

VANSH NIMAY INFRAPROJECTS LIMITED

ANNUAL REPORT

2011-12

DIRECTORS' REPORT

The Shareholders,
Vansh Nimay Infraprojects Limited

Your Directors have pleasure in presenting the Sixth Annual Report along with the Audited Statements of Accounts for the year ended March 31, 2012

Financial Results:

The financial results of the Company are as under:

(in ₹)

Particulars	Year ended on March 31, 2012	Year ended on March 31, 2011
Total Income	493,763,184	413,358,190
Total Expenses	695,276,776	597,976,963
Profit /(Loss) Before Tax	(201,513,592)	(184,618,773)
<u>Less: Provision for Tax</u>	-	-
Profit /(Loss) After Tax	(201,513,592)	(184,618,773)
Balance carried forward	(493,417,130)	(291,903,539)

Operations:

As per the contract awarded by the Municipal Corporation of Nagpur (NMC) and the Concession Agreement dated February 9, 2007 entered with NMC (the "Agreement"), the Company has been running and maintaining 230 buses Nagpur City Bus (150 standard buses and 80 small buses)

Keeping in view the public transport requirements of city of Nagpur, NMC had obtained the approval under JNNURM scheme to induct additional 300 buses apart from existing 230 buses being operated by the Company. The Company had signed a Supplementary Agreement with NMC on March 3, 2010 for infusion of additional 300 buses (240 standard buses and 60 small buses) into its existing fleet of buses under the JNNURM scheme. The Company shall operate and maintain the entire fleet of 530 buses for a period of 10 years from the date of completion of deployment of 300 buses by NMC. The agreement provides for an extension of the concession period by another 5 years subject to satisfactory operations of the Project by VNIL.

Dividend:

Due to inadequacy of profits, your Directors have not recommended any dividend for the year under review

Increase in Capital:

During the year under review 58,90,000 equity shares of ₹10 each were allotted due to which the paid-up share capital of your Company has increased from ₹10,00,00,000 to ₹15,89,00,000.

Directors:

During the year under review, Mr. Mukund Sapre and Mr. George Cherian resigned as Directors of the Company with effect from January 27, 2012. Mr. Deep Sen and Mr. S. C. Mittal were appointed as Additional Directors on the Board of the Company with effect from January 27, 2012. Mr. Sen and Mr. Mittal being Additional Directors hold their offices till the date of ensuing Annual General Meeting and are eligible for being appointed as Directors. The Company has received notices in writing under Section 257 of the Act, along with the requisite deposit from the Members of the Company, proposing their candidature as the Directors of the Company

In terms of the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Ajay Dhawangale, Director, is liable to retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

Your Directors recommend the aforesaid re-appointment.

Auditors:

M/s. Lakhani & Co., Chartered Accountants, retires at the ensuing Annual General Meeting of the Company and have expressed their willingness to continue as Statutory Auditors of the Company, if re-appointed.

Corporate Governance:

Four Board Meetings were held during the year under review on April 15, 2011, July 18, 2011, October 21, 2011 and January 27, 2012. The numbers of meetings attended by the Directors are as under:

Sr. No.	Name of Directors	No. of Board meetings held during the tenure	No. of Board Meetings Attended
1	Mr. Mukund Sapre - (upto 27.01.2012)	4	2
2	Mr. Cherian George - (upto 27.01.2012)	4	4
3	Mr. Ravi Sreehari	4	4
4	Mr. Ajay Dhawangale	4	4
5	Mr. Deep Sen – (w.e.f. 27.01.2012)	1	0
6	Mr. S. C. Mittal - (w.e.f. 27.01.2012)	1	0

The Audit Committee has been constituted for good corporate governance and focused attention on the affairs of the Company

The Audit Committee was re-constituted on January 27, 2012 and is comprised of Mr. Deep Sen, Mr. Ravi Sreehari and Mr. Ajay Dhawangale, Directors. The Audit Committee met four times during the year under review on April 15, 2011, July 18, 2011, October 21, 2011 and January 27, 2012.

Deposits:

Your Company has not invited/ accepted any deposits during the year under review

Particulars of Employees:

There were no employees in respect of whom the information is required to be provided pursuant to Section 217(2A) of the Companies Act, 1956.

Directors Responsibility Statement:

Pursuant to Section 217(2AA) of the Companies Act, 1956 (“the Act”) the Directors based on the representations received from the Operating Management, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) 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 Loss of the Company for that period;
- (c) 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;
- (d) they have prepared the annual accounts on a going concern basis

Foreign Exchange Earnings and Outgo:

There was no earning or outgo of foreign exchange during the year under review.

Since your Company does not have any manufacturing facility, the other particulars in the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable and hence not provided

Industrial Relations:

During the year under review, labour relations remained cordial and smooth, except for few strikes, which were resolved

Acknowledgments:

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

By the Order of the Board

Sd/-
Director

Sd/-
Director

Date : April 18, 2012
Place : Mumbai

Lakhani & Co. (Regd.)

CHARTERED ACCOUNTANTS

Hemsharsaka, 19, Gola Lane,
Fort, Mumbai - 400 001.
Tel. : 2266 6660 / 1 / 2
Fax : 2266 6644
E-mail : lakhani@lakhanicompany.com


**AUDITORS' REPORT TO THE MEMBERS OF
VANSH NIMAY INFRAPROJECTS LIMITED**

1. We have audited the attached Balance Sheet of VANSH NIMAY INFRAPROJECTS LIMITED (the 'Company') as at 31st March, 2012, the Statement of Profit and Loss and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Without qualifying our opinion, we draw attention to Note No. 39 of the financial statements. The Company has incurred a net loss of Rs.20,15,13,592/- during the year ended March 31, 2012 and has negative net worth of Rs.33,45,17,130/- as at March 31, 2012. However, based on the management's business plans and financial support from promoters, in the opinion of the management, no adjustment is required to the carrying value of the assets and liabilities of the company as of the Balance Sheet date accordingly these financial statements have been prepared on a going concern basis.
4. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956(the 'Act'), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) 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;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Statement of Profit and Loss and also the Cash Flow Statement dealt with by this report are in agreement with the books of account;



- (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and also 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 ;
- (v) On the basis of written representation received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012; and
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date.
- (c) in the case of the Cash Flows Statement, of the cash flows of the Company for the year ended on that date

For Lakhani & Co.
Chartered Accountants
Firm Registration Number 105524W


(Sailesh Katudia)
Partner
Membership Number 105529



Place : Mumbai
Date : 24.04.2012

Annexure to the Auditor's Report

The Annexure referred to in our report of even date to the members of VANSI NIMAY INFRAPROJECTS LIMITED on the financial statements for the year ended 31st March, 2012

(i)

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification
- (c) The Company has not disposed off a substantial part of the fixed assets during the year.

