DIRECTORS' REPORT

Your Directors have pleasure in presenting their Report and the Accounts for the first year ended March 31, 2012.

I. FINANCIAL RESULTS

The key financial parameters for the period ended March 31, 2012 are submitted below:

Sl. No	Particulars	May 25, 2011 to March 31, 2012
		Rs. Lacs
1	Income for the year	**0.00**
2	Less: Expenditure	**(141.25)**
3	**Profit Before Depreciation & Tax (PBDT)**	**(141.25)**
4	Less: Depreciation	**(0.00)**
5	**Profit / (Loss) before tax (PBT)**	**(141.25)**
6	Less: Provision for tax	**(0.00)**
7	**Profit / (Loss) after tax (PAT)**	**(141.25)**
8	Balance brought forward from previous year	**0.00**
9	**Balance carried to Balance Sheet**	**(141.25)**

II. PERFORMANCE OF THE COMPANY

1 The Letter of Award was received from NHAI on May 1, 2011.

2. The scope of the project falling on NH-14 includes widening of the 244 km stretch from the current 2-lane configuration to a 4-lane road.

3. The Concession Agreement between NHAI and the project SPV was signed on 22nd June 2011.

4. Being part of the proposed Delhi-Mumbai Industrial Corridor, this project is expected to be the evacuation route for traffic from Kandla & Mundra ports travelling towards Rajasthan, Punjab, Haryana & beyond.

III. APPROPRIATION

The Directors wish to inform that there were no appropriations to any kind of specific reserves of the Company during the year.

IV. DIVIDENDS

The Directors of your Company express their inability to consider any dividend to be paid to the Shareholders of the Company for the year 2011-12 in the light of the losses incurred during the current financial year under review.

V. CAPITAL EXPENDITURE

As at March 31, 2012, the Gross Fixed Assets (Tangible and Intangible) stood at Rs. 64.94 lakhs and the Net Fixed Assets are Rs. 60.26 lakhs, the Capital Work In Progress and Pre-Operative Expenses stood at Rs. 1043.70 lakhs.

VI. AUDITORS' REPORT

The Auditors' Report to the Shareholders does not contain any qualifications.

VII. DEPOSITS

The Company has not accepted any deposits from the public.

VIII. MATERIAL CHANGES, IF ANY BETWEEN DATE OF THE BALANCE SHEET AND DATE OF THE DIRECTORS' REPORT

There are no material changes that have taken place in the Company between the Date of the Balance Sheet and the Date of the Directors' Report.

IX. PARTICULARS OF EMPLOYEES

There are no employees covered by the provisions of the Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

X. SUBSIDIARY COMPANIES

Your Company does not have any subsidiary Company.

XI. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
2. That the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the profit/loss of the Company for the year ended on that date;
3. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the annual accounts have been prepared on a going concern basis.
5. That proper systems are in place to ensure compliance of all laws applicable to the Company

XII. DIRECTORS

Mr. K Venkatesh, Mr. T. S. Venkatesan, and Mr. Sharad Goel, First Directors of the Company whose Directorship comes to an end at this First Annual General Meeting, being eligible, offer themselves for re-appointment.

The Board of Directors as on 31.03.2012 is as follows:

- Mr. K Venkatesh
- Mr. T. S. Venkatesan
- Mr. Sharad Goel

XIII. COMPLIANCE WITH VOLUNTARY CORPORATE GOVERNANCE GUIDELINES, 2009.

The Company has familiarized itself with the requirement of the Corporate Governance Voluntary Guidelines 2009 issued by the Ministry of Corporate Affairs and it is in the process of implementing many of the suggestions. Our compliance with the said guidelines is given below–

A) SEPARATION OF OFFICES OF CHAIRMAN & CHIEF EXECUTIVE

The Chairman is elected during each Board Meeting by the Directors from amongst those present. All the Directors are Non-Executive and the role of Chairman is confined to the proper conduct of the Board Meeting. The Manager of the Company, as per the Companies Act 1956, handles the responsibilities envisaged for a Chief Executive and the occupant of the position is not a Board Member and attends the Board Meetings only as invitee. In this manner the separation of offices of Chairman & Manager is ensured as per the requirement of guidelines.

