FS) ("Parent Company").

Management's Responsibility

The Company's Board of Directors is responsible for the Special Purpose 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 principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act and in accordance with the policies and instructions contained in the GRI issued by IL&FS dated 30 March, 2017.

This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; application of appropriate accounting policies as mentioned in the GRI; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. The Special Purpose Financial Statements have been prepared solely to enable IL&FS to prepare its Consolidated Financial Statements (CFS).



Auditor's Responsibility

Our responsibility is to express an opinion on the Special Purpose Financial Statements based on our audit.

1. We have taken into account the accounting and auditing standards and matters which are required to be included in the audit report as per the format given by the parent auditors.
2. We conducted our audit of the Special Purpose Financial Statements in accordance with the GRI issued by IL&FS, Group Referral Instructions issued by Deloitte Haskins & Sells LLP, parent auditors and in accordance with the Standards on Auditing specified under Section 143(10) of the Act and in accordance with the materiality of Rs. 100,000,000 which is consistent with the materiality mentioned in "Appendix A – Acknowledgement of Group Referral Instructions" as per the Group referral instruction issued by Deloitte Haskins & Sells LLP. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Special Purpose Financial Statements are free from material misstatement.
3. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Special Purpose Financial Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Special Purpose Financial Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Special Purpose Financial Statement that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Special Purpose Financial Statement.
4. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose Financial Statement.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Financial Statement 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 and the GRI, of the state of affairs of the Company as at 31 March, 2017, and its profit and its cash flows for the year ended on that date.

Restriction on Distribution and Use

The Special Purpose Financial Statement and our report is intended solely for the Company, the Parent Company and the auditors of the Parent Company for their consideration into the audit of Consolidated Financial Statements and should not be distributed to or used by parties other than the Company, the Parent Company and the auditors of the Parent Company.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



**Deloitte
Haskins & Sells LLP**

- c. In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.



For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

A handwritten signature in black ink, appearing to read "Satpal Singh Arora".

Satpal Singh Arora
(Partner)
Membership No. 098564)

Place:
Date:

SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE PURPOSE OF CONSOLIDATION WITH THE HOLDING COMPANY.

**JHARKHAND ACCELERATED ROAD DEVELOPMENT COMPANY LIMITED
BALANCE SHEET AS AT 31 MARCH, 2017**

	Note No.	As at 31.03.2017 (Rupees)	As at 31.03.2016 (Rupees)
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	10,00,00,000	10,00,00,000
(b) Reserves and surplus	4	81,04,334	42,53,151
		10,81,04,334	10,42,53,151
2 Current liabilities			
(a) Trade payables	5		
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises		12,70,729	6,26,178
(b) Other current liabilities	6	11,23,61,661	50,526
		11,36,32,390	6,76,704
Total		22,17,36,724	10,49,29,855
B ASSETS			
1 Non-current assets			
(a) Fixed assets	7	3,43,544	5,54,574
(b) Deferred tax assets (net)	21	2,63,410	2,51,141
(c) Long-term loans and advances	8	1,63,182	24,385
(d) Other non-current assets	9	5,10,85,037	4,49,44,096
		5,18,55,173	4,57,74,196
2 Current assets			
(a) Cash and cash equivalents	10	16,39,50,287	5,26,39,387
(b) Short-term loans and advances	11	37,23,940	29,73,519
(c) Other current assets	12	22,07,324	35,42,753
		16,98,81,551	5,91,55,659
Total		22,17,36,724	10,49,29,855

See accompanying notes forming part of the financial statements 1-22

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants



Satpal Singh Arora
Partner



Place: Delhi
Date: 25 May, 2017

For and on behalf of the Board of Directors



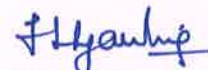
Sanjay Kumar Minglani
Managing Director



Mast Ram Meena
Director



Manoj Agarwal
Chief Financial Officer



Kumar Gaurav
Company Secretary

Place: Ranchi
Date: 25/05/2017

SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE PURPOSE OF CONSOLIDATION WITH THE HOLDING COMPANY.

