

॥ चरति चरतो भवः ॥



Mahasagar
TRAVELS LTD.

19TH ANNUAL REPORT

YEAR 2011-12

REGD. OFFICE
MAHASAGAR HOUSE
JAYSHRI TALKIES ROAD, KALWA CHOWK,
JUNAGADH - 362 001.
PH. : 2650427, 2627611, 2622962, FAX : 2623941

19th Annual Report - 2011-2012
MAHASAGAR TRAVELS LIMITED

Regd. Office : Jayshri Talkies Road, Kalwa Chowk , Junagadh .362 001, Gujarat

Board of Directors :	<ol style="list-style-type: none">1. Shri Kartik R. Upadhyay Chairman2. Shri Bhagchand G. Sukhwani Managing Director3. Shri Prakashbhai K. Kakkad (Joint Managing Director)4. Shri Ravi S. Karia Non Executive Director5. Shri Amit G. Pande Ind. Non Exec. Director6. Shri Sanjay P. Mehemdavadi Ind. Non Exec. Director
Auditors :	M/s. B. H. ADVANI & ASSOCIATES Chartered Accountants Junagadh
COMPANY LAW : CONSULTANT	KISHOR DUDHATRA PRACTISING COMPANY SECRETARY
Bankers :	<ol style="list-style-type: none">1. V. M. C. Bank Ltd., Junagadh2. V. M. C. Bank Ltd. Rajkot3. S. B. I., Junagadh4. Syndicate Bank, Ahmedabad5. Junagadh Com. Co.-Op. Bank Ltd.6. Bank of Baroda , Junagadh7. ICICI Bank Ltd., Junagadh8. HDFC Bank Ltd., Junagadh
Regd. Office :	Mahasagar House, Jayshri Talkies Road, Kalwa Chowk, Junagadh.
Registrar and Share Transfer : Agent	Link Intime (India) Pvt. Ltd. 303, Shopper's Plaza – V, Opp. Municipal Market, Off C. G. Road, Navarangpura, Ahmedabad -380009 Phone : 079 – 26465179, Email : ahmedabad@linkintime.co.in

NOTICE

Notice is hereby given that the 19th Annual General Meeting of the Members of the Company will be held on Saturday, the 29th September, 2012 at 10.00 AM at the Registered Office of the Company at " Mahasagar House", Kalwa Chowk, Junagadh -. 362 001, to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Director's Report and the Audited Balance sheet as at and Profit and Loss Account of the Company for the year ended 31st March,2012 together with the Auditor's Report thereon.
2. To Appoint a Director in place of Shri Sanjay P. Mehmadvadi who retires by rotation and is eligible for re- appointment.
3. To Appoint a Director in place of Shri Kartik Upadhyay, who retires by rotation and is eligible for re- appointment.
4. To appoint Auditors to hold office from the conclusion from this meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself and the proxy need not be a member. The instruments appointing proxy should however be deposited at the registered office of the company not less than forty eight hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain close from Saturday, the 22nd September, 2012 to Saturday, the 29th September, 2012 (both days inclusive)
3. Members are requested to :
 - i) notify promptly the change in address, if any, to the Registrar and Share Transfer Agent, M/s. Linkintime (India) Pvt. Ltd., 303. Shoppers Plaza – V, Opp. Municipal Market, Off C. G. Road, Navarangpura, Ahmedabad –380 009 Unit : Mahasagar Travels Ltd. quoting folio numbers, if the shares are held in physical form and to their Depository Participants, if the shares are held in demat form.
 - ii) bring their copy of the Annual Report and the attendance slip duly filled in with them for attending the meeting as the same shall not be circulated thereat.
 - iii) members are requested to bring with them the attendance slip duly filled in with them and hand it over at the entry gate.
 - iii) approach the Registrar & Share Transfer Agent for consolidation of folios if physical shareholdings are under multiple folios.
4. The Company's Shares have been activated for dematerialization with National Securities Depository Ltd.(NSDL). Those shareholders who wish to hold shares in electronic form may approach their Depository Participants. The ISIN No. of the Equity Shares is INE 007G01014

- 5 All documents referred to in the above Notice and the accompanying Explanatory Statements are open for inspection at the Registered Office of the Company during the business hours on any working day (except Sunday and holidays) between 10.00 a.m. and 12.30 p.m. up to the date of the Annual General Meeting.
- 6 A member desirous of getting any information on the accounts or operations of the Company is required to forward his/her queries to the Company at least 7 days prior to the Meeting so that the required information can be made available at the Meeting.
- 7 Members are requested to intimate if shares are held in the same name or in the same order and names, but in more than one account to enable the company to club the said accounts into one account.
- 8 Members are requested to quote Folio number in all their correspondences.
- 9 In order to comply with Ministry of Corporate Affairs circular on "Green Initiative in the Corporate Governance" members are requested to intimate their email address to their depository participant as well as to the company.

Date : 01-08-2012

Place : Junagadh

**Registered Office :
Mahasgar House.
Kalwa Chowk, Junagadh .**

By Order of the Board.

**Sd/-
Bhagchand G. Sukhwani
Managing Director**

DIRECTOR'S REPORT

To

The Members,

Mahasagar Travels Limited

Your Director have great pleasure in presenting the 19th Annual Report together with their Audited Statement of Accounts of the Company for the year ended 31st March, 2012.

Financial Highlights :

(Rs. in Lacs)

	As at 31.03.12	As at 31.03.11
Total income	4060.35	3399.04
Profit or (Loss) before tax	111.81	72.59
Less Provision of MAT	0.00	14.57
Profit /(Loss) after Tax	111.81	58.02

DIVIDEND :

The Board of Directors of the Company has shown their inability to recommend payment of Dividend due to inadequate profits and requirements of fund .

BUSINESS PERFORMANCE AND OPERATION :

Since the Company is engaged in providing service to the tourist of the state and thereby in the engagement of the service sector industry Since the core business of the Company is to provide service, the quality, facilities and safety are the prime concern of the management. During the last financial year your Company has made sufficient effort to provide better quality services through increase in the fleet capacity of the luxurious class. Majority of the fleet have air conditioning facility apart from comfortable internal environment. Keeping in mind the Pollution Free Quality Concept, the Company has been gradually replacing in a phased manner the environment friendly Luxurious Buses in place of old buses, which would help in protecting the pollution free environment, thereby putting major stress by management on the concept of taking pollution free environmental steps as per the Pollution Free Environment Policy of the Government and the new fleets of buses will also increase the tourist business and further facilitate the tourist the latest available facilities which will increase the overall business and profitability of the Company in the coming years. However the management has taken care of the fluctuation in petroleum products by creating retail outlet.

During the current year the company has earned revenue of Rs 2297.57 lacs, last year it was 2100.83 lacs from travel division and Rs. 1762.62 lacs from petroleum division last year it was Rs, 1298.21.

INSURANCE :

All the assets of the Company have been adequately insured.

FIXED DEPOSITS:

The Company has not accepted/ renewed any fixed deposits during the year under review.

DIRECTORS :

Pursuant to the Articles of Association of the Company read with Section 256 of the Companies Act 1956. Mr. Sanjay Mehmedavadi and Mr. Kartik Upadhyay Directors of the

Company are due to retire at the ensuing Annual General Meeting of the Company and is eligible for re-appointment. Your directors recommend for their appointment.

LISTING

At present the your Company's securities are listed on the Bombay Stock Exchange Limited., Company had passed necessary resolution for Voluntary Delisting of its Equity shares from Ahmedabad Stock Exchange Ltd., and Saurashtra Kutch Stock Exchange Limited (SKSE).

AUDITORS :

You are requested to appoint Auditors M/s. B. H. Advani & Associates for the current year (2012-13) to hold office from the conclusion of the Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their Remuneration. The notes forming part of accounts referred to in Auditors' Report are self explanatory and give complete information.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement of the section 217 (2AA) of the Companies Act 1956, with respect to the Directors' responsibility statement it is hereby confirmed :

1. That in the preparation of the Annual accounts the applicable accounting standards had been followed along with proper explanation relating to the material departure.
2. That the Directors 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 as at 31st March, 2012 being the end of the financial year 2011-2012 and of the Profit of the Company for the year.
3. That the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provision of Companies Act 1956, for safeguarding assets of the Company and for preventing and detecting frauds and other irregularities.
4. That the directors had prepared the Annual Accounts on a Going Concern Basis.

PARTICULARS OF EMPLOYEES:

There was no employee during the year drawing remuneration in excess of the ceiling prescribed under the provision of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rule, 1975 as amended.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING AND OUT GO:

As such the Company has not received any income and incurred any expenses in foreign currency , hence details in respect of foreign exchange earning and outgo will be Nil during the period under review. The Company has always laid the utmost emphasis on conservation of energy and strict monitoring and control of all energy consuming equipment are carried out continuously.