B) REMUNERATION OF DIRECTORS

The Directors are not paid any remuneration by way of sitting fees, etc.

C) INDEPENDENT DIRECTORS

None of the Directors is involved in the day to day affairs of the Company.

Number of Companies in which an Individual may become a Director

The Company has apprised its board members about the restriction on number of other directorships and the same is being complied with.

D) RESPONSIBILITIES OF THE BOARD

Presentations to the Board in areas such as financial results, budgets, business prospects etc. give the Directors, an opportunity to interact with senior managers and other functional heads. Directors are also updated about their role, responsibilities and liabilities.

The Company ensures necessary training to the Directors relating to its business through formal/ informal interactions. Systems, procedures and resources are available to ensure that every Director is supplied, in a timely manner, with precise and concise information in a form and of a quality appropriate to effectively enable/ discharge his duties. The Directors are given time to study the data and contribute effectively to Board discussions. The Non-Executive Directors through their interactions and deliberations give suggestions for improving overall effectiveness of the Board and its Committees. Their inputs are also utilized to determine the critical skills required for prospective candidates for election to the Board. The system of risk assessment and compliance with statutory requirements are in place.

E) STATUTORY AUDITORS

The Company has obtained a certificate from the auditors certifying its independence and arm's length relationship with the Company.

F) INTERNAL AUDITORS

The Corporate Audit Services department of L&T Infrastructure Development Projects Limited provides internal audit services to the Company.

G) INTERNAL CONTROL

The Board ensures the effectiveness of the Company's system of internal controls including financial, operational and compliance controls and risk management systems.

H) SECRETARIAL AUDIT

The Secretarial Audit, at regular intervals, is conducted by the Corporate Secretarial department of Larsen & Toubro Limited, which has competent professionals to carry out the said audit.

XIV. AUDIT COMMITTEE

The Audit Committee consists of three non–executive Directors. The present members of the Committee are:

- Mr. K Venkatesh
- Mr. T. S. Venkatesan
- Mr. Sharad Goel

The role, terms of reference, the authority and power of Chairman are in conformity with the requirements of the Companies act, 1956.

The Committee met periodically during the year and held discussions with the auditors on internal control systems.

XV. AUDITORS

The Auditors, M/s Sharp & Tannan, Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are recommended for reappointment.

Certificate from Auditors have been received to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

XVI. DISCLOSURE OF PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PER THE COMPANIES' (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

- **CONSERVATION OF ENERGY**

  Since the Company is in Infrastructure business, conservation of energy, research and development, technology absorption does not apply.

- **TECHNOLOGY ABSORPTION**

  There was no Technology Absorption during the year.

- **FOREIGN EXCHANGE EARNINGS AND OUTGO**

  There were no earnings or outgo in terms of Foreign Exchange during the year 2011-1012.

XVII. ACKNOWLEDGEMENTS

The Directors acknowledge the valuable support extended to the Company by the employees of the Company, staff and management of the parent Company.

For and on behalf of the Board

Place : Chennai
Date : April 25, 2012

T. S. VENKATESAN
Director

K. VENKATESH
Director

AUDITORS' REPORT

TO THE MEMBERS OF L&T BPP TOLLWAY LIMITED

We have audited the attached Balance Sheet of L&T BPP Tollway Limited as at March 31, 2012, the statement of Profit and Loss account and the Cash Flow Statement for the period May 25, 2011 to March 31, 2012 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.

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 and amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In accordance with the provisions of Section 227 of the Companies Act 1956, we report that

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to 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 law have been kept by the Company, so far as it appears from our examination of those books;
   c) 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;
   d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and
   e) On the basis of written representation received from the Directors of the Company as on March 31, 2012 and taken on record by the board of Directors, We report that none of the Directors is disqualified as on March 31, 2012 form being appointed as Director in terms of clause (g) of sub-section (1) of Section 274 of the companies Act, 1956.

   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;
   1) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
   2) in the case of Statement of Profit and Loss, of the loss of the Company for the period May 25, 2011 to March 31, 2012; and
   3) in the case of the Cash Flow Statement, of the cash flows of the Company for the period May 25, 2011 to March 31, 2012.