(ii)

- a) As per the information furnished, the inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stocks, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The company is maintaining records of inventories which needs improvement. In our opinion the discrepancies noticed on verification of physical stocks and the book records were not material and have been properly dealt with the books of account.

(iii)

- (a) The Companies has not granted any interest bearing/ interest free secured/ unsecured loans during the year to the parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, sub-clauses (a), (b), (c) & (d) of Clause 4(iii) of the Order is not applicable.
- (b) The Company has not taken any interest bearing/ interest free secured/ unsecured loans from any party covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, sub-clauses (e), (f) & (g) of Clause 4(iii) of the Order is not applicable.

(iv)

In our opinion and according to the information and explanations given to us, the internal control systems have improved since the last year, however, efforts need to be put to make it commensurate with the size of the Company and the nature of its business with regard to purchases of spares, fixed assets and sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control systems.



- (v)
- (a) According to the information and explanations given to us, we are of the opinion that there are no contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Accordingly, sub-clause (b) of Clause 4(v) of the Order is not applicable.
- (vi) The Company has not accepted any deposits from public within the meaning of the provisions of Sections 58A and 58AA or any other relevant provisions of the act, and the rules framed there under.
- (vii) The Internal Audit is done by a firm of practicing Chartered Accountants.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 in respect of services carried by the Company.
- (ix)
- (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including, investor education and protection fund, income tax, state value added tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues as applicable, with the appropriate authorities *except in the case of Passenger Tax and Nutrition Tax*. Based on our audit procedure and according to the information and explanations given to us, no undisputed dues payable in respect of provident fund, investor education and protection fund, employee's state insurance, income tax, state value added tax, wealth tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2012 for a period of more than six months from the date they became payable, *except in case of passenger tax and nutrition tax amounting to Rs.3,60,33,861/- and Rs.2,35,93,343/- respectively.*
- (b) According to the information and explanations given to us, there are no dues in respect of income tax, wealth tax, service tax, state value added tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company has accumulated losses at the end of the financial year which are more than 50% of its net worth. Further the company has incurred cash losses in the current financial year and financial year immediately preceding current financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has generally not defaulted in the repayment of dues to the Banks and financial institution. There were no amounts outstanding on account of debentures during the year.



- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly clause 4(xii) of the Order is not applicable.
- (xiii) The Company is not a chit fund, nidhi or mutual fund or a society. Accordingly clause 4(xiii) of the Order is not applicable.
- (xiv) According to the information and explanation given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly clause 4(xiv) of the Order is not applicable.
- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly clause 4(xv) of the Order is not applicable.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were, prima facie, applied by the Company for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) The Company has not issued any debentures. Accordingly clause 4(xix) of the Order is not applicable.
- (xx) The Company has not raised any money by public issue during the year. Accordingly clause 4(xx) of the Order is not applicable.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Lakhani & Co.
Chartered Accountants
Firm Registration Number 105524W


(Sailesh Katudia)
Partner
Membership Number 105529



Place : Mumbai
Date : 24.04.2012

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	Particulars	Note	As At		As At	
			March 31, 2012		March 31, 2011	
I	EQUITY AND LIABILITIES					
1	SHAREHOLDERS' FUNDS					
	(a) Share capital	2	158,900,000		100,000,000	
	(b) Reserves and surplus	3	(493,417,130)	(334,517,130)	(291,903,539)	(191,903,539)
2	SHARE APPLICATION MONEY PENDING ALLOTMENT	4				54,000,000
3	NON-CURRENT LIABILITIES					
	(a) Long-term borrowings	5	286,314,490		364,513,980	
	(b) Long-term provisions	6	16,590,144	302,904,634	8,762,900	373,276,880
4	CURRENT LIABILITIES					
	(a) Short-term borrowings	7	173,000,000		83,000,000	
	(b) Trade payables	8	14,716,458		7,518,739	
	(c) Other current liabilities	9	159,948,621		134,478,377	
	(d) Short-term provisions	10	71,843,580	419,508,659	45,928,870	270,925,986
	TOTAL			387,896,163		506,299,327
II	ASSETS					
1	NON CURRENT ASSETS					
	(a) Fixed assets	11				
	(i) Tangible assets		203,426,376		272,665,882	
	(ii) Intangible assets		118,701,117		147,397,076	
	(iii) Capital work-in-progress		-	322,127,492	1,249,695	421,312,653
	(b) Non-current investments	12	1,000		1,000	
	(c) Long-term loans and advances	13	303,125		531,825	
	(d) Other non-current assets	14	4,694,481	4,998,606	2,356,774	2,889,599
2	CURRENT ASSETS					
	(a) Inventories	15	3,487,426		2,316,547	
	(b) Trade receivables	16	2,114,218		2,195,385	
	(c) Cash and bank balances	17	42,899,246		69,686,046	
	(d) Short-term loans and advances	18	11,778,881		7,899,097	
	(e) Other current assets	19	490,294	60,770,065	-	82,097,075
	TOTAL			387,896,163		506,299,327

Notes 1 to 44 form part of the financial statements.

In terms of our report attached.
For Lakhani & Co.
Chartered Accountants


Sailesh Katudia
Partner
24/04/2012



Mumbai

For and on behalf of the Board



Director



Director


Manager

VANSH NIMAY INFRAPROJECTS LIMITED
Statement of Profit and Loss Account

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Particulars	Note	Year ended March 31, 2012	Year ended March 31, 2011
1 Revenue from operations	20	488,377,822	405,140,761
2 Other income	21	5,385,362	8,217,429
3 Total revenue (1 + 2)		493,763,184	413,358,190
4 Expenses			
Operating expenses	22	326,387,382	259,490,837
Employee benefit expenses	23	135,254,099	126,088,638
Finance costs	24	69,558,169	69,818,900
Administrative and general expenses	25	66,873,442	59,473,159
Depreciation and amortization expense	11	97,203,685	83,105,429
Total expenses		695,276,776	597,976,963
5 Profit before taxation (3-4)		(201,513,592)	(184,618,773)
6 Tax expense:			
(1) Current tax			
(2) Deferred tax			
Total tax expenses (6)		-	-
7 Profit / (Loss) for the period (5-6)		(201,513,592)	(184,618,773)
Earnings per equity share (Face value per share Rupees 10/-):	26		
(1) Basic (Not Annualised)		(12.68)	(18.46)
(2) Diluted (Not Annualised)		(12.68)	(18.46)
Number of shares used for computing earning per share			
(1) Basic		15,890,000	10,000,000
(2) Diluted		15,890,000	10,000,000

Notes 1 to 44 form part of the financial statements.

