

**BADARPUR TOLLWAY OPERATIONS
MANAGEMENT
LIMITED**

ANNUAL REPORT

2012-13

DIRECTORS' REPORT

The Shareholders

BADARPUR TOLLWAY OPERATIONS MANAGEMENT LIMITED

Your Directors have pleasure in presenting the Third Annual Report together with the Audited Accounts and the Auditors' Report for the financial year April 1, 2012 to March 31, 2013

OPERATIONS

Company is handling Operations & Maintenance of the Delhi Faridabad Skyway (DF Skyway) since November 30, 2010. During the year company has further strengthened the O&M activities with maximum focus on user satisfaction and enhanced safety and traffic rules compliances.

Average daily traffic during the year was 47,973 vehicles as against 48,484 during previous year

Average daily revenue during the year was Rs. 863,117 as against Rs. 799,560 during previous year

FINANCIAL RESULTS

The financial results of the Company are as under:

Particulars	(Amount Rs. in mn) For the period ended March 31, 2013	(Amount Rs in. mn) For the period ended March 31, 2012
Operation & Maintenance Fees	72.59	69.69
Other Income	0.16	0.03
Operating & Administration Expenses	69.67	67.40
Profit (Loss) before Interest & Depreciation	3.08	2.32
Depreciation	0.01	0.03
Provision for Tax/ FBT	0.92	0.71
Net Profit/(Loss) carried to Balance Sheet.	2.15	1.58

DIVIDEND

The Directors do not recommend any dividend for the period under review.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Mr. Ravi Sreehari, Director, is due to retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

None of the Directors of the Company is disqualified from being appointed as Directors as specified under Section 274 of the Companies Act.

AUDITORS

M/s. Luthra & Luthra, Chartered Accountants, the Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and have expressed their willingness to continue as Auditors for the FY 2013- 14, if re-appointed.

DEPOSIT

The Company has not accepted any deposits from the public during the period under review.

CORPORATE GOVERNANCE

Four Board Meetings were held during the period under review on April 18, 2012, July 18, 2012, October 17, 2012 and January 17, 2013. The numbers of meetings attended by the Directors are as under:

Sr. No.	Name of Directors	No. of Board Meetings held during tenure	Meetings attended
1	Mr. Krishna Ghag	4	4
2.	Mr. Ravi Sreehari	4	3
3.	Mr. Ajay Menon	4	4

PARTICULARS OF EMPLOYEES

During the year under review, the Company had no employees drawing remuneration as set out under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

DIRECTORS' RESPONSIBILITY STATEMENT

Section 217 (2AA) of the Companies Act, 1956 ("the Act") required 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 representation received from the Operating Management, and after due enquiry, Directors confirm that:

1. In the preparation of the annual accounts, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departures.
2. They have selected such Accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
3. They have taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. They have prepared the Annual Accounts on a going concern basis.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Since your Company does not own any manufacturing facilities, the other particulars in the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable. There was no foreign exchange earnings and outgo during the period under review.

ACKNOWLEDGMENTS

The Directors place on record their appreciation for the continued support and co-operation received from various Government Authorities and other Regulatory Authorities, Banks, Financial Institutions and Shareholders of the Company.

For and on Behalf of the Board

**SD/-
Director**

**SD/-
Director**

Date: 17-04-2013

Place: Mumbai

AUDITORS' REPORT

To the Members of
Badarpur Tollway Operations Management Limited
New Delhi

We have audited the accompanying financial statement of **Badarpur Tollway Operations Management Limited** ("the Company") which comprises the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with 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 of 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 auditor's 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, the auditor considers internal control 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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

In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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, 2013;
and



- ii. In the case of the Statement of Profit and Loss, of the profit for the year ended on that date.
- iii. In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies' Auditors Report Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (the 'Order'), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the said Order, to the extent applicable to the company.
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 purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of such books;
 - (c) the Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent applicable.
 - (e) On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors are disqualified as at 31st March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Date: April 18, 2013
Place: New Delhi

For Luthra & Luthra
Chartered Accountants
Reg. No. 002081N

Akhilesh Gupta
Partner
M. No. 89909



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

1.
 - a. The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. As per the information and explanations given to us, fixed assets have been physically verified by the Management at reasonable intervals, and no discrepancy was noticed.
 - c. The company has not disposed off any fixed asset during the year.
2. The Company has not taken / granted any secured or unsecured loan from / to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
3. 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. We have not observed any failure on the part of the company to correct major weakness in internal control system.
4. As per the information and explanation given to us, there are no transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956.
5. According to the information and explanations given to us the company has not accepted deposits from the public.
6. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
7.
 - a. According to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund; employees state insurance, income tax, sales tax, wealth tax, service tax, cess and any other statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues outstanding as at 31 March, 2013 for a period of more than six months from the date they became payable.
 - b. According to the information and explanation given to us, there is no disputed due on account of provident fund, investor education and protection fund; employees state insurance, sales tax, wealth tax, income tax, service tax and cess.
8. As per the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company.
9. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies' Act 1956.