For SHARP&TANNAN
Chartered Accountants
(Firm's Registration No. 003792S)

L. VAIDYANATHAN
Partner
(Membership No:16368)

Place : Chennai
Date : April 25, 2012

ANNEXURE TO THE AUDITOR'S REPORT

With reference to the Annexure referred to in paragraph 1 of the auditors' report to the members of L&T BPP Tollway Limited on the financial statements for the period May 25, 2011 to March 31, 2012, we report that:

(i) (a) The Company is maintaining proper records showing full particulars, including Quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the period and no material discrepancies were noticed on such verification

(c) The Company has not disposed off any of its fixed assets during the period and hence going concern is not affected.

(ii) The Company does not carry any inventory in its books and hence reporting under clauses 4(ii)(a), (b) and (c) of the Order does not arise.

(iii) (a) According to the information and the explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.Hence reporting under Clause 4 (iii) (b), (c) and (d) of the Order does not arise.

(b) According to the information and the explanations given to us, the Company has not taken any loans, secured or unsecured, from Companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956.Hence reporting under Clause 4 (iii) (f) and (g) of the Order does not arise.

(iv) In our opinion and according to the information and the explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of fixed assets. This being the first period of accounts of the Company, commenting on failure to correct continuing major Weakness does not arise.

(v) In our opinion and according to the information and the explanations given to us, there are no contracts/arrangements that needs to be entered into the register maintained under Section 301 of the Companies Act, 1956 and hence reporting under clause 4 (v) of the Order does not arise.

(vi) The Company has not accepted deposits from the public within the meaning of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956. And the rules framed thereunder. Hence reporting under clause 4(vi)of thr Order does not arise.

(vii) The Company has not incorporated only in the current period and is not listed on any stock exchange, hence reporting on internal audit system under clause 4 (vii) od the Order does not arise.

(viii) The Company has not commenced its operations during the period and hence maintenance of cost records under Section 209 (1) (d) of the companies act, 1956 is not applicable. Accordingly reporting under clause 4 (viii) of the Order does not arise.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company is generally regular in depositing undisputed statutory dues including Income tax and other statutory dues during the period with appropriate authorities. According to the information and explanation given to us, there were no undisputed amount payable on account of income-tax, provident fund and other statutory dues As at March 31, 2012 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, there are no statutory liabilities in respect of sales tax, excise duty, service tax, customs duty and income tax which have not been deposited on account of a dispute.

(x) The Company has been registered for a period of less than five years and hence reporting on losses under clause 4(x) of the Order does not arise.

(xi) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions. The Company has not issued any debentures during the period.

(xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion the Company is not a chit fund / nidhi / mutual benefit fund / society and hence reporting on clause 4(xiii) of the order does not arise.

(xiv) According to the information and explanations given to us the Company is not a dealer or trader in shares, securities, debauchers and other investments.

(xv) According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) In our opinion and according to the information and the explanations given to us, the Company has not taken any term loans and hence reporting on their application under clause 4 (xvi) of the Order does not arise.

(xvii) According to the information and explanations given to us, the Company has not raised funds on short term basis during the period . Accordingly, reporting on their application under clause 4(xvii)of the Order does not arise.

(xviii) The Company has not made any preferential allotment of shares during the period to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

(xix) The Company has not issued debentures during the period. hence reporting under clause 4(xix) of the Order does not arise.

(xx) The Company has not raised any money by way of public issue during the period.

(xxi) During the course of our examination of the books and the records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the period, nor have we been informed of such cases by management.

For SHARP&TANNAN
Chartered Accountants
(Firm's Registration No. 003792S)

L. VAIDYANATHAN
Partner
(Membership No:16368)

Place : Chennai
Date : April 25, 2012

BALANCE SHEET AS AT MARCH 31, 2012

	Note No.	As at 31.03.2012 Rupees	Rupees
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	**2**	**820,750,000**	
Reserves & Surplus	**3**	**(14,124,770)**	**806,625,230**
Current liabilities			
Other current liablities	**4**	**31,706,975**	
Short-term provisions	**5**	**573,993**	**32,280,968**
TOTAL			**838,906,198**
ASSETS			
Non-current assets			
Fixed Assets			
Tangible Assets	**6**	**6,026,279**	
Capital work-in-progress	**6.1**	**384,800**	
Intangible Assets under Development	**6.2**	**103,984,904**	
Long-term loans and advances	**7**	**715,000,000**	**825,395,983**
Current Assets			
Short-term loans and advances	**8**	**11,738,433**	
Cash and cash equivalents	**9**	**1,771,782**	**13,510,215**
CONTINGENT LIABILITIES AND OTHER COMMITMENTS	**14**		**838,906,198**
SIGNIFICANT ACCOUNTING POLICIES	**1**		

Accompanying notes form an integral part of financial statements.

