



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 Seventh Annual Report of the Company together with the Audited Balance Sheet as at March 31, 2012 and Profit & Loss Account for the year ended on that date.

FINANCIAL RESULTS :

	31.03.2012	31.03.2011
	Rs.	Rs.
Net Profit before tax for the year	10,82,485	7,64,761
Less: Provision for Current Tax	5,33,000	1,99,000
Less : Excess or Short Provision for Tax	66,204	---
Less: Provision for Deferred Tax	37,216	43,765
Profit (After Taxation)	4,46,065	5,21,996
Add: Profit / (Loss) brought forward	11,52,539	6,30,544
Less : Transfer to General Reserve	---	---
Balance Profit carried to Balance Sheet	15,98,604	11,52,539

OPERATIONS:

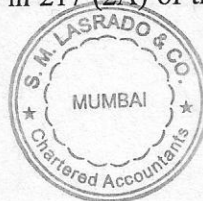
The Company is basically a tour operator carving its niche in the international market. The Company is focusing on novel idea of spreading awareness of its business in high society. Thus providing its tour business to the slums, in this process it has affiliated with NGO's and also developed community centre. There has been increased trend in the turnover as compared to the earlier year (C.Yr. 87.62 Lacs, Prv. Yr.63.37 Lacs). The Company is showing increasing trend as compare to last year and infact has made a positive financial result.

DIVIDEND :

With a view to conserve resources for further growth the 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 2012;
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 :

S.M. Lasrado & Co. Chartered Accountants have expressed their willingness to continue as the auditor and in the Annual General Meeting they were reappointed. 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 : 2nd September 2012



S.M. LASRADO & CO.
CHARTERED ACCOUNTANTS

'Silver Symphony', 1st Floor,
37, Church Avenue,
Santacruz (W), Mumbai - 400 054.
E-mail : lasrado@vsnl.com
Tel : 2605 4108, 1441, 2015
Resi : 2605 4162
Fax : (91-22) 2605 2501
Website : www.smlasrado.com

AUDITORS' REPORT

THE MEMBERS OF REALITY TOURS & TRAVELS PRIVATE LIMITED

We have audited the Balance Sheet of **REALITY TOURS & TRAVEL PRIVATE LIMITED** as at 31st March 2012 and also the Statement of Profit & Loss 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 of our opinion.

The Companies (Auditor's Report) Order, 2003 is not applicable in the case of the Company. 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 purposes of our audit;
- b. 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 such books.
- c. The Balance Sheet and Statement of Profit & Loss referred to in this report are in agreement with the books of account.
- d. In our opinion the Balance Sheet and Statement of Profit & Loss, dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 in so far as they apply to the Company.



- e. On the basis of the written representations received from the Director's as on 31st March 2012 and taken on record by the Board of Director's we report that none of the Directors are disqualified as on 31st March, 2012 from being appointed as Directors in terms of clause (g) of sub-section 274 of the Companies Act, 1956.
- f. In our opinion and to the best of our information and according to the explanations given to us, the accounts read together with 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
- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012 and
 - ii) in the case of the Statement of Profit & Loss, of the profit for the year ended on that date.

For S.M.LASRADO & CO.

Firm Reg.No. 105592W

Chartered Accountants




[S.M.LASRADO]

Memb. No. 030762

PLACE : MUMBAI

DATED : 2nd September 2012

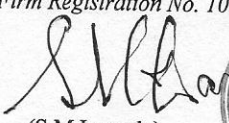
REALITY TOURS & TRAVEL PVT. LTD.
BALANCE SHEET AS AT 31ST MARCH, 2012

	NOTE	As At 31.03.2012 Rs.	As At 31.03.2011 Rs.
I EQUITY AND LIABILITIES			
1 Shareholder's Fund			
(a) Share Capital	1	100,000	100,000
(b) Reserves & Surplus	2	1,598,604	1,152,539
2 Non Current Liabilities			
(a) Long-term borrowings	3	2,848,749	1,677,127
(b) Deferred tax liabilities (Net)		70,918	33,702
		<u>2,919,667</u>	<u>1,710,829</u>
3 Current Liabilities			
(a) Trade payables		264,362	82,268
(b) Other current liabilities	4	570,693	426,613
(c) Short-term provisions	5	732,000	541,000
		<u>1,567,055</u>	<u>1,049,881</u>
TOTAL		<u><u>6,185,326</u></u>	<u><u>4,013,249</u></u>
II ASSETS			
1 Non current Assets			
(a) FIXED ASSETS			
(i) Tangible Assets	6	2,675,555	2,196,535
(b) Other Non Current Assets		-	-
		<u>2,675,555</u>	<u>2,196,535</u>
2 Current Assets			
(a) Trade receivables	7	420,111	207,925
(b) Cash and cash equivalents	8	1,985,768	784,250
(c) Short-term loans and advances	9	1,101,858	821,828
(d) Other current assets	10	2,034	2,711
		<u>3,509,771</u>	<u>1,816,714</u>
TOTAL		<u><u>6,185,326</u></u>	<u><u>4,013,249</u></u>

The accompanying notes are an integral part of the financial statements.

