

# **OUT OF CITY TRAVEL SOLUTIONS LIMITED**

**32<sup>nd</sup> ANNUAL REPORT 2012-13**

# OUT OF CITY TRAVEL SOLUTIONS LIMITED

E-109, Crystal Plaza, New Link Road, Opp Infinity Mall, Andheri (w), Mumbai – 400 053.

## 32<sup>nd</sup> ANNUAL REPORT

### **BOARD OF DIRECTORS**

Mr. Girraj Kishor Agrawal	-	Managing Director
Mrs. Tanu Girraj Agarwal	-	Director
Mr. Praveen Vasishtha	-	Director
Mr. Tushar Rane	-	Director

### **BANKER:**

Yes Bank Ltd  
Axis Bank Ltd  
Hdfc Bank Ltd  
Indusind Bank Ltd  
Standard Chartered Bank Ltd

### **AUDITORS:**

**M/s Pravin Chandak & Associates,**  
403, New Swapanalok CHS Ltd,  
Natakwala lane,  
Borivali (w),  
Mumbai-400092

### **REGISTAR & TRANSFER AGENT**

**Sharex Dynamic (India) Pvt Limited**  
Unit No.1 Luthara Indl Premises  
Safed Pool, Andheri Kurla Road,  
Andheri East, Mumbai 400072

### **CONTACT US:**

**Out of City Travel Solutions Limited**  
E-109, Crystal Plaza,  
New Link Road,  
Opp Infinity Mall,  
Andheri (west),  
Mumbai – 400 053.  
Web site: [www.tilakfinance.com](http://www.tilakfinance.com)  
Email Id: [tilakfin@gmail.com](mailto:tilakfin@gmail.com)

# OUT OF CITY TRAVEL SOLUTIONS LIMITED

## NOTICE

Notice is hereby given that the 32<sup>nd</sup> Annual General Meeting of the Members of **Out of City Travel Solutions Ltd** will be held on **30<sup>th</sup> September, 2013** at **04.30 p.m** at Registered Office of the Company at E-109, Crystal Plaza, New Link Road, Opp Infinity Mall, Andheri (W), Mumbai- 400053 to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2013, the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint Mr. Praveen Vidyashankar Vasishth as Director of the company, who retires by rotation and, being eligible, offers himself for reappointment.
3. To re-appoint auditor and to fix his remuneration in consultation with the board.

### REGISTERED OFFICE

E/109, Crystal Plaza, New  
Link Road, Opp. Infinity Mall,  
Andheri (West), Mumbai: 400053.  
Dated: 28/08/2013

### BY ORDER OF THE BOARD

Sd/-  
Girraj Kishor Agrawal  
(Chairman)

### NOTES

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- 2) The Register of Members and the Transfer Book of the Company will remain closed from 26/09/2013 to 30/09/2013 (both days inclusive.)
- 3) Members / Proxies should bring attendance slip duly filled in for attending the meeting. Members are also requested to bring their copies of Annual Report.
- 4) Members are requested to notify immediately any change in their address details to the Company's Registrar and share transfer agents for shares held in demat / physical form at Sharex Dynamic Private Limited, Luthra Industrial Premises, Unit No. 1, Safed Pool, Andheri (E), Mumbai – 400 072
- 5) Printed copies of the Balance Sheet, Profit and Loss Account, Director's Report, the Auditor's Report and every other documents required by the law to be annexed or attached to the Balance Sheet for the period ended 31st March, 2013 are enclosed herewith.
- 6) Members seeking any information with regard to accounts are requested to write to the Company at least one week in advance so as to enable the management to keep the information ready.
- 7) Proxies in order to be effective must be deposited duly stamped and signed at the Registered Office of the Company not less than 48 hours before the meeting.
- 8) The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is enclosed and forms part of the Notice.

# OUT OF CITY TRAVEL SOLUTIONS LIMITED

**Details of the Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting.**  
**(In pursuance of Clause 49 (vi) (A) of the Listing agreement.)**

**Director seeking re-appointment**

Name of the Director.	Mr. Praveen Vidyashankar Vasishth
Date of Birth.	12/01/1971
Date of Appointment.	15/07/2011
Expertise in any specific functional Area.	Finance and Taxation
Qualification	B.Com
Directorships held in other Companies (Excluding Foreign Companies.)	1) Banas Finance Limited 2) Five X Finance & Investment Limited 3) Shree Nath Commercial & Finance Limited 4) Rockon Fintech Limited.
Committee position held in other Companies.	1) Member of Audit, Remuneration and Share Transfer Committee of M/s. Banas Finance Limited 2) Members of Audit, Remuneration and Share Transfer Committee of M/s. Five X Finance & Investment Limited. 3) Chairman of Audit, Remuneration and Share Transfer Committee of Rockon Fintech Limited. 4) Member of Audit, Remuneration and Share Transfer Committee of M/s. Shree Nath Commercial & Finance Limited

# OUT OF CITY TRAVEL SOLUTIONS LIMITED

## BOARD OF DIRECTOR'S REPORT

To  
The Members

Your Directors present their 32<sup>nd</sup> Annual Report with Audited Statement of Accounts for the year ended on March 31, 2013.

### Financial Results

Particulars	(Amt. In Lacs)	
	Year Ended 31/03/2013	Year Ended 31/03/2012
Income	248.74	1297.43
Profit before Dep. & Int.	10.98	1.70
Depreciation	17.62	82.63
Interest	0.02	0.00
Profit after Depreciation & Interest	(6.66)	(80.93)
Provision for Taxation	1.39	0.00
Provison for Tax (deferred)	(2.68)	0.00
Profit after Tax	(5.37)	(80.93)
Net profit/ (Loss)	(5.37)	(80.93)
Amount Available for Appropriation	(5.37)	(80.93)
Balance carried to Balance Sheet	(5.37)	(80.93)

### FINANCIAL HIGHLIGHTS

During the year Company's total revenue including other income is Rs 248.74 lacs as compared to Rs.1297.43 lacs in the previous year and thereby registering a decrease of 80.83 % as compared to the previous year. The total expenditure during the year under review was Rs.255.40 lacs against Rs.1378.36 lacs in the previous year registering an decrease of 81.47% as compared to the previous year. The Net Profit / (Loss) after tax was Rs. (06.66) lacs against Rs. (80.93) lacs in the previous year, registering an decrease in loss of 91.77% as compared to the previous year.

### DIVIDEND

Since the Company has Incurred Losses hence no dividend is declared.

### DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mr. Praveen Vidyashankar Vasisht retire by rotation at the ensuing Annual General Meeting, and being eligible offers himself for reappointment.

### DEPOSITS

During the year your company has not accepted any deposits within the meaning of Section 58A of The Companies Act, 1956.

### FOREIGN EXCHANGE

There is no inflow and outflow of Foreign Exchange.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- That in the preparation of the accounts for the financial year ended 31st March 2013 the applicable accounting standards have been followed, along with proper explanation relating to all material departures.

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- b) That they have, in the selection of the accounting policies, consulted the statutory auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for that period.
- c) They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That the Directors have prepared the accounts for the financial year ended 31st March, 2013 on a going concern basis.

## **AUDITORS**

M/s. Pravin Chandak & Associates, Chartered Accountants statutory auditors of the Company retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment. The Company has received a certificates from them under Section 224(1-B) & 226(3) of the Companies Act, 1956.

