

STATUTORY AUDIT REPORT

OF

VMV HOLIDAYS PVT LTD

(PREVIOUSLY KNOWN AS VMV TOURS & TRAVELS PVT LTD)

35, GANESH CHANDRA AVENUE, 3RD FLOOR,

KOLKATA – 700 013.

F.Y. – 2012-13

GANGESHWAR SHARMA & ASSOCIATES

CHARTERED ACCOUNTANTS
35, GANESH CHANDRA AVENUE,
KOLKATA – 700 013.

VMV HOLIDAYS PRIVATE LIMITED

(PREVIOUSLY KNOWN AS VMV TOURS & TRAVELS PRIVATE LIMITED)

35, Ganesh Chandra Avenue, 3rd Floor, KOLKATA - 700 013.

DIRECTORS' REPORT

To The Share holders

Your directors hereby submit their annual Report for the year ended 31st March, 2013 together with the audited Balance Sheet as at 31st March, 2013 and the Profit & Loss Account for the period ended on that date. The summarized financial results are as under:

Financial Highlights

The Company has earned profit of ₹ 79277.66 in the current Financial Year.

Provision For Income Tax

During the current financial year provision for Income Tax amounts to ₹ 17730.

Dividend

In order to augment the working capital requirements your Directors do not recommend any dividend for the financial year ended on 31st March, 2013.

Director's Responsibility Statement

Your Directors state that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure;
- b) They had selected such accounting policies and applied them consistently and made judgment 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 profit or loss of the company for that period;
- c) They had taken proper and sufficient care for 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 had prepared the annual accounts on a going concern basis.

Auditors

Gangeshwar Sharma & Associates, Chartered Accountants, at the conclusion of the ensuing Annual General Meeting being eligible, offer themselves for appointment. A certificate U/S 224(1B) of the

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Companies Act, 1956 has been obtained from them. The members are requested to consider their appointment and fix the remuneration if so appointed.

Employees

Statement as required under section 217(2A) of the Companies Act 1956 read with Companies (Particulars of Employees) (Amendment) Rules 1988 is not applicable to the Company.

Energy Conservation, Research Development & Foreign Exchange Earning/Outgo:

The Company did neither own any manufacturing facility nor had any export business. Therefore, the disclosure of particulars pursuant to section 217(1)(e) of the Companies Act, 1956 is not required.

Statutory Information

The Company being basically a Tour & Travel agency, requirement regarding disclosure of particulars of conservation of energy and technology absorption prescribed under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 is not applicable.

By order of the Board
For VMV HOLIDAYS PVT LTD

Place: Kolkata
Dated: The 12th Day of August, 2013

Director

GANGESHWAR SHARMA & ASSOCIATES

CHARTERED ACCOUNTANTS

35, GANESH CHANDRA AVENUE, KOLKATA - 700 013.

Auditor's Report

To the Members of
VMV Holidays Private Limited

Report on Financial Statements:

We have audited the accompanying financial statements **VMV Holidays Private Limited (previously known as VMV Tours & Travels Private Limited)** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility:

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the 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 financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

GANGESHWAR SHARMA & ASSOCIATES

CHARTERED ACCOUNTANTS

35, GANESH CHANDRA AVENUE, KOLKATA - 700 013.

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, and on the basis of our checks as we considered appropriate and according to information and explanation given to us during the course of our audit, we report that *the company is a Private Limited Company and it satisfies all the conditions cumulatively to be exempt from the applicability of the order. Therefore, we did not enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.*
2. As required by section 227(3) of the Act, 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;
 - 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 those books
 - c) the Balance Sheet, Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Gangeshwar Sharma & Associates
Chartered Accountants
(Firm Registration No. 326465E)

(Gangeshwar Sharma)
Proprietor
Mem. No. - 065848

Place: Kolkata
Dated: 12th day of August, 2013.

VMV HOLIDAYS PRIVATE LIMITED

(PREVIOUSLY KNOWN AS VMV TOURS & TRAVELS PRIVATE LIMITED)

Balance Sheet as at 31 March, 2013

Particulars		Note No.	As at 31 March, 2013	As at 31 March, 2012
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	1	100,000.00	100,000.00
	(b) Reserves and surplus	2	76,358.42	21,577.25
			176,358.42	121,577.25
2	Share Application Pending Allotment		-	277,375.00
3	Non-current liabilities			
	(a) Deferred Tax Liability		6,766.48	-
			6,766.48	-
4	Current liabilities	3		
	(a) Other current liabilities		975,109.00	257,100.00
	(b) Short-term provisions		33,304.00	15,904.00
			1,008,413.00	273,004.00
	TOTAL		1,191,537.91	671,956.25
B	ASSETS			
1	Non-current assets	4		
	(a) Fixed assets			
	(i) Tangible assets		56,005.08	9,556.00
	(ii) Intangible assets		37,662.40	-
			93,667.48	9,556.00
	(b) Other non-current assets	5	6,000.00	9,000.00
			99,667.48	18,556.00
2	Current assets			
	(a) Current investments		580,000.00	-
	(b) Cash and cash equivalents	6	378,165.20	169,103.30
	(c) Short-term loans and advances	7	133,705.23	454,296.95
	(d) Other current assets	8	-	30,000.00
			1,091,870.43	653,400.25
	TOTAL		1,191,537.91	671,956.25

