



BUILDERS & DEVELOPER

26th Annual Report 2008-2009



JOY REALITY LTD.

(Formerly Madhusudan Leasing And Finance Limited.)

ESTD. 1983

Board Of Directors

Mr. K. Madhusudan Reddy

Mr. Deepak Narhari Vachharajani

Mr. Pritesh Champaklal Haria

Mr. Jayantilal Bhawanji Soni
(Resigned w.e.f 12th May, 2008)
(Appointed as Additional Director
w.e.f. 30th April 2009)

Mr. Bhavin Jayant Soni
(Resigned w.e.f 12th May, 2008)
(Appointed as Additional Director
w.e.f. 30th April 2009)

Mr. Premesh Khatri
(Appointed as Additional Director
w.e.f. 30th April 2009)

Compliance Officer

Mr. Uday K. Mota

Auditors

M/S. Shah & Company
Chartered Accountants

Bankers

Indian Overseas Bank

Advocate & Solicitor

M/s. M. T. Miskita & Company

Registered Office:

306, Madhava, 3rd Floor,
C-4, Bandra Kurla Complex,
Bandra (E),
Mumbai – 400051.
Tel: #022 6702 1550
Fax: #022 6702 1550
Email: joyreality@yahoo.com

Registrars & Share Transfer Agents:

Link Intime Spectrum Registry Limited
C-13, Pannalal Silk Mill Compound,
L.B.S. Marg,
Bhandup (W),
Mumbai - 400 078.
Tel: #022 2592 3837
Email: isrl@intimespectrum.com

Notice:

26th Annual General Meeting

Date: 31st July 2009.

Time: 11:30 A.M.

Venue: Registered Office

306, Madhava, 3rd Floor,
C-4, Bandra Kurla Complex,
Bandra (E),
Mumbai – 400051.

Shareholders are requested to bring their
copies of Annual Report along with them at
the Annual General Meeting.

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NOTICE OF 26th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 26th Annual General Meeting of JOY REALTY LIMITED (Formerly Madhusudan Leasing & Financing Ltd) will be held on Friday, 31st July, 2009 at 11.30 A.M. at the Registered Office of the Company, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2009 and the Balance Sheet as at that date together with the Report of the Directors and the Auditors thereon.
2. To accept the resignation of a Director Mr. K. Madhusudan Reddy, who retires by rotation and expressed his unwillingness for reappointment.
3. To appoint a Director in place of Mr. Pritesh Haria, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company M/s. Shah and Company, Chartered Accountant, who is retiring auditor shall be reappointed as joint auditor with M/s. Vora & Associates, Chartered Accountant whose recommendation company has received from the members and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in pursuance of the provisions enshrined in section 224, other applicable provisions, if any of the Companies Act, 1956, the Statutory Auditors of the Company M/s. Shah and Company, Chartered Accountants, with joint auditor M/s. Vora & Associates, Chartered Accountant appointed as the joint statutory auditors of the Company to hold office, from the conclusion of this annual general meeting till the conclusion of the next annual general meeting at such remuneration as may be fixed by the Board of Directors in consultation with the joint statutory auditors.”

SPECIAL BUSINESS:

5. To appoint as a Director Mr. Jayant B. Soni, who was appointed as additional director and ceased to be additional director at ensuing Annual General Meeting and to consider and pass, with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Jayant soni, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office under Section 260 of the Companies Act, 1956, (the Act) up to this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act, proposing the candidature of Mr. Jayant Soni for the office of Director, be and is hereby appointed as a Director of the Company.”

6. To appoint Mr. Jayant Soni, Director of the Company as a Non Executive Chairman of the Company and to consider and if though fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Jayant Soni, Director of the Company, be and is hereby appointed as the Non Executive Chairman of the Company to hold office of the Chairman unless otherwise resolved by the Company in future.”

7. To appoint as a Director Mr. Bhavin Soni, who was appointed as additional director and ceased to be additional director at ensuing Annual General Meeting and to consider and pass, with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Bhavin Soni, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office under Section 260 of the Companies Act, 1956, (the Act) up to this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act, proposing the candidature of Mr. Bhavin Soni for the office of Director, be and is hereby appointed as a Director of the Company."

