

Born to Win

‘चरति चरतो भगः’

Mahasagar TRAVELS LIMITED



16th Annual Report

Year 2008-2009

REGD. OFFICE

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

MAHASAGAR TRAVELS LIMITED

BOARD OF DIRECTORS

1. Shri Kartik R. Upadhyay
Chairman
2. Shri Bhagchand G. Sukhwani
Managing Director
3. Shri Prakashbhai K. Kakkad
(Joint Managing Director)
4. Shri Ravi S. Karia
Non Executive Director
5. Shri Amit G. Pande
Ind. Non Exec. Director
6. Shri Sanjay P. Mehemdavadi
ind. Non Exec. Director

AUDITORS

M/s. B. H. ADWANI & ASSOCIATES
Chartered Accountant
Junagadh

COMPANY LAW CONSULTANT

KISHOR DUDHATRA
PRACTISING COMPANY SECRETARY

BANKERS

1. V. M. C. Bank Ltd., Junagadh
2. V. M. C. Bank Ltd. Rajkot
3. S. B. I., Junagadh
4. Syndicate Bank, Ahmedabad
5. Junagadh Com. Co.-Op. Bank Ltd.
6. Bank of Baroda , Junagadh

REGD. OFFICE

Mahasagar House,
Jayshri Talkies Road, Kalwa Chowk,
Junagadh.

REGISTRAR AD SHARE TRANSFER AGENT

LINK INTIME (INDIA)PVT LTD.
211, Sudarshan Complex,
Mithakhali Six Road,
Navarangpura,
Ahmedabad -380009

NOTICE

Notice is hereby given that the 16th Annual General Meeting of the Members of the Company will be held on Tuesday, the 29th September, 2009 at 12 :00 Noon. 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, 2009 together with the Auditor's Report thereon.
2. To Appoint a Director in place of Shri Samjay P. Mehmadvadi who retires by rotation and is eligible for re- appointment.
3. To Appoint a Director in place of 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.

SPECIAL BUSINESS:

5. **To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 198,269,309,310 read with Schedule XIII and all other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) the consent of the Company be and is hereby accorded to the re-appointment of Shri Bhagchand G. Sukhwani, as Chairman & Managing Director of the Company for a period of five years with effect from 1st January, 2009 on the terms and conditions and stipulations including remuneration as are set out in the agreement to be entered in to between the Company and Mr. Bhagchand G. Sukhwani, a draft whereof submitted to this meeting duly initialed by the Chairman for the purpose of identification, which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board.) to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement without the matter being referred to the company in General Meeting subject to the same not exceeding the limits specified under Part II of Schedule XIII of the Companies Act, 1956, including any statutory modifications or reenactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time or any amendments thereto as may be agreed to between the Board and Mr. Bhagchand G. Sukhwani."

"RESOLVED FURTHER THAT in absence of profit or inadequate profit the remuneration specified herein above shall be the minimum remuneration payable to Mr. Bhagchand G. Sukhwani Chairman & Managing Director of the Company.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things or matters and take such steps as in its absolute discretion, it may consider necessary, proper, expedient and desirable to give effect to this resolution. "

6. **To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 198,269,309,310 read with Schedule XIII and all other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) the consent of the Company be and is hereby

accorded to the re-appointment of Mr. Prakash K. Kakkad, a draft whereof submitted to this meeting duly initialed by the Chairman for the purpose for identification, which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board.) to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement without the matter being referred to the company in General Meeting subject to the same not exceeding the limits specified under Part II of Schedule XIII of the Companies Act, 1956, including any statutory modifications or reenactment thereof for the time being

in force or as may hereafter be made by the Central Government in that behalf from time to time or any amendments thereto as may be agreed to between the Board and Mr. Prakash K.Kakkad.”

“**RESOLVED FURTHER THAT** in absence of profit or inadequate profit the remuneration specified herein above shall be the minimum remuneration payable to Mr. Prakash K. Kakkad Joint Managing Director of the Company.

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things or matters and take such steps as in its absolute discretion , it may consider necessary, proper, expedient and desirable to give effect to this resolution.”

7 **To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** the consent of the company be and is hereby accorded in terms of Section 293 (1)(d) and all other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company for Borrowing for and on behalf of the Company, from time to time, for the purpose of business of the company, from any one or more banks, financial Institutions and other persons, firms, bodies corporate, any sum or sums of monies, on such terms and conditions as the Board of Directors may deem fit notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the company’s bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose provided that the total amount upto which monies may be borrowed at any time shall not exceed Rs. 25 crores. (Rupees Twenty Five Crores)”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution”.

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 FOURTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain close from monday, the 28th September, 2009 to tuesday, the 29th September ,2009 (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., 211, Sudarshan Complex, Mithakhali Six Roads 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 and had it over at the entry gate
 - iii) approach the Registrar & Share Transfer Agent for consolidation of folios if physical shareholdings are under multiple folios.
 - iv) address their questions /queries in writing to the Company, desirous of obtaining any information concerning the accounts and operation of the Company, so as to reach at least seven days before the date of the meeting.
4. Annual Listing fees have been paid to the Mumbai Stock Exchanges for the financial year 2008-09 where the shares of the Company are listed.
5. 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

6. 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.
7. 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.
8. 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.
9. Explanatory statement as required under section 173 of the Companies Act, 1956 which form part of this notice is annexed herewith.
10. Members are requested to quote Folio number in all their correspondences.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(2) of the companies Act, 1956.

