



KHYATI MULTIMEDIA-ENTERTAINMENT LIMITED

(FORMERLY KNOWN AS KHYATI RESORTS LIMITED)

SIXTH ANNUAL GENERAL MEETING PROGRAMME

DATE : 26TH SEPTEMBER, 2000
 DAY : TUESDAY
 TIME : 9.30 A.M.
 VENUE : KHYATI RESORTS,
 VILLAGE : BALIASAN,
 NR. MANDALI, NIRMA-II,
 AHMEDABAD-MEHSANA HIGHWAY
 DIST : MEHSANA (NORTH GUJARAT)

NOTE TO SHAREHOLDERS :

As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.

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BOARD OF DIRECTORS

Shri Kartik J. Patel	Chairman & Managing Director
Shri Rajiv R. Parikh	Executive Director
Shri Jashubhai M. Patel	Director
Shri Praful Agrawal,	Director
Shri Yogesh N. Patel	Director

COMPANY LAW CONSULTANT SECRETARY)

M/s. Kamalesh. M. Shah & Co.,
 Practicing Company Secretaries
 6, Avanika Park, Khanpur,
 Ahmedabad: 380 001.

BANKERS OF THE COMPANY

Punjab National Bank, Relief Road Branch, Relief Road, Ahmedabad 380 001	The Sabarmati Co-Operative Bank Ltd, Vadaj Branch, Ahmedabad 380 014
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AUDITORS

HIREN K. SHAH & CO.
 Chartered Accountants
 584, padshah's Pole,
 Haja Patel's Pole, Relief Road,
 Ahmedabad - 380 001.

SHARE TRANSFER AGENT

COMPUQUICK DATAMATION (INDIA) LIMITED

"Parishram" 3rd Floor, 5B, Rashmi Society,
 Nr. Mithakhali Six Roads, Navrangpura,
 Ahmedabad 380 009

REGISTRAR FOR DEPOSITORY OPERATIONS.:

SHAREPRO SERVICES

Satam Industrial Estate,
 3rd Floor, Above Bank of Baroda
 Chakla, Andheri (East)
 Mumbai.

NAME AND ADDRESSES OF STOCK EXCHANGES AT WHICH THE SECURITIES OF THE COMPANY ARE LISTED IN RESPECT OF WHICH ANNUAL LISTING FEES FOR FINANCIAL YEAR 1999-2000 HAVE BEEN PAID AT

CHANGE

AHMEDABAD

The Stock Exchange
 Ahmedabad
 Kalyan Complex
 Nr. Panjarapada
 Ambawadi,
 Ahmedabad

MUMBAI

The Stock
 Exchange Mumbai
 25th Floor, P.J. Towers,
 Dalal Street, Fort,
 Mumbai 400 001

REGISTERED OFFICE & RESORT

101, Chinubhai Towers,
 Opp. Handloom House,
 Ashram Road,
 Ahmedabad 380 009.

Village Baliyasana,
 Ahmedabad - Mehsana
 Highway, Taluka: Mehsana,
 Dist : Mehsana, (N.Guj.)

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NOTICE

NOTICE is hereby given to the Members of the Khyati Multimedia-Entertainment Limited (Formerly known as Khyati Resorts Limited) that 6th Annual General Meeting of the Members of the Company will be held on Tuesday, the 26th September, 2000 at 9.30 a.m. at the Registered Office of the Company at Khyati Resorts, Village: Baliasan, Nr. Mandali, Nirma-II, Ahmedabad-Mehsana Highway, Taluka and District : Mehsana (North Gujarat) to transact the following Business:

ORDINARY BUSINESS:

- <1> To Receive, Consider, Approve and Adopt the Audited Statement of Accounts i.e. The Audited Balance Sheet as at 31/3/2000, the Profit & Loss Account for the year ended on that date and the Report of the Auditors and Directors thereon.
- <2> To Appoint a Director in Place of Shri Jashubhai M. Patel, who retires by rotation at this Annual General Meeting and being eligible offers himself for reappointment.
- <3> To Appoint a Director in Place of Shri Praful Agrawal, who retires by rotation at this Annual General Meeting and being eligible offers himself for reappointment.
- <4> To Appoint the Auditors for the next Financial Year to hold the office as such from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

- <5> To consider and if thought fit to pass, with or without modification following Resolution as an ORDINARY RESOLUTION :

RESOLVED THAT pursuant to the provisions of section 16, 31, 94 and all other applicable provisions if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs.10,00,00,000/-(Rupees Ten Crores Only) divided into 1,00,00,000 Equity shares of Rs.10/- each to Rs.13,00,00,000 (Rupees Thirteen Crores Only) divided into 1,30,00,000 Equity shares of Rs. 10/- each, by creation of 30,00,000 New Equity shares of Rs. 10/- each ranking pari-passu in all respects with the existing equity shares, subject to the conditions that such new equity shares shall be entitled to pro-rata dividend if any, declared by the company for the financial year in which such new equity shares are issued from the date of their issue.