## **AUDITORS REPORT**

Observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

## **CHANGE OF REGISTERED OFFICE**

The Board of Directors has approved shifting of registered office of the company within the local limit of same city from Goregoan (west) to Andheri (west).

## **PREFERENTIAL ISSUES**

During the year company has allotted 62,80,000 equity shares of Re.1/- each at a premium of Rs.22/- on preferential basis to non promoters on 18/10/2012.

## **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

The particulars under the companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, on conservation of energy and Technology absorption is not applicable.

## **PARTICULARS OF EMPLOYEE**

The information required under section 217(2A) of the Companies Act 1956, read with the Companies (particulars of employees) Rules 1975, forms part of this report - Not applicable.

## **LISTING OF SHARES**

Equity shares of your Company are listed on Bombay Stock Exchange only and the Company has paid the necessary Listing fees for the year 2013 – 2014.

## **GREEN INITIATIVE IN CORPORATE GOVERNANCE'**

The ministry of corporate Affairs (vide circular nos.17/2011 and 18/2011 dated April 21 and April 29,2011 respectively), has undertaken 'Green initiative in corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support their green initiative by registering/updating their email addresses, in respect of shares held in dematerialised form with their respective depository participants and in respect of shares held in physical form with RTA of the Company.

## **CORPORATE GOVERNANCE COMPLIANCE**

As required under the listing agreement with the stock exchange, corporate governance and management discussion and analysis report form part of this Annual Report.

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## ACKNOWLEDGEMENT

The Board of Directors wishes to express sincere thanks to Bankers, Shareholders, clients, Financial Institutions, customers, suppliers and employees of Companies for extending support during the year.

## REGISTERED OFFICE

E/109, Crystal Plaza, New  
Link Road, Opp. Infinity Mall,  
Andheri (West), Mumbai: 400053.  
Dated: 28/08/2013

## BY ORDER OF THE BOARD

Sd/-  
Girraj Kishor Agrawal  
(Chairman)

# OUT OF CITY TRAVEL SOLUTIONS LIMITED

## CORPORATE GOVERNANCE REPORT

### A) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and in all interactions with its stakeholders, including shareholders, employees, the government and the society in general.

The Company endeavors to improve on these aspects on an ongoing basis.

This report is for compliance of Clause 49 of the Listing Agreement, which the Company has entered into with the Stock Exchanges.

### B) BOARD OF DIRECTORS

The Board of Director comprises of Mr. Girraj Kishor Agrawal as Managing Director, Mrs. Tanu Giriraj Agarwal as Non Executive Director, Mr. Praveen Vasishth, and Mr. Tushar Rane as Independent Non Executive Directors.

a) The composition of the Board of Directors and their attendance at the meetings during the period and at the last Annual General Meeting as also number of other directorships, membership of committees are as follows: -

Name of Director	Status	No. of Board meetings Attended	Attendance at last AGM	No. of other Directorships	Committee Membership	
					Chairman	Member
Mr. Girraj Kishor Agarwal	M.D	10	Yes	8	-	2
Mrs. Tanu Giriraj Agarwal	N.E.D	10	Yes	9	-	6
Mr. Praveen Vasishth	I.N.E.D	8	No	4	2	8
Mr. Tushar Rane	I.N.E.D	6	No	5	2	10

N.E.D Non Executive Director  
M.D. Managing Director  
I.N.E.D Independent Non Executive Director

#### Notes:

During the period ended 31st March 2013, Ten (10) Board Meetings were held on the following dates:

26/04/2012, 16/05/2012, 08/06/2012, 19/06/2012, 14/08/2012, 29/08/2012, 18/10/2012, 12/11/2012, 14/02/2013 and 30/03/2013.

### CODE OF CONDUCT

The Board has laid down a Code of Conduct for Board Members and Senior Management Staff of the Company. The Board Members and Senior Management Staff have affirmed compliance with the said code of conduct.

### C) AUDIT COMMITTEE

The Audit Committee was constituted in terms of Section 292A of the Companies Act, 1956 and as per the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges.

a) Brief description of terms of reference

The terms of reference of the Audit Committee are in conformity with the provisions of Sub-clause II of Clause 49 of the Listing Agreements with the Stock Exchanges which, inter alia, include the following:-

- Oversight of the Company's financial reporting process.
- Recommending appointment and removal of external auditors and fixing of their fees.



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- Reviewing with management the quarterly, half-yearly and annual financial results / statements with special emphasis on accounting policies and practices, compliances with accounting standards and other legal requirements concerning financial statements.
- Reviewing the adequacy of the Audit and compliance functioning including their policies, procedures, techniques and other regulatory requirements.
- Reviewing the adequacy of internal control systems and significant audit findings.
- Discussion with statutory and internal auditors regarding nature and scope of audit.

b) The composition and details of the meetings of the Audit Committee are as follows:

Name of the Member	Position
Mr. Praveen Vasishth	Chairman
Mrs. Tanu Giriraj Agrawal	Member
Mr. Tushar Rane	Member

## D) SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

a) Terms of reference: The Committee was constituted to specifically look into the redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet and non-receipt of declared dividend.

b) The composition of the Shareholders Grievance Committee is as follows:

Name of the Member	Position
Mr. Praveen Vasishth	Chairman
Mrs. Tanu Giriraj Agrawal	Member
Mr. Tushar Rane	Member

c) Name of Compliance Officer: Mr. Girraj Kishor Agrawal.

## E) REMUNERATION COMMITTEE

The Company has constituted a Remuneration Committee with terms of reference to evaluate compensation/commission and benefits for Directors and to frame policies and procedures for Stock Option Plans as approved by the shareholders. This Committee also acts as Nomination Committee and Compensation Committee.

(a) The composition of the Remuneration Committee is as follows:

Name of the Member	Position
Mr. Praveen Vasishth	Chairman
Mrs. Tanu Giriraj Agrawal	Member
Mr. Tushar Rane	Member

The details of remuneration paid to Chairman and whole time Director of the Company during the period ended 31st March 2013 are given below. - No remuneration was paid to Directors during the period ended 31st March 2013.

None of the other non-executive director holds any shares, convertible instruments or stock options in the company. As on 31 March 2013, there are no outstanding options granted to any of the Directors of the Company.

## F) GENERAL BODY MEETINGS

a) Last AGM held on 28/09/2012

b) The last three Annual General Meetings were held as under:-

Year/Period Ended	Date of Meeting	Time
31 <sup>st</sup> March 2010	14/07/2010	03:00 P.M.

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31 <sup>st</sup> March 2011	17/08/2011	03:30 P.M.
31 <sup>st</sup> March 2012	28/09/2012	04.30 P.M

## G) DISCLOSURES

1. During the period, there were no transactions materially significant with Company's promoters, directors or management or subsidiaries or their relatives that may have potential conflict with the interests of the Company at large.
2. Details of Non Compliance by the Company, penalties strictures imposed on the Company by Stock Exchanges or any statutory authority, on any matter related to capital markets, during the last three years – None.

## H) MEANS OF COMMUNICATION.

Quarterly, Half Yearly and Yearly financial results are sent to the Stock Exchanges immediately after they are approved by the Board.