In terms of our report attached.
For Lakhani & Co.
Chartered Accountants

W^r S. Katadia
Sailesh Katudia
Partner
24/04/2012



Mumbai

For and on behalf of the Board

Director

Director

Manager

VANSH NIMAY INFRAPROJECTS LIMITED
CASH FLOW STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

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Particulars	As at	As at
	March 31, 2012	March 31, 2011
	Rupees	Rupees
Cash Flow from Operating Activities		
Profit/(Loss) Before Taxes	(201,513,592)	(184,618,773)
Adjustments for :-		
Interest on short term deposit	(2,936,551)	(3,604,388)
Interest and finance expense	69,558,169	69,818,900
(Profit) / Loss on sale of fixed assets	2,368,254	-
Provision for Gratuity & Leave Encashment	8,448,548	4,322,492
Depreciation	97,203,685	83,045,669
Operating profit before Working Capital Changes	(26,871,488)	(31,036,200)
Adjustments changes in working capital:		
(Increase) / Decrease in Other Current, Non Current Assets & Trade Recivables	(7,568,797)	(5,127,247)
(Increase) / Decrease in Other Current, Non Current Liabilities & Trade Payable	50,045,885	47,259,239
Cash Generated from Operating Activities	15,605,601	11,095,792
Payment of Taxes	-	(355,019)
Net Cash Flow from Operations (A)	15,605,601	10,740,773
Cash flow from Investing Activities		
Purchase of fixed assets	(1,636,472)	(178,590,007)
(Increase) / Decrease in Capital WIP	1,249,695	14,333,286
Fixed Deposit for the period exceeding 3 months encashed / (placed)	(20,916,933)	-
Interest received	2,936,551	3,604,388
Net Cash from Investing Activities (B)	(18,367,159)	(160,652,333)
Cash flow from Financing Activities		
Increase /(decrease) in share application money	(54,000,000)	54,000,000
Proceeds from Issue of equity shares	58,900,000	-
Short term borrowings	90,000,000	(27,000,000)
Proceeds from Long term borrowings	-	188,624,804
Repayments of Long term borrowings	(78,199,490)	-
Interest and finance Charges paid	(61,642,685)	(85,075,022)
Net Cash from Financing Activities (C)	(44,942,175)	130,549,782
Net Increase in Cash & Cash Equivalents (A+B+C)	(47,703,733)	(19,361,778)
Cash and Cash Equivalent at the beginning of the period	69,686,046	89,047,824
Cash and Cash Equivalent at the end of the period	21,982,313	69,686,046
Net Increase / (Decrease) in Cash & Cash Equivalents	(47,703,733)	(19,361,778)

Notes:

Components of Cash & Bank Balance

Cash on Hand	1,702,144	1,690,927
Balance with Scheduled Banks and Non-Scheduled Banks - Current Accounts	4,313,040	15,735,324
Balance with Scheduled Banks and Non-Scheduled Banks in term deposits (maturity)	15,967,129	52,259,795
	21,982,313	69,686,046
Fixed deposits placed for periods exceeding 3 months	20,916,933	-
Cash & Bank Balances (Refer Note No."17")	42,899,246	69,686,046

Notes 1 to 44 form part of the financial statements.

In terms of our report attached.

For Lakhani & Co.

Chartered Accountants

S. Katadia

Partner

24/4/2012

Mumbai



For and on behalf of the Board

Director

Director

Manager

Note No.1 : Significant Accounting Policies

1 Nature of Operations

The Company has been set up with the main object of running, operating and maintaining public transport service within the limit of Nagpur Municipal Corporation (NMC). The company has entered into an agreement with the Nagpur Municipal Corporation on 9th February 2007 under the terms of which, the company has been granted a concession to operate and maintain the project/ project facilities for a period of 10 years commencing on March 2007 and ending on February 2017. The revenue is generated by collecting fare at a specified rate as mentioned in the agreement. The agreement period can be extended for a period of additional 5 years if the services provided by Vansh Nimay Infraprojects Limited (VNIL) are satisfactory. However VNIL entered into a supplementary agreement dated March 3, 2010 towards the right of operating additional 300 city buses and public transport under Jawaharlal Nehru National Urban Renewal Mission (JnnURM). Such supplementary agreement specifies validity period of the total project till ten years from the completion of deployment of such 300 buses. VNIL has to contribute 30% of the cost of JnnURM buses.

2 Basis for preparation of Financial Statements

The Financial Statements have been prepared under the historical cost convention and in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act, 1956, and the applicable Accounting Standards. All income and expenditure having material bearing on the financial statements are recognised on accrual basis and comply with the Accounting Standards prescribed as referred to in Section 211(3C) of the Companies Act, 1956

3 Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including current liabilities)

4 Fixed Assets and Depreciation/Amortisation

(a) Tangible fixed assets and depreciation

Tangible fixed assets acquired by the Company are reported at acquisition value, with deductions for accumulated depreciation and impairment losses, if any.

The acquisition value includes the purchase price (excluding refundable taxes) and expenses directly attributable to the asset to bring the asset to the site and in working condition for its intended use such as delivery and handling costs, installation, legal services and consultancy services.

Where the construction or development of any asset requiring a substantial period of time to set up for its intended use, is funded by borrowings, the corresponding borrowing costs are capitalised up to the date when the asset is ready for its intended use

Depreciation on tangible fixed assets is computed as under:

- (i) In respect of premises, depreciation is computed on the Straight Line Method at the rates provided under Schedule XIV of the Companies Act, 1956.
- (ii) Depreciation on Buses is provided under the straight-line method in the manner and as per the rates prescribed in Schedule XIV to the Companies Act, 1956.
- (iii) The Company has adopted the Straight Line Method of depreciation so as to depreciate 100% of the cost of the following type of assets at rates higher than those prescribed under Schedule XIV to the Companies Act, 1956, based on the Management's estimate of useful life of such assets

Asset Type	Useful Life
Computers & Computer Software	4 years
Specialised office equipments	3 years
Assets provided to employees	3 years
Licensed Software	Over the License Period

Depreciation on fixed assets, other than on assets specified in Note (4.a) (i),(ii) & (iii) above, is provided for on the Written Down Value Method at the rates provided under Schedule XIV of the Companies Act, 1956. Depreciation is computed pro-rata from the date of acquisition of and upto the date of disposal.

