

VANSH NIMAY INFRAPROJECTS LIMITED

ANNUAL REPORT

2013-14

DIRECTORS' REPORT

The Shareholders,
Vansh Nimay Infraprojects Limited

Your Directors have pleasure in presenting the Eighth Annual Report along with the Audited Statements of Accounts for the year ended March 31, 2014

Financial Results:

The financial results of the Company are as under:

(in ₹)

Particulars	Year ended on March 31, 2014	Year ended on March 31, 2013
Total Income	564,107,010	487,451,552
Total Expenses	(812,858,579)	751,382,114
Profit/(Loss) Before Tax	(248,751,569)	(263,930,562)
Less: Provision for Tax	-	-
Profit/(Loss) After Tax	(248,751,569)	(263,930,562)
Balance carried forward	(1006,099,262)	(757,347,693)

Operations:

During the year under review, your company operated an average of 210 buses per day. The revenue increased from ₹ 48 Crores in 2012-2013 to ₹55 Crores in 2013-2014. The constant increase in diesel prices, increase in minimum wages every six months and inadequate ticket prices are proving to be a huge strain in keeping the operations going at the current levels

Dividend:

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

Directors:

During the year under review, Mr. Ajay Dhawangale, Director, retire by rotation at the forthcoming Annual General Meeting

Auditors:

M/s. Lakhani & Co., Chartered Accountants, retires at the ensuing Annual General Meeting of the Company

Corporate Governance:

Four Board Meetings were held during the year under review on April 17, 2013, July 17, 2013, October 17, 2013 and January 20, 2014. 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. Ajay Dhawangale	4	0
2	Mr. Deep Sen	4	3
3	Mr. S. C. Mittal	4	4
4	Mr. Narayanan Doraiswamy (Appointed 18/04/2013)	4	3
5	Mr. S. Subramanian	4	0
6	Mr Ravi Sreehari (Resigned 18/04/2013)	1	1

The Audit Committee has been constituted for good corporate governance and focused attention on the affairs of the Company. The Audit Committee comprises of Mr. Deep Sen, Mr. S. C. Mittal and Mr. Ajay Dhawangale. The Audit Committee met four times during the year under review on April 17, 2013, July 17, 2013, October 17, 2013 and January 20, 2014. The numbers of meetings attended by the Members are as under:

Sr. No.	Name of Directors	No. of Board meetings held during the tenure	No. of Board Meetings Attended
1	Mr. Ajay Dhawangale	4	0
2	Mr. Deep Sen	4	3
3	Mr. S. C. Mittal	4	4
6	Mr Ravi Sreehari (Resigned 18/04/2013)	1	1

The Chairman of the Audit Committee was present at the AGM

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.

For and on behalf of the Board

Mumbai, April 22, 2014

Sd/-
Director

Sd/-
Managing Director

DRAFT INDEPENDENT AUDITORS' REPORT ON THE SPECIAL PURPOSE FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF

VANSH NIMAY INFRAPROJECTS LIMITED

We have audited the accompanying special purpose financial statements of **Vansh Nimay Infraprojects Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The special purpose financial statements have been prepared by the Management of the Company based on Group Referral Instructions (GRI) dated **March 28th, 2014** issued by the Management of IL&FS Transportation Networks Limited (ITNL) ("Parent Company").

Management's Responsibility for the Special Purpose Financial Statements

The Company's Management is responsible for the preparation and presentation of these special purpose financial statements that give a true and fair view of the state of affairs, results of operations and cash flows of the Company in accordance with the Generally Accepted Accounting Principles in India and the accounting policies as mentioned in the GRI and in accordance with the format of financial statements as given in the GRI; this includes the design, implementation and maintenance of internal controls relevant to the preparation of the special purpose financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these special purpose financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the special purpose financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the special purpose financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the special purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the Company's preparation and fair presentation of the special purpose financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes

evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the special purpose financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the special purpose financial statements of the Company for the year ended March 31, 2014 give a true and fair view in conformity with the accounting principles generally accepted in India and GRI.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note No. 42 forming part of the special purpose financial statements, the Company has incurred net loss of Rs. 218,173,554/- during the year ended 31st March, 2014 and has negative net worth of Rs. 882,564,947/- as at 31st March, 2014. 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 and accordingly these financial statement have been prepared on a going concern basis

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the special financial statements which describes the basis of accounting. The special purpose financial statements have been prepared for inclusion in the consolidated financial information of Parent Company. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the Company, the Parent Company and the auditors of the Parent Company for their consideration into the audit of Consolidated Financial Statements and should not be distributed to or used by parties other than the Company, the Parent Company and the auditors of the Parent Company.