JHARKHAND ACCELERATED ROAD DEVELOPMENT COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2017

	Note No.	Year ended 31.03.2017 (Rupees)	Year ended 31.03.2016 (Rupees)
1 Income			
Other income	13	87,03,441	47,02,397
		87,03,441	47,02,397
2 Expenses			
(a) Depreciation and amortisation expense	7	2,21,030	3,23,639
(b) Other expenses	14	28,86,039	27,82,631
		31,07,069	31,06,270
3 Profit before tax		55,96,372	15,96,127
4 Tax expense /(benefit)			
(a) Current tax expense		17,41,548	5,32,240
(b) Short provision for tax relating to prior years		15,910	(15,817)
(c) Deferred tax	21	(12,269)	(32,254)
Net tax expense		17,45,189	4,84,169
5 Profit for the year		38,51,183	11,11,958
Earnings per equity share	20		
(Face value of Rs. 10 per share)			
- Basic		0.39	0.11
- Diluted		0.39	0.11

See accompanying notes forming part of the financial statements 1-22

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants



Satpal Singh Arora
Partner

For and on behalf of the Board of Directors



Sanjay Kumar Minglani
Managing Director



Mast Ram Meena
Director




Manoj Agarwal
Chief Financial Officer



Kumar Gaurav
Company Secretary

Place: Delhi
Date: 25/05/2017

Place: Ranchi
Date: 25/05/2017

**SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE PURPOSE OF CONSOLIDATION WITH THE HOLDING COMPANY**

**JHARKHAND ACCELERATED ROAD DEVELOPMENT COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2017**

	Note No.	Year ended 31.03.2017 (Rupees)	Year ended 31.03.2016 (Rupees)
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		55,96,372	15,96,127
Adjustments for :			
Depreciation and amortisation expense		2,21,030	3,23,639
Interest income		(87,03,441)	(46,76,245)
Profit on sale of fixed assets		-	(9,200)
Operating loss before working capital changes		(28,86,039)	(27,65,679)
Changes in working capital:			
Adjustment for (Increase)/decrease in operating assets			
Other non-current assets		(61,40,941)	(3,73,416)
Short-term loans and advances		(7,50,421)	(2,75,745)
Adjustment for increase/(decrease) in operating liabilities			
Trade payables		6,44,551	(7,66,521)
Other current liabilities		11,23,11,135	17,725
Cash used in operations		10,31,78,285	(41,63,636)
Net income tax paid		(18,96,255)	(3,04,247)
Net cash flow from/(used in) operating activities		10,12,82,030	(44,67,883)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on fixed assets, including capital advances		(10,000)	(1,52,250)
Proceeds from sale of fixed assets		-	9,200
Interest received		1,00,38,870	31,11,086
Net cash flow from investing activities		1,00,28,870	29,68,036
C. CASH FLOW FROM FINANCING ACTIVITIES			
Net increase in Cash and cash equivalents		11,13,10,900	(14,99,847)
Cash and cash equivalents at the beginning of the year		5,26,39,387	5,41,39,234
Cash and cash equivalents at the end of the year	10	16,39,50,287	5,26,39,387
		11,13,10,900	(14,99,847)

See accompanying notes forming part of the financial statements 1-22

In terms of our report attached.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants



Satpal Singh Arora
Partner



Place: Delhi
Date: 25 May, 2017

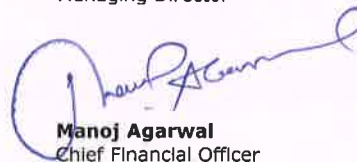
For and on behalf of the Board of Directors



Sanjay Kumar Minglani
Managing Director



Mast Ram Meena
Director



Manoj Agarwal
Chief Financial Officer



Kumar Gaurav
Company Secretary

Place: Ranchi
Date: 25/05/2017

JHARKHAND ACCELERATED ROAD DEVELOPMENT COMPANY LIMITED
NOTES FORMING PART OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS

1 Background:

The Government of Jharkhand (GoJ) and Infrastructure Leasing & Financial Services Limited (IL&FS) entered into a Programme Development Agreement (PDA) dated 6 February, 2008 to form a Joint Venture for upgradation of about 1,500 lane kms of roads in the State of Jharkhand under Jharkhand Accelerated Road Development Programme (JARDP). Pursuant to the aforesaid PDA, GoJ and IL&FS incorporated a Special Purpose Entity (SPE) in the name of Jharkhand Accelerated Road Development Company Limited (JARDCL/the Company) for successful implementation of the JARDP including planning, designing and procurement of contractors, financing, construction, operation and maintenance of the road stretches identified under the JARDP.