Item Nos. 5 and 6

Shareholders may recall that at the 10th Annual General Meeting of the Company held on 20th September, 2003, where re-appointment of Shri Bhagchand G. Sukhwani, as Chairman & Managing Director, Shri Prakash K. Kakkad, as Joint Managing Director, of the Company were made for a period of five years from 1st January, 2003. The present terms of the office of the aforesaid Managerial Personnel was expired on 31st December, 2009. In the interest of the Company, the Board of Directors at their meeting held on 20th December, 2009 considered and approved their reappointments for a further period of five years with effect from 1st January, 2009 on the remunerations as determined and approved by the Remuneration Committee of the Board of Directors of the Company. These appointments are in accordance with the provisions of Schedule XIII of the Companies Act, 1956 The Remuneration Committee of the Board of Directors has recommended the same remuneration as was provided and approved by the Shareholders in respect of each of the above directors. The major terms and conditions of their re-appointments including remunerations which are same to all the directors of the Company are as follows :

REMUNERATION

- A) Salary :**
- (i) Bhagchand G. Sukhwani - Rs. 1,25,000/- per annum including Dearness and other allowances subject to 10% increment p.a.
 - (ii) Prakash K. Kakkad - Rs. 1,00,000/- per annum including Dearness and other allowances subject to 10% increment p.a.
- B) Perquisites :**
- Perquisites are allowed in addition to salary. It shall be restricted to an amount equal to the annual salary subject to ceiling prescribed in Part II of Schedule XIII to the Companies Act, 1956

CATEGORY – A

- (i) Housing :**
- The Expenditure incurred by the Company on hiring unfurnished accommodation will be subject to a ceiling of 60 % of the salary.
- (ii) Gas, Electricity
Water and Furnishing :**
- The Expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per Income Tax Rules, 1962. This will be subject to a ceiling of 10% of the salary of the appointee.
- (iii) Medical reimbursement :**
- Expenses incurred for the Appointee and his family.

- (iv) **Leave and Leave Travel Concession** Leave as per rules of the Company. Leave travel Concession for self and family once in a year incurred in accordance with the Rules of the Company.
- (v) **Club Fees :** Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- (vi) **Personal Accident insurance :** Personal Accident Insurance of an amount the annual premium of which does not exceed Rs.6000.

CATEGORY – B

- (i) **Contribution to Superannuation fund and towards Provident Fund :** Contribution toward Provident Fund will be subject to a ceiling of 12 % of the salary contribution to pension/ superannuation together with Provident Fund shall not exceed 25 % of the salary as laid down in the Income Tax Rules, 1962. Contribution to Provident Fund, Superannuation Fund and Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

The Board recommends the resolution for approval of members.

None of the directors except the appointee are, in any way, concerned or interested in the said resolution.

Item Nos. 7

Under Section 293 (1) (d) of the companies Act, 1956, the Board of Directors cannot, except with the consent of the Company in general meeting, borrow moneys apart from temporary loans obtained from the company's bankers in the Ordinary course of business in excess of the aggregate of the paid up capital and free reserves that is to say, reserves not set apart for any specific purpose. Keeping in view the Company's business requirements and its growth plans, it is considered desirable to increase the said borrowings limits. The sanction of the shareholders is sought to permit the Board to borrow moneys in excess of the Company's paid up capital and free reserves which shall not exceed Rs. 25 crores. This is permissible under section 293 (1) (d) of the Companies Act, 1956 if the shareholders approve.

With the Company's plans for expansion, your Board of Directors thinks it necessary to acquire this power and recommends the resolution set out at Item No.7 for your approval.

The Board recommends the resolution for approval of members.

None of the directors are, in any way, concerned or interested in the said resolution.

Date : 10-08-2009

By Order of the Board.

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

**Bhagchand G. Sukhwani
Managing Director**

DIRECTOR'S REPORT

To

The Members,

Mahasagar Travels Limited

Your Director have great pleasure in presenting the 16th Annual Report together with their Audited Statement of Accounts of the Company for the year ended 31st March , 2009.

Financial Highlights :

(Rs. in Lacs)

	As at 31.03.09	As at 31.03.08
Total income	2618.00	2400.00
Profit or (Loss)	(116.22)	(23.41)
Less Provision of FBT	0.69	0.62
Profit /(Loss) after Tax	116.91	(24.03)

DIVIDEND :

The Board of Directors of the Company has shown their inability to recommend 'payment of Dividend due to absence of profit.

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.

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. **ShriKartik Upadhyay and Shri Sanjay P. Mehmadvadi** Directors of the Company are due to retire at the ensuing Annual General Meeting of the Company and is eligible for re-appointment. And appointment of Mr. Bhagchand Sukhwani Managing Director and Mr. Prakash Kakkad Jt.Managing Director be confirmed with effect from 1st January 2009.

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 (2009-10) 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, 2009 being the end of the financial year 2008-2009 and of the loss 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 OUTGO :

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.

211, Shudarshan Complex, Mithakhali Six Road,

Navarangpura,

Ahmedabad 380 009.

REGULATORY STATEMENT :

- (1) The Equity shares of your Company are listed on Mumbai Stock Exchange, and the listing fees for the financial year 2009-10 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 31-3-2009 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:

1. 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.

Current scenario are very impressive there is lot of potential demand for the next years.

2. OPPORTUNITIES AND THREATS:

Since the Company has been engaged in to the service sector, the main concern of the management is to provide best quality services to the passengers. Safety, discipline as to the timing, comfort are the main parameters to make the passenger feel more comfortable. Company having fleet of buses and providing better services to entire Gujarat region. 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 fields.

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.

4. RISKS AND CONCERNS;

Company is 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.

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 : 10-08-2009

For and On behalf of the Board

Place : Junagadh

Registered office :

Mahasgar House.

Kalwa Chowk, Junagadh .

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#	22/22	Yes	1	0	0
Shri Prakash K. Kakkad – JMD##	22/22	Yes	0	0	0

Non-executive & Independent Directors

Shri Kartik R. Upadhyay. – Chairman	22/22	Yes	1	3	3
Shri Amit G. Pande – Ind.non.exec.Director	22/22	Yes	0	3	0
Shri Sanjay P. Memdavadi – ind.non exe.Director	22/22	Yes	0	2	0
Shri Ravi S. Karia – non exec.Director	22/22	Yes	0	1	0

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

During the Financial Year 2008-09 20 Board Meetings were held viz. on 09-04-2008, 22-04-2008, 30-04-2008, 12-05-2008, 03-06-2008, 12-06-2008, 12-07-2008, 31-07-2008, 05-08-2008, 09-08-2008, 25-08-2008, 01-10-2008, 31-10-2008, 01-11-2008, 13-11-2008, 20-12-2008, 19-01-2009, 31-01-2009, 05-02-2009, 14-03-2009,

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

1. SHRI KARTIK UPADHYAY

Shri Katik Upadhyay, Director of the Company retire by rotation and being eligible has offered himself for re-appointment. He is Journalist and having versatile business experience. He is associated with the Company since incorporation. He does not hold any director ship in any other Public Limited Company. He is chairman of various committees.

2. SHRI SANJAY P.MEMDAVADI

Shri Sanjay P. Memdavabi, Director of the Company retire by rotation and being eligible offered himself for re-appointment. He had passed the Higher Secondary 12th Standard and having versatile experience. His reach experience will help the Company.. He does not hold any directorship in any Public Limited Company.