For **Lakhani & Co.**
Chartered Accountants
Firm Regn. No. 105524W

W
Sailesh Katudia
(Partner)
Membership no: 105529
Date:

Balance Sheet As At March 31, 2014

		₹	
Particulars	Note	As At March 31, 2014	As At March 31, 2013
I EQUITY AND LIABILITIES			
1 SHAREHOLDERS' FUNDS			
(a) Share capital	2	1589,00,000	1589,00,000
(b) Reserves and surplus	3	(10060,99,262)	(7573,47,693)
2 NON-CURRENT LIABILITIES			
(a) Long-term borrowings	4	1090,24,763	1901,12,187
(b) Long-term provisions	5	255,29,353	228,09,035
3 CURRENT LIABILITIES			
(a) Short-term borrowings	6	5470,00,000	3878,00,000
(b) Trade payables	7	712,97,053	455,92,718
(c) Other current liabilities	8	2116,04,933	1548,24,708
(d) Short-term provisions	9	1261,36,516	949,68,870
TOTAL		2433,93,356	2976,59,825
II ASSETS			
1 NON CURRENT ASSETS			
(a) Fixed assets	10		
(i) Tangible assets (net)		716,80,081	1211,93,503
(ii) Intangible assets (net)		630,62,927	908,90,047
(iii) Capital work-in-progress		141,81,789	-
		1489,24,797	2120,83,550
(b) Non-current investments (net)	11	1,000	1,000
(c) Long-term loans and advances	12	13,59,795	93,75,228
(d) Other non-current assets	13	22,45,151	18,21,712
2 CURRENT ASSETS			
(a) Inventories	14	79,61,968	44,99,635
(b) Trade receivables (net)	15	106,35,455	83,77,290
(c) Cash and bank balances	16	606,04,162	488,27,754
(d) Short-term loans and advances	17	116,61,028	126,73,656
TOTAL		2433,93,356	2976,59,825

Notes 1 to 40 form part of the financial statements.

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

For and on behalf of the Board

Sailesh Katudia
 Partner

Managing Director **Director**

Date : April , 2014
 Mumbai

Date : April , 2014
 Mumbai

Statement of Profit and Loss for the Year Ended March 31, 2014

		₹		
		Note	Year ended March 31, 2014	Year ended March 31, 2013
I	Revenue from operations	18	5559,31,624	4811,58,528
II	Other income	19	81,75,386	62,93,024
III	Total revenue (I + II)		5641,07,010	4874,51,552
IV	Expenses			
	Operating expenses	20	3754,80,060	3399,57,851
	Employee benefits expense	21	1699,13,207	1358,84,801
	Finance costs	22	933,74,651	813,65,243
	Administrative and general expenses	23	963,82,827	981,49,342
	Depreciation and amortization expense		777,07,835	960,24,877
	Total expenses		8128,58,579	7513,82,114
V	Profit / (Loss) before taxation (IV - III)		(2487,51,569)	(2639,30,562)
VI	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
	Total tax expenses (VI)		-	-
VII	Profit / (Loss) for the year (V - VI)		(2487,51,569)	(2639,30,562)
	Earnings per equity share (Face value per share Rupees 10/-):	29		
	(1) Basic		15.65	16.61
	(2) Diluted		15.65	16.61

Notes 1 to 40 form part of the financial statements.