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

All categories of assets costing less than Rs. 5,000 each, mobile phones and items of soft furnishing are fully depreciated in the year of purchase.

(b) Intangible fixed assets and depreciation

Intangible fixed assets acquired by the Company are reported at acquisition value of the Right to Operate the Buses, with deductions for accumulated depreciation and impairment losses, if any.

Depreciation on Intangible fixed assets is computed to amortise the asset over a period of Six years being the estimated useful life of the asset.

Intangible Assets other than Service Concession Arrangement are reported at acquisition value with deductions for accumulated amortization and impairment losses, if any. Amortization policy for various intangible assets is given below:

Software	4 years or the useful life of the software, whichever is shorter
Leasehold rights	Over the period of the economic life



5 Impairment of Assets

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

6 Investments

- (a) Investments are capitalised at actual cost including costs incidental to acquisition.
- (b) Investments are classified as long term or current at the time of making such investments.
- (c) Long-term investments are individually valued at cost, less provision for diminution that is other than temporary.
- (d) Current investments are valued at the lower of cost and market value.

7 Inventories

Inventories are valued at lower of cost or net realisable value.

8 Revenue Recognition

Revenue is accounted for on accrual basis. Revenue is recognized when no significant uncertainty on measurability and collectability exists.

In case of excess amount collected by the conductors, amount of excess collection remaining unsettled for a period exceeding three months is recognized as revenue.

9 Employee Benefits

(a)

Employee benefits are recognized as an expense at the discounted amount expected to be paid over the period of services rendered by the employees to the Company.

Expenses for defined-benefit gratuity plans are calculated as at the balance sheet date by independent actuary in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees.

(b) **Other Employee Benefits**

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the period end are reported as expenses in the period in which the employees perform the services that the benefit covers at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment or encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method

10 Accounting for Taxes on Income

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

Deferred tax is calculated at current statutory income tax rate and is recognised, subject to the consideration of prudence, on timing differences, being differences 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 are recognised on unabsorbed depreciation and carry forward of losses only to the extent that there are timing differences, the reversal of which will result in sufficient income or there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date.



11 Provisions, Contingent Liabilities and Contingent Assets

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

12 Financial Income and Borrowing Costs

Financial income and borrowing costs include interest income on bank deposits and interest expense on loans.

Interest income is accrued evenly over the period of the corresponding instrument.

Borrowing costs are recognised in the period to which they relate, regardless of how the funds have been utilised, except where it relates to financing of construction or development of assets requiring a substantial period of time to prepare for their intended future use. Interest is capitalised up to the date when the asset is ready for its intended use. The amount of interest capitalised (gross of tax) for the period is determined by applying the interest rate applicable to appropriate borrowings outstanding during the period to the average amount of accumulated expenditure for the assets during the period.

13 Cash and Cash Equivalents

Cash and bank balances, and current investments that have insignificant risk of change in value and original duration of up to three months, are included in the Group's cash and cash equivalents in the Cash Flow Statement.

14 Cash Flow Statements

The Cash-Flow Statement is prepared in accordance with the "Indirect Method" as explained in the Accounting Standard (AS) 3 on Cash Flow Statements.

15 Current / Non Current Assets and Liabilities

Assets are classified as current when it satisfies any of the following criteria:

- i) It is expected to be realized within twelve months after the reporting date,
- ii) It is held primarily for the purpose of being traded,
- iii) It is Cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date

All other assets are classified as Non Current.

Liabilities are classified as current when it satisfies any of the following criteria:

- i) It is expected to be settled within twelve months after the reporting date,
- ii) It is held primarily for the purpose of being traded,
- iii) The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as Non Current.

15 Earnings per Share

Basic earnings per share is calculated by dividing the net profit after tax for the period attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit after tax for the period attributable to equity shareholder of the Company by the weighted Average number of shares outstanding during the period adjusted for the effects of all dilutive potential equity shares.



VANSH NIMAY INFRAPROJECTS LIMITED
Year Ended March 31, 2012

Note 2: Share capital

Particulars	As at March 31, 2012		As at March 31, 2011	
	Number	₹	Number	₹
Authorised Equity Shares of Rupees 10/- each	25,000,000.00	250,000,000.00	25,000,000.00	250,000,000.00
Issued Equity Shares of Rupees 10/- each	15,890,000.00	158,900,000.00	10,000,000.00	100,000,000.00
Subscribed and Paid up Equity Shares of Rupees 10/- each fully paid (refer foot note no. i, ii, and iii)	15,890,000.00	158,900,000.00	10,000,000.00	100,000,000.00
Total	15,890,000.00	158,900,000.00	10,000,000.00	100,000,000.00

Foot Notes:

i. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2012		As at March 31, 2011	
	Equity Shares		Equity Shares	
	No. of Shares	₹	No. of Shares	₹
Shares outstanding at the beginning of the year	10,000,000.00	100,000,000.00	10,000,000	100,000,000.00
Shares issued during the year	5,890,000.00	58,900,000.00	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	15,890,000.00	158,900,000.00	10,000,000	100,000,000.00

ii. Of the above 143,00,000 (Previous Year 9,000,000) Equity Shares are held by the holding company viz, ILFS Transportation Networks Limited ("ITNL") and its nominees and 15,90,000 (Previous Year 1,000,000) Equity Shares are held by Vansh Infotech Private Limited

iii. Shareholding more than 5% shares

Name of Shareholder	As at March 31, 2012		As at March 31, 2011	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
IL&FS Transportation Networks Limited & Its nominees	14,300,000.00	90.00%	9,000,000.00	90.00
Vansh Infotech Private Limited	1,590,000.00	10.00%	1,000,000.00	10.00
Total	15,890,000.00	100.00%	10,000,000.00	100.00



VANSH NIMAY INFRAPROJECTS LIMITED
Year Ended March 31, 2012

Note 3: Reserves and surplus

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Profit / (Loss) Surplus				
Opening balance	(291,903,538.64)		(107,284,765.26)	
(+) Profit / (Loss) for the current year	(201,513,591.80)		(184,618,773.37)	
Closing balance		(493,417,130.44)		(291,903,538.64)
Total		(493,417,130.44)		(291,903,538.64)