RESOLVED ALSO THAT existing clause V of the Memorandum of Association of the Company be deleted and the same be substituted by the following new Clause V.

CLAUSE V:- The Authorised Share Capital of the company is Rs.13,00,00,000 (Rupees Thirteen Crores Only) divided into 1,30,00,000 (One Crore Thirty Lacs) Equity shares of Rs.10/- each.

- <6> To consider and if though fit to pass, with or without modification, following Resolution as a SPECIAL RESOLUTION.

RESOLVED THAT pursuant to the Provisions of section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 as amended upto the date, provisions of Articles of Association of the Company, pursuant to the the provisions and subject to the Terms and conditions of the SEBI's Prefetential Issue of Shares Guidelines dated 4th August 1994 as amended and Modified upto the date, the Provisions of the Listing Agreement, subject to the necessary approvals of the Reserve Bank of India or the Government of India FDI Approval committee or any author ities framed under the said guidelines, rules and regulations and also subject to such other consents and approvals, if any, as may be necessary and subject to such conditions and modifications as may be prescribed in granting such consents and approvals which may be agreed to by the Board of Directors (herein after referred to as "the Board" which term shall include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), the consent of the members of the Company be and is hereby accorded to and the Board of Directors of the Company be and are hereby autho rised and empowered to issue, offer and allot such number of Equity Shares at such price for cash at par or at such amount of premium so as to enable the Company to raise an aggregate total amount of upto Rs. 7,50,00,000/- (Rupees Seven Crores Fifty Lacs Only) to Directors, Promoters, their Relatives, Friends, Business Associates or Any other person or persons, Companies, Corporate Bodies, Mutual Funds, Institutional Investors, Non Resident Indians, FIIs, OCBs, or any one or more of them or any number of individual or group of Investors

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upon such terms, and conditions and subject to such provisions, rights, entitlements, as the Board of Directors may determine and fix in consultation with the Stock Exchange, on PREFERENTIAL ALLOTMENT BASIS as per the provisions of the SEBI's Guidelines as in force as modified and amended upto the date at the sole and absolute uncontrolled description and decision of the Board of Directors in the best interests of the company.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the Board be and is hereby further Authorised and empowered to determine as to when the said Equity Shares are to be issued, the type and class of investors to whom the Equity Shares are to be offered, the number of Equity Shares to be issued to any one or more of investors or any class of investors and in each trench, the terms of payment and all such terms as it may deem fit and proper in the best interests of the company.

RESOLVED ALSO THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable, and pay any commission and incur expenses in relation thereto."

<7> To consider and if thought fit, to pass with or without modification the following resolution as Special Resolution.

RESOLVED THAT pursuant to the provisions of Section 81(1) of the Companies Act, 1956 as also subject to the provisions of the Articles of Association of the Company, the provisions of the Reserve Bank of India, necessary approvals of the RBI, SEBI, Stock Exchange under the provisions of the Listing Agreement, Government of India under the FDI rules and regulations and subject to such other terms, conditions and modifications if any in other terms, conditions if any which any of the aforesaid authorities direct which the Board of Directors of the company be and is hereby authorised and empowered to accept and agree to or confirm, the consent of the members of the company be and is hereby granted and the the Board of Directors of the Company be and is hereby authorised to offer, issue and allot such number of Equity Shares of the company at for cash at par or at a such Premium as the board may determine hereafter on RIGHTS BASIS ON PRO RATA BASIS as per the holdings of the each shareholders for cash to those shareholders holding the Existing Equity Shares of the Company and whose names appear in the Register of Members of the Company on such date (hereinafter referred to as the RECORD DATE) which the Board of Directors shall hereafter fix in consultation with the Stock Exchange). in order to enable the Company to raise a total Aggregate Amount of upto Rs.7,50,00,000/- (Rupees Seven Crores Fifty Lacs Only) for the purpose of financing the proposed Expansion project of the Company in the area of Multimedia based Entertainment project.

RESOLVED FURTHER THAT while calculating the Rights entitlement of each individual shareholder as per the proportion of rights issue to be fixed hereafter, the lower fractional entitlement if any arising be ignored and the same be rounded off to and be added to the nearest higher fractional entitlement so as to offer and issue a complete share.

RESOLVED FURTHER THAT all the new equity Shares so issued and allotted on rights basis shall rank pari passu in all respects with the existing equity Shares of the Company save and except that the Equity Rights Shares shall only rank for and participate in any dividend declared by the Company in respect of its financial year in which they are so issued on pro-rata basis and as usual thereafter.