3. SHRI BHAGCHAND SUKHAWANI & PRAKASH KAKKAD

Name of Director	Shri Bhagchand Sukhwani	Shri Prakash Kakkad
Date of Birth	27/09/1963	28/11/1955
Date of Appointment	01/01/1994	01/01/1994
Qualification	Under graduate	Undergraduate
Expertise in specific functional areas	Construction, Account, Finance, Business Development, Marketing	Construction Account, Negotiation,
List of Companies in which directorship is held as on	nil	nil
Chairman / Member of the committee of other companies	Nil	Nil

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.Mahemdavadi Shri Kartik R. Upadhyay is the Chairman of the Audit Committee.

During the year 2007-08, five Audit Committee Meetings were held on 22.04.2008, 20-07-2008, 31-07-2008, 21.10.2008, 22.01.2009 . The attendance during the year was as below :

Sr. No.	Name and Position of the Member	No. of meetings Held Attended	
1.	Shri Kartik R. Upadhyay – Chairman	5	5
2.	Shri Amit G. Pande	5	5
3.	Shri Sanjay P. Memdavadi	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 2008-09, one Remuneration Committee Meetings was held on 21.10.2009, where al the three committee members were remained present.

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 2008-09 IS GIVEN HERE BELOW :

(Amount in Rs.)

NAME OF DIRECTOR	REMUNERATION	SITTING FEES	TOTAL
Shri Bhagchand G. Sukhwani	1,66,368	NIL	166,368
Shri Prakash K. Kakkad	1,33,092	NIL	1,33,092

Notes :

- 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.
- 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 2008-08 five meetings of Shareholders' Investors' Grievance Commeetee were held on 30.4.2008, 30.06.2008, 29.09.2008, 31.10.2008.and 31.12.2008 and on 31.03.2009.

During the year **one** complaints was received from the shareholders directly as well as through the regulatory authorities. All the complaints have generally been solved to the satisfaction of complainants and no complaints are outstanding as on date of this report .

All valid transfers received during the financial year 2008-9 have been acted upon by the Company and there is no pending share transfers.

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
2005-06	September 30, 2006 at 12.00 Noon	"Mahasagar House ", Jayshri Talkies Road, Kalwa Chowk Junagadh, - 362001.	No
2006-07	September 20, 2007 at 12.00 Noon	"Mahasagar House ", Jayshri Talkies Road, Kalwa Chowk Junagadh, - 362001.	No
2007-08	September 29, 2007 at 12.00 Noon	"Mahasagar House ", Jayshri Talkies Road, Kalwa Chowk Junagadh, - 362001.	yes

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

7. DISCLOSURES :

- There are no material transactions with its promoters, the directors, or the managment, 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. 9 of the Clause B 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. These are also published in the newspapers as per the prescribed guidelines. 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 31.1.2008 and received necessary declaration affirming compliance with the Code of Conduct for the year 2007-08.

10. GENERAL SHAREHOLDERS INFORMATION

a) Annual General Meeting :

Date : 29th September, 2009
 Time : 12.00 . Noon.
 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) : 28th September, 2009 to 29th September, 2009 (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 2008-09 to all the Stock Exchanges.

f) Stock Code / Symbol : BSE 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 2005-06 of the company at The Bombay Exchange Ltd. are as under:

Month	High Price	Low Price
June 2008	17.90	8.30
July 2008	10.05	9.55
August 2008	9.08	8.63
September 2008	8.20	7.80
January 2009	9.45	8.19
February 2009	13.49	9.92
March 2009	14.70	13.31

**h) Registrar & Transfer Agents: M/s. Link intime (India) Pvt. Limited ,
 211, Sudarshan Complex, Mithakhali Six Roads,
 Navrangpura ,Ahmedabad.**

All correspondence for share : Unit : Mahasagar Travels Limited
Transfer in physical form / Link intime (India) Pvt. Limited,
demat request form with the 211, Sudarshan Complex, Mithakhali Six Road,
Physical Share Certificates Navarangpura, Ahmedabad 380 009.

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. The share transfer committee meets once in the month to consider the transfer applications.

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

j) Category wise distribution of Equity Shareholding as on 31st March, 2009 :

PARTICULARS	NOS. OF HOLDERS	NOS. OF SHARES	% OF TOTAL
DIRECTORS & RELATIVES	1029	2222700	28.26
BODIES CORPORATES	21	22000	0.28
NATIONALISED BANKS	Nil	Nil	Nil
EMPLOYEES	Nil	Nil	Nil
PUBLIC SHAREHOLDERS	4584	5618800	71.46
TOTAL	5634	7863500	100.00

k) **Dematerialisation of Shares :** The Company's shares are under demat mode. The ISIN No. of the Company is INE 007 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 dematerialisation of Shares, share transfers, transactions , change of address, non-receipt of dividend or any other query, relating to shares please write to :

Registrar & Transfer Agents : M/s. Link intime (India) Pvt. Limited
211, Sudarshan Complex, Mithakhali Six Roads,
Navrangpura , Ahmedabad.

o) **Company Secretary** : **Mr. Kanubhai.V. Shah** – (up to 08.05.2009)
Mahasagar Travels Ltd.
Regd. Office : Mahasagar House, Jayshri Talkies Road,
Kalwa Chowk, Junagadh - 632 001.

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

Date : 10-08-2009

For Mahasagar Travels Ltd.

For Mahasagar Travels Ltd.

Place : Junagadh

Bhagchand G. Sukhwani
Managing Director

Prakash Kakkad
Jt. Managing Director

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, 2009** 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, 2009 ;
 - (ii) In the case of Profit and Loss Account, of the Loss 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.

FOR B.H.ADVANI & ASSOCIATES
CHARTERED ACCOUNTANTS

(B.H. ADVANI)
SOLE PROPRIETOR

MEMBERSHIP NO. 102464

PAN : ABLPA7421R

PLACE : JUNAGADH

DATE : 10/8/2009

ANNEXURE TO THE AUDITORS ' REPORT

(Referred to in our Report of even date)

- (i) (a) The Company does maintaining 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 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. **Except Service Tax Rs. 257.12 Lacs** Dues as at March, 31st 2009 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.
- (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 preceeding 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 is not dealing or trading in shares, securities, debentures and other investments.
- (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, 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 vice 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.