8. To appoint as a Director Mr. Premesh Khatri, who was appointed as additional director and ceased to be additional director at ensuing Annual General Meeting and to consider and pass, with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Premesh Khatri, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office under Section 260 of the Companies Act, 1956, (the Act) up to this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act, proposing the candidature of Mr. Premesh Khatri for the office of Director, be and is hereby appointed as a Director of the Company."

9. To consider and approve the Amendment in the Memorandum of Association of the Company by inserting clause V(b) after existing clause V(a). and to pass, with or without modification(s) the following resolution as an Special Resolution :

"RESOLVED THAT pursuant applicable provisions of the Companies Act, 1956 (including any statutory modification or reenactment thereof for the time being in force), a new clause V(b) be and is hereby inserted in the Memorandum of Association of the Company after existing clause V (a) of Authorized Share Capital of the Company:

V(b) The paid up capital of the Company shall be minimum of Rs.5,00,000 (Rupees Five Lacs Only)."

10. To consider and approve the Offer for Allotment of Equity Shares to Existing Shareholders u/s 81(1A) of the Companies Act, 1956 and to pass, with or without modification(s) the following resolution as Special Resolution:

"RESOLVED THAT pursuant to Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956(the "Act")(including any amendment (s) thereto or modification(s) or re-enactment thereof) and the provisions of the Foreign Exchange Management Act, 2000 (the "FEMA") Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipts Mechanism) Scheme 1993 as amended and subject to any required approval, consent, permission and/or sanction of the Ministry of Finance (Department of Economic Affairs) and of Ministry of Industry (Foreign Investment Promotion Board/Secretariat for Industrial Assistance) and the Securities Exchange Board of India (the "SEBI") Regulations and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India

(the "GOI") the Reserve Bank of India (the "RBI"), SEBI and/or other competent authorities and the enabling provisions of the Memorandum and Articles of Association of the Company and the regulations or guidelines, if any, prescribed by other concerned and relevant authorities from time to time, to extent applicable, the Company be and is hereby accorded to the Board to create, offer, issue and allot (including with the provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons including employees of the Company as may be permitted) with or without a green shoe option, either in India or in the course of international offering(s) in one or more foreign markets, such number of Equity Shares, Global Depository Receipts ("GDRS"), Foreign Currency Convertible Bonds ("FCCBs"), and/or any security convertible into Equity Shares with or without voting/special rights and/or securities linked to Equity shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Share, including the issue and allotment of Equity shares pursuant to a green shoe option, if any (all of which are hereinafter collectively referred to as "Securities") or any combination of securities, in one or more tranches, whether rupee denominated or denominated in foreign currency, to any eligible person, including Qualified Institutional Buyers, foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), Venture capital Funds (foreign or Indian), Foreign Institutional Investors, India and/or Multilateral Financial Institutions, Mutual Funds, Non Resident Indians, stabilizing agents and/or any other categories of investors, whether they be holders of shares of the Company or not (Collectively called the "investor") whether or not such investors are members of the Company as may be decided by the Board in their discretion and permitted under applicable laws and permitted under public issue(s) of prospectus, private placement(s) or a combination thereof at such time or times, at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions including security, rate of interest,, etc, as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of investors to whom the offer, issue and allotment considering the prevailing market conditions and other relevant factors and whenever necessary in consultation with lead manager(s) and / or underwriter(s) and / or other advisor(s) either in foreign currency or equivalent Indian Rupees inclusive of such premium as may be determined by the Board, in any convertible foreign currency, as the Board at its absolute discretion may deem fit and appropriate"

"RESOLVED FURTHER THAT pursuant to provisions of section 81 (1A) and other applicable provisions, if any, of the Act (including any amendments thereto or re-enactment thereof), the provisions of chapter XIII-A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 (the "SEBI DIP Guidelines") and the provisions of the FEMA, Foreign Exchange Management (Transfer or issue of security by a Person Resident Outside India) Regulations, 2000, the Board may at their absolute discretion, issue, offer and allot Equity shares, fully convertible debentures, partly convertible debentures or any securities which are convertible into or exchangeable with Equity shares (Collectively referred to as "Securities") of an aggregate amount not exceeding Rupees Hundred Crores or equivalent thereof in one or more foreign currency and/or Indian Rupees inclusive of such premium, as specified above, to Qualified Institutional Buyers (as defined by the SEBI DIP Guidelines) pursuant to a Qualified Institutional

Placements, as provided under Chapter XIII-A of the SEBI DIP Guidelines and such securities shall be fully paid up and the allotment of such time as may be allowed by the SEBI DIP Guidelines from time to time, at such price being not less than the price determined in accordance with the pricing formula of the aforementioned SEBI DIP Guidelines.”