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Gangeshwar Sharma & Associates
Chartered Accountants
(Firm Reg. No. 326465E)

For and on behalf of the Board of Directors

(Gangeshwar Sharma)
Proprietor
Membership No.: 065848
Place : Kolkata
Date : The 12th day of August, 2013

VMV HOLIDAYS PRIVATE LIMITED

(PREVIOUSLY KNOWN AS VMV TOURS & TRAVELS PRIVATE LIMITED)
Statement of Profit and Loss for the year period 01/04/2012 to 31/03/2013

Particulars	Note No.	For the year ended 31 March, 2013	For the year ended 31 March, 2012
<u>OPERATING INCOME</u>			
Revenue from operations (gross)		14,272,866.00	5,933,575.72
Less: Excise duty		-	-
Revenue from operations (net)		14,272,866.00	5,933,575.72
Other income		349,036.96	293,848.34
Total revenue		14,621,902.96	6,227,424.06
<u>OPERATING EXPENSES</u>			
Expenses			
(a) Direct Expenses		13,449,774.35	5,933,238.39
(b) Depreciation	4	25,525.52	344.00
(c) Administrative & Other expenses	8	1,067,325.43	241,973.59
Total expenses		14,542,625.30	6,175,555.98
Profit / (Loss) before exceptional and extraordinary items and tax		79,277.66	51,868.08
Exceptional items		-	-
Profit / (Loss) before extraordinary items and tax		79,277.66	51,868.08
Extraordinary items		-	-
Profit / (Loss) before tax		79,277.66	51,868.08
Tax expense:			
(a) Current tax expense for current year		17,730.00	15,904.00
(b) Net current tax expense		17,730.00	15,904.00
(c) Deferred tax Liability		6,766.48	-
		24,496.48	15,904.00
Profit / (Loss) from operations		54,781.17	35,964.08
Earning per share (of ` 10 each)			
Basic & diluted	9	5.48	3.60

In terms of our report attached.

For Gangeshwar Sharma & Associates
Chartered Accountants
(Firm Reg. No. 326465E)

For and on behalf of the Board of Directors

(Gangeshwar Sharma)
Proprietor
Membership No.: 065848

Place : Kolkata

Date : The 12th day of August, 2013

VMV HOLIDAYS PRIVATE LIMITED
(PREVIOUSLY KNOWN AS VMV TOURS & TRAVELS PRIVATE LIMITED)

INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956

10. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No. U 63090 WB 2010 PTC 151907
 Balance Sheet Date 31/03/2013 State Code 21

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue 0.00 Rights Issue 0.00
 Bonus Issue 0.00 Private Placement 0.00

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities 1191.54 Total Assets 1191.54

Sources of Funds :

Paid-up Capital 100.00 Reserves & Surplus 76.36
 Secured Loans 0.00 Unsecured Loans 0.00
 Deferred Tax 6.77 Share Application 0.00

Application of Funds :

Net Fixed Assets 93.67 Investments 0.00
 Net Current Assets 1090862.02 Miscellaneous Expenditure 6.00
 Accumulated Losses 0.00

IV. PERFORMANCE OF THE COMPANY (Amount in Rs. Thousands)

Turnover ** 14621.90 Total Expenditure 14542.63
 ** includes Other Income
 Profit/(Loss) Before Tax 79.28 Profit/(Loss) After Tax 54.78
 Earnings Per Share in Rs. 5.48 Dividend Rate % 0.00

**V. GENERIC NAMES OF PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY
(AS PER MONETARY TERMS)**

Product / Services Descriptions	Item Code No. (ITC Code)
TRAVEL AGENCY	N/A

For Gangeshwar Sharma & Associates
Chartered Accountants
(Firm Reg. No. 326465E)

For and on behalf of the Board of Directors

Sd/-
(Gangeshwar Sharma)
Proprietor
Membership No.: 065848

Sd/-
Director

Place : Kolkata
Date : The 12th day of August, 2013

Sd/-
Director

VMV HOLIDAYS PRIVATE LIMITED

(PREVIOUSLY KNOWN AS VMV TOURS & TRAVELS PRIVATE LIMITED)

NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AND THE PROFIT & LOSS ACCOUNT

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
<u>1 : SHARE CAPITAL</u>		
<u>Authorised</u>		
2,50,000 Equity Shares of Rs. 10/- each	2,500,000.00	2,500,000.00
	2,500,000.00	2,500,000.00
<u>Issued, Subscribed and Paid up</u>		
10,000 Equity Shares of Rs. 10/- each fully, paid up	100,000.00	100,000.00
	100,000.00	100,000.00
<u>2 : RESERVES & SURPLUS</u>		
<u>i).Profit & loss account</u>		
Opening Balance	21,577.25	(14,386.83)
Profit as per Profit & loss Account	54,781.17	35,964.08
	76,358.42	21,577.25
<u>3 : CURRENT LIABILITIES & PROVISIONS</u>		
<u>i) Other Current Liabilities</u>		
Advance from Debtor	973,009.00	65,000.00
Audit Fees Payable	2,100.00	2,100.00
Director's Remuneration Payable	-	50,000.00
Rent Payable	-	80,000.00
Salary Payable	-	60,000.00
	975,109.00	257,100.00
<u>ii) Provisions</u>		
For Taxation (Net)	33,304.00	15,904.00
	33,304.00	15,904.00
	1,008,413.00	273,004.00
<u>5: OTHER NON- CURRENT ASSETS</u>		
a) Unamortised expenses		
(i) Preliminary Expenses (to the extend not written off)		
Opening balance	9,000.00	12,000.00
Less: written off during the year	3,000.00	3,000.00
	6,000.00	9,000.00
<u>6 : CASH & CASH EQUIVALENTS</u>		
i) Cash in hand (As certified by the Management)	88,298.79	1,979.72
ii) Bank Balances (With Scheduled Bank)	289,866.41	167,123.58
	378,165.20	169,103.30

VMV HOLIDAYS PRIVATE LIMITED

(PREVIOUSLY KNOWN AS VMV TOURS & TRAVELS PRIVATE LIMITED)

NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AND THE PROFIT & LOSS ACCOUNT

Note 1 Share capital (contd.)

Details of shares held by each shareholder holding more than 5% shares :

Class of shares / Name of shareholder	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Vikram Bajaj	5000	50%	5000	50%
Vinita Bajaj	5000	50%	5000	50%
	10000		10000	

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :

Particulars	No of Shares	As at 31st March 2013	No of Shares	As at 31st March 2012
Equity Shares of ` 10 each				
Opening balance	10,000	100,000	10,000	100,000
Add: Fresh Issue	-	-	-	-
Closing balance at the end of the year	10,000	100,000	10,000	100,000

VMV HOLIDAYS PRIVATE LIMITED

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NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AND THE PROFIT & LOSS ACCOUNT

Note 4 Fixed assets

Tangible assets	Gross block									
	Balance as at 1 April, 2012	Additions	Disposals	Acquisitions through business combinations	Reclassified as held for sale	Revaluation increase	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31 March, 2013
(A) Plant and Equipment Owned (Mobile)	9,900.00	6,200.00	-	-	-	-	-	-	-	16,100.00
Computer	-	23,868.00	-	-	-	-	-	-	-	23,868.00
Accounting Software	-	32,491.00	-	-	-	-	-	-	-	32,491.00
Total	9,900.00	62,559.00	-	-	-	-	-	-	-	72,459.00
Previous year	-	9,900.00	-	-	-	-	-	-	-	9,900.00

Note 4 Fixed assets (contd.)

Tangible assets	Accumulated depreciation and impairment							Net block	
	Balance as at 1 April, 2012	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Eliminated on reclassification as held for sale	Impairment losses recognised in statement of profit and loss	Reversal of impairment losses recognised in Statement of Profit and Loss	Other adjustments	Balance as at 31 March, 2013	Balance as at 31 March, 2012
(A) Plant and Equipment Owned (Mobile)	344.00	1,558.43	-	-	-	-	-	14,197.57	9,556.00
Computer	-	5,649.85	-	-	-	-	-	18,218.15	-
Accounting software	-	8,901.64	-	-	-	-	-	23,589.36	-
Total	344.00	16,109.92	-	-	-	-	-	56,005.08	9,556.00
Previous year	-	344.00	-	-	-	-	-	9,556.00	-

VMV HOLIDAYS PRIVATE LIMITED

(PREVIOUSLY KNOWN AS VMV TOURS & TRAVELS PRIVATE LIMITED)

NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AND THE PROFIT & LOSS ACCOUNT