**FOR B.H.ADVANI & ASSOCIATES
CHARTERED ACCOUNTANTS**

(B.H. ADVANI)

SOLE PROPRIETOR

MEMBERSHIP NO. 102464

PAN : ABLPA7421R

PLACE : JUNAGADH

DATE : 10/8/2009

MAHASAGAR TRAVELS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	Schedule	Current Year 3/31/2009	Previous Year 3/31/2008
I SOURCES OF FUNDS			
A) SHARE HOLDER'S FUND			
Share Capital	1	78,635,000.00	78,635,000.00
Reserves & Surplus :			
General Reserve		900,250.00	900,250.00
B) LOAN FUNDS			
Secured Loans	2	42,215,591.03	36,181,034.73
Unsecured Loans	3	0.00	0.00
Total Rs.		121,750,841.03	115,716,284.73
II APPLICATION OF FUNDS			
A) Fixed Assets			
Gross Block	4	248,603,015.32	227,199,980.32
Less : Depreciation		187,700,074.20	162,818,987.51
		60,902,941.12	64,380,992.81
B) Investments			
(Unquoted Shares - Fully Paid Up)	5	9,312,500.00	9,312,500.00
C) Current Assets, Loans & Advances			
Less : Current Liabilities & Provisions	6 7	13,976,761.79 35,943,110.73	10,574,478.82 30,361,785.34
		(21,966,348.94)	(19,787,306.52)
D) Profit & Loss Account			
Carried Over From P. & L. A/C.		(73,501,748.85)	(61,810,098.44)
Total Rs.		121,750,841.03	115,716,284.73

Notes to Accounts

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Schedule Referred to above form part of Balance Sheet

**AS PER OUR REPORT OF EVEN DATE
FOR B.H.ADVANI & ASSOCIATES
CHARTERED ACCOUNTANTS**

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

**BHAGCHAND G. SUKHWANI
(MANAGING DIRECTOR)**

**(B.H.Advani)
SOLE PROPRIETOR
PLACE : JUNAGADH
DATE : 10/08/2009**

**PRAKASH KAKKAD
(JOINT MANAGING DIRECTOR)**

MAHASAGAR TRAVELS LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR AS 31ST MARCH, 2009

PARTICULARS	Schedule	Current Year 3/31/2009	Previous Year 3/31/2008
INCOME/SALES :			
Operating Income	8	247,505,911.39	232,351,139.51
Other Income	8A	14,198,182.24	7,969,033.44
Increase/ (Decrease) in Inventory	12	96,701.08	(318,972.42)
	TOTAL RS.	261,800,794.71	240,001,200.53
EXPENDITURE/PURCHASES			
Direct & Incidental Expenses	9	242,733,088.79	221,947,198.64
Administrative & Selling Expenses	10	5,809,143.64	5,479,844.61
Depreciations	4	24,881,086.69	14,915,422.51
	TOTAL RS.	273,423,319.12	242,342,465.76
Net Profit for the Year		(11,622,524.41)	(2,341,265.23)
Less : Provision for FBT		69,126.00	61,498.00
Net Profit After Tax for the Year		(11,691,650.41)	(2,402,763.23)
Add : Loss Brought Forward		(61,810,098.44)	(59,407,335.21)
Balance Loss Carried to Balance Sheet		(73,501,748.85)	(61,810,098.44)

Schedule Referred to above form part of Balance Sheet

**AS PER OUR REPORT OF EVEN DATE
FOR B.H.ADVANI & ASSOCIATES
CHARTERED ACCOUNTANTS**

(B.H.Advani)
SOLE PROPRIETOR
PLACE : JUNAGADH
DATE : 10/08/2009

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

**BHAGCHAND G. SUKHWANI
(MANAGING DIRECTOR)**

**PRAKASH KAKKAD
(JOINT MANAGING DIRECTOR)**

MAHASAGAR TRAVELS LIMITED

SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009

& THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST, MARCH, 2009

	Current Year 31/03/2009	Previous Year 31/03/2008
SCHEDULE : "1" : SHARE CAPITAL		
SHARE CAPITAL :		
1) AUTHORISED CAPITAL		
80,00,000 Equity Shares of Rs.10/- each	80000000.00	80000000.00
2) ISSUED, SUBSCRIBED AND PAID UP :		
78,63,500 Equity Shares of Rs.10/- each Fully Paid Up	78635000.00	78635000.00
SCHEDULE " 2 " : SECURED LOANS		
Reliance Capital Ltd.	23213044.00	24713588.00
H.D.F.C Bank Ltd.	12651832.93	4130822.83
ICICI Bank Ltd.	692432.00	2769728.00
The Jnd.Com.Co.Op Bank Ltd.	5658282.10	4566895.90
TOTAL Rs.	42215591.03	36181034.73
SCHEDULE " 3 " : UNSECURED LOANS / DEPOSITS		
TOTAL Rs.	0.00	0.00
SCHEDULE " 5 " : INVESTMENT		
Unquoted Shares (Face Value)		
Breon Finechem Limited	1500000.00	1500000.00
Hiranya Financial & Mgt. Services Pvt.Ltd.	100000.00	100000.00
JCC Bank Ltd.	112500.00	112500.00
Maruti Extaction Ltd.	5100000.00	5100000.00
Jainex Enterprises Ltd.	500000.00	500000.00
Anjali Solvex Ltd.	1000000.00	1000000.00
Begani Dyeing Mills Ltd.	1000000.00	1000000.00
TOTAL Rs.	9312500.00	9312500.00

MAHASAGAR TRAVELS LIMITED
DETAILS OF FIXED ASSETS

TRAVELS DIVISION

SCHEDULE : 4(I)