“RESOLVED FURTHER THAT in pursuance of the aforesaid resolution:

- a. the Securities to be so offered, issued and allotted shall be subject to the provisions of the Memorandum and articles of Association of the Company; and
- b. the relevant date for the determination of applicable price for the issue of the Securities shall be as per the guidelines prescribed by SEBI, RBI, GOI through its various departments or any other regulator and the pricing of any equity shares issued upon the conversion of the Securities shall be made subject to and in compliance with the applicable rules and regulations and such price shall be subject to appropriate adjustments in the applicable rules/guidelines/statutory provisions.”

“RESOLVED FURTHER THAT the issue to the holder of the Securities shall be, inter alia, subject to the following terms and conditions:

- a. in the event of the Company making issue by way of capitalization of its profits or reserves prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequences of such bonus issue and the premium, if any, shall stand reduced pro tanto;
- b. in the event of the Company making a rights offer by issue of Equity shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders; and
- c. in the event of merger, amalgamation, takeover or any other re-organization or restructuring or any such corporate action, the number of share, the price and the time period as aforesaid shall be suitably adjusted.”

“RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any of governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institutions, the aforesaid securities may have such features and attributes or any term or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Securities and the Board subject to the applicable laws, regulations and guidelines be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose of such Securities that are not subscribed.”

“RESOLVED FURTHER THAT the Board or any other Committee thereof be and is hereby authorised to engage / appoint the Lead Managers, Legal Advisors, Underwriters, Guarantors, depositors, Custodians, Registrars, Stabilizing Agents,

Trustees, Bankers, Advisors, fees or the like and also enter into and execute all such arrangements, agreements, memoranda, documents etc. with such agencies and to seek the listing of such Securities on one and / or international stock exchange(s)."

"RESOLVED FURTHER THAT the new Equity Shares referred to hereinabove shall be subject to the Memorandum and Articles of Association of the Company and shall rank *pari passu* (except for payment of dividend *pro-rata* from date of allotment) with the existing equity shares of the Company in all respects."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to form a committee or delegate all or any of its powers to any Director(s) or committee of Directors / Company secretary / other persons authorized by the Board to give effect to the aforesaid resolutions and is authorized to take such steps and to do all such acts, deeds, matters and things and accept any alterations as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard and allotment of equity shares including but not limited to:

1. Approving the offer document and filing the same with any other authority or persons as may be required;
2. Approving the issue price, the number of Securities to be allotted, the basis of allocation and allotment of securities;
3. To Affix the Common Seal of the Company on any agreement(s) / document(s) as may be executed in connection with the above, in the presence of any Director of the Company and any one of the above Authorised Persons, who shall sign the same in token thereof.;
4. Arranging the delivery and execution of all contracts, agreements and all other documents, deeds and instruments as may be required or desirable in connection with the issue of equity shares by the Company;
5. Opening such bank accounts and demat accounts as may be required for the transaction;
6. To do all such acts, deeds, matters and things and execute other documents and pay all such fees, as it may, in its absolute discretion, deem necessary or desirable for the purpose of the transactions;
7. To make all such necessary application with the appropriate authorities and make the necessary filings in this regard;
8. Making applications for listing of the equity shares of the Company on one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreements or equivalent documentation to the concerned stock exchanges; and
9. To authorize or delegate all or any of the powers herein above conferred to any one or more persons, if need be.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to increase / decrease the size of issue and / or to re-calculate the number of shares to be offered to the above existing share holders or to other person(s) and to comply with all legal and procedural formalities in this regard."