In view of the nature of the operations, we have nothing to report on the other matters, under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988.

TAXES:

Company is regularly paying Income tax, Sales Tax, RTO Tax and other statutory dues like

Provident Fund, ESIC, as applicable. As regard to Service Tax appropriate provision and treatments have been made as per law.

DEMATIRIALIZATION AND TRANSFER OF THE SECURITIES :

ISIN : INE 007G01014

As on date of this report company is having NSDL connectivity of dematerialization of shares and efforts are being made to have CDSL connectivity.

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime (India) Pvt. Ltd.

303,Shopper's Plaza – V,

Opp. Municipal Market, Off C. G. Road,

Navarangpura, Ahmedabad -380009

Phone : 079 – 26465179,

Email : ahmedabad@linkintime.co.in

REGULATORY STATEMENT :

- (1) The Equity shares of your Company are listed on Mumbai Stock Exchange, and the listing fees for the financial year 2012-13 have been paid to the exchange,
- (2) In conformity with the provision of Clause 32 of the listing agreement, the cash flow statement for the year ended 31-3-2012 is annexed to the accounts.

CORPORATE GOVERNANCE:

The Company has complied with the requirement regarding corporate governance as required under Clause 49 of the Listing Agreement entered in to with the Stock Exchanges where the Company's shares are listed. A report on the Corporate Governance in this regard is made a part of this Annual Report and a Certificate from the Auditor of the Company regarding Compliance of the Conditions of the Corporate Governance is attached to this report and forming part this report.

MANAGEMENT DISCUSSION AND ANALYSIS:

INDUSTRY OUTLOOK:

During the period under review there were tremendous growth shown in the markets, GDP was much higher than earlier years. Further travel and tourism industries are growing on rapidly. Realty sector growing steadily.

Current scenario are very impressive there is lot of potential demand for the next years. Particularly Government of Gujarat is promoting tourism and people all around the world are having keen interest in Gujarat tourism.

2. OPPORTUNITIES AND THREATS:

Since the Company has started business in real estate sector, petroleum sector and been engaged in to the service sector, the main concern of the management is to provide best quality services to the customer. Safety, discipline as to the timing, comfort is the main parameters. Government policies and regional policies can affect the performance of the company. New players are joining in the competition. Company is planning to develop more area related to tourism, hotel business and infrastructure facilities and in construction & real estate fields.

International market is very volatile now a days with respect to petroleum products and real estate sector in India facing many challenges for the new development.

3. INITIATIVES

As we know that the customers are becoming more quality conscious which calls for continuous up gradation in the available methods and the technology deployed which will yield better realization to the company. The another niche for the Company is to maximum utilization of the Parcel business which can earn maximum revenues to the company at a negligible cost. Growing competition and drastic change of the life style of the people thereby to constantly make better quality service to satisfy the need of people is the concern of the management.

Since July 2006 the company has obtained dealership of fuel pump from IOC with a view to tap additional profits from retail trading activities in petroleum products as well as to meet its own fuel requirement . Setting up of own fuel station for own consumption has drastically reduced the cost of fuel consumption of the company which is very well reflected the operating results.

Company is planning to grab infrastructure development opportunities related to real estate, travel and tourism.

4. RISKS AND CONCERNS:

Company is engaged in travel business and major fluctuation in the price of the petroleum product having vital impact on the profitability and performance. International market having great effect on increase in the crude price and increase in dollar value against the rupee is also a matter of concern.

Realty sector in India has shown some slow movements, market is becoming more steady and higher inflation rate leads government to curb financial resources to realty sector.

5. INTERNAL CONTROL SYSTEM:

The Company has adequate system of control implemented by the management towards achieving efficiency in the operation, optimum utilisation of resources and effective monitoring thereof and compliance with applicable laws.

6. HUMAN RESOURCES:

The Company attaches priority to human resources development, with focus on regular up gradation of the knowledge and skills of our employees and equipping them with the necessary expertise to meet the challenges of change and growth successfully.

ACKNOWLEDGMENT:

The Directors sincerely express their appreciation to the employees at all levels, Bankers, customers, investors, Government of Gujarat and Ministry of Government for their sustained support and cooperation and hope that the same will continue in future.

Date : 01-08-2012

Place : Junagadh

Registered Office :

Mahasgar House.

Kalwa Chowk, Junagadh .

For and On behalf of the Board

Sd/-

Managing Director

Sd/-

Jt. Managing Director

CORPORATE GOVERNANCE REPORT

[Pursuant to Clause 49 of the Listing Agreement]

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below:

1. CORPORATE GOVERNANCE PHILOSOPHY

The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all its interactions. Shareholders have right to have complete information about the Directors and Management and their interest in the company as well as governance practices followed by them. Towards this end, the company is making extensive disclosures from time to time. The Company's motto is "Born to win and Born to Run" and we are in the process to create extra ordinary value for our stake holders.

2. BOARD OF DIRECTORS

The Board of Company as on date of report consist of Six directors (Two executive and four non-executive). Three directors are independent and three non-independent), further the Board have non-executive Chairman.

The name and category of Directors on the Board, the number of directorship and committee membership held by them, their attendance at the Board Meetings held during the year and also at last AGM is given below :

Name of the Director	Attendance Particulars		No. of other Director ship and & Committee membership / Chairmanship		
	Board Meeting	Last Annual General Meeting	Other Directorship	Committee Membership	Committee Chairman
Executive Directors					
Shri Bhagchand G. Sukhwani – MD#	14/14	Yes	1	0	0
Shri Prakash K. Kakkad – JMD##	14/14	Yes	1	0	0

Non-executive & Independent Directors

Shri Kartik R. Upadhyay. – Chairman	14/14	Yes	1	3	3
Shri Amit G. Pande – Ind.non.exec.Director	14/14	Yes	0	3	0
Shri Sanjay P. Memdavadi – ind.non exe.Director	14/14	Yes	0	2	0
Shri Ravi S. Karia – non exec.Director	14/14	Yes	0	1	0

C & MD : Chairman & Managing Director, ## JMD – Joint Managing Director

During the Financial Year under review 14 Board Meetings were held viz. on 01.04.2011, 30.04.2011, 18.06.2011, 30.06.2011, 06.07.2011, 31.07.2011, 20.08.2011, 27.09.2011, 31.10.2011, 27.12.2011, 31.01.2012, 13.02.2012, 01.03.2012, 31.03.2012.

As required by Clause 49 VI A of the Listing Agreements the particulars of Directors seeking re-appointment are as under :

1. SHRI SANJAY MEHMADAVADI

Shri Sanjay Mehmadvadi Director of the Company retire by rotation and being eligible has offered himself for re-appointment . He had passed the Higher Secondary 12th Standard and having versatile business

experience. His rich experience will help the company. He does not hold any Directorship in any Public Limited Company.

2. SHRI KARTIK UPADHYAY

Shri Kartik Upadhyay Director of the Company retire by rotation and being eligible offered himself for re-appointment. He is an accredited Journalist and having versatile business experience. Besides our company he holds Directorship in a Public Limited company.

OTHER DIRECTOR DETAIL

Name of Director	Shri Sanjay Mehmadvadi	Shri Kartik Upadhyay
Date of Birth	05/03/1963	29/01/1961
Date of Appointment	20-09-2003	16/12/1993
Qualification	H. S. C.	Journalism
Expertise in specific functional Areas	Banking ,Business Administration	Public relations, Finance, Business Developments
List of Companies in which directorship is held	Nil	1.
Chairman / Member of the committee of other companies	Nil	1

3. AUDIT COMMITTEE

The Audit Committee of the Company comprises of three members two being non-executive independent directors and one non-executive Director namely Shri Kartik R. Upadhyay, Shri Amit G. Pande and Shri Sanjay P. Mahemdvadi, Shri Kartik R. Upadhyay, is the Chairman of the Audit Committee.

During the year 2011-12, Four Audit Committee Meetings were held on 20.04.2011, 23.07.2011, 08.08.2011, 22.10.2011, 21.01.2012, The attendance during the year was as below:

Sr. No.	Name and Position of the Member	No. of meetings Held Attended	
1.	Shri Amit G. Pande – Chairman	5	5
2.	Shri Kartik R. Upadhyay	5	5
3.	Shri Sanjay P. Memdvadi	5	5

4. REMUNERATION COMMITTEE

The Remuneration Committee / Compensation Committee consisting of two non-executive directors namely Shri Kartik R. Upadhyay as Chairman and Shri Ravi S. Karia as member and Shri Amit G. Pande Independent Non-executive director in conformity with the requirements of code of Corporate Governance as well as under Schedule XIII and under Clause 49 of the Listing Agreement. The Committee approves the remuneration proposed to be paid to the Managing Directors/ Joint Managing Director and non executive directors if any of the Company. The Committee is also empowered to decide on Employees' Stock Option Scheme as and when such scheme is considered for introduction in the Company.

