

**KHYATI
MULTIMEDIA-
ENTERTAINMENT
LIMITED.**

**13TH AUDITED ANNUAL
REPORT
FOR THE YEAR 2006-07**

COMPANY REGISTRATION NO: 04-024284

CIN NO: U92199GJ1995PLC024284

Registered with Registrar of Companies, Gujarat State.

**KHYATI MULTIMEDIA-ENTERTAINMENT
LIMITED**

Regd.Office: 101, Chinubhai Towers, Opp: Handloom House, Ashram Road, Navrangpura, Ahmedabad: 380 009.

CIN: U92199GJ1995PLC024284

DATE OF : 20/01/1995

COMPANY REGN NUMBER: 04-24284

INCORPORATION;

NOMINAL SHARE CAPITAL: Rs.13,00,00,000/-

KHYATI MULTIMEDIA-ENTERTAINMENT LIMITED

THIRTEENTH ANNUAL GENERAL MEETING - PROGRAMME.

DATE : 29TH SEPTEMBER, 2007.

DAY : SATURDAY

TIME : 04.00 P.M.

VENUE : REGISTERED OFFICE OF THE COMPANY AT :
101, Chinubhai Towers, Opp: Handloom House,
Ashram Road, Navrangpura, Ahmedabad: 380 009.

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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- 9) Notes to the Accounts.
- 10) Balance Sheet Abstract and Company's General Business Profile.
- 11) Cash Flow Statement pursuant to Clause 32 of the Listing Agreement and Auditors' report there on.
- 12) Attendance Sheet & Proxy Form.

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BOARD OF DIRECTORS

Shri Kartik J. Patel	Chairman & Managing Director
Shri Jashubhai M. Patel	Executive Director
Shri Kiritbhai C. Patel	Director
Smt. Jignaben K. Patel	Director
Shri Praful Agrawal	Director

ACTING IN ADVISORY NATURE ONLY TO VARIOUS COMMITTEES OF CORPORATE GOVERNANCE

Secretarial and Corporate Legal Matters Finance, Audit and Taxation Matters

Shri Kamlesh M. Shah
(Practicing Company Secretary)

M/s. Khandhar & Parikh,
Chartered Accountants

BANKERS OF THE COMPANY

Punjab National Bank, Relief Road Branch, Ahmedabad - 380001.
The Sabarmati Co-op. Bank Ltd., Vadaj Branch, Ahmedabad - 380014.
HDFC Bank Limited, Navrangpura Branch, Ahmedabad: 380 009.

REGISTRAR AND SHARE TRANSFER AGENT

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

Auditors

M/s. Khandhar & Parikh
Chartered Accountants
Ahmedabad

Company Law Consultants

M/s. Kamlesh M Shah & Co.,
Practicing Company Secretary
Ahmedabad.

REGD. OFFICE

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

INVESTORS GRIEVANCE AND COMPLIANCE OFFICER:

Kartik. J. Patel,
Chairman And Managing Director
101, Chinubhai Towers, Opp: Handloom House,
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DIRECTORS' REPORT

To,
The Members,
KHYATI MULTIMEDIA-ENTERTAINMENT LIMITED

Dear Shareholders,

Your Directors have pleasure in presenting herewith the Thirteenth Audited Annual report of your Company for the financial year ended on 31st March 2007.

FINANCIAL HIGHLIGHTS:

During the year under review the financial performance of the Company is as under:

(Amount in
Rupees)

Particulars.	For the Year Ended on 31/03/2007	For the Year Ended on 31/03/2006
Gross Income	9,08,470	1095902
Total Expenses	5,80,456	10204590
Profit Before Depreciation & Tax	3,28,014	(9108688)
Provision for Depreciation	31,05,766	3107715
Profit Before Tax	(27,77,752)	(12216403)
Provision for Tax	0	0
Excess Income Tax Provision P.Y	0	8715
Provision for FBT	670	1813
Net Profit / (Loss) for the Year	(27,77,422)	(12226931)
Deffered Tax Assets (Previous year liabilities)	1,80,000	84169
Net Loss for the Year.	(25,98,422)	(12142762)
Previous year Balance B/f.	(5,36,17,025)	(4,14,74,263)
Total Loss Transferred to Balance Sheet.	(5,62,15,447)	(5,36,17,025)

DIVIDEND

As your company has incurred a net loss during the year under review and due to making provision for deferred tax liability the accumulated losses does not permit your directors to declare any amount as dividend to be paid.

UNPAID/UNCLAIMED DIVIDEND

The Company does not have any outstanding unpaid/unclaimed dividend which is required to be transferred to the Investors Education and Protection funds as per the provision of Section 205C of the Companies Act, 1956. The Company does not have any

outstanding liability on account of Interest and Principal on Deposits, Debentures or Share Application Money.

SHARE CAPITAL STRUCTURE

During the year under review there were no changes in the Authorized, Issued, Subscribed and Paid up Share Capital Structure of the Company.

BUY BACK OF EQUITY SHARES

The Company had not made any Buy Back of its paid up equity shares during the year in terms of section 77A, 77AA and 77B of the Companies Act 1956. Hence no specific disclosure is required to be made in this report.

YEAR UNDER REVIEW

During the current year also the activities for residential resort was affected due to closure of Highway Restaurant and closure of Water Park facilities. These two units were not running at break even point and hence the resort could not run these two units. During the year under review company has not achieved any sales from the multimedia division. However it has earned a Net Interest income of Rs. 9,08,470/- on fixed deposits from Banks (Previous year it was Rs. 10,95,902/-). After all Administrative Expenditure and Depreciation of Rs. 36,86,222/- (Previous year Rs.1,33,12,305) the company has suffered a gross operational loss of Rs. 27,77,752/- (Previous year gross loss of Rs. 1,22,16,403/-). After making necessary adjustments for Deferred Tax, Fring Benefit Tad a Net loss for the year transferred to balance sheet is Rs.25,98,422/- (Previous year loss of Rs. 1,21,42,72/-). The company has total accumulated losses of Rs. 5,62,15,447/- at the year end which is now close to 50% of the pick networth of the company.

SETTLEMENT/ LIQUIDATION OF FINANCIAL LIABILITIES.

As the SICK Industrial Companies Provisions Act is abolished and the company has yet reached the stage of loss of pick net worth by more than 50% it is not sick as per provisions of Law. Further the company's real estate i.e. fixed assets value is increasing day by day in the market which is not reflected in the balance sheet. The company is in process of negotiation with its Bankers and Financial institutions for liquidation of its financial liabilities under a well acceptable financial restructuring scheme or under the one time settlement scheme so that the company become a debt free company and after its fixed assets are released from the charge, the company can venture in to some new business of real estate development for remaining vacant land available with the company so that it can revive financially.

DEMATERIALISATION OF SECURITIES

Your Company's equity shares are already admitted in the System of Dematerialization by both the Depositories namely NSDL and CDSL. The Company has already signed tripartite Agreement through Registrar and Share Transfer Agent M/s. Sharepro

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