2 Significant Accounting Policies

i Basis of preparation of financial statements

The Special Purpose Financial Statements of the Company have been prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act (as applicable to the Parent) and in accordance with the policies and instructions contained in the GRI Issued by IL&FS dated 30 March, 2017.

ii Purpose of use

The Special Purpose Financial Statements of the Company have been prepared for the purpose of providing information to Infrastructure Leasing and financial services ('IL&FS'), the Parent to enable it to prepare the consolidated financial statements of the Group. As a result, Special Purpose Financial Statements is not a complete set of Financial Statements of the Company in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP).

iii Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year/period. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

iv Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

v Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

vi Revenue recognition

Interest income on fixed deposits is accounted on time proportion basis.



JHARKHAND ACCELERATED ROAD DEVELOPMENT COMPANY LIMITED
NOTES FORMING PART OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS

vii Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Asset Category	Estimated useful life (Years)
Tangible assets	
Mobile phones (included in office equipment)	Fully depreciated in the year of purchases
Intangible assets are amortised over their estimated useful life on straight line method	
Intangible Assets	
Computer software	4 Years

- All categories of assets costing less than Rs. 5,000 each are fully depreciated in the year of purchase.

viii Fixed assets

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

ix Employee benefits

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employee(s) to the Company.

x Segment reporting

The accounting policies adopted for segment reporting are in line with the Accounting Standard 17 'Segment Reporting'. Revenue, expenses and assets have been identified to segments on the basis of their relationship to the operating activities to the segment. Revenue, expenses and assets which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under unallocable income/expenses.

xi Earnings per share

The Company reports basic and diluted earnings per equity share in accordance with Accounting Standard 20 'Earnings per share'. Basic earnings per equity share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year / period. Diluted earnings per share is computed by dividing the net profit for the year / period by the weighted average number of equity shares during the year / period as adjusted to the effects of all dilutive potential equity shares, except where results are anti dilutive.



JHARKHAND ACCELERATED ROAD DEVELOPMENT COMPANY LIMITED
NOTES FORMING PART OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS

xii Taxes on income

Current tax is the amount of tax payable on the taxable Income for the year / period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Income tax comprises current tax and deferred tax. Current tax is recognised in each interim period based on the effective tax rate computed on the expected income for the full financial year in accordance with the provisions of the Income Tax Act 1961.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable Income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

xiii Impairment of assets

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 future cash flows to their present value based on an appropriate discount factor.

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceeds the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

xiv Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events 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 the best estimate 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 disclosed in the Notes. Contingent assets are not recognised in the financial statements.

xv Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

xvi Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



JHARKHAND ACCELERATED ROAD DEVELOPMENT COMPANY LIMITED
NOTES FORMING PART OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS

	As at 31.03.2017 (Rupees)	As at 31.03.2016 (Rupees)
4. Reserves and surplus		
Surplus/(deficit) in Statement of Profit and Loss		
Opening Balance	4,253,151	3,141,193
Add: Profit for the year	3,851,183	1,111,958
Closing Balance	8,104,334	4,253,151
5. Trade payables		
Other than acceptances		
a. Total outstanding dues of micro enterprises and small enterprises (see note below)	-	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprises.	1,270,729	626,178
	1,270,729	626,178
Note:		
Based on the information available with the Company no interest during the period/ year has been paid or is payable under the terms of the Micro Small and Medium Enterprises Development Act, 2006. The information provided by the Company has been relied upon by the auditors.		
6. Other current liabilities		
Advance received from Road Construction Department, Government of Jharkhand. (see note below)	111,625,930	-
Statutory dues	735,731	50,526
	112,361,661	50,526

Note:

The advance is received toward construction of approaches of proposed Railway over bridge in village Pochra.