During the year 2011-12, No Remuneration Committee Meetings was held.

No remuneration is paid to Non-executive Directors including sitting fees for attending the meetings of the Board of Directors or committee thereof. Further the remunerations of the Managing Directors and Whole-Time Directors is decided by the Board of Directors based on recommendation of remuneration committee and subsequently approved by the shareholders at the General Meeting as required by the Companies Act, 1956.

DETAILS OF REMUNERATIONS PAID TO MANAGING DIRECTORS / WHOLE TIME DIRECTORS DURING THE FINANCIAL YEAR 2011-12 IS GIVEN HERE BELOW: (Amount in Rs.)

NAME OF DIRECTOR	REMUNERATION	SITTING FEES	TOTAL
Shri Bhagchand G. Sukhwani	201,300	NIL	201,300
Shri Prakash K. Kakkad	161,040	NIL	161,040

Notes :

1. All the elements of remuneration of the Managing Directors and Joint Managing Director i.e. Salary, Commission, Perquisites and other benefits etc. are given in Schedule annexed to and forming part of Profit & Loss Account. For the purpose of Gratuity, pension and other benefits, the services of Managing Directors and Joint Managing Directorship be considered continuous service with the Company from original date of joining.
2. No sitting fees are paid for attending the meeting of the Board or sub committees of the Board.

5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Shareholders/ Investors Grievance Committee looks into and investigate the investors complaints relating to non-receipt of transfer of shares, declared dividends, Annual Reports etc., and take necessary steps for redressal thereof. The Committee consist of the following members:

The Chairman of the Committee Shri Kartik R. Upadhyay and another Shri Amit G. Pande and Sanjay P Memdavadi are non executive and independent members. The Company Secretary will be the Compliance Officer for the Committee. The Committee meets at intervals whenever find necessary to consider shareholders complaints. During the year 2011-12 six meetings of Shareholders' Investors' Grievance Committee were held on 20.04.2011, 23.07.2011, 08.08.2011, 22.10.2011, 21.01.2012 and on 31.03.2012.

During the year 3 complaints were received from the shareholders directly as well as through the regulatory authorities. All the complaints have been solved to the satisfaction of complainants and NIL complaints are outstanding as on 31-03-2012.

All valid transfers received during the financial year 2011-12 have been acted upon by the Company and there is no pending share transfer.

6. GENERAL BODY MEETINGS

(A) Date time and venue where Annual General Meetings/ Extra Ordinary Meetings were held in last three years

Financial Year	Date and Time	Venue	Special Resolution Passed
2008-09	September 29, 2009 at 12.00 Noon	"Mahasagar House ", Jayshri Talkies Road, Kalwa Chowk Junagadh, - 362001.	No
2009-10	September 29, 2010 at 12.00 Noon	"Mahasagar House ", Jayshri Talkies Road, Kalwa Chowk Junagadh, - 362001.	No
2010-11	September 30, 2010 at 10.00 A.M.	"Mahasagar House ", Jayshri Talkies Road, Kalwa Chowk Junagadh, - 362001.	No

No Extra Ordinary General Meeting was convened/held during the year under review by the Company. No resolution is being proposed at the ensuing Annual General Meeting which requires the approval of members through postal ballot.

7. DISCLOSURES :

- (a) There are no material transactions with its promoters, the directors, or the management, their subsidiaries or relatives which may have potential conflict with the interests of the Company at large However wherever any statutory disclosure is require to be made relating to the above transaction is properly disclosed.

The transactions /contracts with related parties are disclosed in note no. 18 of the of the significant Accounting Policy to the financial statements in the Annual Report.

8. MEANS OF COMMUNICATION

The Quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges at which the Company's shares are listed immediately after they are approved by the Board. They are not sent to the individual shareholders.

9. CODE OF CONDUCT

The Board approved the code of Conduct applicable to the Board Members and the senior management of the company for avoidance of conflicts of interest at its meeting dated 31.01.2008 and received necessary declaration affirming compliance with the Code of Conduct.

10. GENERAL SHAREHOLDERS INFORMATION

a) Annual General Meeting :

Date : 29th September, 2012
Time : 10.00 A.M.
Venue : Regd. Office : Mahasagar House , Jayshri Talkies Road ,
Kalwa Chowk, Junagadh - 362001.

b) Financial Calendar :

The Company follows April – March as its financial year. The results for every quarter beginning from April is declared in the month following the quarter. However the results for the fourth quarter are clubbed with the declaration of audited account within three months of the year wherever possible.

c) **Book Closure Date(s) :** 22ND September, 2012 to 29th September, 2012
(both days inclusive)

d) **Dividend Payout Date :** Not Applicable

e) **Listing on Stock Exchanges :** Equity shares of the Company are listed on the Ahmedabad, Mumbai Stock Exchanges and Saurashtra-Kutch Stock Exchange.

Company intends to Voluntarily delist it's securities from Ahmedabad Stock Exchange Ltd. and Saurashtra Kutch Stock Exchange Ltd for which necessary resolutions was passed and application till pending.

The Company has paid the listing fees for the financial year 2010-11 to all the Stock Exchanges.

f) **Stock Code / Symbol :** BSE script code – 526795 other – not available.

Demat ISIN No. : INE 0 0 7 G 0 1 0 1 4

g) **Stock Market Price :** The month wise detail of market prices of the shares during the year 2011-12 of the company at The Bombay Stock Exchange Ltd. are as under:

Month	YEAR	Open Price	High Price	Low Price
APRIL	2011	3.05	4.04	2.89
MAY	2011	3.83	3.83	3.46
JUNE	2011	4.01	4.81	3.45
JULY	2011	4.58	4.58	3.85
AUGUST	2011	4.05	4.05	3.60
SEPTEMBER	2011	3.60	3.78	3.26
OCTOBER	2011	3.10	3.25	3.10
NOVEMBER	2011	3.25	3.25	3.10
DECEMBER	2011	N.A.	N.A.	N.A.
JANUARY	2012	N.A.	N.A.	N.A.
FEBRUARY	2012	3.10	3.10	3.10
MARCH	2012	3.10	3.10	2.62

h) **Registrar & Transfer Agents :** 303. Shoppers Plaza – V, Opp.
Municipal Market, Off C. G. Road,
Navarangpura, Ahmedabad –380 009.

All correspondence for share : Unit : Mahasagar Travels Limited

Transfer in physical form /
demat request form with the
Physical Share Certificates

i) **Share Transfer System** : The shares sent for transfer in physical form are registered by the Share Transfer Agent within 30 days of receipt of documents, if documents are found to be in order. Shares under objection are returned within two weeks.

Dematerialisation requests are normally confirmed within an average period of 21 days.

j) **Category wise distribution of Equity Shareholding as on 31st March, 2012 :**

PARTICULARS	NOS. OF HOLDERS	NOS. OF SHARES	% OF TOTAL
DIRECTORS & RELATIVES	38	2376100	30.22
BODIES CORPORATES	54	80300	1.02
NATIONALISED BANKS	Nil	Nil	Nil
EMPLOYEES	Nil	Nil	Nil
PUBLIC SHAREHOLDERS	4116	5407100	68.76
TOTAL	4208	7863500	100.00

k) **Dematerialisation of Shares** : The Company's shares are under demat mode. The ISIN No. of the Company is INE 0 0 7 G 0 1 0 1 4. Members who are desirous of holding their shares in demat form are requested to apply to their Depository Participants in prescribed demat requisition form along with original share certificates.

l) **Outstanding GDRs / ADRs / Warrants** : Not Issued.

Or any other instruments, conversion

Date and likely impact on equity.

m) **Plant Location(s)** : Not Applicable .

n) **Address for Correspondence** : For any assistance regarding dematerialization of Shares, share transfers, transactions, change of address, non-receipt of dividend or any other query, relating to shares please write to :

REGISTRAR AND SHARE TRANSFER AGENT : Link Intime (India) Pvt. Ltd.
303, Shopper's Plaza – V,
Opp. Municipal Market, Off C. G. Road,
Navarangpura, Ahmedabad -380009
Phone : 079 – 26465179,
Email : ahmedabad@linkintime.co.in

The shareholders may also contact/ write at the Registered Office of the Company for any assistance.

Date : 01-08-2012

For Mahasagar Travels Ltd.