RESOLVED FURTHER THAT the equity shareholders who are offered the equity shares on rights basis shall also have the right to renounce their right in favour of any person or persons whether such new renouncee is an existing shareholder or not either in part or in whole subject to the condition that only a full equity share can be renounced and any fraction of the equity share can not be renounced.

RESOLVED FURTHER THAT if any portion of the equity shares are not subscribed to either by the Equity shareholder himself or by his renouncee within the time stipulated being the last date for acceptance or rejection of the right offer, such of the unsubscribed portion shall be deemed to be not accepted by the shareholder and the same shall be disposed off by the Board of Directors of the Company at their final absolute and uncontrolled decision in such manner as the board may deem fit and proper in the best interests of the Company.

ALSO RESOLVED THAT the Board of Directors be and is hereby authorised to take such action as it may be deemed fit and proper most beneficial to the Company for giving effect to the afore said resolution.

<8> To Consider and if thought fit, to pass with or without modification the following resolution as Special Resolution.

RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311, 349 and 350 and all other applicable provisions if any of the Companies Act, 1956 Shri Kartik J. Patel, Director of the Company be and is hereby re-appointed as the Chairman And Managing Director of the Company for a further period of 5 years w.e.f. 01.10.2000 at the annual remuneration of Rs. 300000/- and such other perquisites as detailed in the draft

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agreement in conformity with the Schedule XIII of the Companies Act, 1956 for appointment as placed before the meeting, initialed by the Chairman for the purpose of identification and that the said agreement be and is hereby approved confirmed and adopted.

RESOLVED FURTHER THAT the Managing Director shall be entitled to the reimbursement of all the expenses and charges, fees or other out of pocket expenses incurred by him in the course of the business of the company and all the expenses incurred by him for repair, maintenance or otherwise for his vehicle whether the vehicle be owned by the company or not and reimbursement of all local and long distance calls made from the telephones at his residence.

RESOLVED FURTHER THAT the managing director may be paid the remuneration either by way of Monthly salary or by way or annual payment or in one or more of the abovesaid modes.

RESOLVED FURTHER THAT the Board of Directors of the Company shall have the power to alter, amend, modify any terms, conditions including increase, decrease in the remuneration payable to the Managing Director at any time during the tenure of the Managing Director in conformity with any statutory modifications, alterations, amendments including in the provisions of Schedule XIII of the Companies Act.

RESOLVED FURTHER THAT the Managing Director shall have the substantial power of whole of the management of the business and affairs of the company subject however to the overall control, superintendence and direction of the Board from time to time.

RESOLVED ALSO THAT Shri Rajiv R. Parikh, Director of the Company be and is hereby authorised to enter in to an agreement with the Managing Director on behalf of the Company and to stamp, seal, sign, execute, deliver for registration of this resolution and an agreement for appointment of the Managing Director.

<9> To Consider and if thought fit to pass with or without modification the following resolution as Special Resolution.

RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311, 349 and 350 and all other applicable provisions if any of the Companies Act, 1956 Shri Jashubhai M Patel, Director of the Company be and is hereby appointed as the Executive Director of the Company for a further period of 5 years w.e.f. 01.10.2000 at the annual remuneration of Rs. 180000/- and such other perquisites as detailed in the draft agreement in conformity with the Schedule XIII of the Companies Act, 1956 for appointment as placed before the meeting, initialed by the Chairman for the purpose of identification and that the said agreement be and is hereby approved confirmed and adopted.

RESOLVED FURTHER THAT the Managing Director shall be entitled to the reimbursement of all the expenses and charges, fees or other out of pocket expenses incurred by him in the course of the business of the company and all the expenses incurred by him for repair, maintenance or otherwise for his vehicle whether the vehicle be owned by the company or not and reimbursement of all local and long distance calls made from the telephones at his residence.

RESOLVED FURTHER THAT the managing director may be paid the remuneration either by way of Monthly salary or by way or annual payment or in one or more of the abovesaid modes.

RESOLVED FURTHER THAT the Board of Directors of the Company shall have the power to alter, amend, modify any terms, conditions including increase, decrease in the remuneration payable to the Managing Director at any time during the tenure of the Managing Director in conformity with any statutory modifications, alterations, amendments including in the provisions of Schedule XIII of the Companies Act.

RESOLVED FURTHER THAT the Managing Director shall have the substantial power of whole of the management of the business and affairs of the company subject however to the overall control, superintendence and direction of the Board from time to time.

RESOLVED ALSO THAT Shri Rajiv R. Parikh, Director of the Company be and is hereby authorised to enter in to an agreement with the Managing Director on behalf of the Company and to stamp, seal, sign, execute, deliver for registration of this resolution and an agreement for appointment of the Managing Director.