JHARKHAND ACCELERATED ROAD DEVELOPMENT COMPANY LIMITED
NOTES FORMING PART OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS

7. Fixed assets

Particulars	(All amounts in Rupees)									
	As at 01.04.2016	Gross Block Additions	Gross Block Deletions	As at 31.03.2017	As at 01.04.2016	Accumulated Depreciation / Depreciation charge for the year	Accumulated Depreciation / Adjustment	Disposals On	As at 31.03.2017	Net Block As at 31.03.2017
(a) Tangible assets (owned)										
Furniture and fixtures	1,134,508 (1,134,508)	- (-)	- (-)	1,134,508 (1,134,508)	774,169 (654,010)	120,159 (120,159)	-	-	894,328 (774,169)	240,180 (360,339)
Vehicles	933,290 (933,290)	- (-)	- (-)	933,290 (933,290)	872,868 (687,825)	60,422 (185,043)	-	-	933,290 (872,868)	- (60,422)
Office equipment	1,522,419 (1,408,169)	10,000 (152,250)	- (38,000)	1,532,419 (1,522,419)	1,388,606 (1,408,179)	40,449 (18,437)	-	(38,000)	1,429,055 (1,388,606)	103,364 (133,813)
Data processing equipment	953,373 (953,373)	- (-)	- (-)	953,373 (953,373)	953,373 (953,347)	-	-	-	953,373 (953,373)	- (-)
Leasehold improvements	675,976 (675,976)	- (-)	- (-)	675,976 (675,976)	675,976 (675,976)	-	-	-	675,976 (675,976)	- (-)
Total (a)	5,219,566 (5,105,316)	10,000 (152,250)	- (38,000)	5,229,566 (5,219,566)	4,664,992 (4,379,337)	221,030 (323,639)	- (-)	- (38,000)	4,886,022 (4,664,992)	343,544 (554,574)
(b) Intangible assets (others)										
Computer software	942,883 (942,883)	- (-)	- (-)	942,883 (942,883)	942,883 (942,883)	-	-	-	942,883 (942,883)	- (-)
Total (b)	942,883 (942,883)	- (-)	- (-)	942,883 (942,883)	942,883 (942,883)	- (-)	- (-)	- (-)	942,883 (942,883)	- (-)
Grand Total (a+b) Previous year	6,162,449 (6,048,199)	10,000 (-)	- (38,000)	6,172,449 (6,162,449)	5,607,875 (5,322,220)	221,030 (323,639)	- (-)	- (38,000)	5,828,905 (5,607,875)	343,544 (554,574)

Note: Previous year figures are mentioned in brackets



JHARKHAND ACCELERATED ROAD DEVELOPMENT COMPANY LIMITED
NOTES FORMING PART OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS

	As at 31.03.2017 (Rupees)	As at 31.03.2016 (Rupees)
8. Long-term loans and advances (Unsecured, considered good)		
a. Security deposit	19,000	19,000
b. Advance income tax (net of provision for tax of Rs. 17,55,422 (previous year Rs. 5,32,240))	144,182	5,385
	163,182	24,385
9. Other non-current assets (Unsecured, considered good)		
Project development expenditure ('PDE') (See notes below)	51,085,037	44,944,096
	51,085,037	44,944,096
Notes		
I Movement in Project PDE		
i. Opening Balance	44,944,096	44,570,680
ii. Add - PDE incurred during the period / year	6,140,941	2,426,911
iii. Less - PDE recovered during the period / year	-	2,053,495
iv. Closing balance	51,085,037	44,944,096
II Details of PDE		
i. Consultants fees	35,186,157	31,604,081
ii. Advertisement expenses	5,731,398	4,362,372
iii. Other expenses	9,564,434	7,864,595
iv. Construction cost	2,718,438	2,718,438
	53,200,427	46,549,486
Less:		
Non-refundable deposits from Request For Proposal ('RFP')	2,115,390	1,605,390
	51,085,037	44,944,096

Under the terms of Project Development Agreement ('PDA'), the Company is entitled to a recovery of a minimum of the cost incurred towards project development as aforesaid from either implementation SPE or GOJ depending on whether a proposed stretch is approved for execution or has been rejected. PDE of Rs. 5,10,85,037 (previous year Rs. 4,49,44,096) is related to Rangamati - Silli, Silli to Rajrappa, Kandra -Chandil, Dumri - Jena More, Vikas -Rampur, Ranchi-Muri Road, Patraru Dam Ramgarh Road and Baagdaah More- Nohihat Road projects are regarded as good and recoverable.