For Mahasagar Travels Ltd.

Place : Junagadh

Sd/-

Bhagchand G. Sukhwani
Managing Director

Sd/-

Prakash Kakkad
Jt. Managing Director

CEO / CFO Certification

To
The Board of Directors,
Mahasagar Travels Limited,
Junagadh

We, Bhagchand Sukhwani –Managing Director & CEO and Prakash Kakkad, Jt. Managing Director and - Chief Financial Officer of Mahasagar Travels Limited hereby certify that:

- a) We have reviewed Financial Statements and the Cash Flow Statement for the Financial Year ended March 31, 2012 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit committee that;
 - i. there have been no significant changes in internal control over financial reporting during the year;
 - ii. there have been no significant changes in accounting policies during the year; and
 - iii. there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Bhagchand Sukhwani
Managing Director & CEO

Prakash Kakkad
Jt. Managing Director & CFO

Place: Junagadh
Dated: 01.08,2012

Declaration of Managing Director

Pursuant to the provisions of Clause 49 of the Listing Agreement, it is hereby declared that all the Board Members and Senior Management Personnel of Mahasagar Travels Limited have affirmed compliance with the Code of Conduct for Directors and Senior Management for the Financial Year ended March 31, 2012

Bhagchand Sukhwani
Managing Director & CEO

Prakash Kakkad
Jt. Managing Director & CFO

Place: Junagadh

Dated: 01.08,2012

CORPORATE GOVERNANCE CERTIFICATE

Auditors' Certificate on Corporate Governance

To,

The Members of

Mahasagar Travels Limited

Junagadh

We have examined the compliance of conditions of Corporate Governance by Mahasagar Travels Limited ('the Company ') for the year ended March 31, 2012, as stipulated in amended Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the representation made by the directors and management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in amended Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievances is pending as on 31st March, 2012 no other investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company which are presented to Shareholders/ Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Junagadh
Dated: 01.08,2012

FOR B.H.ADVANI & ASSOCIATES
CHARTERED ACCOUNTANTS
F.R.N.NO: 117127W
(B.H. ADVANI)
SOLE PROPRIETOR
M.NO.102464, FRN.117127W

AUDITORS' REPORT

TO THE MEMBERS OF MAHASAGAR TRAVELS LIMITED, JUNAGADH

- 1 We have audited the attached Balance Sheet of MAHASAGAR TRAVELS LIMITED, as at 31st March, 2012 and the Profit & Loss Account for the year ended on that date. 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.
- 2 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 principals 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 for our opinion.
- 3 As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 of India (the Act'), and on the basis of such checks of books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said order.
- 4 Further to our comments in the Annexure referred to in paragraph 3 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 account as required by law have been kept by the Company so far as appears from our examination of the books ;
 - (c) The Balance Sheet and Profit & Loss Account statement, referred to in this report, are in agreement with the books of account ;
 - (d) In our opinion, subject to our remarks in paragraph 4(a) above, the Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with this report are in comply with the Accounting Standards referred to in sub – section (3C) of section 211 of companies Act. 1956 ;
 - (e) On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of director is disqualified from being appointed as a director in terms of clause (g) of sub -section (1) of Section 274 of the Act
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statement read with the notes thereon, give the information required by the companies Act 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 Balance Sheet of the state of affairs of the company as at 31st March, 2012 ;
 - (ii) In the case of Profit and Loss Account, of the profit of the Company for the year ended on that date ; and
 - (iii) In the case of the Cash Flow Statement of Cash Flows of the Company for the year ended on that date.

Place: Junagadh
Dated: 01.08,2012

FOR B.H.ADVANI & ASSOCIATES
CHARTERED ACCOUNTANTS
F.R.N.NO: 117127W
(B.H. ADVANI)
SOLE PROPRIETOR
M.NO.102464, FRN.117127W

ANNEXURE TO THE AUDITORS ' REPORT

(Referred to in our Report of even date)

- (i) (a) The Company maintains proper records showing full particulars including quantitative details and situations of fixed asset.
- (b) The fixed assets have been physically verified by the management at all its offices at reasonable interval. Material discrepancies were not noticed.
- (c) The Company did not disposed off a substantial part of fixed assets during the year.
- (ii) (a) The management carried out physical verification of the inventory at reasonable intervals during the year
- (b) In our opinion, and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The Company maintains proper records of inventory, No Discrepancies noticed on physical verification of inventory as compared to the book records.
- (iii) (a) The Company has not granted or taken any loans, secured or unsecured to/from Companies, firms or other parties covered in the register maintained under Section 301 of the Act during the year.
- (b) In our opinion, the terms and conditions of such Loans were not, prima facie, prejudicial to the interest of the Company.
- (c) In respect of the aforesaid Interest free loan, the Company is receiving the Loan amount as stipulated.
- (d) In respect of the aforesaid Loan, there is no specific terms for repayment of loan.
- (iv) In our opinion, the Company has an adequate internal control procedure commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods.
- (v) (a) according to the information and explanation given to us, based on the disclosure of interest made by the directors of the Company, transactions that need to be entered into a register in pursuance of section 301 of the Act have been so entered.
- (b) In our opinion and according to the information and explanations given to us, in respect of the transactions made in pursuance of contracts or arrangement entered in the registers maintained under section 301, the rates at which such services are rendered are reasonable having regard to the prevailing market prices of such services and the commission paid to other parties.
- (vi) The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA of the Act and the rules framed there under are applicable,
- (vii) In our opinion, the Company has an adequate internal control system in the absence of internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Act for any of the activities of the Company.
- (ix) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including,, Income Tax, Sales Tax, RTO Tax etc. and any other statutory dues with the appropriate authorities. Dues as at March, 31st 2012 for a period

exceeding six months from the date they became payable has been accounted for on accrual basis and has been provided for appropriately and is as below.

	Name of the Statute	Nature of dues	Amount	Perieod to which it relate	Due Dates	Date of Payment
1	Fianance act 1994	service tax (cab operator)	155866/=	April-2011 to September-2011	5th of next month	N.A
2	Fianance act 1994	service tax(renting of immovable property)	6180/=	April-2011 to September-2011	5th of next month	N.A

- (x) The Company's accumulated losses at the end of the financial year exceeding 50 % of its net worth. The company does not incurred cash losses during the financial year and in the Financial year immediately preceding such financial year.
- (xi) On the basis of our examination and according to the information and explanation given to us, the Company has not defaulted in repayment of the dues to financial institutions and Banks with respect to its borrowing.
- (xii) According to the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares.
- (xiii) Provision for special statute applicable to chit fund, Nidhi, Mutual Benefit Fund/ Societies are not applicable to the Company.
- (xiv) According to information and explanation given to us, the Company had dealt in trading in shares, securities, debentures and other investments .The company maintains the records properly. However during the year the company has not done any such transaction
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others to banks or financial institution.
- (xvi) The Company has obtained H.P. Vehicle Loan from Banks and Financial Institution and O/D. from bank which has been utilized for the purpose for which it was obtained.
- (xvii) On the basis of our examination and according to the information and explanation given to us, there are no funds raised on a short term basis which are used for long term investment, and vise versa.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act During the Year
- (xix) The Company has not issued debentures. Accordingly, we have no comments.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Place: Junagadh
Dated: 01.08,2012

FOR B.H.ADVANI & ASSOCIATES
CHARTERED ACCOUNTANTS
F.R.N.NO: 117127W

(B.H. ADVANI)
SOLE PROPRIETOR
M.NO.102464, FRN.117127W

Mahasagar Travels Limited
Regd. Office: Jayshree Talkies Road, Kalwa Chowk ,Junagadh

Statement of Profit and Loss for the year ended March 31, 2012

	Notes	<u>31.03.2012</u>	<u>31.03.2011</u>
Revenue			
Change in inventory	16	(348501.23)	339059.10
Revenue from Operations	9	405834891.91	339175239.18
Other Income	10	548260.41	390269.28
Total Revenue		<u>406034651.09</u>	<u>339904567.56</u>
Expenses			
Purchase of Stock Traded	11	183318323.36	138395070.82
Cost of Material Consumed- (Diesel)		106636935.89	98568729.14
Employee Benefits expense	12	7888134.29	6842930.95
Finance Costs	13	3290214.40	2524933.61
Depreciation & Amortisation Expense		24311503.00	21096919.12
Other expenses	14	70167232.72	73638375.39
Total Expenses		<u>395612343.66</u>	<u>341066959.03</u>
Profit before Exceptional, Extraordinary items & Taxation		10422307.43	(1162391.47)
Exceptional items			
Profit before Extraordinary items & Taxation		10422307.43	(1162391.47)
Extra ordinary items	15	758626.00	8422045.00
Profit before Taxation		<u>11180933.43</u>	<u>7259653.53</u>
Tax Expense:			
Current Tax (MAT TAX)		2500000.00	1457300.00
Adjustment for Mat credit Receivable		<u>(2500000.00)</u>	
Profit/(Loss) for the period from continuing operations		11180933.43	5802353.53
Profit/ (Loss) from discontinuing operations			
Tax expense of discontinuing operations			
Profit/(Loss) from discontinuing operations (after tax)			
Profit for the period		<u>11180933.43</u>	<u>5802353.53</u>
Basic / Diluted Earnings Per Share (Face value of Rs.10 each)		1.42	0.74
Summary of significant accounting policies	18		
The accompanying notes are an integral part of the financials statements.			

