

PARESH B. SHAH & Co.,

Chartered Accountants

A/63/603, Safalta, Anand Nagar, Dahisar (East) Mumbai - 400 068

AUDITOR'S REPORT

TO THE MEMBERS OF

REALITY TOURS & TRAVELS PRIVATE LIMITED

We have audited the attached Balance Sheet of Big Management Consultants Private Limited as at 31st March, 2006 and also the Profit & Loss Account of the Company for the period ended on that date annexed hereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have 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 disclosure 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 of our opinion.

The Company is a private limited company and falls within the exemption specified under paragraph 2(iv) of the Companies (Auditors' Report) Order 2003. Hence the matters specified in paragraphs 4 and 5 of the said Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section (4A) of section 227 of the Companies Act, 1956, are not enclosed.

Further we report that :

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit ;

.....2/-

- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books;
- c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of accounts;
- d) In our opinion, the Balance Sheet and the Profit & Loss Account have been prepared in compliance with the accounting standards as prescribed under the provisions of Section 211(3C) of the Act.
- e) On the basis of the written representation received from the directors, and taken on records by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2006 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

In our opinion, and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account read together with the Significant Accounting Policies in Schedule 16, 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 principals generally accepted in India:

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2006 and
- b. In the case of the Profit & Loss Account, on the Loss of the Company for the Period ended on that date.

For PARESH B. SHAH & Co.,
Chartered Accountants

(Paresh B. Shah)
Proprietor
M.No - 047453

Place : Mumbai
Date : 01/09/2006

REALITY TOURS & TRAVELS PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2006

	Schedule No	As at 31/03/2006 Rs.
I SOURCES OF FUNDS		
1) Share Holder's Funds:		
Share Capital -	1	100,000 ✓
2) Unsecured Loan -	2	1,153,871 ✓
3) Deferred Tax Liability -		15,796 ✓
TOTAL		1,269,667
II APPLICATION OF FUNDS		
1) Fixed Assets		
Gross Block	3	1,118,484
Less : Depreciation		45,171
Net Block		1,073,313 ✓
2) Current Assets, Loans & Advances		
Cash & Bank Balances	4	39,623 -
Loans & Advances	5	45,601 -
TOTAL		85,224
Less : Current Liabilities and Provisions		
Current Liabilities	6	6,131 -
TOTAL		6,131
NET CURRENT ASSETS		79,093
III MISCELLANEOUS EXPENDITURE	7	6,096 -
(to the extent not written off or adjusted)		
IV PROFIT & LOSS ACCOUNT		111,166
TOTAL		1,269,667

Notes on Accounts

10

1,269,668

Schedule referred to above form an integral part of these accounts

This is the Balance Sheet referred to in our report of even date.

For PARESH B. SHAH & CO.,
Chartered Accountants

For and on behalf of the Board of Directors

Paresh B. Shah
Proprietor
Mumbai,

Director

Director

REALITY TOURS & TRAVELS PRIVATE LIMITED

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2006

	Schedule No	As at 31/03/2006 Rs.
INCOME :		
Car Hire & Tour Income		25,343
	TOTAL	25,343
EXPENDITURE :		
Salary & Wages	8	17,600
Selling & Administrative Expenses	9	55,901
Depreciation		45,171
Interest & Finance Charges		1,364
Preliminary Expenses Written Off		677
	TOTAL	120,713
Profit/(Loss) before Tax		(95,370)
Less : Provision for Tax		-
Less : Provision for Deferred Tax		15,796
Profit/(Loss) after Tax		(111,166)
Balance Carried to Balance Sheet	TOTAL	(111,166)
Earning Per Shares		(11.12)
Diluted Earning Per Share		(11.12)

Notes on Accounts


10

Schedule referred to above form an integral part of these accounts
This is the Profit & Loss Account referred to in our report of even date.

For PARESH B.SHAH & CO.,
Chartered Accountants

For and on behalf of the Board of Directors

Paresh B. Shah
Proprietor
Mumbai,


Director


Director

REALITY TOURS & TRAVELS PRIVATE LIMITED

SCHEDULES 1 TO 7 & 10 ANNEXED TO AND FORMING PART OF BALANCE SHEET
AS AT 31ST MARCH, 2006

SCHEDULE - 1 : SHARE CAPITAL

	As at 31/03/2006 Rs.
Authorised Share Capital 10,000 Equity Shares of Rs.10/- each	100,000
	<u>100,000</u>
Issued, Subscribed & Paid up : 10,000 Equity Shares of Rs.10/- each fully Paid up.	100,000
	<u>100,000</u>

SCHEDULE - 2 : UNSECURED LOANS

Unsecured loan from Directors & Shareholders	1,153,871
	<u>1,153,871</u>

SCHEDULE - 3 : FIXED ASSET SCHEDULE

Sr No	Description of Assets	GROSS - BLOCK			DEPRECIATION		NET BLOCK
		Addition dur the year	Sales/Ded dur the year	As at 31.3.06	Provided dur the year	Provided up to 31.03.06	As at 31.3.06
1	Motor Car	1,081,984	-	1,081,984	44,733	44,733	1,037,251
2	Computer	36,500	-	36,500	438	438	36,062
	TOTAL	1,118,484	-	1,118,484	45,171	45,171	1,073,313