10. Cash and cash equivalents

a. Cash and cash equivalents		
i. Cash on hand	15,000	26,704
ii. Balances with banks - in current accounts	5,840,712	887,278
- in Demand deposit accounts	158,094,575	51,725,405
	163,950,287	52,639,387



JHARKHAND ACCELERATED ROAD DEVELOPMENT COMPANY LIMITED
NOTES FORMING PART OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS

	<u>As at 31.03.2017 (Rupees)</u>	<u>As at 31.03.2016 (Rupees)</u>
11. Short-term loans and advances (Unsecured, considered good)		
a. Prepaid expenses	130,377	120,350
b. Balances with government authorities - Service tax credit receivable	3,593,563	2,853,169
	<u>3,723,940</u>	<u>2,973,519</u>
12. Other current assets		
a. Interest accrued on demand deposits accounts	<u>2,207,324</u>	<u>3,542,753</u>



JHARKHAND ACCELERATED ROAD DEVELOPMENT COMPANY LIMITED
NOTES FORMING PART OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS

	Year Ended 31.03.2017 (Rupees)	Year Ended 31.03.2016 (Rupees)
13. Other income		
a. Interest income comprises:		
- Interest from bank on deposits	8,703,441	4,676,245
- Interest on income tax refund	-	16,952
b. Profit on sales of fixed assets	-	9,200
	<u>8,703,441</u>	<u>4,702,397</u>
14. Other expenses		
a. Manpower hiring charges	585,094	742,277
b. Electricity expenses	35,107	28,657
c. Rent including lease rentals	180,000	180,000
d. Repairs and maintenance - others	406,381	291,842
e. Insurance expenses	36,318	34,642
f. Communication expenses	25,311	94,230
g. Travelling and conveyance expenses	344,713	433,907
h. Printing and stationery expenses	92,648	101,081
i. Advertisement and business promotion expenses	202,263	-
j. Legal and professional expenses	377,819	263,500
k. Payments to auditors (see note below)	300,000	318,136
l. Director's sitting fee	161,936	133,680
m. Miscellaneous expenses	138,449	160,679
	<u>2,886,039</u>	<u>2,782,631</u>
Note:		
Payments to the auditors comprise (net of service tax)		
For audit fee	300,000	300,000
For reimbursement of expenses	-	18,136
	<u>300,000</u>	<u>308,134</u>



JHARKHAND ACCELERATED ROAD DEVELOPMENT COMPANY LIMITED
NOTES FORMING PART OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS

15. Contingent liabilities and commitments

Particulars	31.03.2017 (Rupees)	31.03.2016 (Rupees)	01.04.2015 (Rupees)
a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	-	-	-
b) Contingent liability	-	-	-
c) The Company did not have any long term commitments/contracts including derivative contracts for which there were any material foreseeable losses.			
d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.			
e) Other commitments	-	-	-



JAHARKHAND ACCELERATED ROAD DEVELOPMENT COMPANY LIMITED
NOTES FORMING PART OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS

16. Specified Bank Notes Disclosure (SBN's)

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 31 March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November, 2016 to 30 December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs	Other denomination notes	Total
	Amount (Rupees)	Amount (Rupees)	Amount (Rupees)
Closing Balance as at 8 November 2016	26,000	910	26,910
Transactions between 9 November, 2016 and 30 December, 2016			
Add: Permitted receipts	-	85,000	85,000
Less: Permitted payments	-	77,578	77,578
Less: Amount deposited in banks	26,000	-	26,000
Closing balance as at 30 December, 2016	-	8,332	8,332

* For the purposes of this note, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8 November, 2016.