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

For and on behalf of the Board

Sailesh Katudia
 Partner

Managing Director

Director

Date : April , 2014
 Mumbai

Date : April , 2014
 Mumbai

Cash Flow Statement for the Year Ended March 31, 2014

		₹	
		Year ended March 31, 2014	Year ended March 31, 2013
Cash Flow from Operating Activities			
Profit / (Loss) Before Taxes		(2487,51,569)	(2639,30,562)
Adjustments for :-			
Interest Income		(39,47,141)	(31,10,005)
Finance costs		933,74,651	813,65,243
Loss on sale of fixed assets (net)		-	-
Provision for employee benefits (net)		80,89,209	62,20,050
Provision for Impairment Loss		-	141,94,985
Depreciation and amortization expense		777,07,835	960,24,877
Provision for Bad and Doubtful Debts		7,13,215	
Operating profit before Working Capital Changes		(728,13,800)	(692,35,412)
Adjustments changes in working capital:			
(Increase) / Decrease in Trade receivables		(22,58,165)	(30,71,707)
(Increase) / Decrease in other assets & loans and advances (current and non current)		46,31,503	(108,07,389)
Increase / (Decrease) in liabilities (current and non current)		521,15,021	205,34,381
Cash Generated from Operations		(183,25,441)	(625,80,127)
Direct Taxes paid (Net)		-	-
Net Cash generated from Operating Activities	(A)	(183,25,441)	(625,80,127)
Cash flow from Investing Activities			
Additions to fixed assets		(3,67,293)	(1,75,920)
(Increase) / Decrease in Capital WIP		(141,81,789)	-
Interest received		37,44,712	31,10,005
Net Cash used in Investing Activities	(B)	(108,04,370)	29,34,085
Cash flow from Financing Activities			
Proceeds from Issue of Shares		-	-
(Decrease)/ Increase in Advance towards capital		-	-
Proceeds from borrowings		1677,60,000	2148,00,000
Repayments of borrowings		(866,42,352)	(993,57,859)
Finance costs paid		(402,11,429)	(498,67,591)
Net Cash generated from Financing Activities	(C)	409,06,219	655,74,550
Net Increase / (Decrease) in Cash and Cash Equivalents	(A+B+C)	117,76,408	59,28,508
Cash and Cash Equivalent at the beginning of the year		488,27,754	428,99,246
Cash and Cash Equivalent at the end of the year		606,04,162	488,27,754
Net Increase / (Decrease) in Cash and Cash Equivalents		117,76,408	59,28,508
₹			
Components of Cash and Cash Equivalents			
Cash on Hand		28,38,149	24,69,853
Balance with Scheduled Banks and Non-Scheduled Banks - Current Accounts		56,29,185	66,60,307
Fixed Deposits placed for a period exceeding 3 months		12,73,845	11,51,561
Balance with Scheduled Banks and Non-Scheduled Banks in term deposits (maturity less than 3 months)		508,62,983	385,46,033
Cash and Bank Balances (Refer Note No "16")		606,04,162	488,27,754
Notes 1 to 40 form part of the financial statements.			
In terms of our report attached. For Lakhani & Co. Chartered Accountants		For and on behalf of the Board	
Sailesh Katudia Partner Mumbai		Managing Director	Director

VANSH NIMAY INFRAPROJECTS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2014

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

VANSH NIMAY INFRAPROJECTS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2014

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 reliable 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.

VANSH NIMAY INFRAPROJECTS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2014

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 of 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.

16 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

Notes forming part of the financial statements for the year ended March 31, 2014

Note 2: Share capital

Particulars	As at March 31, 2014		As at March 31, 2013	
	Number	₹	Number	₹
Authorised				
Equity Shares of Rupees 10/- each	250,00,000	2500,00,000	250,00,000	2500,00,000
Issued				
Equity Shares of Rupees 10/- each	158,90,000	1589,00,000	158,90,000	1589,00,000
Subscribed and Paid up				
Equity Shares of Rupees 10/- each fully paid (refer foot note no. i, ii, and iii)	158,90,000	1589,00,000	158,90,000	1589,00,000
Total	158,90,000	1589,00,000	158,90,000	1589,00,000

Foot Notes:

i. Of the above 143,00,000 (As at March 31, 2013 : 143,000,000) Equity Shares are held by the holding company viz, ILFS Transportation Networks Limited ("ITNL") and its nominees and 1,590,000 (As at March 31, 2013 : 1,590,000) Equity Shares are held by Vansh Infotech Private Limited.

ii. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year.

