



Reality Tours & Travel Pvt. Ltd.

202, 2ND FLR, JAGANNATH APTS. THANA, BELAPUR RD, DIGHA, AIROLI, NAVI MUMBAI 400 708

DIRECTORS' REPORT

To,

The Members,

The Directors present to you, the Third Annual Report of the Company together with the Audited Balance Sheet as at March 31, 2008 and Profit & Loss Account for the year ended on that date.

FINANCIAL RESULTS :

	31.03.2008	31.03.2007
	Rs.	Rs.
Net Profit before tax for the year	(27,633)	(1,97,539)
Less: Provision for Current Tax	-	-
Less : Provision for Fringe Benefit Tax	350	-
Add: Provision for Deferred Tax	-	6,772
Profit (After Taxation)	(27,983)	(2,04,311)
Add : Excess Provision for Tax	-	-
Add: Profit / (Loss) brought forward	(3,15,477)	(1,11,166)
Less : Transfer to General Reserve	-	-
Balance Profit carried to Balance Sheet	(3,43,460)	(3,15,477)

OPERATIONS:

The company is basically a tour operator carving its niche in the international market. The Company looking to make forays into newer avenues and it has been giving back to society with the opening of its "Community Centre" and its alliances with NGOs. There has been increased trend in the turnover as compared to the earlier year (C.Yr. 11.41 Lacs, Prv. year Rs. 3.76 Lacs). The company is hoping to soon make up for the initial stage of business loss.

DIVIDEND :

With a view to conserve resources for further growth your directors do not recommend any dividend.

EMPLOYEES :

The Company has no employees referred to in 217 (2A) of the Companies Act, 1956 during the year.



CONSERVATION OF ENERGY & ABSORPTION OF TECHNOLOGY :

The Company has taken adequate measures to conserve and minimize the use of energy. Majority of its activities are outdoor based.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information relating to foreign exchange earnings and outgo is given in the Notes to accounts to the balance sheet and profit and loss account.

DIRECTORS :

Both the Directors of the Company being permanent Directors are not liable for retirement by rotation.

DIRECTORS RESPONSIBILITY STATEMENT:

The Directors confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
2. Appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2008;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Companies and for preventing and detecting fraud and other irregularities;
4. The annual accounts have been prepared on a going concern basis.

AUDITORS :

Paresh B. Shah & Co. Chartered Accountants has expressed their willingness to discontinue as auditor due to inconveniences and in the extra-ordinary general meeting S.M.Lasrado & Co. Chartered Accountants was appointed as auditors. They retire at the ensuing General Meeting and are eligible for reappointment.

For and on behalf of the Board of Directors


CHRISTOPHER WAY
DIRECTOR

PLACE : MUMBAI

DATED : 12 SEP 2008

AUDITORS' REPORT

THE MEMBERS OF REALITY TOURS AND TRAVELS PRIVATE LIMITED

We have audited the Balance Sheet of **REALITY TOURS AND TRAVELS PRIVATE LIMITED** as at 31st March, 2008 and also the Profit & Loss Account 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.

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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

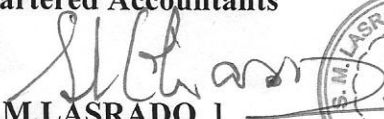

The Company is a Private Limited Company and falls within the exemption specified under paragraph 2 (iv) of the Companies (Auditor's Report) Order, 2003 and hence the matters specified in paragraphs 4 and 5 of the said Companies (Auditor's Report) Order 2003 issued by the Central Government of India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

Further to our comments in the Annexure referred to above, we report that -

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- 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 those books.
- c. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
- d. In our opinion the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in Section (3C) of section 211 of the Companies Act, 1956, subject to note no.4 in significant accounting policies regarding no provision of gratuity.

- e. On the basis of written representations received from the directors, as on 31st March 2008 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2008, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f. In our opinion and to the best of our information and according to explanations given to us, the said Balance Sheet and the Profit and Loss Account read together with the notes thereon give the information by the Companies Act, 1956, in the manner so required and give a true and fair view:
- i in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008
and
 - ii. in case of Profit & Loss Account, of the LOSS for the period ended on that date.