JHARKHAND ACCELERATED ROAD DEVELOPMENT COMPANY LIMITED
NOTES FORMING PART OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS

17. Related party transactions

(a) Name of the related parties to whom there have been transaction during the year or balance outstanding at the end of the year along with description of relationship:

Holding Company:

- Infrastructure Leasing & Financial Services Limited ("IL&FS")

Fellow Subsidiaries:

- Jharkhand Road projects Implementation Company Limited ("JRPICL")
- Jharkhand Infrastructure Implementation Company Limited ("JIICL")
- ISSL CPG BPO Private Limited ("ISSL")

Key Management Personnel (KMP)

- Mr. Sanjay Kumar Minglani
- Mr. Manoj Agarwal (Chief Financial Officer)

(b) The nature of transactions during the year ended 31 March ,2017 with the above related parties are as follows :

Sr. Transaction during the year No.	(All amounts in Rupees)		
	Holding Company	Fellow Subsidiaries	Key Management Personnel
1 Rent and electricity expenses JRPICL	-	214,607 (211,657)	-
2 Repairs and maintenance IL&FS	77,436 (75,638)	-	-
3 Project development expenditure recovered JIICL	-	-	-
4 Profession fees and reimbursement of expenses ISSL	-	-	-
5 Director's sitting fees Mr. Sanjay Kumar Minglani	-	-	22,224 (27,780)

(c) The balance outstanding as at the year ended with the above related party are as follows:

Sr. Outstanding Balance No.	(Amount in Rupees)		
	Holding Company	Fellow Subsidiaries	Key Management Personnel

NIL
(NIL)

Note:

Amounts in bracket stated in "(b)" above pertains to year ended 31 March, 2016 and Amounts in "(c)" above pertains to 31 March, 2016



JHARKHAND ACCELERATED ROAD DEVELOPMENT COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

18. Segment reporting

The Company is engaged in Infrastructure business and is a Special Purpose Entity formed for the specific purpose detailed in Note 1 and thus operates in a single business segment. Also it operates in a single geographic segment. In the absence of separate reportable business or geographic segments the disclosures required under the Accounting Standard (AS) 17 - "Segment Reporting" have not been made.

19. The India Company has taken certain premises on leases for official purposes. These leases are cancellable in nature and there are no non-cancellable leases. The lease payments recognised in the Statement of Profit and Loss during the year is as under -:

	Year Ended 31.03.2017	Year Ended 31.03.2016
Lease payments recognised in the Statement of Profit and Loss (Refer to Note 14)	1,80,000	1,80,000

20. Earnings per share (EPS)

S.no	Particulars	Unit	Year Ended 31.03.2017	Year Ended 31.03.2016
a.	Profit after tax	Rupees	38,51,183	11,11,958
b.	Weighted average number of equity shares outstanding in calculating of basic and diluted EPS	Number of Shares	1,00,00,000	1,00,00,000
c.	Nominal Value per equity share	Rupees	10	10
d.	Basic earnings per share	Rupees	0.39	0.11
e.	Diluted earnings per share	Rupees	0.39	0.11

21. Deferred tax (liabilities) / assets

The Company has carried out its tax computation in accordance with Accounting Standard 22 'Accounting for Taxes on Income'. The major components of deferred tax assets/ liabilities as recognised in the financial statements are as follows:

Particulars	(Amount in Rupees)		
	As on 01.04.2016	(Charged) / Credited to Statement of Profit and Loss	As on 31.03.2017
Tax effect of items constituting deferred tax liabilities			
On difference between book balance and tax balance of fixed assets	2,51,141	12,269	2,63,410
Deferred tax (liabilities) / assets (net)	2,51,141	12,269	2,63,410

22. Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year classification / disclosure.



For and on behalf of the Board of Directors

Sanjay Kumar Minglani

Sanjay Kumar Minglani
Managing Director

Mast Ram Meena

Mast Ram Meena
Director

Manoj Agarwal

Manoj Agarwal
Chief Financial Officer

Kumar Gaurav

Kumar Gaurav
Company Secretary

Place: Ranchi
Date: 25/05/2017