This is the Profit and Loss Account referred to in our report of even date

For; B.H.Advani & Associates
Chartered Accountants

For and on behalf of Board of Directors of
Mahasagar Travels Limited

(B.H.Advani)
Sole Proprietor
M.No.102464,FRN.117127W

Director

Director

Place: junagadh
Date: 01-08-2012

Mahasagar Travels Limited
Notes to the Accounts for the year ended March 31, 2012

		(Figures in Rs)	
		31.03.2012	31.03.2011
1.1 Share Capital			
Authorised			
80,00,000 Equity Shares of Rs.10/- each		80,000,000	80,000,000
		<u>80,000,000</u>	<u>80,000,000</u>
Issued, Subscribed and Paid-up			
78,63,500 Equity Shares of Rs.10/- each fully paid up.		78,635,000	78,635,000
		<u>78,635,000</u>	<u>78,635,000</u>
a. Reconciliation of the number of shares outstanding			
Equity shares		<u>No. of Shares</u>	<u>March-12</u>
Number of equity shares at the beginning of the Year		7,863,500	78,635,000
Equity shares issued during the year		-	-
Less Shares bought back during the year		-	-
Number of equity shares at the end of the Year		<u>7,863,500</u>	<u>78,635,000</u>
The company has issued "Nil" shares during the period of five year immediately preceding the balance sheet date			78,635,000
b. Terms and rights attached to equity shares			
The Company has only one class of equity shares having a face value of Rs10 per share. Each holder of the equity shares is entitled to one vote per share	N.A.	N.A.	N.A.
			N.A.
c. Shares held by holding/ ultimate holding company and/or their subsidiaries/ associates			
Out of the equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:	N.A.	N.A.	N.A.
Equity shares held by Holding company -.....			N.A.
d. Aggregate number shares issued for consideration other than cash during the period of five years immediately preceding the reporting date	N.A.	N.A.	N.A.
e. Aggregate number of Bonus shares issued during the period of five years immediately preceding the reporting date	N.A.	N.A.	N.A.
f. Details of shareholders holding more than 5% shares in the company			
Hiteshbhai Ramjibhai Javeri	491600 Shares	6.25% 491600 Shares	6.25 %

2.0 Reserves and Surplus	<u>31.03.2012</u>	<u>31.03.2011</u>
Other Reserves:		
General Reserve		
As per last Balance Sheet	900250.00	900250.00
Surplus as per Profit and Loss account		
As per last Balance Sheet	(61736054.98)	(67538408.51)
MAT Tax Adjustments*	2366239.00	
Add: Profit / (Loss) for the year	<u>11180933.43</u>	<u>5802353.53</u>
	<u>(47288632.55)</u>	<u>(60835804.98)</u>

* MAT Tax Adjustments represents net amount charged to P.L.account of earlier F.Y. 2009-10 and F.Y. 2010-11 to the tune of Rs.1059501 and Rs.1306738 respectively, which is adjustable as setoff against Income Tax.

	(Figures in Rs)	
	31.03.2012	31.03.2011
3 Non-Current Liabilities		
3.1. Other Long term Liabilities		
Secured Loans:*		
From Banks		
ICICI Bank	13972608.00	1274943.00
HDFC Bank	9878831.00	8977475.00
From Others		
Reliance Capital Ltd		5378000.00
	23851439.00	15630418.00
<i>* Secured by hypothication of vehicles purchased and payable within period of three years.</i>		
3.2 Long term Provisions		
Provision for Service Tax	25927360.00	26115944.00
	25927360.00	26115944.00

	(Figures in Rs)	
	31.03.2012	31.03.2011
4. Current Liabilities		
4.1.Short Term Borrowings		
Secured		
The JCCB Ltd. (Bank OD)*	7459620.16	7132473.31
	7459620.16	7132473.31
<i>* Secured against the mortgage of assets stated at B-5 and B-33 in note:5</i>		
4.2. Trade Payables		
Trade Payables		
Travel Division	6803780.12	6907472.45
Petroleum Division	5894909.10	5830900.38
	12698689.22	12738372.83
4.3. Other Current Liabilities		
Current maturities of :		
Long-term borrowings		
Travel Division		
From Banks		
HDFC Bank	18676552.00	9077040.00
ICICI Bank	1274943.00	2660832.00
From Others		
Reliance Capital Ltd	6655164.89	8709620.85
Travel Division		150000.00
	26606659.89	20597492.85
4.4. Short-term Provisions		
Provision For Taxation		1400000.00
Current Year Tax Provision	2500000.00	
VAT Payable	88460.56	
Others		
Provision for Audit Fees	33000.00	33000.00
	2621460.56	1433000.00

DETAILS OF FIXED ASSETS

TRAVELS DIVISION

SCHEDULE : 5(i)

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	BALANCE AS ON 1.4.2011	ADDITION DURING THE YEAR	SALE	TOTAL AS ON 31.3.2012	BALANCE AS ON 1.4.2011	PROVIDED DURING THE YEAR	TOTAL AS ON 31.3.2012	BALANCE AS ON 1.4.2011	BALANCE AS ON 31.3.2012
Ahmedabad Office Premises (Profit on sale of above office)	563,635.00	0.00	552,787.00	10,848.00	274,335.00	10,848.00	285,183.00	289,300.00	0.00
Air Conditioner	477,419.87	24,000.00	821,548.00	501,419.87	257,819.87	32,120.00	289,939.87	219,600.00	211,480.00
Building cons.At Sukhpur	2,251,111.04	0.00	0.00	2,251,111.04	746,257.04	150,897.00	897,154.04	1,504,854.00	1,353,957.00
Bus-Heavy Vehicle	250,270,841.36	46,361,930.00	5,390,000.00	291,242,771.36	211,932,464.15	22,230,206.33	234,162,670.48	38,338,377.21	57,080,100.88
Car	4,861,350.00	0.00	0.00	4,861,350.00	3,175,477.00	437,668.00	3,613,145.00	1,685,873.00	1,248,205.00
Computer	927,667.75	3,300.00	0.00	930,967.75	818,729.75	44,269.00	862,998.75	108,938.00	67,969.00
Depot Bldg. at Maje. Gate	1,400,312.00	0.00	0.00	1,400,312.00	777,932.00	62,408.00	840,340.00	622,380.00	559,972.00
Electrification	361,995.50	0.00	0.00	361,995.50	278,495.50	11,646.00	290,141.50	83,500.00	71,854.00
Fax Machine	59,747.00	0.00	0.00	59,747.00	51,747.00	1,115.00	52,862.00	8,000.00	6,885.00
Majewdi Gate Work-Shop	3,798,101.40	0.00	0.00	3,798,101.40	2,300,801.40	150,140.00	2,450,941.40	1,497,300.00	1,347,160.00
Mobile Phone	303,754.00	3,850.00	0.00	307,604.00	159,952.00	20,508.00	180,460.00	143,802.00	127,144.00
Office at Kalwa Chowk	1,956,893.00	0.00	0.00	1,956,893.00	798,923.00	58,057.00	856,980.00	1,157,970.00	1,099,913.00
Office Furniture	1,007,509.25	0.00	0.00	1,007,509.25	885,714.25	22,105.00	907,819.25	121,795.00	99,690.00
Plot of Land at Sukhpur	464,845.00	0.00	0.00	464,845.00	0.00	0.00	0.00	464,845.00	464,845.00
Rajkot Office Premises	524,395.00	0.00	0.00	524,395.00	206,905.00	15,917.00	222,822.00	317,490.00	301,573.00
Rajkot Office Premises 2	1,708,323.00	0.00	0.00	1,708,323.00	443,973.00	63,390.00	507,363.00	1,264,350.00	1,200,960.00
Rajkot Office Premises 3	1,443,930.00	0.00	0.00	1,443,930.00	61,800.00	69295	131,095.00	1,382,130.00	1,312,835.00
Refrigerator	10,443.00	0.00	0.00	10,443.00	9,413.00	143.67	9,556.67	1,030.00	886.33
Security Equipments	148,292.00	0.00	0.00	148,292.00	111,742.00	5,098.00	116,840.00	36,550.00	31,452.00
Tape	1,212,670.00	0.00	0.00	1,212,670.00	632,970.00	80,857.00	713,827.00	579,700.00	498,843.00
Television	1,854,974.00	115,300.00	0.00	1,970,274.00	913,844.00	137,275.00	1,051,119.00	941,130.00	919,155.00
V.C.R.	855,377.00	10,666.00	0.00	866,043.00	629,647.00	32,470.00	662,117.00	225,730.00	203,926.00
Vehicle	117,170.00	45,681.00	0.00	162,851.00	89,680.00	16,112.00	105,792.00	27,490.00	57,059.00
Water Cooler	84,956.00	0.00	0.00	84,956.00	61,086.00	3,329.00	64,415.00	23,870.00	20,541.00
Works Tools,Spares & M/c	932,094.00	0.00	0.00	932,094.00	616,814.00	43,975.00	660,789.00	315,280.00	271,305.00
Work-Shop at Kalwa Chowk	5,403,476.00	0.00	0.00	5,403,476.00	3,964,796.00	144,262.00	4,109,058.00	1,438,680.00	1,294,418.00
Total Rs.(As at 31.3.2012).....	283,001,282.17	46,564,727.00	5,942,787.00	323,623,222.17	230,201,317.96	23,844,111.00	254,045,428.96	52,799,964.21	69,852,128.21
Total Rs.(As at 31.3.2011).....	264,401,211.96	27,919,525.21	9,319,455.00	283,001,282.17	209,344,882.96	20,856,435.00	230,201,317.96	55,056,329.00	52,799,964.21