## I) GENERAL INFORMATION FOR MEMBERS

- i) Annual General Meeting – - The 32<sup>nd</sup> Annual General Meeting of the Company will be held on 30/09/2013 at 04.30 p.m. in Mumbai.

ii)

Financial Calendar	Last AGM held on 28/09/2012
First Quarter Results Declared	Second Week of August, 2012
Second Quarter Results Declared	Second Week of November, 2012
Third Quarter Results Declared	Second Week of February, 2013
Fourth Quarter Results Declared	Last week of May, 2013.

iii) Book Closure date : 26/09/2013 to 30/09/2013

iv) Dividend payment date : Not applicable

v) (a) Listing of Equity Shares: Bombay Stock Exchange

(b) Listing fees is duly paid to the Bombay stock exchange Limited as per listing agreement.

vi) (a) Stock Code BSE CODE : 503663

(b) Demat ISIN Numbers in NSDL & CDSL INE026L01022 for Equity Shares.

## Stock Market Data at BSE:

Month	High	Low	Close	No. of Shares
April 2012	36.55	29.85	32.00	935968
May 2012	35.10	16.60	16.60	585795
June 2012	16.30	13.30	13.30	386260
July 2012	13.04	9.71	10.19	679709
Aug 2012	17.30	10.67	17.30	330835
Sep 2012	36.00	18.15	36.00	1865801
Oct 2012	51.45	35.50	51.45	262520
Nov 2012	73.80	52.45	73.80	1244554
Dec 2012	95.10	75.25	91.90	408679
Jan 2013	137.00	91.00	127.00	324375
Feb 2013	191.25	116.00	187.40	371317
Mar 2013	190.00	88.85	88.85	251133

## VII) REGD. OFFICE:

E-109, Crystal Plaza, New Link Road, Opp. Infinity Mall, Andheri (w), Mumbai- 400 053

Web site: [www.tilakfinance.com](http://www.tilakfinance.com)

Email Id: tilakfin@gmail.com

# OUT OF CITY TRAVEL SOLUTIONS LIMITED

## VIII) REGISTRAR & TRANSFER AGENTS AND SHARE TRANSFER SYSTEM

All documents, transfer deeds, demat requests and other communication in relation thereto should be addressed to the R & T Agents at its following address:

### Sharex Dynamic India Private Limited,

Luthra Industrial Premises, Unit No. 1, Safed Pool, Andheri (E), Mumbai – 400 072  
Tel: 022 28515606

Share transfers in physical form are processed within about 2 weeks from the date of receipt of the valid and completed documents.

## IX) INVESTOR RELATION OFFICER: Mr. Girraj Kishor Agrawal.

## X) Share Transfer System as per Listing Agreement and Companies Act, 1956

## XI) Distribution of Shareholding As On 31st March 2013

Shareholders			Shareholding	
No. of Shares	Nos.	%	Holding in Rs.	%
1-5000	146	33.18	123313	0.10
5001-10000	68	15.45	594075	0.46
10001-20000	33	7.50	601083	0.47
20001-30000	26	5.91	690976	0.54
30001-40000	12	2.73	422666	0.33
40001-50000	11	2.50	527394	0.41
50001-100000	55	12.50	4455666	3.47
100001- and above	89	20.23	121064827	94.23
Total	440	100.00	128480000	100.00

## XII. Shareholding pattern as on 31.03.2013

Category		No. of Shares held	Percentage of Shareholding
<b>A</b>	Promoter's Holding		
1	Promoters		
	- Indian Promoters	74520500	58.00
	- Foreign Promoters	-	-
2	Persons acting in concert	-	-
	Sub – Total	74520500	58.00
<b>B</b>	Non-Promoter's Holding	-	-
3	Institutional Investors	-	-
a)	Mutual Funds and UTI	-	-
b)	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non Government Institutions)	-	-
<b>C</b>	FII's	-	-
	Sub – Total	-	-
4	Others	-	-
a)	Private Corporate Bodies	13433325	10.45
b)	Indian Public	40519150	31.54
c)	NRI's/OCB's	2000	0.00
d)	Any Other (Please specify) - Clearing Members	5025	0.00
	Sub-Total	53959500	42.00
	<b>Grand Total</b>	<b>128480000</b>	<b>100%</b>

## XIII. DEMATERIALISATION OF SHARES.

As on 31st March 2013, 99.84% of the Company's Shares representing 128280000 Share were held in dematerialized form and the balance 200000 Shares were held in physical form.

# OUT OF CITY TRAVEL SOLUTIONS LIMITED

## **XIV. INVESTOR CORRESPONDENCE:**

For Transfer / dematerialization of shares, payment of dividend on shares, interest and redemption of debentures, and any other query relating to the shares and debenture of the company

### **SHAREX DYNAMIC PRIVATE LIMITED,**

Luthra Industrial Premises,  
Unit No. 1, Safed Pool,  
Andheri (E), Mumbai – 400 072

### **Address for Correspondence:**

Out of City Travel Solutions Ltd  
E-109, Crystal Plaza, New Link Road,  
Opp. Infinity Mall, Andheri (w),  
Mumbai- 400 053  
Web site: [www.tilakfinance.com](http://www.tilakfinance.com)  
Email Id: tilakfin@gmail.com

# OUT OF CITY TRAVEL SOLUTIONS LIMITED

## MANAGEMENT DISCUSSIONS AND ANALYSIS REPORTS

Your Directors are pleased to present the Management Discussion and Analysis Report for the year ended 31<sup>st</sup> March, 2013.

The management discussion and analysis have been included in consonance with the code of corporate governance as approved by The Securities and Exchange Board of India (SEBI). Investors are cautioned that these discussions contain certain forward looking statements that involve risk and uncertainties including those risks which are inherent in the Company's growth and strategy. The company undertakes no obligation to publicly update or revise any of the opinions or forward looking statements expressed in this report consequent to new information or developments, events or otherwise.

The management of the company is presenting herein the overview, opportunities and threats, initiatives by the company and overall strategy of the company and its outlook for the future. This outlook is based on management's own assessment and it may vary due to future economic and other future developments in the country.

### OVERVIEW

The operation of the company during majority of the year was mainly centered in Finance Business and Share Trading. The company was dealing in Lending, Advancing and Depositing Money in Industrial and other Undertakings and Businesses and to deal in acquiring, selling, subscribing, transferring, holding, disposing, and otherwise dealing and investing in shares, securities, movables, etc.

### INDUSTRY STRUCTURE AND DEVELOPMENT:

Of late, especially in the past few decades, there has been tremendous growth in the Finance Industries in India and the development thereof has been remarkable. The company has been conducting and dealing in Financing Activities since inception.

### OPPORTUNITIES AND THREATS:

Some of the key trend of the industry that are favourable to the company to exploit these emerging opportunities are:

1. Clients are more comfortable with uniform high quality and quick service and process across the enterprise.
2. There are good prospects for expanding further activities in this direction.
3. The company is also facing server competition from other travel companies.

Some of the key changes in the industry unfavourable to the company are:

1. Heightened competition
2. Increasing Compliances
3. Attraction and retention of human capital.
4. Regulatory changes.

### OUTLOOK

The Indian economy has grown at its slowest pace in a decade in 2012-13. The economy grew at 5% this financial year as compared to 6.2% in previous year. A significant portion of the Company's income arises from investment and trading operation, which are largely dependent on the conditions of the stock market. The stock market activity depends largely upon the economic growth momentum and a combination of several factors like inflation, domestic savings, surging portfolio investments into India etc. The unusual developments in the global economy indicate heightened uncertainties and new challenges for the emerging market economies like India.