10. The company has not raised money by public issue during the year.
11. Based upon the audit procedures performed and information and explanations given by the management, no fraud on or by the company has been noticed or reported during the year.
12. Other clauses i.e. (ii), (viii), (x), (xi), (xii), (xiii), (xiv), (xvi), (xvii) and (xix) of the order are not applicable to the Company.

For Luthra & Luthra
Chartered Accountants
Reg. No. 002081N



Akhilesh Gupta
Partner
(M. No. 89909)

Date: 17/04/2013
Place: Mumbai

BADARPUR TOLLWAY OPERATIONS MANGEMENT LIMITED
Cash Flow Statement for the year ended March 31, 2013

	Year Ended March 31, 2013 Rupees	Year Ended March 31, 2012 Rupees
(A) Cash Flows from Operating Activities		
Profit/(Loss) before taxes	3,067,133	2,287,068
Adjustment for :		
- Depreciation	12,560	25,858
- Provision for Employee Benefits	314,377	581,056
Operating Profit before working capital changes	3,394,070	2,893,982
Adjustments for Change in		
Decrease/(Increase) in Trade Receivables & Other Current Assets	(4,075,865)	(8,737,402)
Increase/(Decrease) in Trade payables & Other Current Liabilities	2,476,489	(680,596)
Cash Flow from Operating Activities	1,794,694	(6,524,016)
Payment of Taxes	(1,593,036)	(1,537,377)
Net Cash Generated / (Used) in Operating Activities	201,658	(8,061,393)
(B) Cash Flow from Investing Activities		
Purchase of Fixed Assets	-	(22,727)
Net Cash (Used in) / Generated from Investing Activities	-	(22,727)
(C) Cash Flow from Financing Activities		
Issue of Equity Share Capital	-	-
Net Cash Generated from Fincancing Activities	-	-
(D) Net Decrease in Cash & Cash Equivalents	201,658	(8,084,120)
Cash & Cash equivalent at the beginning of the period	2,542,654	10,626,774
Cash & Cash equivalent at end of the period	2,744,312	2,542,654
	201,658	(8,084,120)

For Luthra & Luthra
Chartered Accountants
Reg. No. 002081N

Akhilesh Gupta
Partner
(M. No. 89909)
Place: Mumbai
Date: 17.04.2013



For Badarpur Tollway Operations Management Ltd

Director
Vice President

Director



BADARPUR TOLLWAY OPERATIONS MANAGEMENT LIMITED
Balance Sheet as on March 31, 2013

	Notes	As on March 31, 2013		As on March 31, 2012	
		Rupees	Rupees	Rupees	Rupees
I. EQUITY AND LIABILITIES					
Shareholder's Funds					
(a) Share Capital	3	500,000		500,000	
(b) Reserves & Surplus	4	4,538,533	5,038,533	2,389,573	2,889,573
Non-Current Liabilities					
(a) Long Term Provision	5		-		355,127
Current Liabilities					
(a) Trade Payables	6	10,335,505		8,050,780	
(b) Other Current Liabilities	7	1,653,221		1,335,553	
(c) Short Term Provisions	8	849,667	12,838,393	306,067	9,692,400
TOTAL			17,876,926		12,937,100
II. ASSETS					
Non Current Assets					
Fixed Asset	9		35,032		47,592
Deferred Tax Assets	10		-		167,143
Current Assets					
(a) Trade Receivables	11	12,873,196		8,914,520	
(b) Cash & Bank Balances	12	2,744,312		2,542,654	
(c) Short Term Loans & Advances	13	540,992		423,803	
(d) Other Current Assets	14	1,683,394	17,841,894	841,388	12,722,365
TOTAL			17,876,926		12,937,100

Summary of significant accounting policies 2

Accompanying notes are an integral part of the financial statements

As per our separate report of even date attached

For Luthra & Luthra
 Chartered Accountants
 Reg. No. 002081N



Akhilesh Gupta
 Partner
 (M. No. 89909)
 Place: Mumbai
 Date: 17.04.2013

For and on behalf of the Board of Directors

Director

Vice President

Director



BADARPUR TOLLWAY OPERATIONS MANAGEMENT LIMITED
Profit & Loss for the year ended March 31, 2013