11. To appoint Mr. Bhavin Soni as a Managing Director of the Company and to consider and to pass, with or without modification(s) the following resolution as an Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions of Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as approved and recommended by the Remuneration Committee and the Board, the Company hereby approves appointment of Mr. Bhavin Soni, as the Managing Director of the Company, for a period of Three years with effect from 31st July 2009 on terms and conditions including remuneration as are set out hereunder:

A) Period of Appointment:

1.08.2009 to 31.07.2012 (3 years)

- B) Salary** shall be in the range of Rs.60,000/- to Rs.2,00,000/- per month as may be recommended in its absolute discretion by the remuneration committee from time to time.

In addition to salary the Managing Director will be entitled to following perquisites and allowances;

C) Perquisites:

- i) Leave: 15 days.
- ii) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

Perquisites shall be evaluated as per applicable provisions of the Income Tax Rules.

D) Commission

Commission as may be decided by the Board of Directors based on the net profits of the Company in a particular year subject to the overall ceiling limit laid down under Section 198 and 309 of the Companies Act, 1956.

- E) The total remuneration** including perquisites shall not exceed the limits specified in schedule XIII of the Companies Act, 1956. The perquisites namely contribution to Provident Fund, Superannuation Fund or annuity fund, Gratuity and encashment of leave shall not be included in the computation of the ceiling on remuneration.

F) Minimum Remuneration;

Notwithstanding anything hereinabove, where in any financial year during the currency of his tenure as Managing Director, the Company has no or inadequate profits, the Company will pay remuneration by way of salary and perquisite as above subject to the ceiling specified under Section II of Part II of the Schedule XIII to the Companies Act, 1956.

G) Termination;

The appointment is liable for termination by either party giving 6 months' notice in writing to the other.

The terms and conditions of the above appointment may be altered and varied from time to time by the Board of Directors ('the Board' which term shall be deemed to include Remuneration Committee thereof) as it may in its discretion deem fit within the maximum amount payable to the Managing Director in accordance with Schedule XIII to the Companies Act, 1956 or any amendments made hereafter in this regard and as may be agreed to by the Managing Director.

RESOLVED FURTHER THAT wherein any financial year during the currency of the tenure of the Managing Director, the Company has inadequate profits, the Company may pay to the Managing Director the above remuneration as the minimum remuneration by way of salaries, perquisites and other allowances and benefits as specified above subject to the receipt of the requisite approvals, if any.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors, (herein after referred to as "the Board" which term shall be deemed to include any duly authorized committee thereof, for time being exercising the powers conferred by the Board by the resolution) be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as may, in its absolute discretion, deem necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit and also to make such alterations and modifications, as may be required within the limits of Schedule XIII of the Companies Act, 1956."

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER of the Company.** The Proxy as per the format included in the Annual Report should be deposited at the Registered Office of the Company not less than **FORTY-EIGHT HOURS** before the time for holding the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by certified true copy of the resolution/authority, as applicable, issued by the member organization.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to Special Business to be transacted at the meeting is annexed thereto.
3. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days, between 1400-1600 hrs. up to the date of the Annual General Meeting dated 31st July 2009.
4. **Members register shall remains closed for transfer of shares from 29/07/2009 to 31/07/2009. (both days inclusive)**
5. **Members are requested to :**
 - a) to bring their copies of the Annual Report to the Meeting.
 - b) Immediately intimate change of address, if any to the company
 - c) produce the attendance slip duly filed at entrance of the meeting venue.

Place : Mumbai

By order of the Board of Director

Date : June 26, 2009

Directors

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business to be transacted

5. The Board of Directors had appointed Mr. Jayant Soni as Additional Director of the Company w.e.f 30th April, 2009. Mr. Jayant Soni has wide and varied exposure in the Industry and your directors feel that your Company should benefit immensely from his contributions. As required under section 257 of the Companies Act, notice has been received from a member alongwith deposit of Rs.500/- signifying intention to propose Mr. Jayant Soni's appointment as a Director of the Company and thus, recommending hereby the resolution listed at item No. 5 for the consideration and approval of members.

None of the Directors, except Mr. Jayant Soni and Mr. Bhavin Soni is or are concerned or interested in this item of business.

6. Consequent upon the change in the management of the Company, it is proposed that Mr. Jayant B. Soni, Director of the Company be appointed as a Non Executive Chairman of the Company in order to avail benefits of his wide and varied exposure in the Industry and thus, recommending hereby the resolution listed at item No. 6 for the consideration and approval of members.