VANSH NIMAY INFRAPROJECTS LIMITED
Year Ended March 31, 2012

Note 4: Share Application Money Pending Allotment

Particulars	₹	
	As at March 31, 2012	As at March 31, 2011
IL&FS Transportation Networks Limited	-	53,000,000.00
Vansh Infotech Private Limited	-	1,000,000.00
Total	-	54,000,000.00

The aforesaid amount of share application money is for allotment of Equity Shares of Rs.10/- each to the parties mentioned above and is expected to be allotted before March 2012



VANSH NIMAY INFRAPROJECTS LIMITED

Year Ended March 31, 2012

Note 5: Long-term borrowings

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Term Loans				
(i) Secured				
From banks	252,121,096.00		318,922,790.00	
From financial institutions (refer foot note no. 1 & 2)	34,193,394.00	286,314,490.00	45,591,190.00	364,513,980.00
Total		286,314,490.00		364,513,980.00

Foot Notes:

1 Security

The aforesaid loans are secured by hypothecation of all movable properties and assets including buses, movable plant and machinery, spares, tools and accessories both present and future of the company and pledge of shares held by promoters in the company

2 Terms of Repayment

The loan availed from Union Bank of India under the JnnURM projects is repayable by March 2016 and loan facility under PMDO is repayable by March 2016. The aforesaid loans are repayable in quarterly instalments arrived at based on the disbursements made by the respective parties as stated below:

Name of Bank	Amount	Amount of
	outstanding as on 31.03.2012	quarterly instalment repayable
UBI(JnnURM Project)	103,744,000	6,484,000
PMDO Loan		
Allahabad Bank	6,828,414	569,034
Bank of India	16,694,983	1,391,248
Canara Bank	17,915,025	1,492,919
Central Bank of India	13,352,304	1,112,693
Corporation Bank	6,753,899	562,824
Dena Bank	6,685,333	557,112
IDBI Bank	16,866,181	1,405,515
Oriental Bank of Commerce	10,009,638	834,137
Union Bank of India	6,685,332	557,112
Syndicate Bank	16,536,948	1,378,079
Vijaya Bank	6,685,333	557,112
Indian Bank	17,992,506	1,499,375
Union Bank (LIC Share)	5,371,200	447,600
	Amount	Amount of
Name of Body Corporate	outstanding as	quarterly
	on 31.03.2012	instalment
		repayable
India Infrastructure Finance Company Limited	10,009,638	834,137
Infrastructure Leasing & Financial Services Ltd	12,586,156	1,048,846
LIC Of India	11,597,600	966,466
Total	286,314,490	

Rs.86,792,836/- which is repayable during the financial year 2012-2013 and is part of Secured Term Loan from banks is classified under Current Liabilities as " Current Maturities of Long Term Debt.



Note 6: Long-term provisions

Particulars	₹		₹	
	As at March 31, 2012		As at March 31, 2011	
(a) Provision for employee benefits	16,590,144.00	16,590,144.00	8,762,900.00	8,762,900.00
Total		16,590,144.00		8,762,900.00



VANSH NIMAY INFRAPROJECTS LIMITED
Year Ended March 31, 2012

Note 7: Short-term borrowings

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Loans and advances from related parties				
(i) Unsecured				
From Holding Company	173,000,000.00	173,000,000.00	83,000,000.00	83,000,000.00
Total		173,000,000.00		83,000,000.00



VANSH NIMAY INFRAPROJECTS LIMITED
Year Ended March 31, 2012

Note 8: Trade Payable

Particulars	₹		₹	
	As at March 31, 2012		As at March 31, 2011	
(a) Trade Payables Creditors for Goods	14,716,458.00	14,716,458.00	7,518,738.70	7,518,738.70
Total		14,716,458.00		7,518,738.70

Note 9: Other current liabilities

Particulars	₹		₹	
	As at March 31, 2012		As at March 31, 2011	
(a) Current maturities of long-term debt	86,792,836.00		86,342,307.00	
(b) Interest accrued but not due on borrowings	11,469,361.00		3,553,877.00	
(c) Income received in advance	4,427,119.00		4,038,109.00	
(d) Other liabilities				
- Creditor for expense	33,273,710.15		24,301,813.50	
- Others	420,267.00		457,342.00	
(e) Security Deposit	20,433,149.00		13,017,939.00	
(f) Other Statutory Payables	3,132,179.00		2,766,990.00	
		159,948,621.15		134,478,377.50
Total		159,948,621.15		134,478,376.95



Note 10: Short-term provisions

Particulars	₹		₹	
	As at March 31, 2012		As at March 31, 2011	
(a) Provision for employee benefits.	932,428.00		311,124.00	
(b) Provision for Passenger Tax	70,911,152.00	71,843,580.00	45,617,746.00	45,928,870.00
Total		71,843,580.00		45,928,870.00