	Notes	Year Ended March 31, 2013 Rupees	Year Ended March 31, 2012 Rupees
INCOME			
Income From Operations	15	72,591,524	69,687,000
Other Income		163,440	33,186
		72,754,964	69,720,186
EXPENDITURE			
Operating Expenses	16	56,772,996	57,685,548
Employee Cost	17	9,752,672	7,621,563
Depreciation and Amortisation Expense	9	12,560	25,858
Other Expenses	18	3,149,603	2,100,149
		69,687,831	67,433,118
Profit / (Loss) before Tax		3,067,133	2,287,068
Provision for Tax			
-Income Tax		(751,030)	(813,439)
-Deffered Tax		(167,143)	106,736
Profit / (Loss) After Tax		2,148,960	1,580,365
Basic & Diluted Profit / (Loss) per Equity Share (in Rs.)	19	42.98	31.61

Summary of significant accounting policies 2

Accompanying notes are an integral part of the financial statements

As per our separate report of even date attached

For **Luthra & Luthra**

Chartered Accountants

Reg. No. 002081N



Akhilesh Gupta

Partner

(M. No. 89909)

Place: Mumbai

Date: 17.04.2013

For and on behalf of the Board of Directors

Director

Director

Vice President



3. Share Capital

	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
Authorised		
50,000 Equity Shares of Rs. 10/- each	500,000	500,000
Issued, Subscribed & Paid up		
50,000 Equity Shares of Rs. 10/- each	500,000	500,000
	500,000	500,000

a. Reconciliation of the share outstanding at beginning and at end of the period

	As at March 31, 2013		As at March 31, 2012	
	Number	Rupees	Number	Rupees
Shares outstanding at the beginning of the period	50,000	500,000	50,000	500,000
Shares issued during the period				
Shares outstanding at the end of the period	50,000	500,000	50,000	500,000

b. Terms/Rights attached to Equity Shares

The company has only one class of ordinary equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. Each holder of these ordinary shares are entitled to receive dividends as and when declared by the company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportionate to the number of equity shares held by the shareholders.

c. Shares held by Holding Company

50,000 Equity Shares (Previous year 50,000) are held by IL&FS Transportation Networks Limited, the holding company.

d. Details of the Shareholders holding more than 5 % in shares of the company

	As at March 31, 2013		As at March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
IL&FS Transportation Networks Limited	50,000	100%	50,000	100%

4. Reserve And Surplus

	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
Profit & Loss Account		
Opening balance	2,389,573	809,208
(+) Net Profit/(Loss) for the year	2,148,960	1,580,365
	4,538,533	2,389,573

5. Long Term Provision

	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
Employee benefits	-	355,127
	-	355,127

6. Trade Payables

	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
Due to Related Parties		
- ITNL Toll Management Services Limited	3,474,251	3,349,837
Others	6,861,254	4,700,943
	10,335,505	8,050,780

7. Other Current Liabilities

	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
Statutory Liability	304,822	222,356
Expenses payable	841,880	691,994
Salary & Wages Payable	506,519	421,203
	1,653,221	1,335,553

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8. Short Terms Provisions

	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
Employee benefits	849,667	306,067
	<u>849,667</u>	<u>306,067</u>

10. Deferred Tax Asset

	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
Difference between book depreciation and income tax depreciation	-	30,672
Employees benefit	-	129,285
Other items	-	7,186
	<u>-</u>	<u>167,143</u>

11. Trade Receivables

	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
Unsecured, considered good Outstanding for not more than six months	12,873,196	8,914,520
	<u>12,873,196</u>	<u>8,914,520</u>

12. Cash and Cash Equivalents

	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
Balances with banks - In Current Account	2,090,201	2,029,070
Cash on hand	654,111	513,584
	<u>2,744,312</u>	<u>2,542,654</u>

13. Short Terms Loans & Advances

	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
Advance to Staff & imprest	83,533	25,414
CENVAT Credit	400,810	258,018
Prepaid expenses	56,649	140,371
	<u>540,992</u>	<u>423,803</u>

14. Other Currents Assets

	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
Advance Tax (including TDS)	3,670,130	2,077,094
LESS : Provision for Income Tax	(1,986,736)	(1,235,706)
	<u>1,683,394</u>	<u>841,388</u>