For S.M.LASRADO & CO.
Chartered Accountants


[S.M.LASRADO] 

MUMBAI :

DATED : 2 SEP 2008

REALITY TOURS & TRAVEL PVT. LTD.

ASSESSMENT YEAR : 2008 - 2009 ; PREVIOUS YEAR ENDED 31ST MARCH 2008

BALANCE SHEET AS AT 31.03.2008

	SCH. NO.	YEAR ENDED 31.03.2008 (RUPEES)	YEAR ENDED 31.03.2007 (RUPEES)
I SOURCES OF FUNDS			
i Share Capital	1	100,000 ✓	100,000 -
ii Unsecured Loans	2	1,214,779 ✓	1,153,871 -
TOTAL		1,314,779	1,253,871
II APPLICATION OF FUNDS			
i Fixed Assets	3		
Gross Block		1,058,946	1,058,946 -
Less: Accumulated Depreciation		427,123	200,646 -
Net Block		<u>631,823</u> ✓	<u>858,300</u>
ii Working Capital			
Current Assets, Loans & Advances	4	414,273	120,871 -
Less: Current Liabilities & Provisions	5	79,519	46,196 -
Net Working Capital		<u>334,754</u>	<u>74,675</u>
iii Miscellaneous Exp (to the extent not Written off)		4,742 ✓	5,419 -
iv Profit & Loss A/c		315,477	111,166 -
Add: Loss b/f from Profit & Loss A/c		27,982	204,311 -
		<u>343,460</u>	<u>315,477</u>
TOTAL		1,314,779	1,253,871
		0	-

NOTES TO ACCOUNTS FORM AN INTEGRAL PART OF THIS BALANCE SHEET

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR S.M.LASRADO & CO.,
CHARTERED ACCOUNTANTS

(S M LASRADO)

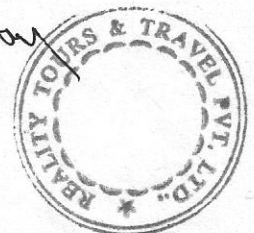


FOR REALITY TOURS & TRAVEL PVT. LTD.

(DIRECTOR)

(DIRECTOR)

DATE : 2 SEP 2008
PLACE : MUMBAI



DATE : 2 SEP 2008
PLACE : MUMBAI

1 = agreed to Tally
2 = agreed to Tally but bank + GST adjustment required

REALITY TOURS & TRAVEL PVT. LTD.

ASSESSMENT YEAR : 2008 - 2009 ; PREVIOUS YEAR ENDED 31ST MARCH 2008

PROFIT & LOSS ACCOUNT FOR THE PERIOD 01.04.2007 TO 31.03.2008

	SCH. NO.	YEAR ENDED	YEAR ENDED
		31.03.2008	31.03.2007
		(RUPEES)	(RUPEES)
<u>INCOME</u>			
Car Hire and Tour Income		1,141,135	376,099
		<u>1,141,135</u>	<u>376,099</u>
<u>EXPENDITURE</u>			
Tour Operating Expenses		326,010	12,006
Administrative & General Expenses	6	615,603	405,480
Preliminary Expenses		677	677
		<u>942,290</u>	<u>418,163</u>
Profit/(Loss) Before Depreciation (A-B)		198,845	(42,064)
Less: Depreciation		226,477	155,475
Profit/(Loss) Before Tax		(27,632)	(197,539)
Less: Provision for Tax - Current Tax		-	-
Less: Provision for Tax - Deferred Tax		-	6,772
Less: Provision for Tax - Fringe Benefit Tax		350	-
		<u>(27,982)</u>	<u>(204,311)</u>
Balance Transferred to Balance Sheet			

NOTES TO ACCOUNTS FORM AN INTEGRAL PART OF THIS STATEMENT

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR S.M.LASRADO & CO.,

CHARTERED ACCOUNTANTS

(S M LASRADO)



FOR REALITY TOURS & TRAVEL PVT. LTD.

