

Khyati Resorts Limited

Third Annual General Meeting Programme

Date	30th September, 1997
Day	Tuesday
Time	9.30 AM

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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CERTIFIED TRUE COPY

For, Khyati Resorts Ltd.

Director

Board of Directors	Shri Kartik J. Patel Shri Rajiv R. Parikh Shri Jashubhai M. Patel Shri Praful Agrawal Shri Yogesh K. Patel	Managing Director Executive Director Director Director Director
Company Law Consultant (Company Secretary)	M/s. Kamallesh M. Shah & Co., Practicing Company Secretaries 6, Avnika Park, Khianpur, Ahmedabad 380 001	
Bankers to the Company	Punjab National Bank, Relief Road Branch, Relief Road, Ahmedabad 380 001	
Auditors	Dipak J. Patel & Co., Chartered Accountants, 4th Floor, Diwan Chambers, Nr. Gujarat High Court Lane, Navrangpura, Ahmedabad 380 009	
Share Transfer Department	Compuquick Datamation (India) Ltd. "Parishram", 3rd Floor, 5-B Rashmi Socy., Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009	
Registered Office	101, Chinubhai Towers, Opp. Handloom House, Ashram Road, Ahmedabad 380 009	
Resort	Village : Baliasan, Ahmedabad - Mehsana Highway, Taluka & District : Mehsana, North Gujarat.	

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For, Khyati Resort Ltd.

Director

KHYATI RESORTS LIMITED

NOTICE

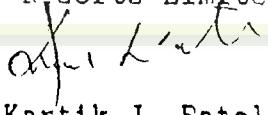
NOTICE is hereby given to the Members of the Khyati Resorts Limited. That the 3rd Annual General Meeting of the Members of the Company will be held on Tuesday, the 30th September, 1997 at 9.30 A.M. at the Registered Office of the Company at 101, Chinubhai Towers, Opp. Handloom House, Ashram Road, Ahmedabad 380009, 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 31/3/1997, the Profit & Loss Account for the year ended on that 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.

Place: Ahmedabad
Date : 16.08.1997

By Order of the Board of Directors
of Khyati Resorts Limited


(Kartik J. Patel)
Managing Director

KHYATI RESORTS LIMITED

NOTES:

- <1> A Member entitled to Attend and vote at the meeting is also entitled to appoint a Proxy to attend and vote instead of himself and on behalf of him and that a Proxy need not be a member of the company.
- <2> Proxies in order to be effective should be duly completed in the prescribed form stamped and signed and must be deposited at the Registered office of the company not less than 48 hours before the time fixed for the meeting.
- <3> Members are requested to bring their copy of the Annual Report to the meeting as no extra copies will be distributed at the meeting hall as a measure of economy.
- <4> Members desiring any information as regards accounts are requested to write to the company atleast 7 days before the meeting to enable the management to keep the information ready.
- <5> Members are requested to be in their seats at the meeting before the scheduled time of commencement of the Meeting to avoid interruption in the proceedings.
- <6> Members are requested to intimate any change in their registered addresses if any directly at the Registered Office of the Company or to the Company's Registrar and Share Transfer Agents at their address mentioned elsewhere in this report.
- <7> The Register of Members and Share Transfer Books of the Company shall remain Closed from 23.09.1997 to 30.09.1997.

KHYATI RESORTS LIMITED

DIRECTORS' REPORT

To,
The Members,
Khyati Resorts Limited

Dear Shareholders,

1. Your Directors have pleasure in presenting herewith the 3rd Audited Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31st March, 1997.

2. **FINANCIAL HIGHLIGHTS.**

During the financial year 1996-97, the Financial operational results of the Company is as follows :

(Amount in Rs.)	
Particulars	For the year ended on 31st March, 1997
Sales	5,93,280.00
Total Income	16,35,267.00
Total Expenses.	15,31,450.00
Profit before tax	1,03,817.00
Provision for Tax	13,400.00
Profit After Tax	90,417.00
Balance Available for Appropriation	90,417.00
Balance Carried to Balance Sheet	90,417.00

3. **YEAR UNDER REVIEW**

During the year under review Your Company has raised its paid up share capital upto Rs. 865.53 Lacs. However the financial resources raised during the year have been invested in the creation of the capital assets for the company in its Resorts and Hotel Project.

During the year under review, your directors are happy to inform that your company has already completed the HIGHWAY RESTAURANT. The said restaurant has already started commercial operations. The Sales realisation achieved during the year is from the area of the Highway Restaurant only. The quality of the foods being served is excellent and of the star hotel quality. The restaurant is being becoming popular amongst tourist. People are enjoying taking food at the Highway restaurant both during lunch as well as dinner time. Looking to the present reputation of the company as well as the same being becoming popular your directors are hopeful for higher income generation from this area. Further when the Resort project will start its functioning the income from this area will increase further considerably.