### RISK & CONCERNS:

In today's complex business environment, almost every business decision requires executives and managers to balance risk and reward. Effective risk management is therefore critical to an organization's success. Globalization with increasing integration of markets, newer and more complex products and transactions and an increasingly stringent regulatory framework has exposed organizations to and integrated approach to risk management. Timely and effective risk

# OUT OF CITY TRAVEL SOLUTIONS LIMITED

management is of prime importance to our continued success. The sustainability of the business is derived from the following:

- a) Identification of the diverse risks faced by the company.
- b) The evolution of appropriate systems and processes to measure and monitor them.
- c) Risk Management through appropriate mitigation strategies within the policy framework.
- d) Monitoring the progress of the implementation of such strategies and subjecting them to periodical audit and review.
- e) Reporting these risk mitigation results to the appropriate managerial levels.
- f) There is the risk of loss from inadequate or failed systems, processes or procedures. These may be attributed to human failure or technical problems given the increase use of technology and staff turnover. Your company has in place suitable mechanisms to effectively reduce such risks. All these risks are continuously analysed and reviewed at various levels of management through an effective information system.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Internal control systems are embedded in the processes across all functions in the Company. These systems are being regularly reviewed and wherever necessary are modified or redesigned to ensure better efficiency and effectiveness. The systems are subjected to supervision by the Board of Directors and the Audit Committee, duly supported by Corporate Governance. Company Compliances with all Applicable statutes, policies, procedures, listing requirements and management guidelines. It Adheres to applicable accounting standards and polices.

## **HUMAN RESOURCES/INDUSTRY RELATIONS:**

The company provides excellent working environment so that the individual staff can reach his/her full potential. HR strives to enable the organization to achieve its objectives by constantly aligning the people factor' with the 'business needs'. This creates a need for constantly evolving and stimulating the systems and processes in the context of organizational culture. As part of the HR Action plan, we have initiated steps to work on each of key variables that affect human resources, both at a strategic level and at an operational level. The company is poised to take on the challenges and march towards accomplishing its mission with success.

## **CAUTIONARY STATEMENT**

Statement in the Management Discussion and analysis describing the company's objectives exceptions or predications may be forwards looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Several factors could make significant difference to the company's operation. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural statutes, policies, procedures, listing requirements and management guidelines. It Adheres to applicable accounting standards and polices.

# **OUT OF CITY TRAVEL SOLUTIONS LIMITED**

## **AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of  
**Out of City Travel Solutions Ltd.**

1. We have examined the compliance of Corporate Governance by M/s. Out of City Travel Solutions Ltd for the period ended on 31<sup>st</sup> March 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.
2. 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 of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. 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.

**For Pravin Chandak & Associates**  
**Chartered Accountants**  
**Firm Registration No: 116627W**

**Sd/-**  
**Pravin Chandak**  
**Partner**  
**M.No.049391**

**Place: Mumbai.**  
**Dated: 30/05/2013.**

## AUDITOR'S REPORT

**To The Members  
Out of City Travel Solutions Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Out of City Travels Solutions Limited ("The Company") which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year ended March 2013, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March,2013.
- (b) in the case Statement of Profit and Loss Account, of the loss for the year ended March,2013 and
- (c) in the case of Cash Flow Statement, of the cash flows for the year ended March,2013.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that :
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;



# OUT OF CITY TRAVEL SOLUTIONS LIMITED

- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c. the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, comply with the Accounting Standards referred to in sub-section (3C) of section 211 of Companies Act, 1956.
- e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For Pravin Chandak & Associates**  
**Chartered Accountants**  
**Firm Registration No: 116627W**

**Sd/-**  
**Pravin Chandak**  
**Partner**  
**M.No.049391**

**Place: Mumbai.**  
**Dated: 30/05/2013**

# OUT OF CITY TRAVEL SOLUTIONS LIMITED

## ANNEXURE TO THE AUDITOR'S REPORT ON THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(Referred to in point 1 of "Report on Other Legal and Regulatory Requirements" of our Report of even date to the members of Out of City Travel Solutions Limited on the financial statements for the year ended 31st March, 2013)

1. In respect of its fixed assets:
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c. In our opinion, the Company has not disposed of any part of fixed assets during the year and the going concern status of the Company is not affected.
2. As informed to us, the inventories held in dematerialized form, have been verified by the management with supportive evidence during the year. In our opinion the frequency of verification is reasonable. In our opinion, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. On the basis of our examination the records of inventory, we are of the opinion that Company is maintaining proper records of inventory. We are informed that no discrepancies were noticed on physical verification.
3. (a) The Company has granted unsecured loans to 6 parties covered in the register maintained under Section 301 of the Companies Act, 1956, the maximum amount outstanding at any time during the year was Rs. 4.19 crores and the yearend balance is Rs. NIL.
  - (b) In our opinion and according to the information and explanations given to us, the terms and conditions of the loans given by the Company are not prima facie prejudicial to the interest of the Company.
  - (c) No stipulations have been made for the recovery of the loans hence clause 4 (iii) (c) is not applicable to the company.
  - (d) No stipulations have been made for recovery of the loans given by the company hence clause 4(iii) (d) is not applicable to the company.
  - (e) The Company has taken interest free unsecured loans from 3 parties covered in the register maintained under Section 301 of the Companies Act 1956, the maximum amount outstanding at any time during the year was Rs. 71.73 lakhs and the yearend balance is Rs. NIL.
  - (f) In our opinion and according to the information and explanations given to us, the terms and conditions of the loans taken by the Company are not prima facie prejudicial to the interest of the Company.
  - (g) No stipulations have been made for the repayment of the loans hence clause 4(iii) (g) is not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of Inventory (Shares), Fixed Assets and for the sale of goods. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control.

# OUT OF CITY TRAVEL SOLUTIONS LIMITED

5. According to the information and explanations given to us, we are of the opinion that the company has not entered into any contracts or arrangements referred to in section 301 of the Companies Act, 1956.
6. No deposits, within the meaning of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under have been accepted by the Company.
7. In our opinion and according to information and explanation given to us, the company has adequate internal audit system commensurate with size of the Company and nature of its business.
8. According to the information and explanation given to us the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for any of the activities of the company.
9. (a) The Company is regular in depositing undisputed statutory dues including Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other material statutory dues applicable to the company with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.  
  
b) According to the records of the Company, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty, cess which have not been deposited on account of any dispute.
10. Accumulated losses of the company as at 31st March, 2013 do not exceed fifty percent of its net worth at the end of the financial year. The company has not incurred any cash losses during the financial year covered by our audit and had not incurred any cash losses during the immediately preceding financial year.
11. According to the records made available to us and information and explanations given to us by the management, the company has not taken any financial assistance from any financial institutions or banks. Accordingly Clause 4(xi) of Companies (Auditor's Report) Order, 2003 is not applicable.
12. According to the information given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a Nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. The Company has maintained proper records of the transactions and contracts for dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investment have been held by the company, in its own name except to the extent of the exemption granted under section 49 of the Companies Act, 1956.
15. In our Opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions during the year.
16. As per the information and records furnished to us, the Company has not accepted any term loans. Accordingly Clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, the funds raised on short-term basis have, prima facie, not been used for long-term investment.
18. According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

# OUT OF CITY TRAVEL SOLUTIONS LIMITED

19. During the financial year, company had not issued any debenture. Accordingly Clause 4(xviii) of Companies (Auditor's Report) Order, 2003 is not applicable.
20. The Company has not raised any money by way of public issue during the year. Accordingly Clause 4(xx) of Companies (Auditor's Report) Order, 2003 is not applicable.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**For Pravin Chandak & Associates**  
**Chartered Accountants**  
**Firm Registration No: 116627W**

**Sd/-**  
**Pravin Chandak**  
**Partner**  
**M.No.049391**

**Place: Mumbai.**  
**Dated: 30/05/2013**

# OUT OF CITY TRAVEL SOLUTIONS LIMITED

## CEO / CFO CERTIFICATION

**The Board of Directors,  
Out of City Travel Solutions Ltd**  
E-109, Crystal Plaza,  
New Link Road,  
Opp. Infinity Mall, Andheri (w),  
Mumbai - 400 053.