As per our report attached

For and on behalf of the Board

For SHARP & TANNAN
Chartered Accountants
(Firm's Registration No. 003792S)

L. VAIDYANATHAN
Partner
Membership No:16368

Place : Chennai
Date : April 25, 2012

SUDHIR JAIN
Manager

T. S. VENKATESAN
Director

Place : Chennai
Date : April 25, 2012

K. VENKATESH
Director

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM MAY 25, 2011 TO MARCH 31, 2012

	Note No.	May 25, 2011 to March 31, 2012 Rupees
REVENUE		**–**
EXPENSES		
Other expenses	**10**	**14,124,770**
Profit / (loss) before tax		**(14,124,770)**
Tax expense:		
Current tax		**–**
Profit / (loss) after tax		**(14,124,770)**
Basic and Diluted earnings per share		**(4.56)**
Nominal value per share		**10.00**
SIGNIFICANT ACCOUNTING POLICIES	**1**	

Accompanying notes form an integral part of financial statements.

As per our report attached

For SHARP & TANNAN
Chartered Accountants
(Firm's Registration No. 003792S)

L. VAIDYANATHAN
Partner
Membership No:16368

Place : Chennai
Date : April 25, 2012

For and on behalf of the Board

SUDHIR JAIN
Manager

T. S. VENKATESAN
Director

K. VENKATESH
Director

Place : Chennai
Date : April 25, 2012

CASH FLOW STATEMENT FOR THE PERIOD FROM MAY 25, 2011 TO MARCH 31, 2012

		May 25, 2011 to March 31, 2012
		Rupees
A.	**Cash Flow from operating activities**	
	Loss before tax	**(14,124,770)**
	Adjustments for:	**–**
	Operating profit before working capital changes	**(14,124,770)**
	Adjustments For :	
	(Increase) / Decrease in Short term Loans and Advances	**(11,738,433)**
	Increase / (Decrease) in Current liabilities and provisions	**32,280,968**
	Cash generated from operations	**6,417,765**
	Direct taxes paid (net of refund)	**–**
	Net cash(used in) / from operating activities	**6,417,765**
B.	**Cash flow from Investing activities**	
	Purchase of fixed assets	**(110,395,983)**
	Capital advances	**(715,000,000)**
	Net cash (used in) / from investing activities	**(825,395,983)**
C.	**Cash flow from financing activities**	
	Equity share capital	**820,750,000**
	Net cash (used in) / from financing activities	**820,750,000**
	Net (decrease)/ increase in cash and cash equivalents	**1,771,782**
	Cash and cash equivalents at beginning of the year	**–**
	Cash and cash equivalents at end of the year	**1,771,782**

Notes:

(1) Cash Flow statement has been prepared under the Indirect Method as set out in the Accounting Standard 3; "Cash Flow Statement" as per Companies (Accounting Standards) Rules, 2006.

(2) Cash and cash equivalents represent bank balances.

(3) Purchase of fixed asset includes movement in capital work in progress and intangible assets under development.

As per our report attached

For SHARP & TANNAN
Chartered Accountants
(Firm's Registration No. 003792S)

L. VAIDYANATHAN
Partner
Membership No:16368

Place : Chennai
Date : April 25, 2012

For and on behalf of the Board

SUDHIR JAIN
Manager

T. S. VENKATESAN
Director

K. VENKATESH
Director

Place : Chennai
Date : April 25, 2012

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with Generally Accepted Accounting Principles ("GAAP"), in compliance with the provisions of the Companies Act, 1956 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006, prescribed by the Central Government. However, certain claims, which are not ascertainable, are not taken into account.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of fixed assets and intangible assets, provision for doubtful advances, future obligations in respect of retirement benefit plans etc. Actual results could differ from these estimates and would be recognized in the period in which the results are known.

b. Fixed Assets

Fixed Assets are stated at original cost less accumulated depreciation.

c. Depreciation

Tangible Assets are depreciated on straight-line basis at the rates specified in Schedule XIV to the Companies Act 1956.