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	BALANCE ASON 1.4.2008	ADDITION DURING THE YEAR	SALE	TOTAL ASON 31.3.2009	BALANCE ASON 1.4.2008	PROVIDED DURING THE YEAR	TOTAL ASON 31.3.2009	BALANCE ASON 1.4.2008	BALANCE ASON 31.3.2009
Ahmedabad Office Premises	563,635.00	0.00	0.00	563,635.00	226,175.00	16,860.00	243,035.00	337,460.00	320,600.00
Air Conditioner	477,419.87	0.00	0.00	477,419.87	133,234.87	47,885.00	181,119.87	344,185.00	296,300.00
Building cons. At Sukhpur	1,801,607.04	0.00	0.00	1,801,607.04	342,757.04	146,950.00	489,707.04	1,458,850.00	1,311,900.00
Bus-Heavy Vehicle	198,864,305.32	28,810,756.00	10,294,300.00	217,380,761.32	149,070,365.32	29,325,396.00	172,395,761.32	49,799,940.00	44,985,000.00
Car	2,540,367.00	1,789,675.00	0.00	4,330,042.00	1,981,247.00	229,345.00	2,210,592.00	559,120.00	2,119,450.00
Computer	756,244.75	97,350.00	0.00	853,594.75	703,829.75	30,465.00	734,294.75	52,415.00	119,300.00
Depot Bldg. at Majje. Gate	1,247,712.00	0.00	0.00	1,247,712.00	593,067.00	65,445.00	658,512.00	654,645.00	589,200.00
Electrification	361,995.50	0.00	0.00	361,995.50	231,005.50	18,290.00	249,295.50	130,990.00	112,700.00
Fax Machine	59,747.00	0.00	0.00	59,747.00	47,172.00	1,775.00	48,947.00	12,575.00	10,800.00
Majewdi Gate Work-Shop	3,524,701.40	0.00	0.00	3,524,701.40	1,836,496.40	168,805.00	2,005,301.40	1,688,205.00	1,519,400.00
Mobile Phone	228,482.00	41,895.00	0.00	270,377.00	93,122.00	22,605.00	115,727.00	135,360.00	154,650.00
Office at Kalwa Chowk	1,819,493.00	0.00	0.00	1,819,493.00	625,243.00	59,650.00	684,893.00	1,194,250.00	1,134,600.00
Office Furniture	981,769.25	2,050.00	0.00	983,819.25	800,339.25	31,330.00	831,669.25	181,430.00	152,150.00
Plot of Land at Sukhpur	1,657,300.00	0.00	0.00	1,657,300.00	0.00	0.00	0.00	1,657,300.00	1,657,300.00
Rajkot Office Premises	397,995.00	0.00	0.00	397,995.00	171,405.00	11,390.00	182,795.00	226,590.00	215,200.00
Rajkot Office Premises 2	1,554,873.00	0.00	0.00	1,554,873.00	256,918.00	64,955.00	321,873.00	1,297,955.00	1,233,000.00
Refrigerator	10,443.00	0.00	0.00	10,443.00	8,743.00	300.00	9,043.00	1,700.00	1,400.00
Security Equipments	148,292.00	0.00	0.00	148,292.00	91,012.00	7,980.00	98,992.00	57,280.00	49,300.00
Tape	886,970.00	257,200.00	0.00	1,144,170.00	341,840.00	94,530.00	436,370.00	545,130.00	707,800.00
Television	1,101,574.00	455,400.00	0.00	1,556,974.00	525,044.00	115,630.00	640,674.00	576,530.00	916,300.00
V.C.R.	813,227.00	0.00	0.00	813,227.00	517,287.00	41,140.00	558,427.00	295,940.00	254,800.00
Vehicle	84,461.00	0.00	0.00	84,461.00	70,551.00	3,610.00	74,161.00	13,910.00	10,300.00
Water Cooler	84,956.00	0.00	0.00	84,956.00	47,556.00	5,200.00	52,756.00	37,400.00	32,200.00
Works Tools, Spares & M/c	756,691.00	12,278.00	0.00	768,969.00	483,611.00	39,458.00	523,069.00	273,080.00	245,900.00
Work-Shop at Kalwa Chowk	5,222,606.00	0.00	0.00	5,222,606.00	3,490,966.00	173,240.00	3,664,206.00	1,731,640.00	1,558,400.00
Total Rs. (As at 31.3.2009)	225,946,867.13	31,466,604.00	10,294,300.00	247,119,171.13	162,688,987.13	24,722,234.00	187,411,221.13	63,257,880.00	59,707,950.00
Total Rs. (As at 31.3.2008)	185,984,834.73	43,583,970.40	3,621,938.00	225,946,867.13	147,871,466.00	14,817,521.13	162,688,987.13	38,113,368.73	63,257,880.00

MAHASAGAR TRAVELS LIMITED
DETAILS OF FIXED ASSETS

PETROLEUM DIVISION

SCHEDULE : 4(II)

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	BALANCE ASON 1.4.2008	ADDITION DURING THE YEAR	SALE	TOTAL ASON 31.3.2009	BALANCE ASON 1.4.2008	PROVIDED DURING THE YEAR	TOTAL ASON 31.3.2009	BALANCE ASON 1.4.2008	BALANCE ASON 31.3.2009
Computer	32,127.00	0.00	0.00	32,127.00	18,113.40	5,605.44	23,718.84	14,013.60	8,408.16
Electrification	59,721.82	4,130.00	0.00	63,851.82	12,731.47	6,823.60	19,555.07	46,990.35	44,296.75
Office Furniture	68,844.81	2,880.00	0.00	71,724.81	18,109.55	9,443.72	27,553.27	50,735.26	44,171.54
Pump Construction	1,029,744.56	73,721.00	0.00	1,103,465.56	73,524.96	99,308.01	172,832.97	956,219.60	930,632.59
Water Cooler	26,475.00	0.00	0.00	26,475.00	5,003.29	2,986.71	7,990.00	21,471.71	18,485.00
Generator	35,000.00	0.00	0.00	35,000.00	2,434.25	4,529.90	6,964.15	32,565.75	28,035.85
Mobile	1,200.00	0.00	0.00	1,200.00	83.46	155.31	238.77	1,116.54	961.23
Tanker Purchased	0.00	150,000.00	0.00	150,000.00	0.00	30,000.00	30,000.00	0.00	120,000.00
Total Rs. (As at 31.3.2009).....	1,253,113.19	230,731.00	0.00	1,483,844.19	130,000.38	158,852.69	288,853.07	1,123,112.81	1,194,991.12
Total Rs. (As at 31.3.2008).....	452,279.19	800,834.00	0.00	1,253,113.19	32,099.00	97,901.38	13,000.38	470,062.19	1,123,112.81