We hereby certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2013 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.
2. No transaction is entered into by the company during the year which is fraudulent, illegal or violate of the Company's Code of Conduct.
3. We accept responsibility 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.
4. We have indicated to the auditors and the Audit Committee:
  - a. Significant changes in internal control over financial reporting during the year.
  - b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c. 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.

**For Out of City Travel Solutions Ltd**

**Place: Mumbai,  
Dated: 28/08/2013**

**Sd/-  
Girraj Kishor Agrawal  
(Managing Director/CEO)**

# **OUT OF CITY TRAVEL SOLUTIONS LIMITED**

## **COMPLIANCE CERTIFICATE**

To  
The Members of  
Out of City Travel Solutions Ltd

It is hereby certified and examined that as provided in Clause 49 I (D) of the listing agreement with the stock exchanges, the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31<sup>st</sup> March, 2013

Registered Office:  
E-109, Crystal Plaza,  
New Link Road,  
Opp. Infinity Mall, Andheri (w),  
Mumbai- 400 053

Place: Mumbai  
Dated: 28/08/2013

For Out of City Travel Solutions Ltd

Sd/-  
Girraj Kishor Agrawal  
(Managing Director / CEO)

# OUT OF CITY TRAVEL SOLUTIONS LIMITED

## OUT OF CITY TRAVEL SOLUTIONS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount in Indian Rupees)

	NOTES	31ST MARCH, 2013	31ST MARCH, 2012
<b><u>EQUITY &amp; LIABILITIES</u></b>			
<b><u>SHAREHOLDERS' FUNDS</u></b>			
Share Capital	2	128,480,000	122,200,000
Reserves and Surplus	3	186,240,205	48,617,820
<b><u>NON CURRENT LIABILITIES</u></b>			
Deferred Tax Liabilities		1,477,090	1,745,029
<b><u>CURRENT LIABILITIES</u></b>			
Short Term Borrowings	4	-	3,455,191
Trade Payables	5	51,357	293,631
Other Current Liabilities	6	6,985	968,284
Short Term Provisions	7	139,325	-
	<b>TOTAL</b>	<b>316,394,962</b>	<b>177,279,955</b>
<b><u>ASSETS</u></b>			
<b><u>NON CURRENT ASSETS</u></b>			
Fixed Assets			
Tangible Assets	8	5,267,088	7,302,928
Intangible Assets	8	-	43,500,000
Non Current Investments	9	97,263,760	-
Long Term Loans and Advances	10	689,375	1,464,875
<b><u>CURRENT ASSETS</u></b>			
Inventories	11	60,171,284	26,550,137
Trade Receivables	12	794,250	2,342,391
Cash and Cash Equivalents	13	3,141,509	2,540,656
Short Term Loans and Advances	14	149,067,695	93,578,968
	<b>TOTAL</b>	<b>316,394,962</b>	<b>177,279,955</b>
Notes Forming Part Of Financial Statement	1 - 29		

For Pravin Chandak & Associates  
Chartered Accountants  
(Firm Registration No.116627W)

For and on behalf of the Board of Directors  
of Out Of City Travel Solutions Limited

Sd/-  
Pravin Chandak  
Partner  
Membership No. 049391  
Place : Mumbai  
Dated: 30th May 2013

Sd/-  
Girraj Kishor Agrawal  
(Managing Director)

Sd/-  
Tanu Agarwal  
(Director)

# OUT OF CITY TRAVEL SOLUTIONS LIMITED

## OUT OF CITY TRAVEL SOLUTIONS LIMITED

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Indian Rupees)

PARTICULARS	NOTES	31ST MARCH, 2013	31ST MARCH, 2012
<b>INCOME</b>			
Revenue from Operations	15	18,772,429	121,122,588
Other Income	16	6,101,597	8,620,500
<b>Total Income (I)</b>		<b>24,874,025</b>	<b>129,743,088</b>
<b>EXPENSES</b>			
Purchase of Traded goods		54,559,531	124,451,786
(Increase)/decrease in inventories of traded goods		(33,621,147)	(2,498,377)
Employee Benefits Expense	17	1,368,676	3,781,122
Auditors Remuneration	18	40,000	16,030
Depreciation & Impairment	8	1,761,946	8,263,814
Other Expenses	19	1,431,250	3,822,535
<b>Total Expenses (II)</b>		<b>25,540,255</b>	<b>137,836,910</b>
Profit for the year before Tax	(I - II)	(666,229)	(8,093,823)
Tax Expenses			
Current Tax		139,325	-
Deferred Tax		(267,939)	92
Profit/(Loss) for the period		(537,615)	(8,093,915)
Earning per equity share			
Basic		(0.00)	(0.07)
Diluted		(0.00)	(0.07)
Notes Forming Part Of Financial Statement	1-29		

For Pravin Chandak & Associates  
Chartered Accountants  
(Firm Registration No.116627W)

For and on behalf of the Board of Directors  
of Out Of City Travel Solutions Limited

Sd/-  
Pravin Chandak  
Partner  
Membership No. 049391  
Place : Mumbai  
Dated: 30th May 2013

Sd/-  
Girraj Kishor Agrawal  
(Managing Director)

Sd/-  
Tanu Agarwal  
(Director)



# OUT OF CITY TRAVEL SOLUTIONS LIMITED

## OUT OF CITY TRAVEL SOLUTIONS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Indian Rupees)

Particulars	Year Ended 31st March, 2013		Year Ended 31st March, 2012	
<b>Cash Flow from Operating Activities</b>				
<b>Profit Before Tax and Extraordinary items</b> (As per Profit and Loss Account)		(666,229)		(8,093,823)
Adjustments for:				
Depreciation		1,761,946		8,263,814
<b>Operating Profit before Working Capital Changes</b>		1,095,717		169,991
Adjustments for:				
(Increase)/Decrease in Inventories	(33,621,147)		(2,498,377)	
(Increase)/Decrease in Sundry Debtors	1,548,141		(2,242,391)	
(Increase)/Decrease in Other Receivable	(54,160,633)		53,436,874	
Increase/(Decrease) in Current Liabilities & Provision	(1,203,573)	(87,437,211)	411,323	49,107,429
Cash Generated From Operations		(86,341,495)		49,277,420
Less: Income Tax Paid		552,594		(904,118)
<b>Net Cash from Operating Activities A</b>		(86,894,089)		48,373,302
<b>Cash Flow from Investing Activities</b>				
Purchase of Web Portal				(50,000,000)
Purchase of Fixed Assets				(371,450)
Investment Purchased		(97,263,760)		
Sale of Web Portal		43,500,000		
Sale of Fixed Assets		271,933		
Loss on Sale of Fixed Asset		1,961	-	
<b>Net Cash from Investing Activities B</b>		(53,489,867)		(50,371,450)
<b>Cash Flow from Financing Activities</b>				
Shares Issued	6,280,000			
Share Premium on issue of Shares	138,160,000			
Received of Unsecured Loans			3,455,191	
Repayment of Unsecured Loans	(3,455,191)	140,984,809	-	3,455,191
<b>Net Cash from Financial Activities C</b>		140,984,809		3,455,191
<b>Net Increase/ Decrease in Cash and Cash Equivalents (A+B+C)</b>		600,854		1,457,044
<b>Cash and Cash Equivalents - Opening Balance</b>		2,540,656		1,083,612
<b>Cash and Cash Equivalents - Closing Balance</b>		3,141,509		2,540,656