Particulars	As at March 31, 2014		As at March 31, 2013	
	Equity Shares		Equity Shares	
	No. of Shares	₹	No. of Shares	₹
Shares outstanding at the beginning of the year	158,90,000	1589,00,000	158,90,000	1589,00,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	158,90,000	1589,00,000	158,90,000	1589,00,000

iii. Shareholding more than 5% shares

Name of Shareholder	As at March 31, 2014		As at March 31, 2013	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
IL&FS Transportation Networks Limited & Its nominees	143,00,000	90.00%	143,00,000	90.00%
Vansh Infotech Private Limited	15,90,000	10.00%	15,90,000	10.00%
Total	158,90,000	100.00%	158,90,000	100.00%

Note 3: Reserves and surplus

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Profit / (Loss) Surplus				
Opening balance	(7573,47,693)		(4934,17,131)	
(+) Profit / (Loss) for the current year	(2487,51,569)		(2639,30,562)	
Closing balance		(10060,99,262)		(7573,47,693)
Total		(10060,99,262)		(7573,47,693)

VANSH NIMAY INFRAPROJECTS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2014

Note 4: Long-term borrowings

₹

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Term Loans				
(i) Secured				
From banks (Refer Foot Note 1)	947,73,635		1673,16,589	
From financial institutions (refer foot note no. 1 & 2)	142,51,128	1090,24,763	227,95,598	1901,12,187
Total		1090,24,763		1901,12,187

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 2017. 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 outstanding as on 31.03.2014	Amount of quarterly instalment repayable
UBI(JnnURM Project)	682,46,798	57,33,045
PMDO Loan		
Allahabd Bank	45,52,278	5,69,034
Bank of India	111,29,991	13,91,248
Canara Bank	119,43,349	14,92,919
Central Bank of India	89,01,532	11,12,693
Corporation Bank	45,02,603	5,62,824
Dena Bank	44,56,885	5,57,112
IDBI Bank(Loan)	112,44,121	14,05,515
Indian Bank(Loan)	119,95,006	14,99,375
Oriental Bank of Commerce	66,73,090	8,34,137
Syndicate Bank	110,24,632	13,78,079
Union Bank of India	44,56,884	5,57,112
Vijaya Bank	44,56,885	5,57,112
Union Bank (LIC Share)	35,80,800	4,47,600
Name of Body Corporate	Amount outstanding as on 31.03.2014	Amount of quarterly instalment repayable
IIFCL	66,73,090	8,34,137
IL&FS Ltd (Loan)	140,97,435	17,62,180
LIC Of India(Loan)	77,31,736	9,66,466
Total	1956,67,115	216,60,588

Rs.86,642,352/- which is repayable during the financial year 2014-2015 and is part of Secured Term Loan from banks is classified under Current Liabilities as "Current Maturities of Long Term Debt".

VANSH NIMAY INFRAPROJECTS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2014

Note 5: Long-term provisions

₹

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Provision for employee benefits	255,29,353	255,29,353	228,09,035	228,09,035
Total		255,29,353		228,09,035

Note 6: Short-term borrowings

₹

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Loans and advances from related parties				
(i) Unsecured	5470,00,000	5470,00,000	3878,00,000	3878,00,000
Total		5470,00,000		3878,00,000

Note 7: Trade Payable

₹

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Trade Payables				
Creditors for Goods	37,15,097		123,32,996	
Creditor for expense	675,81,956		332,59,722	
		712,97,053		455,92,718
Total		712,97,053		455,92,718

Note 8: Other current liabilities

₹

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Current maturities of long-term debt	866,42,352		836,37,280	
(b) Interest accrued but not due on borrowings	961,30,235		429,67,013	
(c) Income received in advance	51,00,016		52,22,062	
(d) Statutory dues	58,05,056		46,72,390	
(e) Security Deposit	177,22,495		175,42,438	
(f) Other Liabilities	2,04,779	2116,04,933	7,83,525	1548,24,708
Total		2116,04,933		1548,24,708

Note 9: Short-term provisions

₹

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Provision for employee benefits.	63,02,478		9,33,587	
(b) Provision for Passenger Tax	1198,34,038	1261,36,516	940,35,283	949,68,870
Total		1261,36,516		949,68,870

VANSH NIMAY INFRAPROJECTS LIMITED
Notes forming part of the financial statements for the year ended March 31, 2014