Note 7 Short-term loans and advances

Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable		
(ii) VAT credit receivable		
(iii) Service Tax credit receivable	5,628.00	17,780.00
(iv) TDS Receivable (AY 11-12)	436.00	436.00
(AY 12-13)	16,533.00	16,533.00
(AY 13-14)	19,375.18	-
(b) Others (Advances)		
Secured, considered good (Agents)	91,733.05	419,547.95
Unsecured, considered good		
Doubtful		
	133,705.23	454,296.95
Less: Provision for other doubtful loans and advances		-
Total	133,705.23	454,296.95

Note 8 Other current assets

Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Unbilled revenue		
(b) Unamortised expenses		
(i) Ancillary borrowing costs	-	-
(ii) Share issue expenses (where applicable)	-	-
(iii) Discount on shares (where applicable)	-	-
(c) Accruals		
(i) Interest accrued on deposits	-	-
(ii) Interest accrued on investments	-	-
(iii) Interest accrued on trade receivables	-	-
(d) Others		
(i) Insurance claims	-	-
(ii) Receivables on sale of fixed assets	-	-
(iii) Contractually reimbursable expenses	-	-
(iv) Others (Advance to Suppliers)	-	30,000.00
Total	-	30,000.00

<u>9: ADMINISTRATIVE & OTHER EXPENSES</u>		
Accounting charges	85,000.00	-
Advertisement & Subscription	76,688.00	
Business Promotion Expenses	107,500.00	
Courier Charges	4,280.00	800.00
Commission on guarantee	5,718.00	-
Director's Remuneration	-	50,000.00
Rent	96,000.00	80,000.00
Salary	204,250.00	60,000.00
Travelling & Conveyance	18,340.00	9,800.00
Bank Charges	11,135.43	5,308.59
Electricity Bill	19,030.00	2,090.00
General Expenses	114,566.00	3,460.00
Internet Charges	12,116.00	4,134.00
Maintenance Expenses	34,620.00	7,980.00
Logo Designing charges	7,280.00	-
Office Expenses	34,209.00	1,000.00
Postage & Stamp	8,970.00	357.00
Profession tax	9,150.00	-
Printing & Stationery	8,613.00	80.00
ROC Fees	15,500.00	500.00
Telephone Expenses	35,060.00	11,364.00
Trade license	10,600.00	-
Training to employees	104,600.00	-
Website development	39,000.00	-
Preliminary Expenses	3,000.00	3,000.00
Auditor's Remuneration	2,100.00	2,100.00
	1,067,325.43	241,973.59
<u>10 : Earning Per Share (AS-20)</u>		
<u>Basic & Diluted</u>		
Net profit / (loss) for the year from Continuing & Total Operations	79,277.66	51,868.08
Profit / (loss) attributable to equity shareholders	54,781.17	35,964.08
from continuing & total operations		-
Weighted Average No.of shares for basic & Diluted EPS	10,000.00	10,000.00
Par Value per Share	10.00	10.00
Earnings per share, from continuing & total operations	5.48	3.60

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11. SIGNIFICANT ACCOUNTING POLICIES

A. **Basis of Preparation of Financial Statements**

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

B. **Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

C. **Revenue Recognition**

All items of Incomes accounted for on accrual basis except where ultimate collection of the same lacks reasonable certainty.

D. **Expenditure**

All items of Expenditures are accounted on accrual basis.

E. **Provision for Income Tax and Deferred Tax**

Provision for income Tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

The Company has not recognized any deferred taxes (asset/liability) subject to consideration of prudence.

F. **Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

G. **Preliminary Expenses**

Preliminary Expenses are to be amortized equally over the period of five years from the year in which business is commenced.

H. **Fixed Assets**

Fixed assets are stated at acquisition cost less depreciation. Cost includes taxes, duties, freight, installation and other direct or allocated expenses.

I. **Depreciation**

Depreciation on Fixed Assets is provided on Written Down Method (WDV) at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 (As amended). Depreciation is provided on pro-rata basis on additions and deletions from the date the assets were put to use or up to the date of sale/transfer as the case may be.

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(PREVIOUSLY KNOWN AS VMV TOURS & TRAVELS PRIVATE LIMITED)
35, Ganesh Chandra Avenue, 3rd Floor, KOLKATA - 700 013.

12. NOTES TO THE ACCOUNTS

1. The company is involved in the business of travel agency and other auxiliary services. The company is currently operating its business activities from Kolkata, West Bengal.
2. Cash have been physically verified and certified by the Management.
3. Auditor's Remuneration:-

Particulars	31.03.2013	31.03.2012
Statutory Audit Fees	2100/-	2100/-

4. The board is of the opinion that the current assets, loans & advances have realisation value equal to the amount at which they have been stated in the Balance Sheet in the ordinary course of the business.
5. Figures of the previous year have been regrouped or rearranged wherever considered necessary.