(DIRECTOR)

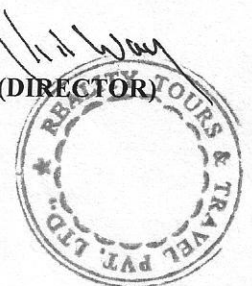
(DIRECTOR)

DATE : **22 SEP 2008**

PLACE : MUMBAI

DATE : **22 SEP 2008**

PLACE : MUMBAI



REALITY TOURS & TRAVEL PVT. LTD.

ASSESSMENT YEAR : 2008 - 2009 ; PREVIOUS YEAR ENDED 31ST MARCH 2008

SCHEDULES ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2008

PARTICULARS	YEAR ENDED	YEAR ENDED
	31.03.2008	31.03.2007
	(RUPEES)	(RUPEES)

SCHEDULE - 1

SHARE CAPITAL

A) AUTHORIZED CAPITAL

10,000 EQUITY SHARES OF RS.10/- EACH

100,000

100,000

B) ISSUED, SUBSCRIBED AND PAID UP CAPITAL

10,000 EQUITY SHARES OF RS.10/- EACH

100,000

100,000

SCHEDULE - 2

UNSECURED LOANS

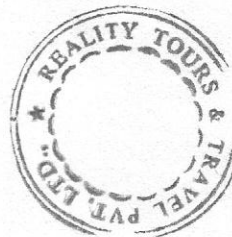
Loans from Directors & Shareholders

1,214,779

1,153,871

1,214,779

1,153,871



REALITY TOURS & TRAVEL PVT. LTD.

ASSESSMENT YEAR : 2008 - 2009 ; PREVIOUS YEAR ENDED 31ST MARCH 2008

SCHEDULES ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2008

SCHEDULE - 3

ASSETS	GROSS BLOCK		RATE %	DEPRECIATION			NET BLOCK	
	AS ON 01.04.2007	ADDITIONS/ DELETIONS		AS ON 31.03.2008	AS ON 01.04.2007	CURRENT YEAR	AS ON 31.03.2008	AS ON 31.03.2007
MOTOR VEHICLES	1,022,446	-	1,022,446	194,362	214,391	408,753	828,084	
COMPUTERS	36,500	-	36,500	6,284	12,086	18,370	30,216	
	1,058,946	-	1,058,946	200,646	226,477	427,123	858,300	
PREVIOUS YEAR	1,118,484	59,538	1,058,946	45,171	155,475	200,646	1,073,313	



REALITY TOURS & TRAVEL PVT. LTD.

ASSESSMENT YEAR : 2008 - 2009 ; PREVIOUS YEAR ENDED 31ST MARCH 2008

SCHEDULES ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2008

PARTICULARS	YEAR ENDED	
	31.03.2008 (RUPEES)	31.03.2007 (RUPEES)
SCHEDULE - 4		
CURRENT ASSETS, LOANS & ADVANCES		
A) CURRENT ASSETS		
Sundry Debtors	19,271 ✓	2,400 -
Bank Balance	198391 201,291	41,946 -
Cash in Hand	147,609 ✓	29,052 -
A	368,171	73,398
B) LOANS & ADVANCES		
Prepaid Deposits	20,000 ✓	20,000 -
Prepaid Expenses	26,102 ✓	27,473 -
B	46,102	47,473
TOTAL	A+B 414,273	120,871

SCHEDULE - 5**CURRENT LIABILITIES & PROVISIONS****A) SUNDRY CREDITORS****Outstanding Liabilities**

Service Tax	19,743 ✓	-
Salaries	16,420 ✓	14,500 -
Audit Fees Payable	7,865 ✓	5,612 -
Telephone Expenses	-	2,742 -
Conveyance	-	774 -
Sundry Payable	12,573 ✓	-
A	56,601	23,628 -

B) PROVISIONS

Provision for Tax - Fringe Benefit Tax	350 ✓	-
Provision for Tax - Deferred Tax	22,568	22,568
B	22,918	22,568
TOTAL	A+B 79,519	46,196



REALITY TOURS & TRAVEL PVT. LTD.