MAHASAGAR TRAVELS LIMITED

SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009

& THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST, MARCH, 2009

	Current Year 31/03/2009	Previous Year 31/03/2008
SCHEDULE "6": CURRENT ASSETS LOANS AND ADVANCES		
(1) Closing Stock of		
<i>(a) Travels Division</i>		
Tyres	329600.00	360200.00
Other Materials	281500.00	306600.00
<i>(b) Petroleum Division</i>		
Diesel	540798.14	386142.28
Oil Tin	6571.98	5325.04
Petrol Stock	83869.38	143351.64
Oil Pouch	3078.40	2797.86
		0.00
TOTAL Rs. (1)	1245417.90	1204416.82
(2) DEPOSITS & ADVANCES :		
UNSECURED CONSIDERED GOOD		
<i>(i) TRAVELS DIVISION</i>		
(a) Telephone Deposit	60518.00	62743.00
(b) T.D.S	8563.00	17619.00
(c) G.E.B. Deposit	0.00	46400.00
(d) Pre- Paid R.T.O. Taxes	33412.00	33412.00
(e) Orbit Annexe	46900.00	500.00
(f) Advances recoverable in cash or in kind or for value to be received	4009718.00	1293382.00
(g) Cylinder Deposit	1000.00	1000.00
(h) Octroi Deposit	25000.00	45000.00
(i) Tender Deposit	5000.00	5000.00
(l) Guj.E.A. Order Bonds	2500.00	2500.00
<i>(ii) Petroleum Division</i>		
(a) GEB Deposit	4200.00	4200.00
(b) Pay & Ac Office Depo	100000.00	100000.00
(c) I.O.C.(Deposit) RJT	300000.00	300000.00
(d) Sales Tax Deposit	25000.00	25000.00
(e) Tender Fee Deposit	1000.00	0.00
(f) IOC Tanker Deposit	100000.00	0.00
(g) Income Tax Advance	9533.00	0.00
(h) VAT Account	34156.94	0.00
TOTAL Rs. (2)	4766500.94	1936756.00

MAHASAGAR TRAVELS LIMITED

SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009

& THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST, MARCH, 2009

	Current Year 31/03/2009	Previous Year 31/03/2008
(3) SUNDRY DEBTORS :		
<i>(i) TRAVELS DIVISION</i>		
Sundry Debtors	5157293.36	5325178.14
<i>(ii) Petroleum Division</i>		
Sundry Debtors	192770.79	655231.59
TOTAL Rs. (3)	5350064.15	5980409.73
(4) CASH & BANK BALANCE :		
<i>(i) TRAVELS DIVISION</i>		
Bank Balances	439352.73	585157.65
Cash on Hand	2099568.92	792946.95
<i>(ii) Petroleum Division</i>		
State Bank of India - Junagadh	24051.00	12586.00
Jnd. CO. CO. Bank Ltd.	15167.00	5149.00
Cash On hand	36639.15	57056.67
TOTAL Rs. (4)	2614778.80	1452896.27
Total Rs. of (1) + (2) + (3) + (4)	13976761.79	10574478.82
SCHEDULE " 7 " : CURRENT LIABILITIES & PROVISIONS		
(1) CURRENT LIABILITIES :		
<i>(i) TRAVELS DIVISION</i>		
Sundry Creditors & Credit Balance for Goods, Expenses & Others	33179846.83	27455661.45
<i>(ii) PETROLEUM Division</i>		
Sundry Creditors & Credit Balance for Goods, Expenses & Others	2671826.90	2819952.89
<i>(2) Provisions for :</i>		
Fringe Benefit Tax	61437.00	61171.00
Audit fees	30000.00	25000.00
Total Rs. of (1) + (2)	35943110.73	30361785.34

MAHASAGAR TRAVELS LIMITED

SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009

& THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST, MARCH, 2009

	Current Year 31/03/2009	Previous Year 31/03/2008
SCHEDULE : " 8 " - OPERATING INCOME		
<i>(i) TRAVELS DIVISION</i>		
Travels Income (Other)	166559086.00	141189042.00
Travels Income (N. P. Vehicle)	2538550.00	17565750.00
 <i>(ii) Petroleum Division</i>		
Petroleum Sales (Diesel, Oil, Petrol)	19477167.70	23734055.95
Stock Transfer (Diesel)	58931107.69	49862291.56
TOTAL	247505911.39	232351139.51
SCHEDULE : "8A" - INDIRECT INCOMES		
<i>(i) TRAVELS DIVISION</i>		
Luggage Income	9085742.00	7550148.00
Profit on Sale of land at A'bd	4294000.00	0.00
Rent Income	134556.00	407276.00
Interest on IT refund	1290.00	0.00
Dividend Income	13500.00	11500.00
Bank Interest	265.00	0.00
Interest Income	209836.00	0.00
Misc. Income (Kasar / Vatav)	15984.62	0.00
 <i>(ii) Petroleum Division</i>		
Misc. Income (Kasar - Vatav)	443008.62	109.44
TOTAL Rs.	14198182.24	7969033.44
SCHEDULE : " 9 " - DIRECT EXPENSES		
<i>(i) TRAVELS DIVISION</i>		
Diesel Expenses	88832224.27	78395819.46
Grease Oil	1064058.00	1058904.00
RTO Taxes	17076923.00	14772719.00
Wages & Salary Expenses	5663130.00	5544910.00
Spare-Parts	1514872.00	1472641.00
Toll-Tax	6434879.00	5829691.00
TV-TAPE-VCR Repairing & Cassette Rent	32874.00	31848.00
Tyre Purchased & Retraders	4805808.00	5347205.00
Vehicle Repairing, Cleaning & Laundry	6047357.50	4791397.39
Expenses on Accident (Net of Insurance Claim)	288072.97	179888.00