For Pravin Chandak & Associates  
Chartered Accountants  
(Firm Registration No.116627W)

For and on behalf of the Board of Directors  
of Out Of City Travel Solutions Limited

Sd/-  
Pravin Chandak  
Partner  
Membership No. 49391  
Place : Mumbai  
Date : 30th May 2013

Sd/-  
Girraj Kishor Agrawal  
(Managing Director)

Sd/-  
Tanu Agrawal  
(Director)

# OUT OF CITY TRAVEL SOLUTIONS LIMITED

## OUT OF CITY TRAVEL SOLUTIONS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2013

(Amount in Indian Rupees)

PARTICULARS	31ST MARCH, 2013	31ST MARCH, 2012
<b>2 Share Capital</b>		
<b>Authorised</b>		
13,25,00,000 Equity Shares of Rs. 1 each (Previous year 12,25,00,000 Equity Shares of Re. 1 Each)	132,500,000	122,500,000
<b>Total Authorised Share Capital</b>	132,500,000	122,500,000
<b>Issued, Subscribed and Paid up</b>		
12,84,80,000 Equity Shares of Rs. 1 each (Previous year 1,22,20,000 Equity Shares of Re. 1 Each)	128,480,000	122,200,000
<b>Total Issued, Subscribed And Fully Paid Up Share Capital</b>	128,480,000	122,200,000

### a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Equity shares of Rs. 1 each	31st March, 2013		31st March, 2012	
	Numbers	Rs.	Numbers	Rs.
At the beginning of the period	122,200,000	122,200,000	122,200,000	122,200,000
Issued during the period	6,280,000	6,280,000	-	-
Bought back during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	128,480,000	128,480,000	122,200,000	122,200,000

### b. Terms/rights attached to equity shares

The Company has only one class of Equity Shares having par value of Rs. 1 Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors are subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

### c. Details of shareholders holding more than 5%

Equity shares of Rs. 1 each fully paid	31st March, 2013		31st March, 2012	
	Numbers	% holding in the	Numbers	% holding in the
Kayaguru Health Solution Pvt Ltd	22,000,000	17.12	22,000,000	18.00
Axon Infotech Limited	23,000,000	17.90	23,000,000	18.82
Shreenath Commercial & Finance Ltd	20,600,000	16.03	20,600,000	16.86
Handful Investrade Pvt. Ltd	8,920,500	6.94	8,957,500	7.33
	74,520,500	58.00	74,557,500	61.01

# OUT OF CITY TRAVEL SOLUTIONS LIMITED

## 3 Reserve & Surplus

### Securities premium reserve

Balance as per last financial statements	54,975,000	54,975,000
Add: Premium on Shares issued during the year	138,160,000	-
<b>Closing balance</b>	<b>193,135,000</b>	<b>54,975,000</b>

### Surplus/(deficit) in the Statement of Profit and Loss

Balance as per last financial statements	(6,357,180)	1,736,735
Profit/ (loss) for the year	(537,615)	(8,093,915)
Less: Utilised for bonus issue/fresh equity shares	-	-
Less: Appropriations	-	-
<b>Closing balance</b>	<b>(6,894,795)</b>	<b>(6,357,180)</b>

### Total Reserves And Surplus

<b>186,240,205</b>	<b>48,617,820</b>
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## 4 Short Term Borrowings

### Unsecured Loans

Loans repayable on demand

From banks	-	-
From other parties	-	3,455,191

### Total Short Term Borrowings

-	3,455,191
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## 5 Trade Payables

Trade payables	51,357	293,631
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### Total Trade Payables

51,357	293,631
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## 6 Other Current Liabilities

Outstanding expenses	-	726,837
Advance received	-	98,366
Duties and taxes payable	6,985	143,081

### Total Other Current Liabilities

6,985	968,284
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## 7 Short Term Provisions

Provision for Income Tax	139,325	-
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### Total Short Term Provisions

139,325	-
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# OUT OF CITY TRAVEL SOLUTIONS LIMITED

<b>9</b>	<b><u>Non Current Investments</u></b>		
	<b><u>Non Trade Investment (Quoted)</u></b>		
	In Equity Shares		
	19,21,005 equity shares of Rs.1 each fully paid up in Esaar (India) Limited	53,763,760	-
	<b><u>Non Trade Investments (Unquoted)</u></b>		
	In Optionally Convertible Redeemable Debenture		
	1 Optionally Convertible Redeemable Debenture Certificate of Rs. 30,00,000 in Infibeam Corporation Ltd.	3,000,000	-
	1 Optionally Convertible Redeemable Debenture Certificates of Rs.4,05,00,000 in Infibeam Corporation Ltd.	40,500,000	-
	<b>Total Non Current Investments</b>	<b>97,263,760</b>	<b>-</b>
	(Market Value of Quoted Investment as on 31-03-2013 Rs.2,57,41,467/-)		
<b>10</b>	<b><u>Long Term Loan and Advances</u></b>		
	Unsecured, Considered Good		
	Security deposits	689,375	1,464,875
	<b>Total Long Term Loan And Advances</b>	<b>689,375</b>	<b>1,464,875</b>
<b>11</b>	<b><u>Inventories</u></b>		
	(As certified by management)		
	Stock-in-trade	60,171,284	26,550,137
	<b>Total Inventories</b>	<b>60,171,284</b>	<b>26,550,137</b>
<b>12</b>	<b><u>Trade Receivables</u></b>		
	Unsecured, considered good		
	Outstanding for a period exceeding six months from the date	794,250	-
	Others	-	2,342,391
	<b>Total Trade Receivables</b>	<b>794,250</b>	<b>2,342,391</b>
<b>13</b>	<b><u>Cash and Cash Equivalents</u></b>		
	Cash on hand	2,409,934	983,259
	Balance with bank	731,575	1,557,397
	<b>Total Cash And Cash Equivalents</b>	<b>3,141,509</b>	<b>2,540,656</b>
<b>14</b>	<b><u>Short Term Loans and Advances</u></b>		
	Loan and advances		
	Loans and advances to related parties	-	-
	Loans and advances to Others	147,433,737	91,064,515
	Balance with statutory/government authorities	1,633,958	2,514,453
	<b>Total Short Term Loans And Advances</b>	<b>149,067,695</b>	<b>93,578,968</b>