ASSESSMENT YEAR : 2008 - 2009 ; PREVIOUS YEAR ENDED 31ST MARCH 2008

**SCHEDULES ATTACHED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDING 31.03.2008**

PARTICULARS	YEAR ENDED	YEAR ENDED
	31.03.2008	31.03.2007
	(RUPEES)	(RUPEES)
<u>SCHEDULE - 6</u>		
<u>ADMINISTRATION & GENERAL EXPENSES</u>		
Advertisement Expenses	1,400 ✓	15,573
Professional Fees	9,253 ✓	6,959
Bank Charges	564 ✓	310
Car Repairs & Other Expenses	198,534	123,464
Conveyance	-	5,240
Office Expenses	11,958 ✓	15,955
Donations	2,265 ✓	-
Miscellaneous Expenditure	14,993	5,239
Office Rent	30,000 ✓	24,000
Postage & Courier	2,778 ✓	281
Printing & Stationery	6,111 ✓	3,162
Repairs & Maintenance	750 ✓	2,882
Salaries	232,520 ✓	89,750 -
Directors Remuneration	100,000 ✓	85,993 -
Telephone	4,477 ✓	26,673
	<u>615,603</u>	<u>405,481</u>



REALITY TOURS AND TRAVEL PRIVATE LIMITED

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2008

I. A) SIGNIFICANT ACCOUNTING POLICIES

1) Basis of Accounting:

The accounts have been prepared to comply in all material aspects with accounting principles, the accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

2) Fixed Assets:

The gross block of Fixed Assets are stated at cost of acquisition including attributable administrative and other general overheads, which are required in bringing the assets to its working condition for its intended use.

3) Depreciation:

Depreciation on assets have been calculated on the written down value basis at the rates prescribed in Schedule XIV of the Companies Act, 1956. On additions during the year, pro-rata depreciation has been calculated from the date the asset has been put to use.

4) Preliminary Expenses:

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

5) Contingent Liabilities:

There are no contingent liabilities in existence.

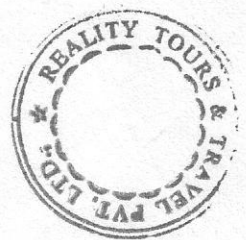
6) Quantitative Details:

During the year, the 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 been given.

7) Foreign Exchange Transactions:

Foreign Exchange earnings – Rs. Nil/- (Previous Year Rs. Nil/-)

Foreign Exchange outgoings – Rs. Nil /- (Previous Year Rs. Nil/-)



REALITY TOURS AND TRAVEL PRIVATE LIMITED

II. NOTES ON ACCOUNTS

1. Remuneration to the Auditors :

	Current Year (Rs.)	Previous Year (Rs.)
Audit Fees	7,865	5,612
Tax & other matters	1,388	2,000
	9,253	7,612

3. Earnings Per Share:

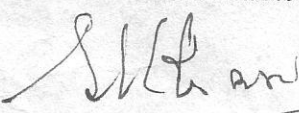
	31.3.2008	31.3.2007
Earnings per share has been computed as under:		
Profit / (Loss) After Taxation (Rs.) (a)	(27,982)	(2,04,311)
Number of Equity Shares (b)	10,000	10,000
Earnings per share (Face Value Rs.10/- per share) (a)/(b) (Rs.)	NIL	NIL

4. Figures of the Previous year have been regrouped / reclassified wherever necessary.

Signatures to Schedules 1 to 6

As Per our report of even date

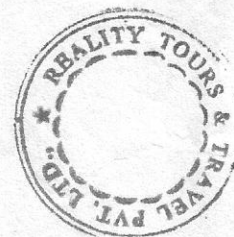
For S. M. Lasrado & Co.
Chartered Accountants

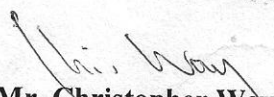

(S. M. Lasrado)



For and on behalf of the Board


Mr. Krishna Poojari
Director




Mr. Christopher Way
Director

Place: Mumbai

Dated: 2 SEP 2008

Place: Mumbai

Dated: 2 SEP 2008