Note 10: Fixed assets

Particulars	Gross block			Accumulated depreciation			Impairment		Net block			
	Balance as at April 1, 2013	Additions	Disposals	Balance as at March 31, 2014	Balance as at April 1, 2013	Depreciation charge for the year	On disposals	Balance as at March 31, 2014	Balance as at April 1, 2013	Balance as at March 31, 2014	Balance as at March 31, 2014	Balance as at March 31, 2013
a) Tangible assets												
Vehicles Buses	3999,39,950	-	-	3999,39,950	2791,28,282	468,47,209	-	3259,75,491	141,94,985	141,94,985	597,69,474	1066,16,682
Other Vehicles	31,15,269	-	-	31,15,269	19,32,932	3,06,107	-	22,39,039	-	-	8,76,230	11,82,337
Data processing equipments	31,82,045	89,955	-	32,72,000	22,84,566	6,20,491	-	29,05,058	-	-	3,66,942	8,97,479
Office equipments	15,53,826	1,14,290	21,320	16,46,796	6,99,147	1,75,534	21,320	8,53,361	-	-	7,93,435	8,54,679
Furniture and fixtures	17,21,639	67,460	-	17,89,099	9,80,526	1,46,477	-	11,27,003	-	-	6,62,096	7,41,113
Plant and machinery	6,73,236	30,588	-	7,03,824	3,04,788	59,847	-	3,64,635	-	-	3,39,189	3,68,448
ETS Machines	54,78,550	-	-	54,78,550	47,31,358	2,98,877	-	50,30,235	-	-	4,48,315	7,47,192
Equipments - Vehicle Tracking System	131,50,092	-	-	131,50,092	33,64,519	13,61,173	-	47,25,692	-	-	84,24,400	97,85,573
Total	4288,14,607	3,02,293	21,320	4290,95,580	2934,26,119	498,15,715	21,320	3432,20,514	141,94,985	141,94,985	716,80,081	1211,93,503
b) Intangible assets												
Computer Software	60,916	-	-	60,916	45,213	9,242	-	54,455	-	-	6,461	15,703
Software Licenses	125,74,495	65,000	-	126,39,495	85,34,711	31,49,836	-	116,84,547	-	-	9,54,948	40,39,784
Right to Operate Buses (refer Foot Note no.1)	1465,34,018	-	-	1465,34,018	607,92,225	244,27,221	-	852,19,446	-	-	613,14,572	857,41,793
E-Ticketing Machines - JNNURM	18,34,560	-	-	18,34,560	7,41,793.14	3,05,821	-	10,47,614	-	-	7,86,946	10,92,767
Total	1610,03,989	65,000	-	1610,68,989	701,13,942	278,92,120	-	980,06,061	-	-	630,62,927	908,90,047
c) Capital work-in-progress (Refer Note 36 of Financial Statement)	-	141,81,789	-	141,81,789	-	-	-	-	-	-	141,81,789	-
d) Intangible assets under Development (refer foot note no. i)	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total	5898,18,596	145,49,082	21,320	6043,46,358	3635,40,061	777,07,835	21,320	4412,26,576	141,94,985	141,94,985	1489,24,797	2120,83,550
Previous period	5896,42,676	1,75,920	-	5898,18,596	2675,15,184	960,24,877	-	3635,40,061	141,94,985	141,94,985	2120,83,550	-

Foot Note:
i Right to Operate Buses

During the year 2010-11, the Company acquired commercial rights under the "Right to Operate, Running & Maintenance of JNNURM Buses" as per Supplementary Agreement with Nagpur Municipal Corporation.

VANSH NIMAY INFRAPROJECTS LIMITED
Notes forming part of the financial statements for the year ended March 31, 2014

Note 11: Non-current investments

₹

Particulars	As at March 31, 2014		As at March 31, 2013	
	(a) Investment in Others Investment in National Saving Certificate	1,000	1,000	1,000
Total		1,000		1,000

Note 12: Long-term loans and advances

₹

Particulars	As at March 31, 2014		As at March 31, 2013	
	(a) Capital Advances Unsecured, considered good	-	-	90,57,143
(b) Security Deposits Unsecured, considered good	13,59,795	13,59,795	3,18,085	3,18,085
Total		13,59,795		93,75,228

Note 13: Other non-current assets

₹

Particulars	As at March 31, 2014		As at March 31, 2013	
	(a) Tax Deducted at Source	15,15,151		10,91,712
(b) Advance Passenger Tax	7,10,000		7,10,000	
(c) Advance Fringe benefit Tax	20,000	22,45,151	20,000	18,21,712
Total		22,45,151		18,21,712