AND

Note 11: Fixed assets

Particulars	Gross block			Accumulated depreciation			Net block		
	Balance as at April 1st 2011	Opening adjustments	Additions	Deductions / Adjustments	Balance as at March 31, 2012	Depreciation charge for the year	Deductions / Adjustments	Balance as at March 31, 2012	Balance as at March 31, 2011
a) Tangible assets									
Vehicles - Buses	402,250,372.00	-	-	2,310,422.50	399,989,949.50	65,173,063.71	995,989.99	185,464,801.21	251,989,319.44
Vehicles - Others	3,112,324.00	-	2,945.00	-	3,115,269.00	559,752.92	-	1,693,855.99	1,693,855.99
Data processing equipments - Computers	3,078,405.05	-	77,840.00	-	3,156,245.05	746,482.22	-	1,614,747.43	2,263,389.64
Office equipments	1,353,116.00	-	179,390.00	-	1,532,506.00	406,787.32	-	967,732.08	946,328.08
Furniture and fixtures	1,551,746.00	-	43,893.00	-	1,595,639.00	202,347.91	-	752,726.34	911,181.25
ETS Machines	5,678,750.00	-	-	200,200.00	5,478,550.00	898,726.89	181,051.31	1,243,054.62	2,099,135.00
Equipments - Vehicle Tracking System	11,900,397.00	-	1,249,695.00	-	13,150,092.00	1,743,077.34	-	11,361,662.73	11,855,045.08
Plant and machinery	626,318.00	-	46,918.00	-	673,236.00	69,942.79	-	427,791.10	450,815.89
Total	429,551,428.05	-	1,600,681.00	2,510,622.50	428,641,486.55	69,491,379.58	1,117,041.29	203,426,376.50	270,515,214.38
b) Intangible assets									
Computer Software	34,325.00	-	23,791.00	-	58,116.00	26,331.71	-	24,919.19	27,459.90
Software Licenses	12,562,485.00	-	12,000.00	-	12,574,485.00	3,141,976.21	-	7,176,171.47	10,306,147.68
E-Ticketing Machines - JNNURM	1,834,580.00	-	-	-	1,834,580.00	305,821.15	-	1,397,752.44	1,703,573.59
Right to Operate Buses (refer Foot Note no. 1)	147,755,018.70	-	-	1,221,000.00	146,534,018.70	24,306,583.96	246,328.02	110,102,273.43	135,359,894.37
Others	-	-	-	-	-	-	-	-	-
Total	162,186,398.70	-	35,791.00	1,221,000.00	161,001,189.70	27,780,713.03	246,328.02	118,701,116.53	147,397,075.54
Grand total	591,737,826.75	-	1,636,472.00	3,731,622.50	589,642,676.25	97,272,092.61	1,363,369.31	322,127,492.03	417,912,289.92
Previous Year	413,638,309.00	-	178,159,378.00	59,860.00	591,737,826.75	83,105,429.00	59,860.00	420,062,957.00	325,009,009.00
Capital work-in-progress	1,249,695.00	-	-	1,249,695.00	-	-	-	-	-



VANSH NIMAY INFRAPROJECTS LIMITED
Year Ended March 31, 2012

Note 12: Non-current investments

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Investment in Others Investment in National Saving Certificate	1,000.00	1,000.00	1,000.00	1,000.00
Total		1,000.00		1,000.00

Note 13: Long-term loans and advances

Particulars	As at March 31, 2012		As at March 31, 2011	
(b) Security Deposits Unsecured, considered good Deposits	303,125.00	303,125.00	531,825.00	531,825.00
Total		303,125.00		531,825.00



Note 14: Other non current assets

Particulars	₹		₹	
	As at March 31, 2012		As at March 31, 2011	
(a) Long term Trade Receivables (Including trade receivables on deferred credit terms) Unsecured, considered good	3,191,365.00		995,980.00	
(b) Tax Deducted at Source	773,116.25		630,794.25	
(c) Advance Passenger Tax	710,000.00		710,000.00	
(d) Advance Fringe benefit Tax	20,000.00		20,000.00	
		4,694,481.25		2,356,774.25
Total		4,694,481.25		2,356,774.25



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VANSH NIMAY INFRAPROJECTS LIMITED
Year Ended March 31, 2012

Note 15: Inventories

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Inventories (iii) Stores and spares (As verified, valued and certified by the management) Mode of valuation : Lower of Cost or net realizable value	3,487,426.00	3,487,426.00	2,316,547.00	2,316,547.00
Total		3,487,426.00		2,316,547.00

Note 16: Trade receivables

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Trade receivables outstanding for a period less than six months from the date they are due for payment Unsecured, considered good	302,638.00	302,638.00	571,005.00	571,005.00
(b) Trade receivables outstanding for a period exceeding six months from the date they are due for payment Unsecured, considered good Less: Provision for doubtful debt	1,811,580.00	1,811,580.00	1,624,380.00	1,624,380.00
Total		2,114,218.00		2,195,385.00

Note 17: Cash and bank balances

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Cash and cash equivalents Cash on hand Current accounts Fixed Deposits placed for a period less than 3 months	1,702,144.00 4,313,039.53 15,967,129.00	21,982,312.53	1,690,926.50 15,735,324.22 52,259,795.00	69,686,045.72
(b) Other bank balances Fixed Deposits placed for a period exceeding 3 months	20,916,933.00	20,916,933.00	-	-
Total		42,899,245.53		69,686,045.72



Note 18: Short-term loans and advances

Particulars	As at March 31, 2012		As at March 31, 2011	
(d) Other loans and advances Unsecured, considered good - Advance recoverable in cash or kind	11,778,881.00	11,778,881.00	7,899,097.29	7,899,097.29
Total		11,778,881.00		7,899,097.29

Note 19: Other current assets

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Advance to Sundry Creditors	490,294.00	490,294.00	-	-
Total		490,294.00		-



Note 20: Revenue from operations

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
(a) Income from services				
City Bus Collections (ETS)	407,432,566.00		348,924,603.00	
City Bus Pass Collections	77,102,960.00		52,300,664.00	
Penalty	13,171.00		316,904.00	
Operation and maintainace	-	484,548,697.00		401,542,171.00
(c) Sales (net of sales tax)				
Sale of Pass Form & RFID Card	3,829,125.00	3,829,125	3,598,590.00	3,598,590
		488,377,822.00		405,140,761.00

Note 21: Other income

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
(a) Interest Income				
Interest on bank deposits	2,936,551.00		3,604,388.00	
		2,936,551.00		3,604,388.00
(b) Profit on sale of fixed assets (net)				
		-		11,750.00
(c) Other non-operating income				
Advertisement income	1,098,140.00		3,714,315.00	
Insurance Claim Received	143,527.00		453,136.00	
Scrap Sales	824,548.00		340,980.00	
Excess provisions written back	215,000.00		-	
Miscellaneous income	167,596.00	2,448,811.00	92,860.00	4,601,291.00
		5,385,362.00		8,217,429.00



VANSH NIMAY INFRAPROJECTS LIMITED
Year Ended March 31, 2012

Note 22: Operating expenses

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
(a) Diesel and Fuel Expenses	220,637,234.00		196,572,381.00	
(b) Operation and maintenance expenses	102,562,632.00		62,918,456.00	
(c) Loss On Assets	2,368,253.50		-	
(d) Parking Expenses of Buses	819,262.00		-	
		326,387,381.50		259,490,837.00
		326,387,381.50		259,490,837.00

Note 23: Employee benefit expenses

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
(a) Salaries and wages	117,969,929.00		113,688,801.00	
(b) Contribution to provident and other funds	16,967,204.00		12,064,467.00	
(c) Staff welfare expenses	316,966.00		335,370.00	
		135,254,099.00		126,088,638.00
		135,254,099.00		126,088,638.00