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KHYATI RESORTS LIMITED

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Your Directors have already completed the procedure relating to the resorts projects capital assets such as to obtain necessary land, obtaining Government approvals, for implementation of the proposed resort club house water park project at Village : Balia-san, Ahmedabad-Mehsana Highway, Mehsana.

The construction work of the Residential luxury cottages have already completed alongwith the artificial pond around the cottages. There are total 36 cottages constructed, which are well furnished and fully equipped with all luxurious furniture, upholstery, household entertainment equipments, other cutlery goods and all types of equipments and appliances. The tourists are being attracted for using and the company expects its more usage during the vacation period.

The civil work relating to the gardening, water park, wave pool are under construction, confirm orders for the plants, machineries, equipments, rides have already been given. Due to addition of few more water slides as well as due to late / short receipt of the call money from the Shareholders the company is facing the financial problems in completion of the Project as a result the project is delayed. However your directors have already taken necessary effective steps for alternate financial source of Term Loan from GSFC which has already been sanctioned and the legal procedure for obtaining its disbursement is in process. Your directors now hopeful for the delivery of equipments to arrive on site by end of the calendar year 1997 and the resorts project is expected to be completed by end of February 1998.

DIVIDEND

As your Company has yet not started commercial operations at full swing and the total income received from only one business area is found very small as well as to retain the profit for building up of the long term working capital for the company your directors have not recommended any amount of dividend to be paid.

FUTURE PROGRAMMES:

The Proposed Resort Project shall be completed at a total estimated capital cost of Rs.1208.00 Lacs. approximately. After the Proposed Resort Project is completed and the commercial activities are started, the Company shall be able to earn good profit and declare dividend. The Directors expect to explore the business of summer vacation for 1998.

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In the meantime your Directors are presently engaged in the formulation of the newer marketing strategies are being formulated to provide facilities to the tourists, local public for enjoyment, arrangement of small picnic, family or birth-day parties etc. The Company also planning to provide facilities for Marriage and reception ceremony purposes. Besides, for utilizing of the TIME SHARE COTTAGES, your company has also planning to make tie up arrangements with the other RESORTS companies to attract the tourist. The Company also planning to frame out the short term, and long duration holiday packages in consultation with other resorts companies on comprehensive one stop service centre.

Your directors have also framed a marketing policy whereby the company is getting registration with all the credit cards agencies such as Master Cards, Visa Cards, Diners Cards, giving concession to the groups, small childrens, school groups, picnic tours of the school childrens etc.

Your directors are hopeful to earn reasonable amount of revenue and profit and the current financial year from the operations of the Highway Restaurant and the Time Share Cottages. However, the Water Park, wave pool and other recreation games and facilities are expected to start operations from the next financial year.

DEPOSITS:

During the year under review your company has neither invited nor accepted any public deposit or deposits from the private parties as defined under Section 58A of the Companies Act-1956.

DIRECTORS

Shri Jashubhai. M. Patel and Shri Praful Agrawal Directors of the Company retires by rotation as per provisions of the Act at this Annual General Meeting. However being eligible they have offered themselves for reappointment. Your directors recommend to appoint them by passing a resolution.

AUDITORS

M/s. Dipak.I. Patel & Co., Chartered Accountants, Ahmedabad the retiring auditors hold office of the Auditors upto the date of this Annual General Meeting as per the provisions of the Act. The Company has received a letter from the said Auditors to the effect that their appointment shall be within the limits laid down under Section 224(1B) of the Companies Act. A resolution proposing their appointment as the regular Auditors of the company for the period from the conclusion of this 3rd Annual General Meeting upto the conclusion of the next Annual General Meeting is required to be passed. Your directors recommend to pass the said resolution and to fix their remuneration.

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EMPLOYEES

There are no employees of the company who were in receipt of the remuneration of Rs. 3,00,000/- in the Aggregate if employed for the year and in receipt of the Monthly remuneration of Rs. 25,000/- in the aggregate if employed for a part of the year under review. Hence the information required under Section 217 (2A) of the Companies Act, 1956 being not applicable are not given in this report.

STATUTORY INFORMATION :

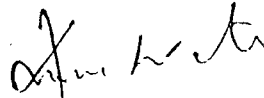
As the Company has yet not commenced any commercial operation the information required to be disclosed in the report of the Board of Directors as per the provisions of Section 217 (1)(e) of the Companies Act-1956 and the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 are not available and not given in this report.

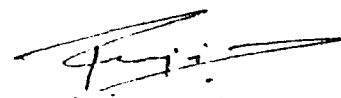
APPRECIATION:

Your directors take this opportunity to acknowledge the trust reposed in your company by its Shareholders, Bankers and clients. Your directors also keenly appreciate the dedication & Commitment of all our employees, without which the continuing progress of the company would not have been possible.

Place: Ahmedabad
Date : 16.08.1997

On Behalf of the Board of Directors
of Khyati Resorts Limited


(Kartik J. Patel)
Managing Director


(Rajiv R. Farikh)
Executive Director