MAHASAGAR TRAVELS LIMITED

SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009

& THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST, MARCH, 2009

	Current Year 31/03/2009	Previous Year 31/03/2008
General Insurance Premium	1549089.00	1394005.00
Battery Con. Expenses	107575.00	168919.00
Ice & Water	1382.00	5331.00
Transportation & Other Expenses	212172.00	234170.00
Entry Tax, RTO Penalty & Other Taxes	1147554.00	873214.00
Entry Tax	0.00	1200000.00
Phool, Har, Agarbatti	52778.00	66113.00
Parking Expenses	225906.00	170592.00
Service Tax Expenses	7851747.00	7387521.00
Commission (Luggage)	451669.00	357395.00
Commission on Travel Income	21286947.00	19902936.00
Staff Welfare Expenses	43498.21	36051.51
Business Promotion Expenses	34600.00	6500.00
TOTAL Rs.	164725115.95	149227770.36
(ii) PETROLIUM DIVISION PURCHASES		
Diesel Purchase	76447852.12	71451911.55
Oil Purchase	26691.58	41468.31
Petrol Purchase	1533429.14	1226048.42
TOTAL Rs.	78007972.84	72719428.28
TOTAL Rs. (I) +(II)	242733088.79	221947198.64
SCHEDULE : "10" - ADMINISTRATIVE & OTHER EXPENSES		
(i) TRAVELS DIVISION		
Advertisement	33664.00	19707.00
Association Membership fees	11400.00	22000.00
Audit & Certi fees	32000.00	28000.00
Bank charges & Commission	101468.18	88110.95
Charity Expenses	34934.00	38774.00
Computer Maintenance Expenses	29336.00	6790.00
Demat Charges	49740.51	47487.08

MAHASAGAR TRAVELS LIMITED

SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009

& THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST, MARCH, 2009

	Current Year 31/03/2009	Previous Year 31/03/2008
Directors' Remunerations	299460.00	299460.00
Electricity Expenses	327781.00	275177.00
Employees' State Insi. Contribution	265733.00	259846.00
Interest on Fina. Charge	1325728.10	1496212.95
Interest on Professional Tax	4180.00	0.00
Interest on TDS	18453.00	0.00
Interest on FBT	7610.00	9773.00
Kasar / VataV	0.00	(29370.66)
Legal/Advocates fees	58615.00	102274.00
Licence Fees	500.00	0.00
Listing fees & R.O.C. fees	580396.00	52351.00
Loss on Sale of Share	0.00	315000.00
Office General Expenses	409598.00	335871.30
Office Repairing Expenses	26294.25	83113.00
Office Rent & Related Municipality Taxes	61771.00	12295.00
Petrol Expenses	28207.10	37085.50
Postage & Courier	48971.00	8889.00
Professional Tax	2000.00	1000.00
Provident Fund Contribution	757720.00	827989.00
Software Development expenses	0.00	3707.88
Security Expenses	67313.00	67410.00
Stationery & Printing	187048.50	161553.15
Telephone Expenses	263758.81	227721.03
Travelling Expenses	9491.00	95508.80
TOTAL Rs.	5043171.45	4893735.98
(ii) PETROLIUM DIVISION		
Bank Commission Expenses	31469.00	33848.50
Computer Repairing	700.00	0.00
Diesal Expenses	215775.75	0.00
Diesal Leckage	20483.32	182312.85
Diesal Extremile Leckage	168148.12	0.00
Donation Expenses	0.00	1000.00
Electric Expenses	96871.00	98465.00
Genrator Diesel Expenses	12799.10	0.00
Insurance Expenses	10468.00	10285.00
Jamin Mehsul Expenses	0.00	57574.00
Legal Fees Expenses	12600.00	7600.00
Office Expenses	42824.00	50065.10
Petrol Expenses	57445.09	49971.52

MAHASAGAR TRAVELS LIMITED

SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009

& THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST, MARCH, 2009

	Current Year 31/03/2009	Previous Year 31/03/2008
Petrol Leckage	11775.03	8342.13
Pump Stamping Expenses	7780.00	0.00
Penalty Charges	18.53	10000.00
Revenue Inc. Expenses	0.00	15.87
Repairing Expenses	6443.00	19360.50
Security Service Expenses	21116.00	33705.00
Stamping Fees Expenses	0.00	8000.00
Stationery Expenses	9082.00	14619.00
Telephone Expenses	0.00	944.16
Vehical Repairing Expenses	40174.25	0.00
TOTAL Rs.	765972.19	586108.63
TOTAL Rs. (I) + (II)	5809143.64	5479844.61
SCHEDULE: " 12 "- INCREASE / DECREASE IN INVENTORY		
Opening Inventory		
TRAVELLING DIVISION	0.00	0.00
PETROLIUM DIVISION		
Diesel	386142.28	834418.74
Oil Tin	5325.04	2102.54
Petrol Stock	143351.64	20067.96
Oil Pouch	2797.86	
	537616.82	856589.24
Closing Inventory		
PETROLIUM DIVISION		
Diesel	540798.14	386142.28
Oil Tin	6571.98	5325.04
Petrol Stock	83869.38	143351.64
Oil Pouch	3078.40	2797.86
	634317.90	537616.82
TOTAL Rs.	96701.08	-318972.42

MAHASAGAR TRAVELS LIMITED, JUNAGADH

SCHEDULE ~ 12

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

Date 31.03.2009

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 conform 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:

No provision for Income Tax is made due to Loss as per the Income Tax Act, 1961. Provision for Fringe Benefit 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 AddPurchase less Closing Inventory.

B. Notes on Account :

- 1 Figures have been regrouped / Rearrange wherever required.
- 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 Quantitative details for Opening Stock, Purchase and Consumption: Particulars in respect of Consumption Sales, Stock etc.

Service Purpose

(In Lacs)

Class of Goods	Consumption	
	Qty	Value
Diesel (Ltr.)	23.16	888.32

Trading Goods

(In Lacs)

Class of Goods	Opening Stock		Purchases		Sales		Transfer	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Diesel	0.13	3.86	24.12	764.48	5.49	178.06	18.52	589.31
Petrol (Ltr.)	0.04	1.43	0.36	15.33	0.37	16.40	0	0
Oil 1 Ltr Tin	56	0.05	180	0.21	178	0.24	0	0
Oil 40 ML Pouch	663	0.03	1200	0.057	1271	0.066	0	0

Class of Goods	Leackage		Closing Stock	
	Qty	Value	Qty	Value
Diesel	0.05	1.88	0.19	5.41
Petrol (Ltr.)	0.002	0.12	0.03	0.84
Oil 1 Ltr Tin	0	0	58.00	0.066
Oil 40 ML Pouch	0	0	592.00	0.03

- 8 Closing Stock of Tyres & Other Materials are valued at cost basis. Stock of Petroleum Business are valued at Cost Basis.
- 9 No any Foreign Exchange has been earned nor spent during the year. No any Foreign Expenditure has been made.
- 10 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. The management of the company informs us that final sale deed in favor of the company will be executed in due course.