VANSH NIMAY INFRAPROJECTS LIMITED
Year Ended March 31, 2012

Note 24: Finance costs

Particulars	₹		₹	
	Year ended March 31, 2012		Year ended March 31, 2011	
(a) Interest expenses				
Interest on loans for fixed period	53,274,806.00	66,018,537.00	47,647,714.00	61,712,276.00
Other interest	12,743,731.00		14,064,562.00	
(b) Other borrowing costs				
Finance charges	3,539,631.69	3,539,631.69	8,106,624.09	8,106,624.09
		69,558,168.69		69,818,900.09

Note 25: Administrative and general expenses

Particulars	₹		₹	
	Year ended March 31, 2012		Year ended March 31, 2011	
Legal and consultation fees	4,594,414.00		3,896,633.00	
Travelling and conveyance	2,153,074.00		1,300,316.00	
Rent	1,565,346.00		1,525,167.00	
Rates and taxes	28,096,915.00		26,403,513.00	
Communication expenses	1,303,555.00		818,717.00	
Insurance	6,409,961.00		5,457,732.00	
Printing and stationery	792,683.00		552,885.00	
Electricity charges	998,524.00		723,351.00	
Directors' fees	1,200,000.00		1,200,000.00	
Royalty	9,145,208.00		9,041,520.00	
Miscellaneous expenses	10,613,762.00	66,873,442.00	8,553,325.10	59,473,159.10
		66,873,442.00		59,473,159.10



Note 26: Earnings per equity share

Particulars	Unit	Year ended March 31, 2012	Year ended March 31, 2011
Profit / (Loss) available for Equity Shareholders	Rupees	(201,513,591.80)	(184,618,773.37)
Weighted number of Equity Shares outstanding	Numbers	15,890,000	10,000,000
Nominal Value of equity shares	Rupees	10	10
Basic Earnings per share	Rupees	(12.68)	(18.46)
Equity shares used to compute diluted earnings per share	Numbers	15,890,000	10,000,000
Diluted Earnings per share	Rupees	(12.68)	(18.46)

In the absence of clarity as to the impact of advance towards capital on the earnings of the Group, no adjustment has been made for potential dilution in computing diluted earnings per share.



Note 27: Contingent liabilities and capital commitments

A) Contingent liabilities :

Particulars (Name & description)	As at March 31, 2012	As at March 31, 2011
(a) Amount of Royalty unpaid to Nagpur Municipal Corporation (NMC) on account of No. of Buses not plied as per Concession Agreement (Refer Foot Note)	10,743,750.00	10,743,750.00

Foot Note 1

Royalty: Company was required to deploy 200 buses from the date of agreement, however the time limit to deploy the buses were extended upto 31st August, 2007. Since Company could deploy only 45 buses till 31st August, 2007, sought for further extension of time limit, which was granted till 28th February, 2008. Royalty though was stipulated to be paid on 200 buses, Company continued to pay on deployment basis.

Final extension for deployment of 200 buses was provided by the Standing Committee (governing body of NMC) for a period upto 31st March, 2009.

The communication received in this regard from the Standing Committee (governing body of NMC) does not insist on payment of royalty based on deployment originally stipulated.

In view of this and a specific mention in clause 14.4 of the Concession agreement, the company continues to pay royalty on the basis of buses plied on road instead of 200 buses.

The Company has paid royalty on the basis of buses plied on road in the current period and as of March 31, 2010, has paid on all 230 buses.

There has been no addition in the amount of Contingent liability and is similar to that as on 31st March 2010.

B) Financial commitments pending to be executed :

Particulars (Name of party & description)	As at March 31, 2012	As at March 31, 2011
For Buses (JNNURM) (a)	19,800,000.00	19,800,000.00
For Depot Expenses (b)	6,408,814.00	13,042,000.00
Total	26,208,814.00	32,842,000.00

Note No. 28: Amount paid/Payable to Auditors :

Particulars (Name of party & description)	As at March 31, 2012	As at March 31, 2011
1 Lakhani & Co. - Audit Fees	441,200.00	275,750.00
2 Lakhani & Co. - Tax Audit Fees	82,725.00	82,725.00
3 Lakhani & Co. - Other Services (assurance)	422,121.00	364,928.00
	946,046.00	723,403.00

Note No.29: Segment Information:

The Company is engaged in service business and is a Special Purpose Vehicle (SPV) formed for the specific purpose detailed in note no.1 above 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 on "Segment Reporting" (AS-17 notified under the Companies (Accounting Standards) Rules,2006, have not been made.



VANSH NIMAY INFRAPROJECTS LTD.
Year ended As on 31st March, 2012

Note No. 30:

The company is operating 230 buses comprising of 150 large buses and 80 small buses. In addition to 230 buses company had also acquired 240 large buses vide the Right to Operate the Buses during the year from 1st April 2010 to 31st March 2011 and has treated such right as Intangible Asset.

Note No. 31: Related Party Disclosures

Disclosures as required by the Accounting Standard on "Related Party Disclosures" (AS-18) notified under the Companies (Accounting Standards) Rules, 2006, are made below:

(A) Name of the related parties and description of relationship:

Ultimate Holding Company:	Infrastructure Leasing & Financial Services Limited. (IL&FS)
Holding Company:	IL & FS Transportation Networks Limited. (ITNL)
Fellow Subsidiaries:	IL&FS Urban Infrastructure Managers Limited. (IUIML)
	IL&FS Trust Company Limited.(ITCL)
	IL&FS Financial Services Limited (IFIN)
Red Key Management Personnel (KMP):	Narayanan Doraiswamy

Note: The Company has no control over fellow subsidiaries; hence only fellow subsidiaries with which company has transactions are disclosed.

B) Transactions:

(Rs.)

Nature of Transaction	Key Management Personal and Relatives	IL&FS	ITNL	IUIML	ITCL	IFIN
Syndication fees		-				- 17,87,963
Asset Management Fees and Traveling & Other Expenses		-	28,66,922 33,57,478	31,37,382 35,33,435	-	-
Security Trustee Fees		-			4,41,200 6,06,650	
Loan Taken		-	9,00,00,000			
Loan Repaid		41,95,384 41,95,384	- 270,00,000			
Interest on Loan		22,86,173 27,73,393	1,27,43,731 1,40,64,562			
Advance against Equity			- 5,30,00,000			



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VANSH NIMAY INFRAPROJECTS LTD.
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(C) Balances outstanding:

(Rs.)