Note 14: Inventories

₹

Particulars	As at March 31, 2014		As at March 31, 2013	
	Inventories (i) Stores and spares (As verified, valued and certified by the management) Mode of valuation : Lower of Cost or net realizable value	79,61,968	79,61,968	44,99,635
Total		79,61,968		44,99,635

VANSH NIMAY INFRAPROJECTS LIMITED
Notes forming part of the financial statements for the year ended March 31, 2014

Note 15: Trade receivables

₹

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Trade receivables outstanding for a period less than six months from the date they are due for payment				
Unsecured, considered good	44,095	44,095	4,63,900	4,63,900
(b) Trade receivables outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	111,53,260		79,13,390	
Less: Provision for doubtful debt	(5,61,900)	105,91,360	-	79,13,390
Total		106,35,455		83,77,290

Note 16: Cash and Bank Balance

₹

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Cash and cash equivalents				
Cash on hand	28,38,149		24,69,853	
Current accounts	56,29,185		66,60,307	
Fixed Deposits placed for a period exceeding 3 months	12,73,845		11,51,561	
Fixed Deposits placed for a period less than 3 months	508,62,983	606,04,162	385,46,033	488,27,754
Total		606,04,162		488,27,754

Note 17: Short-term loans and advances

₹

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Other loans and advances				
Unsecured, considered good				
- Advance recoverable in cash or kind	83,72,630		85,17,308	
- Prepaid expenses	32,88,398		41,56,348	
		116,61,028		126,73,656
Total		116,61,028		126,73,656

Notes forming part of the financial statements for the year ended March 31, 2014

Note 18: Revenue from operations

₹

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Income from services				
City Bus Collections (ETS)	4670,55,760		4031,08,680	
City Bus Pass Collections	848,94,549		742,17,201	
Penalty	8,02,145		3,92,477	
		5527,52,454		4777,18,358
(b) Sales (net of sales tax)				
Sale of Pass Form & RFID Card		31,79,170		34,40,170
		5559,31,624		4811,58,528

Note 19: Other income

₹

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Interest Income				
Interest on bank deposits	39,47,141		31,10,005	
		39,47,141		31,10,005
(b) Other non-operating income				
Advertisement income	3,00,000		9,75,680	
Excess provisions written back	-		2,46,867	
Insurance Claim Received	1,23,532		88,950	
Scrap Sales	20,72,496		17,71,334	
Miscellaneous income	17,32,217	42,28,245	1,00,188	31,83,019
		81,75,386		62,93,024

VANSH NIMAY INFRAPROJECTS LIMITED**Notes** forming part of the financial statements for the year ended March 31, 2014**Note 20: Operating expenses**

₹

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Diesel and fuel expenses	2990,85,565		2480,68,065	
(b) Operation and maintenance expenses	763,94,495		918,89,786	
		3754,80,060		3399,57,851
		3754,80,060		3399,57,851

Note 21: Employee benefit expenses

₹

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Salaries, Wages and allowances	1498,52,188		1169,74,860	
(b) Contribution to provident and other funds	194,97,960		184,81,963	
(c) Staff Training & Welfare expenses	5,63,059		4,27,978	
		1699,13,207		1358,84,801
		1699,13,207		1358,84,801

Footnote: (Disclosure to be given as per AS-15) - Refer Note No. 39

VANSH NIMAY INFRAPROJECTS LIMITED

Notes forming part of the financial statements for the year ended March 31, 2014

Note 22: Finance costs

₹

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Interest expenses				
Interest on loans for fixed period	318,83,428		435,44,172	
Other interest	590,70,247	909,53,675	349,98,665	785,42,837
(b) Other borrowing costs				
Finance charges	24,20,976		28,22,406	
		24,20,976		28,22,406
		933,74,651		813,65,243

Note 23: Administrative and general expenses

₹

Particulars	As at March 31, 2014		As at March 31, 2013	
Legal and consultation fees	325,24,767		322,56,371	
Travelling and conveyance	18,57,917		20,01,452	
Rent	74,23,791		17,35,399	
Rates and taxes	303,92,225		286,43,819	
Communication expenses	7,88,498		7,11,449	
Insurance	66,52,151		71,57,798	
Printing and stationery	6,62,857		8,34,829	
Electricity charges	9,56,438		9,28,206	
Bad debts and provision for doubtful debts	7,13,215		1,35,768	
Provision for Impairment Loss	-		141,94,985	
Miscellaneous expenses	144,10,968	963,82,827	95,49,266	981,49,342
		963,82,827		981,49,342