Depreciation on additions/deductions is calculated pro-rata from/to the month of additions/deductions.

In respect of the following categories of fixed assets, depreciation is provided at higher rates in line with their estimated useful life.

Category of Asset	Estimated useful life (in years)	Depreciation rate (% per annum)
Office Equipment	4	25.00%
Computers – Laptop	4	25.00%
Furniture and Fixtures	10	10.00%
Air conditioners	12	8.33 %
Printers	4	25.00%
Computers – Desktop	6	16.67%

d. Intangible Assets and amortisation

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Pre-operative expenses including administrative and other general overhead expenses which are specifically attributable to the construction of project, incurred up to the date of completion of construction are also capitalized and amortisation as part of the Toll collection rights.

e. Impairment of Assets

At each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:

a. The provision for impairment loss, if any; and

b. The reversal of impairment loss recognised in previous period, if any,

Impairment loss is recognised, when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

a. in case of an individual asset, at the higher of net selling price and net value in use;

b. in case of cash generating unit (a group of assets that generate identified, independent cash flows), at the higher of the cash generating unit's net selling price and the net value in use.

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life.)

f. Taxes on Income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income-tax Act, 1961.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the period and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax asset relating to unabsorbed depreciation/business losses and "capital gains" are recognised and carries forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

Other deferred tax asset are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

g. Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying asset are capitalized as part of the cost of such asset, till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

h. Employee Benefits

(i) Short Term Employee Benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.

(ii) Post Employment Benefits

a) Defined Contribution Plans: the Company's obligation to employees provident fund is a defined contribution plan. The contribution paid/payable is recognized in the period in which the employee renders the related service.

b) Defined Benefit Plans: The Company's obligation towards gratuity is a defined benefit plan.

The present value of the obligation under such Defined Benefit Plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains and losses are recognized immediately in the statement of Profit and Loss.

(iii) Long Term Employee Benefits

The obligation for long term employee benefits such as long term compensated absences is recognized in the same manner as in the case of defined benefit plans as mentioned in (ii) (b) above.

i. Leases

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals are charged off to Profit and loss statement on accrual basis. Lease rentals specifically attributable to the project are accounted under pre-operative expenses pending allocation to fixed assets

j. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

a) the Company has a present obligation as a result of a past event.

b) a probable outflow of resources is expected to settle the obligation, and

c) the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent Liability is disclosed in the case of

a) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.

b) A possible obligation arising from a past event unless the probability of outflow of resources is remote

Contingent Assets are neither recognized, nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

k. Deferred Payment Liability

The obligation towards additional concession fee payable to the National Highway Authority of India (Authority) vide Concession Agreement dated June 22, 2011,Will be recognized as deferred payment liability When the Company, in its capacity of Concessionaire, becomes entitled to commence commercial operations and exercise the right & collect toll and the Authority has fulfilled its obligations in accordance with the terms of the concession agreement.

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

2 SHARE CAPITAL

	As at 31.03.2012	
	No. of Shares	**Rupees**
Authorised		
Equity Shares of Rs.10/- each	**250,000,000**	**2,500,000,000**
Issued, Subscribed and Paid up		
Equity Shares of Rs.10/- each fully paid up	**82,075,000**	**820,750,000**
TOTAL	**82,075,000**	**820,750,000**

2.1 Reconciliation of the Shares outstanding at the beginning and at the end of the period is not applicable since this being the first year of incorporation.

2.2 Terms / Rights/ Restrictions attached to Equity Shares

The Company has only one class of equity share having a par value of Rs. 10/- per share.

Each holder of equity shares is entitled for one vote per share.

The Company has not issued any securities with the right / option to convert the sme into equity shares at a late date.

The Company has not reserved any share for issue under options and contracts / commitments for the sale of shares / disinvestment.

The shares issued carry equal rights of dividend declared by the Company and no restrictions are attached to any specific Shareholder.