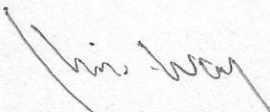
As per our report of even date
For S.M.Lasrado & Co.


Chartered Accountants
Firm Registration No. 105592W


(S.M.Lasrado)
Membership No. 030762



For and on Behalf of the Board of Directors


CHRISTOPHER WAY
Director


KRISHNA POOJAR
Director

Place : Mumbai
Dated : - 2 SEP 2012

Place : Mumbai
Dated : - 2 SEP 2012

REALITY TOURS & TRAVEL PVT. LTD.
NOTES FORMING PART OF THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31st MARCH 2012

	As At 31.03.2012 Rs.	As At 31.03.2011 Rs.
NOTE-1		
SHARE CAPITAL		
Authorised:		
10,000 Equity Shares of Rs.10/- each with voting rights	100,000	100,000
Issued, Subscribed & fully paid paid		
10,000/- Equity shares of Rs.10/- with voting rights	100,000	100,000

(a) Reconciliation of Shares outstanding at the beginning and at the end of the reporting year

Equity Shares at the beginning of the year	10,000	10,000
Share issued during the year	-	-
Share bought back during the year	-	-
Any other movement	-	-
Equity Shares at the end of the year	10,000	10,000

b) Note Terms/rights attached to equity shares :

The Company has only one class of equity shares having par value of Rs10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) The company does not have any Holding or Subsidiary Company

d) Details of Share holders holding more than 5% shares of the company.

Equity Share of Rs10/- each fully Paid up

Name of the Share holder	No. & % of Holding	No. & % of Holding
CHRISTOPHER MARK WAY	5000 (50%)	5000 (50%)
KRISHNA SUBBA PUJARI	5000 (50%)	5000 (50%)
Total Equity Shares	10,000	10,000

As per the records of the Company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents the legal and beneficial ownerships of shares.

NOTE - 2

RESERVES & SURPLUS

Surplus in statement of profit and loss

Opening Balance	1,152,539	630,543
Deductions) / Additions during the year	446,065	521,996
	1,598,604	1,152,539



REALITY TOURS & TRAVEL PVT. LTD.
NOTES FORMING PART OF THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31st MARCH 2012

	As At 31.03.2012 Rs.	As At 31.03.2011 Rs.
NOTE - 3		
<u>LONG TERM BORROWINGS</u>		
Loans from Directors & Shareholders	2,848,749	1,677,127
	2,848,749	1,677,127

NOTE - 4
OTHER CURRENT LIABILITIES

Salaries	323,132	311,517
Audit Fees Payable	-	40,500
Internet Expenses Payable	-	2,978
Telephone Expenses	2,988	2,958
TDS Payable	48,304	8,806
Profession Tax Payable	3,800	-
Service Tax Payable	2,667	34,653
Rent Payable	25,602	10,000
Others Payable	164,200	15,201
	570,693	426,613

NOTE - 5
SHORT TERM PROVISIONS

Provision for Tax AY 2009-10	-	133,000
Provision for Tax AY 2010-11	-	209,000
Provision for Tax AY 2011-12	199,000	199,000
Provision for Tax AY 2012-2013	533,000	-
	732,000	541,000

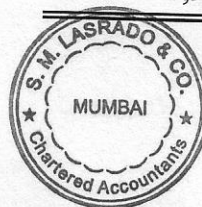
NOTE - 7
TRADE RECEIVABLES

Unsecured and considered good unless otherwise stated

Outstanding for a period exceeding six months	-	-
Other Debts - Considered good	420,111	207,925
	420,111	207,925

NOTE - 8
CASH & CASH EQUIVALANTS

Cash on Hand	135,978	13,274
Bank Balance	1,849,790	770,976
	1,985,768	784,250



REALITY TOURS & TRAVEL PVT. LTD.
NOTES FORMING PART OF THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31st MARCH 2012