15. Income From Operations

	Year Ended March 31, 2013 Rupees	Year Ended March 31, 2012 Rupees
Operation & Maintenance Fees	72,591,524	69,687,000
	<u>72,591,524</u>	<u>69,687,000</u>

16. Operating Expenses

	Year Ended March 31, 2013 Rupees	Year Ended March 31, 2012 Rupees
Plaza Maintenance	55,298,781	56,197,014
Vehicle Running & Maint. (Patrolling & Maint.)	1,474,215	1,488,534
	<u>56,772,996</u>	<u>57,685,548</u>

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17. Employee Cost

	Year Ended March 31, 2013 Rupees	Year Ended March 31, 2012 Rupees
Salaries, Wages & Bonus	7,613,407	5,686,147
Contribution to Provident Fund & others	527,481	580,777
Staff Welfare Expenses	1,611,784	1,354,639
	9,752,672	7,621,563

18. Other Expenses

	Year Ended March 31, 2013 Rupees	Year Ended March 31, 2012 Rupees
Legal & Professional Charges	751,869	793,217
Travelling & Conveyance	161,422	132,570
Repair & Maintenance Expenses	272,066	313,307
Telephone, Internet & Postage	327,191	303,655
Director's Sitting Fees	90,000	80,000
Printing & Stationery	269,566	313,149
Other Expenses	1,277,489	164,251
	3,149,603	2,100,149

a) Legal & Professional charges includes payment to auditors as

	Year Ended March 31, 2013 Rupees	Year Ended March 31, 2012 Rupees
Auditors	380,000	380,000
Taxation matters	100,000	100,000
Out of Pocket expenses	20,000	20,000
	500,000	500,000

19. Earning/ (Loss) Per Share

	Year Ended March 31, 2013	Year Ended March 31, 2012
A. Number of Equity shares of Rs. 10 each fully paid up at the beginning of the period	50,000	50,000
B. Number of Equity shares of Rs. 10 each fully paid up at the period end	50,000	50,000
C. Weighted Average number of Equity Shares outstanding during the year	50,000	50,000
D Net Profit for the Year (Rs.)	2,148,960	1,580,365
E Basic / Diluted Profit per Share (Rs.)	42.98	31.61
F Nominal value of Equity Share (Rs.)	10	10

20. Original contract for O&M of Badarpur Faridabad Tollway Project (BFTL Project) was awarded to IL&FS Transportation Networks Limited (ITNL) and the same was undertaken by the Company by virtue of MOU between the Company & ITNL. ITNL has given the termination notice to BFTL and planning to handover the project by end of April 2013. The management does not foresee any other business in near future hence accounts have been prepared on net realisable value method.

21. Contingent Liabilities

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil
(ii) Claims not acknowledged as debt by the Company	Nil	Nil

22. Employees Post Retirement Benefits:

The Company has two post employment funded benefit plans, namely gratuity and provident fund.

Gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement/termination/resignation. The benefit vests on the employee completing 5 years of service.

The Provident Fund is a defined contribution scheme whereby the Company deposits an amount determined as a fixed percentage of basic pay to the fund every month. The benefit vests upon commencement of employment.

As accounts have been prepared on net realisable value method, gratuity has been considered as short term benefit and recognised accordingly.

[Signature]



23. List of Related parties and Transactions / Outstanding Balances:

(i) Holding Company
 IL&FS Transportation Network Limited
Transactions/ Outstanding balances

	As at March 31, 2013	As at March 31, 2012
Service fees	72,591,524	69,687,000
Recoverable as at the year end	12,873,196	8,914,520
Equity as at the year end	500,000	500,000

(ii) Company in which holding company has Substantial interest
 ITNL Toll Management Services Limited
Transactions/ Outstanding balances

	As at March 31, 2013	As at March 31, 2012
Professional fees	12,658,100	16,702,212
Payable at the period end	3,474,251	3,349,837

24. There are no amounts outstanding as payable to any enterprise covered under the Micro, Small and Medium Enterprises Development Act, 2006.

25. Deferred Tax Asset has been reversed during the year due to uncertainty of its reversal in near future

26. Previous Year's Comparatives:

Figures for the previous year have been regrouped / reclassified to conform to current year's presentation. Figures in brackets represent negative balance except otherwise stated.