DETAILS OF FIXED ASSETS

PETROLEUM DIVISION

SCHEDULE : 5 (II)

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	BALANCE AS ON 1.4.2011	ADDITION DURING THE YEAR	SALE	TOTAL AS ON 31.3.2012	BALANCE AS ON 1.4.2011	PROVIDED DURING THE YEAR	TOTAL AS ON 31.3.2012	BALANCE AS ON 1.4.2011	BALANCE AS ON 31.3.2012
Air Conditioner	18000.00	0.00	0.00	18000.00	3450.00	2029.00	5479.00	14550.00	12521.00
C C Tv Camera	17366.00	0.00	0.00	17366.00	3166.00	1981.00	5147.00	14200.00	12219.00
Computer	46,677.00	0.00	0.00	46,677.00	33,327.00	5,355.00	38,682.00	13,350.00	7,995.00
Electrification	63,851.82	0.00	0.00	63,851.82	31,051.82	4,575.00	35,626.82	32,800.00	28,225.00
Office Furniture	98,604.81	0.00	0.00	98,604.81	44,774.81	9,770.00	54,544.81	53,830.00	44,060.00
Pump Construction	1,196,967.56	0.00	0.00	1,196,967.56	362,467.56	83,678.00	446,145.56	834,500.00	750,822.00
Water Cooler	26,475.00	0.00	0.00	26,475.00	12,775.00	1,910.00	14,685.00	13,700.00	11,790.00
Generator	35,000.00	0.00	0.00	35,000.00	14,220.00	2,898.00	17,118.00	20,780.00	17,882.00
Mobile	2,400.00	0.00	0.00	2,400.00	600.00	251.00	851.00	1,800.00	1,549.00
Tanker Purchased	1,050,000.00	163,044.00	0.00	1,213,044.00	191,800.00	354,945.00	546,745.00	858,200.00	666,299.00
Total Rs.(As at 31.3.2012).....	2,555,342.19	163,044.00	0.00	2,718,386.19	697,632.19	467,392.00	1,165,024.19	1,857,710.00	1,553,362.00
Total Rs.(As at 31.3.2011).....	1,635,662.19	1,019,680.00	100,000.00	2,555,342.19	457,148.07	240,484.12	697,632.19	1,178,514.12	1,857,710.00

(Figures in Rs)

	<u>31.03.2012</u>	<u>31.03.2011</u>
6. Long term Loans and Advances		
(Unsecured, considered good unless stated otherwise)		
Security Deposits - considered good		
Travel Division		
Cylinder Deposit	1000.00	1000.00
Deposit (Orbit.Rjt)	500.00	500.00
G.E.B. Deposit	46400.00	46400.00
Guj.E.A.Order Bonds	2500.00	2500.00
Octroi Deposit (Rjt)	25000.00	25000.00
Telephone Deposits	59156.00	60459.00
Tender Deposit (Jnd)	5000.00	5000.00
	<u>139556.00</u>	<u>140859.00</u>
Petroleum Division		
G.E.B. Deposit A/c.	4200.00	4200.00
I.O.C.L. (Deposit) A/c.	300000.00	300000.00
I.O.C.L. Tenker Deposit A/c.	100000.00	50000.00
J.K.Tyre & Industries (Deposit)	500000.00	0.00
Pay & AC. Office(M/O.Road Trpt.)Deposit	100000.00	100000.00
	<u>1004200.00</u>	<u>454200.00</u>
	<u>1143756.00</u>	<u>595059.00</u>
7. Other Non-Current Assets		
Unsecured		
Long-term Trade Receivables	4921678.00	5482056.00
Investments		
Long term investment at cost		
investment in unquoted Equity shares		
Anjali Solvex Ltd.	1000000.00	1000000.00
Begani Dyeing Mills Ltd.	1000000.00	1000000.00
Breon Fine Chem (Invest)	1500000.00	1500000.00
Hiranya Finanance & Manag Con	100000.00	100000.00
JCC Bank Ltd.Junagadh.(Invest)	112500.00	112500.00
Maruti Extraction Ltd(Invest)	5100000.00	5100000.00
	<u>8812500.00</u>	<u>8812500.00</u>
Investment in Patnrship Firms	5991612.00	4689500.00
Noble Creators		
Share of the company 33%		
Name of the other partner: Nilesh Dhuleshiya 33%		
Mohanbhai K. Kalathia 10%		
Jayantbhai K. Kalathia 12%		
Ajitsinh C. Parmar 12%		
MAT credit available for Set off : Previous years	2366239.00	1500000.00
Current Year	2500000.00	0.00
	<u>24592029.00</u>	<u>20484056.00</u>

	<u>31.03.2012</u>	<u>31.03.2011</u>
8. Current Assets		
8.1 Inventories		
Petroleum Division		
Stock in trade	1675965.60	3011466.83
8.1. Trade Receivables		
(Unsecured, considered good unless stated otherwise)		
Exceeding six months:		
Considered Good		
Travel Division	12122201.00	10390642.22
Petroleum Division	689969.85	1560491.82
Less: Provision for Doubtful Debts	0.00	0.00
	14488136.45	14962600.87
Others		
Considered Good		
8.2. Cash and Cash Equivalents		
Balances with Banks:		
in Current accounts		
Travel Division		
Bank of Baroda,Jnd	203317.91	424669.99
ICICI Bank-Junagadh	19317.88	0.00
Indian Bank-Junagadh	585036.00	5909.00
SBI-Ahmedabad	44338.27	44888.27
SBI - Junagadh	105861.40	229639.40
Syndicate Bank - Abd	211863.04	301886.04
Syndicate Bank ,Jnd	23094.61	17673.36
The Junagadh Comm.Bank Ltd.2065	28228.13	7408.13
Vera. Mer.Co.Op Bank Ltd. (rjt)	11367.81	11367.81
Veraval Merc. Co. Op Bank Ltd.	13688.49	13688.49
Petroleum Division		
Indian Bank	14516.00	0.00
State Bank of India A/c	164627.00	13074.00
The Junagadh Com-Co Op. Bank Ltd	7069.50	280204.50
in Deposit account		
SBI Fixed Deposit	700000.00	0.00
Interest in accrued on SBI FD (Net of TDS)	108063.00	0.00
	Total (A)	2240389.04
		1350408.99
Cash on Hand		
Travel Division	13505922.87	5511540.71
Petroleum Division	65596.71	112263.71
	Total (B)	13571519.58
	Total (A + B)	5623804.42
	15811908.62	6974213.41
8.3. Short Term Loans and Advances		
Taxes and Duties paid in advance		
Travel Division	136539.00	61582.00
Petroleum Division	0.00	49751.52
Prepaid Expenses		
Travel Division		
Insurance Exp.	948225.00	739547.00
Advances to employees		
Travel Division	1981000.00	1868000.00
Taxes and Duties paid in advance		
Travel Division		
Advance for Income-Tax Appeal	0.00	1000000.00
Advance RTO Tax	4512.00	54412.00
	3070276.00	3773292.52
Less: Provision for Doubtful Advances	0.00	0.00
	3070276.00	3773292.52