	<u>As At</u> <u>31.03.2012</u> Rs.	<u>As At</u> <u>31.03.2011</u> Rs.
<u>NOTE - 9</u>		
<u>SHORT TERM LOANS & ADVANCES</u>		
TDS AY 2009-10	-	194
TDS AY 2010-11	-	2,371
TDS AY 2011-12	2,033	2,033
TDS AY 2012-13	2,034	-
Self Assesment Tax A.Y. 2009-10	-	147,620
Self Assesment Tax A.Y. 2010-11	-	100,000
Self Assesment Tax A.Y. 2011-12	175,990	-
Self Assesment Tax A.Y. 2012-13	175,000	-
Advance to Reality Cares	-	46,960
Advances to Employess	471,410	295,059
Deposits for Premises	245,000	195,000
Prepaid Expenses	30,391	32,591
	<u>1,101,858</u>	<u>821,828</u>

NOTE - 10

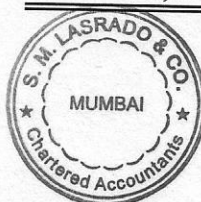
OTHER CURRENT ASSETS

Preliminary Exp	2,034	2,711
	<u>2,034</u>	<u>2,711</u>

NOTE - 11

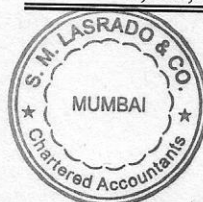
REVENUE FROM OPERATIONS

Food Contribution	39,617	33,452
Revenue from Long Tour	1,892,943	1,324,903
Market Tour	102,467	86,237
Bicycle Tours	152,376	35,057
Special Assisstance	231,570	177,680
Night Tours	249,311	19,750
Revenue from Short Tours	4,486,288	3,072,093
Sigtseeing Tours	180,525	163,560
Slum & Sightseeing Tours	825,945	682,359
Village Tour	100,777	109,905
Postcard Revenue	106,810	510,665
Revenue from Small Photos	47,680	37,550
Revenue from Single Post cards	23,520	10,100
Revenue Large Photos	43,200	24,000
Revenue from T - Shirts	117,600	27,500
Revenue from Bags	72,000	22,900
Public Transport Tour Sales	57,624	-
Other Misc Tour Income	32,140	-
	<u>8,762,393</u>	<u>6,337,711</u>



REALITY TOURS & TRAVEL PVT. LTD.
NOTES FORMING PART OF THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31st MARCH 2012

	<u>As At</u> <u>31.03.2012</u> Rs.	<u>As At</u> <u>31.03.2011</u> Rs.
NOTE - 12		
OTHER INCOME		
Miscellaneous Income	23,779	338
Sale of Scrap	2,000	-
	<u>25,779</u>	<u>338</u>
NOTE - 13		
EMPLOYEE BENEFIT SCHEME		
Salaries	2,121,772	1,201,486
Staff Welfare	171,865	38,444
	<u>2,293,637</u>	<u>1,239,930</u>
NOTE - 14		
DIRECT EXPENSES		
Tour Operating Expenses	1,283,856	2,366,346
Food & Drinks	144,927	84,010
	<u>1,428,783</u>	<u>2,450,356</u>
NOTE - 15		
OTHER EXPENSES		
Audit Fees	39,208	60,945
Balance written back/off	(333)	-
Advertisement Expenses	51,036	48,134
Webdesigning Charges	93,971	-
Computer Maintenance Expenses	41,693	-
Legal Fees	13,223	-
Bad Debts	86,176	5
Electricity Expenses	41,168	-
Bank Charges	7,616	14,932
Bicycle Expenses	40,474	15,795
Business Promotion Expenses	15,945	-
Online Bank Facility Expenses	73,371	-
Car Insurance	-	35,186
Conveyance Expenses	87,096	126,316
Directors Remuneration	1,569,855	720,000
Donations	19,554	36,000
Exchange Rate Fluctuation	849	(460)
Internet Expenses	138,814	58,956
Miscellaneous Expenditure	63,550	44,080
Office Expenses	42,496	83,977
Rent for Comm. Centre	157,884	-
Rent for Reception Centre	126,000	-
Rent for Office	49,000	36,000
Rent for Staff Room	85,400	45,831
Postage & Courier	6,263	3,518
Printing & Stationery	87,574	77,387
Professional Fees	-	27,300
Profession Tax	52,875	-
Repairs & Maintenance	26,326	34,608
Telephone Expenses	88,695	112,796
	<u>3,105,779</u>	<u>1,581,306</u>



REALITY TOURS & TRAVEL PVT. LTD.