2.3 Shares held by Holding / Ultimate holding Company and/or their subsidiaries/associates:

	Relationship	As at 31.03.2012	
		No. of shares	**Rupees**
L&T Infrastructure Development Projects Limited and its nominees	Holding Company	**82,075,000**	**820,750,000**
Equity shares of Rs.10 each fully paid up			

2.4 Details of Shareholders holding more than 5% shares

	Relationship	As at 31.03.2012	
		No of Shares	**%**
L&T Infrastructure Development Projects Limited and its nominees	Holding Company	**82,075,000**	**100.00%**
Equity Shares of Rs.10/- each fully paid			

3 RESERVES AND SURPLUS

	As at 31.03.2012
	Rupees
Surplus / (deficit) in the Statement of Profit and Loss	**(14,124,770)**
TOTAL	**(14,124,770)**

4 OTHER CURRENT LIABLITIES

Due to Micro and Small enterprises (refer note below)	**–**
Statutory liabilities	**15,020,167**
Due to others	**16,686,808**
TOTAL	**31,706,975**

Note: There has been no transactions during the period with micro and small enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act 2006. Hence reporting details of principal and interest paid/payable does not arise.

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

5 SHORT TERM PROVISION

	As at 31.03.2012
	Rupees
Provisions for Employee Benefits	
For Gratuity (Refer note no. 16)	**181,231**
For Compensated absences	**392,762**
TOTAL	**573,993**

6 FIXED ASSETS

PARTICULARS	Gross block		Depreciation		Net Block
	Additions	**As at 31.03.2012**	For the year	**As at 31.03.2012**	**As at 31.03.2012**
	Rupees	**Rupees**	Rupees	**Rupees**	**Rupees**
Tangible Assets					
Computers	958,844	**958,844**	121,066	**121,066**	**837,778**
Furnitures & Fixtures	3,881,886	**3,881,886**	269,704	**269,704**	**3,612,182**
Office Equipments	1,653,379	**1,653,379**	77,060	**77,060**	**1,576,319**
TOTAL	**6,494,109**	**6,494,109**	**467,830**	**467,830**	**6,026,279**

6.1 Capital Work- In -Progress

Office Equipment	384,800	**–**	–	**–**	**384,800**
TOTAL	384,800	**–**	–	**–**	**384,800**

6.2 Intangible Assets under Development

Pre-operative expenses pending allocation (refer note below)	103,984,904	**103,984,904**	–	**–**	**103,984,904**
TOTAL	103,984,904	**103,984,904**	–	**–**	**103,984,904**

Note: Pre-Operative Expenses pending allocation:

	As at 31.03.2012
	Rupees
SCHEDULE D	
Pre-operative Expenses pending allocation:	
Staff Cost	**10,410,158**
Contribution to & provision for:	
- Provident fund	**537,870**
- Leave encashment	**392,762**
- Gratuity	**181,231**
Staff welfare expenses	**219,441**
Rent	**1,167,204**
Legal and professional Fees	**20,770,048**
Insurance	**131,246**
Repairs & maintenance	**2,435,031**

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

		As at 31.03.2012
		Rupees
	Depreciation	**467,830**
	Car hire charges	**3,488,280**
	Travelling and Conveyance	**1,134,401**
	Electricity charges	**62,778**
	Postage & communication	**9,178**
	Printing & Stationary	**273,121**
	Finance charges	**50,699,395**
	Bank charges	**2,478,559**
	Tree cutting and incidental expenses	**7,192,108**
	Miscellaneous expenses	**1,934,263**
	TOTAL	**103,984,904**

		As at 31.03.2012
		Rupees
7	**LONG-TERM LOANS AND ADVANCES**	
	Capital advances	
	Unsecured, Considered good	
	- To Ultimate holding Company	**715,000,000**
	TOTAL	**715,000,000**
8	**SHORT TERM LOANS AND ADVANCES**	
	Security deposit	
	Unsecured, Considered good	**452,200**
	Other loans and advances	
	Unsecured, Considered good	
	- To Ultimate holding Company	**2,658,054**
	- Prepaid expenses	**8,628,179**
	TOTAL	**11,738,433**
9	**CASH AND CASH EQUIVALENTS**	
	Balances with banks	
	on Current account	**1,771,782**
	TOTAL	**1,771,782**