Place: Ahmedabad

Date : 16TH AUGUST.2000

By Order of the Board of Directors
of Khyati Multimedia-Entertainment Ltd

Sd/
(Kartik J. Patel)
Managing Director.

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THE FOLLOWING EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT 1956, AND SEBI'S GUIDE LINES FOR PREFERENTIAL ISSUE OF SHARES AS AMENDED UPTO THE DATE AND SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS 1997 SETS OUT ALL THE MATERIAL FACTS AND INFORMATION AND THE SAME IS ATTACHED TO AND FORMS PART OF THE NOTICE CONVENING 6TH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE COMPANY DATED 16TH AUGUST 2000.

ITEM NO : 1 INCREASE IN AUTHORISED SHARE CAPITAL :

The Company has undertaken an Expansion project to diversity in the areas of Multimedia based Entertainment project at a total capital cost of Rs.750 Lacs. The Company proposes fund the said project by way of issue of equity shares at a premium and hence to raise these funds it will have to issue the new equity shares out of the unissued capital. In order to enable the Board to issue the Equity shares of the company, as per requirements of the provisions of the Companies Act 1956 the authorised share capital is proposed to be increased suitably hence the resolution is proposed to be passed at the meeting.

None of the Directors of the Company may be deemed to be concerned or interested in the proposed resolution.

ITEM NO 2 & 3 ISSUE OF SHARES ON PREFERENTIAL ALLOTMENT BASIS AND OR ON RIGHTS ISSUE BASIS :**PROPOSED MODERNISATION CUM EXPANSION BUSINESS PLANS :**

The Company has drawn up an ambitious Modernisation cum Expansion plan in the areas of Multimedia based entertainment activities to add further wings by installing/introducing the followings :

(1) Multiplex Theatres, (2) Open Air Drive in Cinema, (3) Indoor entertain Games like Bowling Alley, Virtual Games, Multimedia Games, Laser Games, Computer Games, (4) Film and TV Serial shooting Studio, (5) Film Dubbing and Editing Rooms,

(6) Computerised Multimedia based Animation Films Studio, (7) Development of Outdoor Shooting Studio etc.

FUNDING OF THE MODERNISATION CUM EXPANSION PLANS :

The Proposed expansion project is expected to cost the company upto Rs. 750 Lacs. The Company proposes to raise the entire funds requirements of Rs.750 Lacs required for the abovesaid modernisation cum expansion project by way of Issue of Equity Shares Either on Preferential Allotment Basis as per the SEBI's Guidelines for Issue of Shares on Preferential Allotment Basis as amended upto or on RIGHTS ALLOTMENT BASIS which will ultimately increase the total Issued, Subscribed and paidup Equity share Capital substantially.

PURPOSE OF THE ISSUE :

The purpose of the issue is to finance proposed expansion and modernisation plan.

MANNER OF RAISING FUNDS :

The Company proposes to issue such number of equity shares either on RIGHTS ISSUE BASIS or ON PREFERENTIAL ALLOTMENT BASIS or a COMBINATION OF BOTH as may be approved by the Shareholders of the company in the Annual General Meeting.

STATUTORY DISCLOSURE OF INFORMATION UNDER SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS, 1997 :**(A) OFFER TO BE MADE TO WHICH CLASS OF INVESTORS :**

If any portion of the proposed Issue or the entire proposed issue is to be made on Preferential Allotment basis as per SEBI'S guidelines for issue of shares on Preferential Allotment basis, such offer may be made by the Directors of the Company to any class of investors like Individuals, Promoters, Directors, their Relatives, Business Associates, Companies, Body Corporates, NRIs, OCBs, FIs, Investment Institutions, Financial Institutions, Mutual Funds or any or more combination of the above class of investors with no fixed portion of allotment to any class of investors.

(B) FULL IDENTITY OF PERSONS OUT OF ABOVE STATED CLASS OF PROPOSED ALLOTTEES WHOSE PROPOSED POST ISSUE HOLDING IS EXPECTED TO BE IN EXCESS OF 5% OF MORE :

At present the company has not decided to make confirmed allotment to any individual or specific investor/ allottee who may be allotted such number of equity shares whose proposed post issue holding may increase substantially beyond the limits specified in the SEBI's guidelines and the SEBI (Substantial Acquisition of Shares and Takeover) Regulations. However, the Company will in due course of time make proper compliances with the relevant rules, regulations, guidelines, circulars etc. and do proper procedural administrative work and obtain all approvals for issue and allotment of new shares.

(C) PRE AND POST ISSUE HOLDINGS DETAILS OF ABOVE PROPOSED ALLOTTEES AND OTHER PROPOSED ALLOTTEES :

As no individual allottee is identified for confirmed allotment under the SEBI's Preferential Allotment guidelines, this information is not available and hence not given herewith.