ASSESSMENT YEAR : 2012-2013 ; PREVIOUS YEAR ENDED 31ST MARCH 2012

SCHEDULES ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2012

NOTE 6: TANGIBLE ASSETS

ASSETS	GROSS BLOCK		RATE %	DEPRECIATION			NET BLOCK	
	AS ON 01.04.2011	ADDITIONS/ DELETIONS		AS ON 31.03.2012	AS ON 01.04.2011	CURRENT YEAR	DELETIONS	AS ON 31.03.2012
MOTOR VEHICLES	1,022,446	70,000 -	25.89	830775	17,428	847,225	69,022	191,671
BICYCLES	20,800	-	25.89	1,534	4,988	-	14,278	19,266
FURNITURE & FIXTURE	58,924	-	25.89	23,035	9,292	-	26,597	35,889
BROCHURES	20,104	-	25.89	7,851	3,172	-	9,081	12,253
COMPUTERS	132,274	33,593	40.00	70,515	24,704	-	70,649	61,759
SLUM PROJECT	2,143,895	871,142	13.91	268,198	260,909	-	2,485,929	1,875,697
	3,398,443	974,735		1,201,909	320,493	847,225	2,675,555	2,196,535
PREVIOUS YEAR	1,075,386	843,116		708,067	192,145	-	1,018,290	367,319



REALITY TOURS & TRAVEL PVT. LTD.

ASSESSMENT YEAR : 2012-2013 ; PREVIOUS YEAR ENDE () 1ST MARCH 2012

SCHEDULES ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2012

SCHEDULE - 4: FIXED ASSETS (CONTD.)

<u>ASSETS HEAD</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>UPTO</u>	<u>DAYS</u>	<u>RATE</u>	<u>DEPR. AMT</u>
<u>Motor Vehicles</u>	15-Apr-11	70,000	31-Mar-12	351	25.89%	17,428
		<u>70,000</u>				<u>17,428</u>
<u>Computers</u>	02/06/2011	7,600	31-Mar-12	303	40.00%	2,524
	20/01/2012	25,993	31-Mar-12	71	40.00%	2,022
		<u>33,593</u>				<u>4,546</u>



REALITY TOURS AND TRAVEL PRIVATE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

I. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting:

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year, except for the change in accounting policy explained below.

Change in accounting policy

Presentation and disclosure of financial statements

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

2. Tangible Fixed Assets:

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

Gains or losses arising from derecognized of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

3. Depreciation:

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

4. Contingent Liabilities:

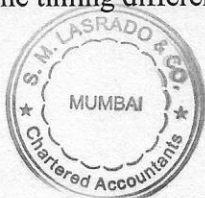
There are no contingent liabilities in existence.

5. Retirement Benefits :

Contribution to provident fund is accounted on accrual basis, however as required by AS 15, no provision of gratuity and leave encashment benefits are made in respect of present liabilities for future payments to the employee, the aforesaid items as when paid will be charged to the accounts.

6. Deferred Taxation

Deferred Tax resulting from timing difference between book and tax profit is accounted for at the current rate of tax, to the extent that the timing difference are expected to crystallize



7. Foreign Exchange Transactions

Foreign Exchange transactions are recorded applying the exchange rate applicable to the date of transaction.

8. Sundry Creditors(Due to Micro, Small and Medium Scale Enterprises)

As per information available with the Company, there are no reported Micro, Small and Medium Enterprises registered under "The Micro, Small and Medium Enterprises Development Act" 2006 to whom company owes dues and hence the amount due to them has not been separately given.

9. Earnings Per Share :

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earning per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares

II. NOTES ON ACCOUNTS

1. Incentives to Directors :

	Current Year (Rs.)	Previous Year (Rs.)
Mr. Christopher Way	12,02,650	7,20,000
Mr. Krishna Poojari	3,67,205	2,32,956
	15,69,855	9,52,956

2. Remuneration to the Auditors :

	Current Year (Rs.)	Previous Year (Rs.)
Audit Fees	15,945	15,945
Tax & other matters	23,263	45,000
	39,208	60,945

4. PREVIOUS YEAR FIGURES

Till the year ended 31st March 2011, the Company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and presentation of its financial statements. During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company. The Company has reclassified the previous year figures to confirm to this year's classification. The adoption of revised Schedule VI does not impact the recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.



Signatures to Notes 1 to 14

As Per our report of even date

For S. M. Lasrado & Co.
Firm Reg. No.105592W
Chartered Accountants



(S. M. Lasrado)
Memb.No. 030762

For and on behalf of the Board

A handwritten signature of Mr. Krishna Poojari.

Mr. Krishna Poojari
Director

A handwritten signature of Mr. Christopher Way.

Mr. Christopher Way
Director

Place: Mumbai
Dated: 2nd September 2012

Place: Mumbai
Dated: 2nd September 2012