	(Figures in Rs)	
	31.03.2012	31.03.2011
9. Revenue from Operations		
Sale of Products & Services		
<i>Travels Division</i>		
Travelling Income	214836531.00	196987993.00
<i>Petroleum Division</i>		
Stock transfer	74290334.43	66846557.78
Diesel Sales	87781654.01	56008054.08
Oil Sales	150925.97	128487.70
Distil Water Sales	923.49	3097.29
Petrol Sales	11413182.01	5717720.33
Other Operating Revenues		
<i>Travels Division</i>		
Luggage Income	14605572.00	12706055.00
<i>Petroleum Division</i>		
IOCL Transport Income	2755769.00	777274.00
	405834891.91	339175239.18
10. Other Income		
<i>Travels Division</i>	193752.65	255112.06
<i>Petroleum Division</i>	217824.76	601.22
<i>Travels Division</i>		
Rental Income	134556.00	134556.00
<i>Travels Division</i>		
Dividend Income	15.00	0.00
Other Non Operating Income:		
Share of profit from Partnership firm	2112.00	0.00

	(Figures in Rs)	
	31.03.2012	31.03.2011
11. Purchase of stock traded & other Direct Expenses		
Travels Division		
Battery expenses	352287.15	447455.00
Grease-oil expenses	1577137.00	1290218.00
Spare parts expenses	2877200.00	2108109.00
Tyres expenses	7291023.78	6648525.00
Petroleum Division		
Diesel	157396539.70	122182912.15
Distil Water	3207.41	895.96
Oil	171832.76	71862.82
Petrol	11149342.75	5645092.89
Tyre tube & flap	2499752.81	0.00
	183318323.36	138395070.82
12. Employee Benefits Expenses		
Salaries and Wages		
Travel Division	6291265.00	5696205.00
Contribution to Provident and Other Funds	1154175.00	1039072.00
Staff Welfare expenses	119694.29	107653.95
Petroleum Division	323000.00	0.00
	7888134.29	6842930.95
13. Finance Cost		
Interest		
<i>Travel Division</i>	3165215.04	2265226.11
<i>Petroleum Division</i>	29378.00	150000.00
Bank Charges		
<i>Travel Division</i>	37131.36	74500.00
<i>Petroleum Division</i>	58490.00	35207.50
	3290214.40	2524933.61
14. Other Expenses		
Printing & stationery		
<i>Travel Division</i>	219772.75	217121.50
<i>Petroleum Division</i>	16946.00	113300.00
Protection and security charges		
<i>Travel Division</i>	92652.00	89343.00
<i>Petroleum Division</i>	46330.00	44667.00
Power and Fuel		
<i>Travel Division</i>	129738.08	128329.84
<i>Petroleum Division</i>	1683815.55	554770.06
Repairs and Maintenance:		
Travel Division		
Vehicle Repairing	8128548.26	6959192.83
Others	28080.00	53177.00
Petroleum Division		
Vehicle Repairing	0.00	31591.00
Others	363876.00	0.00
Office Expenses		
<i>Travel Division</i>	494467.60	540894.24
<i>Petroleum Division</i>	87743.00	43891.00

Rates and Taxes		
<i>Travel Division</i>	26364650.00	26312668.00
<i>Petroleum Division</i>	18650.00	112893.00
Insurance		
<i>Travel Division</i>	1758690.00	754676.00
<i>Petroleum Division</i>	41474.00	10278.00
Travelling and Conveyance		
<i>Travel Division</i>	87447.00	8999.00
Legal and Professional		
<i>Travel Division</i>	82850.00	48500.00
<i>Petroleum Division</i>	14100.00	25200.00
Transportation and logistics charges		
<i>Travel Division</i>	619260.00	539775.00
Electrical Expenses		
<i>Travel Division</i>	387862.00	357190.00
<i>Petroleum Division</i>	108284.00	117465.00
Auditors' Remuneration:		
Audit Fees	33000.00	33000.00
Other Expenses		
<i>Travel Division</i>		
Other Misc Exp.	284431.62	233307.00
Commission expenses	27365600.00	24952357.00
Director's expenses	362340.00	362340.00
Demat Charges	57839.28	56501.54
ROC & Listing Fees	55013.00	34453.00
Charity Expenses	154360.00	79239.00
Computer Main. Exp.	119815.48	9715.00
Telephone Exp.	219133.10	238683.84
Parking Expenses	622433.00	409238.00
Phool Haar Expenses	100431.00	96266.00
F & O loss	0.00	10000274.54
<i>Petroleum Division</i>		
Other Misc Exp.	17600.00	69079.00
	70167232.72	73638375.39
15. Extraordinary Items		
Profit on sales of fixed assets	821548.00	8422045.00
TDS of earlier years written-off	(62922.00)	0.00
	758626.00	8422045.00
16. Change in inventory		
Closing Stock	1675965.60	2024466.83
Less: Opening Stock	2024466.83	1685407.73
	(348501.23)	339059.10
17. Contingent Liability not provided for:		
Income Tax matter under Appeal	6508160	0.00

MAHASAGAR TRAVELS LIMITED, JUNAGADH

SCHEDULE - 18

Attached to and forming part of accounts for the year ending on Date 31.03.2012

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. Significant Accounting Policies:

1 System of Accounting

The financial statements of the company are prepared in accordance with The mercantile system and historical cost basis and confirm to the statutory provisions and accepted accounting practices prevailing in the country except as otherwise stated below.

2 Basis of Accounting

All Income and Expenditure items having a material bearing on the financial statements are recognised on accrual basis.

3 Fixed assets

Fixed Assets are stated at cost of acquisition / construction inclusive of freight, duties, taxes and incidental expenses, Major repairing, body building Expenses and new Vehicle Finance charges and less net consideration of Sales proceeding.

4 Depreciation

Company has provided depreciation on fixed assets on WDV method. As Opening WDV Block add Purchase Cost, Less net Sales consideration of assets sold.

5 Investment:

Investment shown in Balance Sheet is valued at cost basis.

6 Valuation of Inventory:

Closing Stock of Tyers & Other Spares Materials are valued at cost basis . Petroleum Stock is valued at cost price.

7 Travel, Luggage Income and Petroleum Income

Travel & Luggage income as well as petroleums division's income are accounted on accrual basis.

8 Retirement Benefits:

Contribution to provident fund and ESI are paid as a percentage of Salary/Wages.

9 Accounting for Taxes on Income:

Provision for MAT Tax has been made as per rules applicable. Differed Tax resulting from timing difference between book and tax profits is accounted for under the liability method, at the current rate of tax, to the extent that the timing differences are expected reverse. Deferred tax assets are recognized and carried forward only if there is a reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective caring values at each balance sheet date.

10 Borrowing Cost

Borrowing Cost directly attributed to the acquisition of Vehicles are capitalized as part

of the cost of that asset.

11 Miscellaneous Expenditure :

Preliminary and share issue expenses of the company has been written off over a period of ten years from the year of commencement of commercial activities, During the current year it is Nil.

12 Consumption of Inventory

Consumption or usage of Inventory like Tyres, Battries and spare parts for Travel Business has been accounted in Direct Expenses as Opening Inventory Add Purchase less Closing Inventory.

B. Notes on Account :

- 1 Figures have been regrouped in order to comply with the requirement of Revised Schedule VI.
- 2 In respect of unquoted long term investment made by the Company, Company has made Investment in the shares at face value. In the opinion of Board of Directors it will be realized in the ordinary course of business and no provision is required.
- 3 No any Loans & Advances made u/s. 301.
- 4 In the opinion of the Board of Directors, the current assets, loans and advances have a value on realisation, atleast equal to the amount stated in the Balance Sheet. In the opinion of Board of Directors, current Assets, Loans and Advances are considered good and recoverable in cash or in kind and will be realised in the ordinary course of business and board confirms provisions for all known liabilities are made adequately.
- 5 Claims made by the company with general insurance company arising out of accident of bus at different times, are pending for settlement by the insurance company. Amount incurred (Net of insurance claims) on accidents of bus are charged to Profit & Loss Account.
- 6 Based on the information available with the management, the Company does not owe any sum to a small-scale industrial undertaking as defined in clause (i) of section 3 of the Industries (Development and Regulation Act), 1951.
- 7 Closing Stock of Tyres & Other Materials are valued at cost basis. Stock of Petroleum Business are valued at Cost Basis.
- 8 No any Foreign Exchange has been earned nor spent during the year. No any Foreign Expenditure has been made.
- 9 The company had acquired assets (Referred in Schedule "4") Majewadi Gate work – shop through execution of Memorandum of Understanding and paid part of the payment towards the acquisition of such assets.
- 10 The Segment Report Of Mahasagar Travels Ltd. And its division of Petroleum has been prepared in accordance with Accounting Standard 17 "Segment Reporting" issued by The Institute of Chartered Accountants of India.