Particulars	Key Management Personal and Relatives	IL&FS	ITNL	IUIML	ITCL
Interest on loan		-	1,14,69,361	-	-
		-	35,53,877		
Loan		1,67,81,540	17,30,00,000	-	-
		2,09,76,924	8,30,00,000	-	-
Asset Management Fees / Security Trustee Fees				(47,846)	-
				(68,170)	-
Creditors			24,07,877		
			15,96,390		
Advance towards Share Capital			-		
			53,00,000		

*Amount shown in brackets are debit balances
 Note : Previous year figures are shown in *italics*

Note No. 32:

In the opinion of the Management and to the best of their knowledge and belief, the value on realizations of loans, advances and other assets in the ordinary course of business will not be less than the amount at which they are stated in the balance sheet and provision for all known liabilities has been made.

Note No. 33: Related Party Disclosure

In terms of the Revised Accounting Standard 15 on Employee Benefits (AS-15) as notified by the Companies Accounting Standard Rules, 2006, the following disclosures have been made as required by the Standard:

The Company has provided for the amount of gratuity liability as required under the Act, in the absence of specific funding plans and the details of actuarial provision are as below:

(i). Reconciliation of Defined Benefit Obligation

(Rs.)

Particulars	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
Opening Defined Benefit Obligation	49,44,405	15,03,314
Current Service Cost	24,00,556	13,63,120
Interest Cost	4,07,913	1,16,507
Actuarial Losses	18,88,340	19,61,464
Benefits paid	-	-
Closing Defined Benefit Obligation	96,41,214	49,44,405



VANSH NIMAY INFRAPROJECTS LTD.
Year ended As on 31st March, 2012

(ii). Reconciliation of Fair value of Plan Assets

Particulars	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
Opening Fair value of Plan Assets	-	-
Expected return on Plan Assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial gain	-	-
Closing Fair value of Plan Assets	-	-

(iii). Amount to be Recognized in Balance Sheet

Particulars	For the year ended 31 st March, 2012	(Rs.) For the year ended 31 st March, 2011
Liability at the end of the period / year	96,41,214	49,44,405
Fair Value of Plan Assets at the end of the Period	-	-
Difference	96,41,214	49,44,405
Amount Recognized in the Balance Sheet	96,41,214	49,44,405

(iv). Expenses Recognised in the Profit and Loss Account

Particulars	For the year ended 31 st March, 2012	(Rs.) For the year ended 31 st March, 2011
Current Service Cost	24,00,556	13,63,120
Interest Cost	4,07,913	1,16,507
Expected return on Plan Assets	-	-
Actuarial Losses (net)	18,88,340	19,61,464
Net gratuity expenses included in 'Payments to and provisions for employees'	46,96,809	34,41,091

(v). Summary of Actuarial Assumptions

Particulars	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
Discount Rate	8.75 %	8.25 %
Expected rate of return on Assets	8.25 %	8.25 %
Salary Escalation Rate	6.00 %	6.00 %
Mortality	LIC (1994-96) ULTIMATE	LIC (1994-96) ULTIMATE



VANSH NIMAY INFRAPROJECTS LTD.Year ended As on 31st March, 2012**(vi). Actual Return on Plan Assets**

Particulars	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
Expected Return on Plan Assets	-	-
Actuarial gain/(loss) on Plan Assets	-	-
Actual return on Plan Assets	-	-

Note No. 34:

National Saving Certificate of Rs.1,000/- disclosed under Investment is lying under the custody of ordinance factory for operating pass issue centre within the premises of ordinance factory.

Note No. 35:

Sundry Debtors and Sundry Creditors are subject to balance confirmation, if any.

Note No. 36:

(a) The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, relating to amounts unpaid as at the period end together with interest paid/payable as required under the said Act have not been given.

(b) The Company has no information as to whether any of its suppliers constitute Small Scale Industrial Undertaking and therefore the amount due to such suppliers has not been identified.

Note No. 37:

The Spares, Tools and Consumables including RFID Card purchased during the period are charged off to Profit and Loss account, excepting to the extent of physical stock in hand as at 31st March, 2012 as verified and certified by the management and has been relied upon by the auditors

Note No. 38:

Repairs and Maintenance includes the amount of insurable expenses being covered by Insurance claim, which is received and shown separately under other income.

Note No. 39:

The Company has incurred net losses of Rs.20,15,13,592/- during the year from 1st April 2011 to 31st March 2012 and has negative net worth of Rs.33,45,17,130/- as at 31st March, 2012. The Company's management believes that the Company will be able to operate as a going concern in the foreseeable future and meet all its obligations as they fall due for payment, based on the projected business plan envisaged and financial support from the promoters.

Note No. 40:

As a matter of prudence the Company has provided for passenger tax charged at 3.5% of the ticket revenue and nutrition tax at 15 paise per passenger, which is as per the Bombay Motor Vehicles (Taxation of Passengers) Act, 1958 and not accrued the subsidy receivable from the Government towards passes issued to Students, Senior Citizens and Freedom Fighters as per clause 8.13 of the Concession Agreement. Further company has not accounted for the interest and penalty if any levied over and above the provision of passenger tax and nutrition tax.



VANSH NIMAY INFRAPROJECTS LTD.
Year ended As on 31st March, 2012

Note No. 41:

The company has got in its possession four places as Depot being allotted by Nagpur Municipal Corporation (NMC) during the year on the basis of rent for the purpose of utilizing the same as Depot and Parking & maintenance of their buses and in absence of any specific period or validity of rent of such depot, all the expenses being incurred over the said land and places including erection of temporary structures and ground leveling have been expensed out during the year and not capitalized.

Note No. 42: Deferred Tax

In accordance with the Accounting Standard on "Accounting for Taxes on Income" (AS-22), deferred tax assets and liability should be recognized for all timing differences in accordance with the said standard. However considering the present financial position and requirement of the said Accounting Standard-22 regarding certainty/virtual certainty, the carried forward losses is not provided for as an asset. However, the same will be re-assessed at subsequent Balance Sheet date and will be accounted for in the year of certainty/virtual certainty in accordance with the aforesaid Accounting Standard.

Note No. 43:

Sundry Debtors, Sundry Creditors and Loans & Advances are subject to balance confirmation.

Note No. 44: Previous Period / Year

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Notes 1 to 44 form part of the financial statements.

In terms of our report attached.
For Lakhani & Co.
Chartered Accountants


Sailish Katudia
Partner
24/04/2012



For and on behalf of the Board


Director


Director


Manager

Mumbai