VANSH NIMAY INFRAPROJECTS LIMITED**Notes** forming part of the financial statements for the year ended March 31, 2014**Note 24: Earnings per equity share**

Particulars	Unit	As at March 31, 2014	As at March 31, 2013
Profit / (loss) after tax and minority interest	₹	(2487,51,569)	(2639,30,562)
Premium on preference shares	₹	-	-
Tax on premium on preference shares	₹	-	-
Profit / (loss) available for Equity Shareholders	₹	(2487,51,569)	(2639,30,562)
Weighted number of Equity Shares outstanding	Numbers	158,90,000.00	158,90,000.00
Nominal Value of equity shares	₹	10.00	10.00
Basic Earnings per share	₹	(15.65)	(16.61)
Equity shares used to compute diluted earnings per share	Numbers	158,90,000	158,90,000
Diluted Earnings per share	₹	(15.65)	(16.61)

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.

Notes forming part of the financial statements for the year ended March 31, 2014

Note 25: Contingent liabilities and capital commitments

A) Contingent liabilities :

Particulars			As at March 31, 2014	As at March 31, 2013
Sr No	Name of party	Description		
1	Nagpur Municipal Corporation (NMC)	Amount of Royalty unpaid to Nagpur Municipal Corporation (NMC) on account of No.of Buses not plied as per Concession Agreement (Refer Foot Note 1)	107,43,750	107,43,750

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) Estimated amount of contracts remaining to be executed on capital and other account :

Particulars			As at March 31, 2014	As at March 31, 2013
Sr No	Name of party	Description		
1	For Depot Expenses	Estimated amount of contracts to be executed on capital account and not provided for (net of capital advances Rs. NIL [previous year ended March 31, 2013 Rs. NIL])	-	409,68,357

Note No. 26: Amount paid/Payable to Auditors :

Particulars			As at March 31, 2014	As at March 31, 2013
Sr No	Name of Auditors	Description		
1	Lakhani & Co.	Audit Fees	6,74,160	6,74,160
2	Lakhani & Co.	Tax Audit Fees	1,12,360	84,270
3	Lakhani & Co.	Other Services (assurance)	3,07,728	80,648

Note No.27: 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 LIMITED

Notes forming part of the financial statements for the year ended March 31, 2014

Note 28: Related Party Statement

Current Year

- a name of related parties and description of relationship
 b Transactions / Balances with related parties as mentioned (a) above

Previous Year

- c name of related parties and description of relationship
 d Transactions / Balances with related parties as mentioned (c) above

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

Ultimate Holding Company:	Infrastructure Leasing & Financial Services Limited. (L&FS)
Holding Company:	IL & FS Transportation Networks Limited. (ITNL)
Fellow Subsidiaries:	IL&FS Urban Infrastructure Managers Limited. (UIML)
	IL&FS Trust Company Limited.(ITCL)
	IL&FS Financial Services Limited (IFIN)
	IL&FS Securities Services Limited (ISSL)
Key Management Personnel (KMP):	Mr. S. Subramanian (SS)
	Mr. Narayanan Doraiswamy (ND)

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

(B) Transactions:

Nature of Transaction	Key Management Personal and Relatives	IL&FS	ITNL	UIML	ITCL	ISSL	SS	ND
Asset Management Fees and Traveling & Other Expenses	-	-	8,12,010	18,55,055	-	-	-	-
		-	3,53,656	27,29,188	-	-	-	-
Security Trustee Fees	-	-	-	-	5,61,794	-	-	-
		-	-	-	4,49,440	-	-	-
Loan Taken	-	85,60,000	1592,00,000	-	-	-	-	-
		-	2148,00,000	-	-	-	-	-
Loan Repaid	-	70,48,721	-	-	-	-	-	-
		41,95,384	-	-	-	-	-	-
Interest on Loan	-	19,57,198	590,70,247	-	-	-	-	-
		17,87,482	349,98,665	-	-	-	-	-
Professional Fees	-	-	-	-	-	22,972	-	-
		-	-	-	-	22,972	-	-
Deposit refundable to directors	-	-	-	-	-	-	500	500
		-	-	-	-	-	-	-