Signature

REALITY TOURS & TRAVELS PRIVATE LIMITED

SCHEDULES 1 TO 9 & 12 ANNEXED TO AND FORMING PART OF BALANCE SHEET
AS AT 31ST MARCH, 2006

SCHEDULE - 4 CASH & BANK BALANCES

	As at 31/03/2006 Rs.
Cash On Hand	9,675 ✓
With Scheduled Banks in current Account	29,948 ✓
	<u>39,623</u>

SCHEDULE - 5 : LOANS & ADVANCES
(Unsecured, considered good)

Premises Deposit	20,000 ✓
Prepaid Expenses	25,601 ✓ <i>need breakdown</i>
	<u>45,601</u>

SCHEDULE - 6 : CURRENT LIABILITIES

Sundry Creditors for Expenses	5,612 ✓
Service Tax payable	519 ✓
	<u>6,131</u>

SCHEDULE - 7 : MISCELLANEOUS EXPENDITURE
(to the extent not written off or adjusted)

Preliminary & Pre-operative Expenses (to the extent not written off or adjusted)	6,773 ✓
Less : Written off during the year	677 ✓
	<u>6,096</u>

(Handwritten signature/initials)

(Handwritten mark)

REALITY TOURS & TRAVELS PRIVATE LIMITED

SCHEDULE 8 TO 10 ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2006

SCHEDULE -8 : SALARY & WAGES

Salary Expenses	<i>R. Mishra</i> <i>S. Srivastava</i> <i>etc</i>	17,600
		<u>17,600</u>

SCHEDULE - 9 : SELLING & ADMINISTRATIVE EXPENSES

Advertisement Expenses	<i>signboard</i> <i>other</i>	4,667
Audit Fees		5,612
Car Expenses	<i>car</i> <i>etc</i>	2,000
Car Insurance		20,694
Commission Expenses		100
Conveyance Expenses		241
Internet & Telephone Expenses	<i>Internet</i> <i>phone</i>	5,843
Legal & Professional Fees	<i>Accounting</i>	2,000
Misc Expenses		190
Office Rent		12,000
Petrol & Fuel Charges		2,400
Printing & Stationery Expenses		154
		<u>55,901</u>

(Signature)

(Signature)

REALITY TOURS & TRAVELS PRIVATE LIMITED

SCHEDULE - 10 : NOTES TO THE ACCOUNTS

1 Significant Accounting Policies :

a System of Accounting :

The accounts have been prepared under the historical cost convention on an accrual basis on a going concern with revenues recognised and expenses accounted on accrual basis and applicable mandatory standards and in accordance with the requirements of the Companies Act, 1956.

b Fixed Assets :

Fixed Assets are stated at cost of acquisition less accumulated depreciation.

c Depreciation :

The Company provides depreciation on W.D.V Method at the rate prescribed under the Companies Act, 1956.

d Preliminary Expenses :

Preliminary Expenses are written off over a period of 10 years.

e Deferred Tax :

Provision for Deferred Tax liability is made in accordance with the Accounting Standard 22 "Accounting for Taxes on Income" issued by the council of the Institute of Chartered Accountants of India.

2 Quantitative Details :

During the year, Company has not carried out any manufacturing activities, hence information as required under paragraphs 3, 4C and 4D of part II of Schedule VI of the Companies Act, 1956 has not given.

3 Contingent Liabilities not provided for Rs. Nil

4 As per the information provided by the management there are not amount due to small scale industries.

6 Auditors Remuneration

	<u>Current Year</u>
For Audit Fees	5,612
For Others	2,000
	<u><u>7,612</u></u>

7 Remuneration to Directors

Salaries & Allowances

-

8 Foreign Exchange earning Rs.NIL (Previous Year Rs.NIL)

Foreign Exchange Outgo Rs. NIL/- (Previous Year Rs.NIL)

Cntd....

K. J. A. V. T.

f

9 Balances of Sundry creditors, Sundry Debtors, Loans and advances are subject to confirmation.

10 Calculation of Earning Per Share (E.P.S)

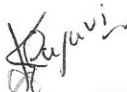
Net Profit after tax	(111,166)
No of Equity Shares	10,000
Basic Earning Per Share	(11.12)
Diluted Earning Per Share	(11.12)

11 Since this is first year of the companyt, previous years figures are not applicable.

Signature to Schedule 1 to 12
For PARESH B.SHAH & Co.,
CHARTERED ACCOUNTANTS

For BIG MANAGEMENT CONSULTANT PRIVATE LIMIT

PARESH B.SHAH
PROPRIETOR
Mumbai,



DIRECTOR



DIRECTOR