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

		As at 31.03.2012 Rupees
10	**OTHER EXPENSES**	
	Rates & taxes [refer note (i) below]	**12,257,500**
	Preliminary expenses written off	**359,020**
	Auditors remuneration [refer note (ii) below]	**124,218**
	Business Promotion Expenses	**639,107**
	Corporate social responsibility expenses	**744,925**
	TOTAL	**14,124,770**

Note:

i. Rates and taxes includes fees paid Rs.1,22,50,000/- to Reigstrar of Companies for increase in authorised share capital.

ii.	**Details of auditors remuneration (Excluding service tax):**	**For the period Rs.**
	Audit fees	**100,000**
	Company law matters	**10,750**
	TOTAL	**110,750**

11. CORPORATE INFORMATION

The Company was incorporated on May 25, 2011 and accordingly the accounts are drawn for the period from May 25, 2011 to March 31, 2012.

The Company has changed its name to L&T BPP Tollway Limited, from its earlier name L&T BPP Tollway Private Limited upon conversion to public limited Company with effect from March 23, 2012 after obtaining approval from Registrar Of Companies, Tamilnadu.

The Profit and Loss account has been drawn to comply with the provisions of Companies Act 1956. However the Company has not commenced commercial operation.

12. The Company has been awarded to augment the existing road from KM 000.00 to KM 244.120 (approximately 244.120 km) on the Beawar – Pali - Pindwara Section of National Highway No.14 in the State of Rajasthan by four-Laning on Design, Build, Finance, Operate and Transfer (DBFOT) basis, the project under concession agreement dated June 22, 2011 with the National Highways Authority of India (NHAI).

The concession agreement is for a period of 23 years from the appointed date as stated in clause 3.1.1 of Article-3 of the concession agreement i.e., December 19, 2011. At the end of the concession period, the entire facility has to be transferred to NHAI, free and clear of all encumbrances, vide Article 38.1.1 of the concession agreement.

13. TAXES

The Company does not have taxable income as per the provisions of the Income Tax Act 1961, and does not have taxable wealth as per the provision of the Wealth Tax Act 1957; hence no provision is made for income tax and wealth tax.

14. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

a. Contingent liabilities as at March 31, 2012 are Nil.

b. Commitments

i. Estimated amount of contracts remaining to be executed on capital account is Rs. 19,07,50,00,000/- as at March 31, 2012.

ii. The project has been awarded vide Concession Agreement dated June 22, 2011 by NHAI, to the Company for a concession period of twenty three years (including construction period). In terms of clause 26.2.1 of the Concession Agreement, the Company is required to pay an estimated additional concession fee of Rs. 87,575,533,321/- upon commencement of commercial operations over the residual concession period.

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

15. RELATED PARTY TRANSACTIONS

Disclosure of Related Parties / Related Party Transactions.

A. List of Related Parties

(a) Holding companies:

a. L&T Infrastructure Development Projects Limited (Holding Company)

b. Larsen & Toubro Limited (Ultimate holding Company)

(b) Fellow subsidiaries:

a. L&T Transco Private Limited

b. L&T Halol Shamlaji Tollway Limited

c. L&T Infrastructure Finance Company Limited

B. Transactions with Related Parties

Name and Nature of transaction	**For the period Rupees**
L&T Infrastructure Development Project Limited	
• Share Capital	**82,07,50,000**
• Reimbursement of expenses to	**11,25,205**
• Business support services received	**88,03,360**
Larsen & Toubro Limited	
• Mobilisation advance paid	**71,50,00,000**
• Reimbursement of expenses from	**26,58,054**
• Reimbursement of expenses to	**92,778**
L&T Halol Shamlaji Tollway Limited	
• Reimbursement of expenses to	**3,34,854**
L&T Transco Private Limited	
• Reimbursement of expenses to	**1,33,683**
L&T Infrastructure Finance Company Limited	
• Advisory fee expenses	**11,03,000**

C. Amounts (due to) / due from related parties

Name and nature of transaction	**For the period Rs. (Due to)**	**For the period Rs. (Due from)**
Larsen & Toubro Limited	**–**	**71,75,65,276**
L&T Infrastructure Finance Company Limited	**11,03,000**	**–**