# OUT OF CITY TRAVEL SOLUTIONS LIMITED

## OUT OF CITY TRAVEL SOLUTIONS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2013

NOTE 8: FIXED ASSETS

ASSETS	GROSS BLOCK				DEPRECIATION			IMPAIRMENT			NET BLOCK	
	AS ON	ADD/(DED.)	AS ON	UPTO	ADD./ (DED.)	UPTO	UPTO	DURING	AS ON	AS ON	AS ON	AS ON
	01/04/2012	DURING THE PERIOD	31/03/2013	01/04/2012	DURING THE PERIOD	31/03/2013	01/04/2012	THE YEAR	31/03/2013	31/03/2013	31/03/2013	31/03/2012
<b>Tangible Assets</b>												
Computer	11,158,581	302,950	10,855,631	3,895,267	1,759,698	5,625,909	-	-	-	5,229,722	7,263,314	
Office Equipments	27,990	-	27,990	2,660	1,330	3,990	-	-	-	24,000	25,330	
Furniture & Fixture	14,500	-	14,500	216	918	1,134	-	-	-	13,366	14,284	
<b>Intangible Assets</b>												
Web Portal	50,000,000	50,000,000	-	2,500,000	-	-	2,500,000	4,000,000	4,000,000	-	43,500,000	
<b>TOTAL RS.</b>	<b>61,201,071</b>	<b>50,302,950</b>	<b>10,898,121</b>	<b>6,398,143</b>	<b>1,761,946</b>	<b>5,631,033</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>5,267,088</b>	<b>50,802,928</b>	
<b>PREVIOUS YEAR</b>	10,829,621	50,371,450	61,201,071	2,134,329	4,263,814	6,398,143	-	4,000,000	4,000,000	54,802,928	8,695,292	

# OUT OF CITY TRAVEL SOLUTIONS LIMITED

## OUT OF CITY TRAVEL SOLUTIONS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2013

(Amount in Indian Rupees)

PARTICULARS	31ST MARCH, 2013	31ST MARCH, 2012
<b>15 Revenue From Operations</b>		
Commission & Incentive	20,371	862,201
Sales	18,753,231	121,106,654
Profit/(Loss) on Share Trading	(1,173)	(846,267)
<b>Total Revenue from Operations</b>	<b>18,772,429</b>	<b>121,122,588</b>
<b>16 Other Income</b>		
Dividend	-	368
Interest	6,022,449	7,575,786
Interest on Income Tax Refund	79,148	-
Server Hosting Charges	-	1,044,346
<b>Total Other Income</b>	<b>6,101,597</b>	<b>8,620,500</b>
<b>17 Employee benefit expenses</b>		
Director's Remuneration	98,440	-
Salaries	1,265,804	3,753,529
Staff welfare expenses	4,432	27,593
<b>Total Employee Benefit Expenses</b>	<b>1,368,676</b>	<b>3,781,122</b>
<b>18 Auditors Remuneration</b>		
As Audit fee	40,000	16,030
<b>Total Auditors Remuneration</b>	<b>40,000</b>	<b>16,030</b>
<b>19 Other Expenses</b>		
Advertisement Expenses	23,463	86,202
Bank Charges	14,048	59,578
Computer Expenses	-	17,169
Conveyance Expenses	5,616	14,402
Custodian Fees	-	71,000
Electricity charges	26,790	37,000
Domestic Ticket Expense	4,649	-
Interest on TDS	2,423	-
Internet Expenses	31,371	29,848
Legal & Professional Fees	190,579	961,488
Listing Fees	140,000	77,575
Miscellaneous Expenses	-	19,849
Office Expenses	7,313	56,210
Postage & Courier	8,673	4,445
Printing & Stationery	9,162	32,191
Rent Rates & Taxes	585,333	503,350
Repairs & Maintenance	43,150	47,750
ROC Expenses	80,500	8,000
Server Hosting Charges	29,867	249,547
Share Transfer Charges	102,184	28,783
Statutory Charges	-	750,000
Telephone Expenses	12,882	104,471
Tours & Travelling Expenses	-	309,099
Transaction Charges	111,286	354,579
Loss on Sale of Asset	1,961	-
<b>Total Other Expenses</b>	<b>1,431,250</b>	<b>3,822,535</b>

# OUT OF CITY TRAVEL SOLUTIONS LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of preparation of financial statements

The financial statements are prepared in accordance with Generally Accepted Accounting Principles ("GAAP") in India under the historical cost convention, on accrual basis. GAAP comprises mandatory Accounting Standards issued by the Companies (Accounting Standards) Amendment Rules, 2008 and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

#### b) Use of Estimates

The Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimates is recognized prospectively.

#### c) Revenue recognition

1. Income from Operation is recognised upon transfer of significant risks and rewards of ownership to the buyer.
2. Other Income is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
3. Dividend is recognised when the shareholders' right to receive payment is established at the balance sheet date.

#### d) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Capital work in progress includes expenditure incurred till the assets are put into intended use.

#### e) Depreciation

Depreciation is provided using the Straight Line Method at the rates and in the manner as prescribed under schedule XIV of the Companies Act, 1956. In case of Software, the same is amortized over a period of five years. Fixed Assets costing Rs. 5,000/- or less are fully depreciated in the year of acquisition.

#### f) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet dates and if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to extent of the carrying value of the asset that would have been determined (net of amortization / depreciation), had no impairment loss been recognized.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

# OUT OF CITY TRAVEL SOLUTIONS LIMITED

## g) Investments

Investments that are readily realizable and intended to be held for not more than one year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost or fair value determined on individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary decline in the value of the investments.

## h) Taxation

Tax expense comprises of current income tax and deferred income tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each balance sheet date, the Company re-assesses unrecognised deferred tax assets. It recognizes unrecognised deferred tax assets to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. Minimum Alternative Tax (MAT) credit is recognised as an asset and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period.

## i) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

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

## j) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when an enterprise has a present obligation as a result of past event it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Possible future obligations or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated, is disclosed as contingent liabilities in the notes to accounts of financial statements.

Contingent Assets are neither recognized nor disclosed in the financial statements.

## k) Cash Flow Statement

Cash flow statement has been prepared under the 'Indirect Method'. Cash and cash equivalents, in the cash flow statement comprise unencumbered cash and bank balances.



# OUT OF CITY TRAVEL SOLUTIONS LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 20. CONTINGENT LIABILITY:

	<u>2012-2013</u> Amount in Rs.	<u>2011-2012</u> Amount in Rs.
Contingent Liabilities not provided for	NIL	NIL
Others	NIL	NIL

### 21. EARNING PER SHARE:

Earnings per Share, as required by the Accounting Standard 20- "Earning Per Share" issued by the Institute of Chartered Accountants of India, is given below:

<u>Particulars</u>	<u>2012-2013</u> Amount in Rs.	<u>2011-2012</u> Amount in Rs.
Net profit/(loss) for the year attributable to equity shareholders (Rs.)	(5,37,615)	(80,93,915)
Weighted Average No. of Equity shares outstanding for Basic Earnings per share	13,60,92,121	12,22,00,000
Weighted Average No. of Equity shares outstanding for Diluted earnings per share	13,60,92,121	12,22,00,000
Basic Earnings per share (face valued of Rs 1/-each) (Rs.)	(0.004)	(0.066)
Diluted earnings per share (face valued of Rs 1/-each) (Rs.)	(0.004)	(0.066)

### 22. RELATED PARTY TRANSACTION:

#### List of Related Parties:-

#### a) Key Management person

- i) Girraj Kishor Agrawal
- ii) Tanu Agarwal

#### b) Related parties over which Key Management Personnel have Significant Influence :-

- i) Axon Infotech Ltd.
- ii) Banas Finance Ltd.
- iii) Shree Nath Commercial & Finance Ltd
- iv) Rockon Fintech Limited
- v) Five X Finance & Investment Ltd
- vi) Kayaguru Health Solutions Limited
- vii) Handful Investrade Pvt Ltd
- viii) Girraj Kishor Agarwal HUF
- ix) Saloni Agarwal