Segment wise Information

(Rs. In Lacs)

PARTICULARS	TRAVELS		PETROLEUMS	
	Cu.year 2011-12	Pre.year 2010-11	Cu.year 2011-12	Pre.year 2010-11
Revenue from Customer	2148.37	1969.88	993.46	618.57
Revenue from Transfer	-----	-----	742.90	668.47
Other Income	157.57	130.96	29.74	7.77
Increase / (Decrease) in Stock	-----	-----	(3.49)	3.39
Total Revenue	2305.94	2100.84	1762.61	1298.20
Direct Expenses	1900.39	1748.32	1712.20	1279.01
Administrative & Selling Expenses	72.94	59.28	28.09	13.08
Depreciation	238.44	208.56	4.68	2.40
Segment Operating Profit /(Loss)	94.17	84.67	17.64	3.71
Mat tax Payable	25.00	14.57	-----	-----
Net Profit / (Loss) after Taxation	69.17	70.09	17.64	3.71
Mat tax Credit Receivable	25.00	-	-	-
	94.17	-	-	-
Other Information	-----	-----	-----	-----
Segment Assets	1702.17	1572.02	59.83	56.72
Segment Liabilities	906.82	776.66	59.83	59.80

11 Differed Taxation

The management, as a matter of prudence, has not recognized net deferred tax assets in respect of unabsorbed/carried forward balances of period up to 31st March, 2012.

12 (i) Parties where control exist

NIL

(ii) Other parties with whom the company has entered into transaction in normal course of Business during the year.

(1) Associates

(i) Mahashakti Tours & Travels Pvt Ltd

(ii) New shakti travels

(iii) Noble Creators

(2) Key Management Personal:

Bhagchand G. Sukhvani - Managing Director

(Rs. In Lacs)

Sr No.	Natur of Transaction	Parties referr. To in 1 above 31/03/12	Parties to in 31/03/12	Parties referr. above 31/03/12	Parties to in (2) 31/03/12
1	Rendering of Services		103.52	0	103.52
2	Rendering of Services		82.74	0	82.74

13 Particulars of Auditors Remuneration's :

	<u>Current Year</u>	<u>Previous Year</u>
Statutory Audit Fees	27000	27000.00
Tax Audit Fees	6000	6000.00
Total	<u>33000.00</u>	<u>33000.00</u>

14 Particulars of Earning Per Share

Net Profit for the year	Rs.	11180933.43
Number of Shares(Nos.)	Nos	7863500
Nominal Value of the Shares (Rs.)	Rs.	10
Earning per share (Rs.)	Rs.	1.42

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Registration Details
Registration No. 04-20289
Balance Sheet Date 31.03.2012 (31st March 2012)

State Code 04

I Capital raised during the year (In Rs.)

Public Issue
NIL
Bonus Issue
NIL

Right Issue
NIL
Private Placement
NIL

II Position of Mobilisation and Deployment of Funds (Rs. In Thousand)

Total Liabilities
130,512

Total Assets
130,512

Sources of Funds
Paid up Capital
78,635
Secured Loans
57,918

Reserves & Surplus
900
Unsecured Loans
0

Application of Funds

Net Fixed Assets
71,405
Net Current Assets
9,046
Accumulated Losses
61736

Investments
8813
Misc. Expenditure
NIL

III Performance of Company (Rs. In Thousand)

Turnover
406793.28

Total Expenditure
395612.34

Profit Before Tax
11180.93

Profit After Tax
11180933.43

Earning Per Share in Rs.
1.42

Dividend Rate
NIL

IV Generic Names of the Principal Product of the Company
Item Code No.

(ITC Code)

Tours & Travels & Petrol pump

Signature to Schedule 1 to 18 For & On behalf of the Board of Directors forming part of Balance Sheet.

FOR B.H.ADVANI & ASSOCIATES
CHARTERED ACCOUNTANTS

FOR & ON BEHALF OF BOARD OF DIRECTORS
OF MAHASAGAR TRAVELS LTD.

(B.H.ADVANI)
SOLE PROPRIETOR
M.No.102464,FRN.117127W

(Bhagchand Sukhwani)
Managing Director

PLACE : JUNAGADH

(Prakashbhai Kakkad)
Jt. Managing Director

DATE : 1/8/2012

Mahasagar Travels Limited
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	AMOUNT	AMOUNT
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit After Tax		11180933.00
Adjusted For :		
Provision for Taxaion - Mat	2500000.00	
Interest Accrued on fixed deposits	108063.00	
Decrease in Provision	(1588584.00)	
Increase in tax credit	2366239.00	
MAT Credit Reversal	(2500000.00)	
Depreciation Provision	24311503.00	25197221.00
Operating Profit before working capital changes		36378154.00
Adjustment for		
(Increase) / Decrease in Working Capital Loan	327147.00	
(Increase) / Decrease in Inventories	1335501.00	
(Increase) / Decrease in other Current Assets	(98671.00)	
Increase / (Decrease) in Sundry Creditors	(439093.00)	
(Decrease) / Increase in Sundry Debtors	(489775.00)	635109.00
Cash Generated from Operation		37013263.00
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(47549319.00)	
Loan & advances increase	(854726.00)	
Sale of fixed Assets	6490000.00	
S.B.I Fixed deposit	700000.00	
Payment of Deposites	(1341703.00)	(42555748.00)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Secured/Unsecured Loans	14380180.00	
	0.00	14380180.00
TOTAL (A+B+C)		8837695.00
Increase / Decrease in Cash and cash equivalents		
Opening Balance of Cash and Cash Equivalents	6974213.00	
Closing Balance of Cash and Cash Equivalents	15811908.00	
Net Changes	8837695.00	

FOR,MAHASAGAR TRAVELS LTD

FOR,MAHASAGAR TRAVELS LTD

Mr. Bhagchand G. Sukhvani
 Managing Director

Mr. Prakash K Kakkad
 Joint Managing Director

Place : JUNAGADH
 Date : 1/8/2012

AUDITOR'S REPORT

We have examined the cash flow statement of **MAHASAGAR TRAVELS LIMITED** for the year ended 31.03.2012. The statement has been prepared by the Company in accordance with the requirements of the listing agreement with the stock exchange and is based on and derived from the Audited Accounts of the Company for the year ended 31.03.2012

For B.H.ADVANI & ASSOCIATES
 Chartered Accountants

Place :- Junagadh
 Date :- 1/8/2012

(B.H.ADVANI)
 Sole Proprietor
 M.No.102464,FRN.117127W

MAHASAGAR HOUSE, KALVA CHOWK, JUNAGADH - 362001
ATTENDANCE SLIP

Please fill in the attendance slip and hand it over at the entrance of the meeting hall. Joint holders may obtain additional slip on request.

FOLIO NO./DP ID No. and Client ID No.: _____ No of Shares held: _____

Name and address of the shareholder ; _____

I hereby record my presence at the 19th ANNUAL GENERAL MEETING of the Company held at the Registered Office of the Company at "Mahasagar House", Kalwa Chowk, Junagadh-362 001 on Saturday, the 29th September, 2012.

Signature of the Shareholder / Proxy" _____

*Strike out which ever is not applicable

MAHASAGAR TRAVELS LIMITED
REGD. OFF: MAHASAGAR HOUSE, KALVA CHOWK, JUNAGADH - 362001
FORM OF PROXY

FOLIO NO./DP ID No. and Client ID No.: _____ No of Shares held: _____

I/We _____ of _____

in the district of _____ being a member/members

of MAHASAGAR TRAVELS LIMITED hereby appoint _____

of _____ in the district of _____

or failing him _____ of _____

in the district of _____ as my/our proxy to vote for

me/us on my/our behalf at the 19 th ANNUAL GENERAL MEETING of the Company to be held on

Saturday, the 29th September, 2012 at 10:00 A.M. at the Registered Office of the Company at Mahasagar

House", Kalwa Chowk, Junagadh-362 001 and any adjournment thereof.

Signature _____

Signed this _____ day of _____ 2012.

Affix
Revenue
stamp

Note : The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

BOOK-POST / ORDINARY

To,

IF UNDELIVERED PLEASE RETURN TO :
FROM :
MAHASAGAR TRAVELS LIMITED
MAHASAGAR HOUSE,
JAYSHRI TALKIES ROAD,
KALWA CHOWK, JUNAGADH - 362 001.