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

D. No amount due to/due from related parties has been written off or written back during the period.

16. EMPLOYEE BENEFITS

(a) Provisions for gratuity Rs.1,81,231/-and leave encashment Rs.3,92,762/- is made on actuarial basis as summarized below:

Gratuity Valuation 1. Valuation as on	March 31, 2012
2. Retirement Age	58 years
3. No of Employees	23
4. Notional Benefit Obligations (Accrued benefits) on Current Salary in Rupees	2,41,652
5. Present Value of Benefit Obligations in Rupees	1,81,231
B Principle Rules to Compute Benefit Obligations 1. Salary reckoned for calculating Benefit Obligations	As per rules of the Company
2. Vesting Period	5 year for gratuity
3. Benefit formula for Gratuity for all exits except death	B1 x Completed years of service x 15/26 subject to benefit having vested
4. Benefit formula for Gratuity on death	Same as B3 but no vesting condition
Leave Salary Valuation A Summary of Staff date 1. No of Employees	23
2. Notional benefit obligations on current salary in rupees	5,23,486
3. Projected actuarial value of benefit obligation in rupees	3,92,762
B Principle rules to compute benefit obligations 1. Salary reckoned for calculating Benefit Obligations	As per rules of the Company
2. Benefit formula for all exits	B1 x leave balance / 30
SUMMARY OF ACTUARIAL ASSUMPTIONS A Mean Financial Assumptions 1. Discount Rate per unit per annum	8.50%
2. Salary escalation rate per unit per annum	6.00%
3. Expected rate of return on Plan Assets per unit per annum	NA
B Mean Demographic assumptions 1. Mortality	LIC 94-96 rates
2. Withdrawal	5% at all ages
3. Disability	No explicit assumption

(b) Contribution to provident fund is made on actual liability basis.

17. Expenditure/ Earnings in foreign currency during the period is Rs. Nil.

18. During the period the Company has entered into a common loan agreement dated November 17, 2011 with lenders. The Company is yet to avail the loan as at March 31, 2012. Finance charges of Rs. 5,06,99,395/- paid as upfront fees and underwriting fees has been included in pre-oprative expenses.

The term loans sanctioned to the Company, as per the above mentioned agreement, are secured by a first charge on all the tangible movable assets, including project book debts, operating cash flows, receivables, movable plant and machinery both present and future including borrowers escrow account, all sub-escrow account and authorised investments; intangible assets of the borrowers including but not limited to Goodwill, rights, undertakings and the uncalled capital; assignment by way of security in all right, title and interest on the project documents, government approvals, guarantees, insurance contracts but excluding project assets as specified in Concession Agreement.

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

19. The Company is engaged in the business of construction, operation and maintenance of infrastructure facility in India. Hence, furnishing primary business segments and secondary segments as required in Accounting Standard 17 "Segment Reporting" does not arise.

20. The Company has taken office & three guest house premises on cancellable operating lease for eleven months each. Lease rentals of Rs.11,67,204/- paid during the period has been included in pre-operative expenses.

Particulars	**Minimum Lease Payments For the period**
1. payable not later than 1 year	**11,64,796**
2. Payable later than 1 year and not later than 5 years	**–**
3. Payable later than 5 years	**–**

21. Basic earnings per share (EPS) computed in accordance with Accounting Standards (AS) 20 "Earnings per Share"

Particulars		**For the period**
Basic and Diluted		
Loss after tax as per Accounts (Rs.)	A	**1,41,24,770**
Weighted average number of shares outstanding	B	**30,94,551**
Basic and Diluted EPS (Rs.)	A/B	**(4.56)**

22. This being the first period of accounts of the Company, giving comparative figures of previous period does not arise.

As per our report attached

For SHARP & TANNAN
Chartered Accountants
(Firm's Registration No. 003792S)

L. VAIDYANATHAN
Partner
Membership No:16368

Place : Chennai
Date : April 25, 2012

For and on behalf of the Board

SUDHIR JAIN
Manager

T. S. VENKATESAN
Director

K. VENKATESH
Director

Place : Chennai
Date : April 25, 2012