# OUT OF CITY TRAVEL SOLUTIONS LIMITED

## Transaction with Related Parties:-

List of Related Party	Nature of Transaction	<u>2012-13</u> <u>Amount in Rs.</u>	<u>2011-12</u> <u>Amount in</u> <u>Rs.</u>
Girraj Kishor Agarwal	Expenses paid on behalf of Company	75,500	NIL
	Office Rent	30,000	NIL
	Balance at year end	NIL	NIL
Axon Infotech Ltd	Loan Taken	NIL	1,00,000
	Loan Repaid	NIL	1,00,000
	Balance at year end	NIL	NIL
Banas Finance Ltd	Loan Given	1,61,88,500	NIL
	Loan Recovered	1,61,88,500	NIL
	Share Purchased	15,10,000	NIL
	Balance at year end	NIL	NIL
Shree Nath Commercial & Finance Ltd	Balance at beginning of the year	32,353	NIL
	Sales	NIL	57,259
	Receipt	NIL	24,906
	Loan Given	1,47,17,647	NIL
	Loan Recovered	1,47,50,000	NIL
	Balance at year end	NIL	32,353
Rockon Fintech Ltd.	Balance at beginning of the year	NIL	1,43,000
	Shares Purchased	NIL	1,57,000
	Loan Given	45,10,000	NIL
	Loan Recovered	45,10,000	NIL
	Loan Repaid	NIL	3,00,000
	Balance at year end	NIL	NIL
Five X Finance & Investment Ltd	Loan Given	1,62,50,000	NIL
	Loan Recovered	1,62,50,000	NIL
	Share Sold	3,000	NIL
	Balance at year end	NIL	NIL
Kayaguru Health Solutions Ltd.	Loan Given	3,50,000	NIL
	Loan Recovered	3,50,000	NIL
	Balance at year end	NIL	NIL

# OUT OF CITY TRAVEL SOLUTIONS LIMITED

Rockon Capital Market Pvt. Ltd.	Loan Taken	15,00,000	NIL
	Loan Repaid	15,00,000	NIL
	Balance at year end	NIL	NIL
Handful Investrade Pvt. Ltd	Balance at beginning of the year	NIL	17,43,000
	Loan Given	88,50,000	NIL
	Loan Recovered	88,50,000	NIL
	Loan Recovered	NIL	17,43,000
	Balance at year end	NIL	NIL
Saloni Agarwal	Loan Taken	79,00,000	NIL
	Loan Repaid	79,00,000	NIL
	Balance at year end	NIL	NIL

## 23. MAJOR COMPONENTS OF DEFERRED TAX LIABILITIES:

	<u>2012-2013</u> Amount in Rs.	<u>2011-2012</u> Amount in Rs.
Deferred Tax Liability on Depreciation	14,77,090	17,45,029
<b>Deferred Tax Assets/(Liability)</b>	<b>14,77,090</b>	<b>17,45,029</b>

24. Income in Foreign Currency NIL
25. Expenditure in Foreign Currency NIL
26. As per information available with the Company, none of the creditors has confirmed that they are registered under the Micro, Small and Medium enterprises Development Act, 2006.
27. Trade payable and Short Term loan and advances balances are subject to confirmation and reconciliation.
28. Segment Information: The Company is engaged in single segment and there are no separate reportable segments as defined in AS-17.
29. Previous year's figures have been regrouped, rearranged and reclassified wherever necessary to conform to the current's classification/ presentation.

### AS PER OUR REPORT OF EVEN DATE

For Pravin Chandak & Associates  
(Chartered Accountants)  
Firm Registration No: 116627W

For And On Behalf of the Board of  
Out of City Travel Solutions Limited

Sd/-  
Pravin Chandak  
(Partner)  
M. No. 049391  
Firm Registration No. 116627W

Sd/-  
Girraj Kishor Agrawal  
(Managing Director)

Sd/-  
Tanu Agarwal  
(Director)

Place: Mumbai  
Date: 30<sup>th</sup> May, 2013

# OUT OF CITY TRAVEL SOLUTIONS LIMITED

## OUT OF CITY TRAVEL SOLUTIONS LTD

Regd Off: E-109, Crystal Plaza, New Link Road, Opp. Infinity Mall, Andheri (w), Mumbai -400 053.

### PROXY FORM

Regd. Folio No. \_\_\_\_\_

No. of Shares: \_\_\_\_\_

D.P. I. D\* \_\_\_\_\_

Client ID\* \_\_\_\_\_

I/we \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ Being a shareholder/shareholders of Out of City Travel Solutions Ltd Hereby  
appoint \_\_\_\_\_ or failing him/her \_\_\_\_\_  
as my/ our proxy to attend and vote for me / us and on my/ our behalf at the 32<sup>nd</sup> Annual General meeting of the  
Company to be held on 30/09/2013 at 4:30 P.M. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

Affix  
Re. 1/-  
Revenue  
Stamp

Signature of the shareholder \_\_\_\_\_

Note: The Proxy form duly completed and signed must be deposited at the Registered office of the company not less than 48 hours before the time for holding the Meeting.

\*Applicable for shares held in electronic form.

## OUT OF CITY TRAVEL SOLUTIONS LTD

Regd Off: E-109, Crystal Plaza, New Link Road, Opp. Infinity Mall, Andheri (w), Mumbai -400 053.

### ATTENDANCE SLIP 32<sup>nd</sup> Annual General Meeting

Regd. Folio No. \_\_\_\_\_

No. of Shares: \_\_\_\_\_

D.P. I. D\* \_\_\_\_\_

Client ID\* \_\_\_\_\_

Name of the Attending Member \_\_\_\_\_

I / We hereby record my/our presence at the 32<sup>nd</sup> Annual General Meeting of the company at Regd. Off: E-109, Crystal Plaza, New Link Road, Opp. Infinity Mall, Andheri (w), Mumbai - 400 053.

Signature of the shareholder(s), / Proxy/ Representative \_\_\_\_\_

Note:

1) Member / proxy holder wishing to attend the meeting must bring the attendance slip to the meeting and hand over the same duly signed at the entrance.

2) Member/Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

## **BOOK POST**

**If undelivered please return to:**

**REGISTERED OFFICE**

**E-109, Crystal Plaza,**

**New Link Road,**

**Opp Infinity Mall,**

**Andheri (w),**

**Mumbai – 400 053.**

**Web site: [www.tilakfinance.com](http://www.tilakfinance.com)**

**Email Id: [tilakfin@gmail.com](mailto:tilakfin@gmail.com)**

## Form A

Format of covering letter of the annual Audit report to be filed with the Stock Exchange

1	Name of the Company	<b>Out of City Travel Solutions Limited</b>
2	Annual Financial Statements for the year ended	31 <sup>st</sup> March 2013
3	Type of Audit Observation	Un-qualified
4	Frequency of observation	Not Applicable
5	To be signed by – <ul style="list-style-type: none"><li>• <b>Girraj Kishor Agrawal</b> (Managing Director)</li> <li>• <b>Girraj Kishor Agrawal</b> (CFO)</li> <li>• <b>Pravin Chandak &amp; Associates</b> <b>Pravin Chandak</b> (Auditor of the Company)</li> <li>• <b>Praveen Vasishth</b> (Audit Committee Chairman)</li></ul>	   