(C) Balance Outstanding

Nature of Transaction	Key Management Personal and Relatives	IL&FS	ITNL	UIML	ITCL	ISSL	SS	ND
Secured Loan	-	140,97,435	-	-	-	-	-	-
		125,86,156	-	-	-	-	-	-
Trade Payable	-	-	34,59,997	(71,354)	22,972	-	-	-
		-	27,26,166	(71,354)	-	-	-	-
Short-term borrowings	-	-	5470,00,000	-	-	-	-	-
		-	3878,00,000	-	-	-	-	-
Other current liabilities - Interest on Loan	-	-	961,30,235	-	-	-	-	-
		-	429,67,013	-	-	-	-	-

* Amount shown in brackets are debit balance

Note : Previous year figures are shown in *italics*

VANSH NIMAY INFRAPROJECTS LTD.

Notes forming part of the financial statements for the year ended March 31, 2014

Note No. 29:

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. 30:

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. 31: Employee Benefits

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

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
Opening Defined Benefit Obligation	14,846,792	9,641,214
Current Service Cost	1,224,860	34,40,679
Interest Cost	5,217,615	843,606
Actuarial (Gain) / Losses	(4,724,301)	980,978
Benefits paid	(99,956)	(59,685)
Closing Defined Benefit Obligation	16,465,010	14,846,792

(ii). Reconciliation of Fair value of Plan Assets

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
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, 2014	For the year ended 31 st March, 2013
Liability at the end of the period / year	16,465,010	14,846,792
Fair Value of Plan Assets at the end of the Period	-	-
Difference	(16,465,010)	(14,846,792)
Amount Recognized in the Balance Sheet	(16,465,010)	(14,846,792)

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

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
Current Service Cost	5,217,615	3,440,679
Interest Cost	1,224,860	843,606
Expected return on Plan Assets	-	-
Actuarial Losses (net)	(4,724,301)	980,978
Net gratuity expenses included in 'Payments to and provisions for employees'	1,718,174	5,265,263

(v). Summary of Actuarial Assumptions

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
Discount Rate	9.31 %	8.25 %
Attrition rate	2.00 %	2.00 %
Salary Escalation Rate	6.50 %	6.50 %
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	LIC (1994-96) ULTIMATE

(vi). Actual Return on Plan Assets

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
Expected Return on Plan Assets	-	-
Actuarial gain/(loss) on Plan Assets	-	-
Actual return on Plan Assets	-	-

VANSH NIMAY INFRAPROJECTS LTD.

Notes forming part of the financial statements for the year ended March 31, 2014

Note No. 32:

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. 33:

Trade receivable, Trade Payables, Other Current liabilities and Long term and Short term Loans & Advances are subject to balance confirmation.

Note No. 34:

(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. 35:

The Spares, Tools and Consumables including RFID Card purchased during the year are charged off to Statement of Profit and Loss, excepting to the extent of physical stock in hand as at 31st March, 2014 as verified and certified by the management and has been relied upon by the auditors

Note No. 36:

Nagpur Municipal Parivahan Limited (NMPL) has vide letter dated 17th Sept 2010 allotted four different places to Vansh Nimay Infraprojects Limited for the purpose of utilizing the same as depot for parking and maintenance of the buses on rental basis for an unspecified period. Expenses incurred by the company on constructing the facilities for carrying the repairs & maintenance of the buses and for parking of buses have been debited to Capital work in Progress. On Capitalization of such expenses the amount would be written off over the balance period of license agreement entered into by the company with the Nagpur Municipal Corporation (NMC) for operating of buses.

Note No. 37:

The Company has incurred net loss of Rs.248,751,569/- during the year from 1st April 2013 to 31st March 2014 and has negative net worth of Rs.847,199,262/- as at 31st March, 2014. 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. 38:

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.

Note No. 39: 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. 40: Previous Period / Year

Figures for the previous year / period have been regrouped, reclassified where necessary, to conform to the classification of the current period.

Notes 1 to 40 form part of the financial statements.

In terms of our report attached.

For Lakhani & Co.

Chartered Accountants

For and on behalf of the Board

Managing Director

Director

Sailesh Katudia

Partner

Mumbai