11 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		PETROLEUM	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
	2008-09	2007-08	2008-09	2007-08
Revenue from Customer	1,690.97	1587.55	194.77	237.34
Revenue from Transfer	—	—	589.31	498.62
Other Income	137.55	79.69	4.43	0.001
Increase / (Decrease) in Stock	—	—	0.97	(3.19)
Total Revenue	1828.52	1667.24	789.48	732.771
Direct Expenses	1647.25	1492.27	780.08	727.19
Administrative & Selling Expenses	50.43	48.94	7.66	5.86
Depreciation	247.22	148.17	1.59	0.98
Segment Operating Profit. /(Loss)	(116.38)	(22.14)	0.152	(1.259)
Fringe Benefit Tax	0.69	0.62	—	—
Net Profit / (Loss) after Taxation	117.15	(22.76)	0.152	(1.259)
Other Information				
Segment Assets	722.07	712.55	26.72	28.20
Segment Liabilities	754.93	637.23	12.19	1.48

13 Differed Taxation

In view of the continuing losses, till last year 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, 2009 and for the loss as per Income tax act for the current year.

List of Related Parties transaction :

(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) Jayshakti Travels

(2) Key Management Personal:

Bhagchand G. Sukhvani - Managing Director

(Rs. In Lacs)

Sr No.	Natur of Transaction	Parties refer. To in 1 above 31/03/09	Parties to in (2) 31/03/09	Parties refer. To in 1 above 31/03/09	Parties to in (2) 31/03/09
1	Rendering of Services		80.40		80.40
2	Rendering of Services		10.68		10.68

15 Particulars of Auditors Remuneration's :

	<u>Current Year</u>	<u>Previous Year</u>
Statutory Audit Fees	27000	25000.00
Tax Audit Fees	6000	5000.00
ESI Certificate Fees	2000	2000.00
Total	35000.00	32000.00

16 Managerial Remuneration

During the year under consideration Directors of the company have been paid remuneration as follows :

Bhagchandbhai Sukhwani – Managing Director	Rs. 166368
Prakashbhai Kakkad – Joint Managing Director	Rs. 133092
Total Rs.....	Rs. 299460

17 Particulars of Earning Per Share

Net Profit for the year	Rs.	(11,691,650.41)
Number of Shares(Nos.)	Nos	7863500
Nominal Value of the Shares (Rs.)	Rs.	10
Earning per share (Rs.)	Rs.	(1.49)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Registration Details

Registration No. 04-20289

State Code 04

Balance Sheet Date 31.03.2009 (31st March 2009)

I Capital raised during the year (In Rs.)

Public Issue

NIL

Right Issue

NIL

Bonus Issue

NIL

Private Placement

NIL

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

Total Liabilities

121,751

Total Assets

121,751

Sources of Funds

Paid up Capital

78,635

Reserves & Surplus

900

Secured Loans

42,216

Unsecured Loans

0

Application of Funds

Net Fixed Assets

60,903

Investments

9313

Net Current Assets

(21,966)

Misc. Expenditure

NIL

Accumulated Losses

73502

III Performance of Company (Rs. In Thousand)

Turnover	261801	Total Expenditure	273423
Profit Before Tax	(11622.52)	Profit After Tax	(11691.65)
Earning Per Share in Rs.	(1.49)	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 19 For & On behalf of the Board of Directors forming part of Balance Sheet.

AS PER OUR REPORT OF EVEN DATE
FOR B.H.ADVANI & ASSOCIATES
CHARTERED ACCOUNTANTS

(B.H.Advani)
SOLE PROPRIETOR
Membership No.102464
PLACE : JUNAGADH
DATE : 10/08/2009

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

BHAGCHAND G. SUKHWANI
(MANAGING DIRECTOR)

PRAKASH KAKKAD
(JOINT MANAGING DIRECTOR)

MAHASAGAR TRAVLES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICLARS	AMOUNT	AMOUNT
(A) <u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Profit After Tax		(11,691,650.41)
Adjusted For :		
Provision for Taxaion - FBT	69,126.00	
Depreciation Provision	24,881,086.69	24,950,212.69
Operating Profit before working capital changes		13,258,562.28
Adjustment for		
(Increase) / Decrease in Inventories	(41,001.08)	
(Increase) / Decrease in Debtors	630,345.58	
(Increase) / Decrease in other Current Assets	(2,829,744.94)	
(Decrease) / Increase in Current Liabilities	5,581,325.39	3,340,924.95
Payment of FBT		(69,126.00)
Cash Generated from Operation		16,530,361.23
(B) <u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Purchase of Fixed Assets	31,697,335.00	
Sale of fixed Assets	10,294,300.00	(21,403,035.00)
(C) <u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Secured/Unsecured Loans		6,034,556.30
TOTAL (A+B+C)		1,161,882.53
Increase / Decrease in Cash and cash equivalents		
Opening Balance of Cash and Cash Equivalents	1,452,896.27	
Closing Balance of Cash and Cash Equivalents	2,614,778.80	
Net Changes	1,161,882.53	

Place : JUNAGADH
Date : 10/8/2009

Mr. Bhagchand G. Sukhvani
Managing Director

Prakashbhai Kakkad
Joint Managing Director

AUDITOR'S REPORT

We have examined the cash flow statement of **MAHASAGAR TRAVLES LIMITED** for the year ended 31.03.2009. 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 31.03.2009

For B.H.ADVANI & ASSOCIATES
Chartered Accountants

(B.H.ADVANI)
Sole Proprietor
Membership No.102464

Place :- Junagadh
Date :- 10/8/2009

MAHASAGAR TRAVELS LIMITED
REGD. OFF: 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 16th ANNUAL GENERAL MEETING of the Company held at the Registered Office of the Company at "Mahasagar House", Kaiwa Chowk, Junagadh-362 001 on Tuesday, the 29th September, 2009.

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 16th ANNUAL GENERAL MEETING of the Company to be held on Tuesday, the 29th

September, 2009 at 12:00 P.M. at the Registered Office of the Company at "Mahasagar House", Kaiwa Chowk,

Junagadh-362 001 and any adjournment thereof.

Signature _____

Signed this _____ day of _____ 2009.

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.

U.P.C. / BOOK-POST/ORDINARY

To,

IF UNDELIVERED PLEASE RETURN TO:

FROM:

MAHASAGAR TRAVELS LIMITED
MAHASAGAR HOUSE,
JAYSHRI TALKIES ROAD,
KALWA CHOWK, JUNAGADH-3620001