For Luthra & Luthra
 Chartered Accountants
 Reg. No. 002081N

Akhilesh Gupta
 Partner
 (M. No. 89909)
 Place: Mumbai
 Date: 17.04.2013



For and on behalf of the Board of Directors

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Director

Director

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 Vice President



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BADARPUR TOLLWAY OPERATIONS MANAGEMENT LTD
Schedule forming part of the Financial Statement

Note 9: FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As on 01.04.2012	Additions	Deletion	As on 31.03.2013	As on 01.04.2012	For the Period	Deletion	As on 31.03.2013	As on 31.03.2012
	Rupees								
Office Equipment	137,252	-	-	137,252	112,404	5,951	-	118,355	24,848
Furniture & Fixtures	36,205	-	-	36,205	21,558	2,465	-	24,023	14,647
Computers	20,235	-	-	20,235	12,138	4,144	-	16,282	8,097
TOTAL	193,692	-	-	193,692	146,100	12,560	-	158,660	47,592



(1) Background

Badarpur Tollway Operations Management Limited (BTOML) is a public limited company incorporated and domiciled in India on 23rd November, 2010 with its registered office at Toll Plaza, Mayur Vihar Link Road, Delhi, India.

BTOML has been incorporated to provide services and consultancy in the areas of operations, toll collections, routine and procedure maintenance, engineering, design, supply, installation, commissioning of toll and traffic management system.

BTOML is in the business of operations and management of Badarpur Faridabad Tollway (BFTL) Project by virtue of MOU between the Company and IL&FS Transportation Networks Limited (ITNL). ITNL has given the termination notice to BFTL and planning to hand-over the project by end of April 2013. The management does not foresee any other business in near future accordingly the financial statement have been prepared on the assumption that the financial accounting assumption of going concern is no longer applicable. Adjustments have been made to the carrying value of assets to reflect them at lower of historical costs and net realisable values. Liabilities have been reflected at the values at which they are expected to be discharged.

(2) Significant Accounting Policies

(a) Basis of Preparation

The financial statements have been prepared on accrual basis of accounting and in accordance with the provisions of the Companies Act 1956 and comply with the mandatory Accounting Standards issued by The Institute of Chartered Accountants of India.

These financial statements have been drawn up in accordance with the net realisable principle. The presentation and grouping of individual items in the balance sheet, the income statement and the cash flow statement are based on the principle of materiality.

(b) Significant accounting judgments and estimates

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

(c) Fixed Assets

Fixed assets have been stated at cost less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of such plant and equipment when that cost is incurred if the recognition criteria are met.

An item of fixed assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the period the asset is derecognised.

The asset's residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each reporting date.



(d) Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Office Equipment	5 years
Furniture & Fixtures	7 years
Computers	3 years

Assets having worth of Rs. 5,000 or less are fully depreciated in the year of purchase itself.

(e) Impairment

Where an indication of impairment exists, or when annual impairment testing for an asset is required, the management makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

(f) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

(g) Employee costs

Wages, salaries, bonuses, social security contributions, paid annual leave and other benefits are accrued in the period in which the associated services are rendered by employees of the company.

The leave balance is classified as short term and long term based on the best estimates after considering the past trends. The short term leave encashment liability for the expected leave to be encashed has been measured on actual components eligible for leave encashment and expected short term leave to be availed is valued at total cost to the Group. Long term leave has been valued on actuarial basis

The company has two retirement benefit plans in operation viz. Gratuity, Provident Fund. Provident Fund is defined contribution plans whereby the company has to deposit a fixed amount to the fund every month.

The Gratuity plan for the company is a defined benefit plan. The cost of providing benefits under gratuity is determined using the projected unit credit actuarial valuation method at each reporting date. Actuarial gains and losses are recognised in full in the period in which they occur.



(h) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Operation & Maintenance Fees is recognised on accrual basis in accordance with contractual rights.

(i) Expenditure

Expenditures have been accounted for on the accrual basis and provisions have been made for all known losses and liabilities.

(j) Taxes

Current tax represents the amount that would be payable based on computation of tax as per prevailing taxation laws. Current tax is determined based on the amount of tax payable in respect of taxable income for the period.

Deferred tax is recognised on timing differences; being the difference between the taxable income and accounting income that originate in one accounting period and are capable of reversal in one or subsequent periods. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets arising on unabsorbed depreciation or carry forward of tax losses are recognised to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

(k) CENVAT Credit

Cenvat in respect of service Tax is accounted on accrual basis on eligible services. The balance of cenvat credit is reviewed at each reporting date and amount estimated to be unutilised is charged to the profit & loss account for the period.

(l) Preliminary Expenditure

Preliminary expenditures have been written off in the period in which incurred.

(m) Earnings per Share

Basic earning per share is calculated by dividing net profit for the period by the weighted average number of ordinary shares outstanding during the period.

Diluted earning per share is calculated by dividing the net profit for the by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