None of the Directors, except Mr. Jayant Soni and Mr. Bhavin Soni is or are concerned or interested in this item of business.

7. The Board of Directors has appointed Mr. Bhavin Soni as additional director of the Company w.e.f 30th April, 2009. Mr. Bhavin Soni has wide and varied exposure in the Industry and your directors feel that your Company would benefit immensely from his contributions. As required under section 257 of the Companies Act, notice has been received from a member along with deposit of Rs.500/- signifying intention to propose Mr. Bhavin Soni's appointment as a Director of the Company and thus, recommending hereby the resolution listed at item No. 7 for the consideration and approval of members.

None of the Directors, except Mr. Bhavin Soni & Mr. Jayant Soni, is or are concerned or interested in this resolution.

8. The Board of Directors has appointed Mr. Premesh Khatri as additional director of the Company w.e.f 30th January, 2009. Mr. Premesh Khatri has wide and varied exposure in the Industry and your directors feel that your Company would benefit immensely from his contributions. As required under section 257 of the Companies Act, notice has been received from a member alongwith deposit of Rs.500/- signifying intention to propose Mr. Premesh Khatri's appointment as a Director of the Company and thus, recommending hereby the resolution listed at item No. 8 for the consideration and approval of members.

None of the Directors, except Mr. Premesh Khatri, is or are concerned or interested in this resolution.

9. As per Companies (Amendment) Act 2000, Company is required to state its minimum paid up capital in the Capital Clause of Memorandum and Articles of Associations of the Company.

This being the statutory requirement, directors propose to insert the same, as a new clause stating the minimum paid up share capital of the Company in the Memorandum and Articles of Association as stated in the resolution under item no. 9 of notice. The members are requested to pass the necessary resolution mentioned in the notice.

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

10. In order to finance the Company's future expansion plans and working capital requirements, capital expenditure and for corporate purpose, the Company at appropriate time proposes to raise capital in Indian and/or International market through issue of such number of Equity Shares, Global Depository Receipts ("GDRS"), Foreign Currency Convertible Bonds ("FCCBs"), and/or any security convertible into Equity Shares with or without voting/special rights and/or securities linked to Equity shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Share, including the issue and allotment of Equity shares pursuant to a green shoe option, if any.

Consent of the Shareholders is sought for issuing Equity Shares as stated in resolution. The Board will finalize detailed terms of the issue. The proposed resolution is to authorise the Board of Directors to mobilize adequate resources to meet the growing needs of the Company.

Under the proposed special resolution, consent of the shareholder is sought pursuant to the provisions of section 81 and all other applicable provisions of the Companies Act, 1956, the provisions of the SEBI (Disclosure and Investor Protection) Guidelines, 2000, ("the Guidelines") and in terms of the provisions of the Listing Agreement, executed by the Company with Stock Exchange in India where the Company's securities shall be listed and thus, recommending hereby the resolution listed at item No. 10 for the consideration and approval of members.

The Equity shares issued under preferential offer shall be locked in accordance with the provisions contained in the Guidelines.

The Board recommends the Special Resolution as set out in the Notice for member's approval.

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

11. Mr. Bhavin Soni was appointed as Additional Director of the Company by the Board of Directors w.e.f. 30th April, 2009, pursuant to section 260 of the Companies Act, 1956. Mr. Bhavin Soni holds office upto the Annual General Meeting. As required under section 257 of the said act, notice has been received from a member alongwith deposit of Rs.500/- signifying his intention to propose Mr. Bhavin Soni as a candidate for the

office of Director. Accordingly Mr. Bhavin Soni, Additional Director of the Company is proposed to be appointed as a Director of the Company as stated in the resolution under item no. 9 of notice.

It is also proposed to appoint him as a Managing Director of the Company as per the provisions of sections 198, 269 and 309 with Schedule XIII to the Companies Act, 1956.

Your approval is sought for the appointment of Mr. Bhavin Soni as the Managing Director of the Company.

None of the Directors, except Mr. Bhavin Soni & Mr. Jayant Soni, is concerned or interested in this item of business.

The information as required under Schedule XIII to Companies Act, 1956 is as under:

Disclosures as prescribed under Schedule XIII- Part II- Section II (C)

I. General Information:

- a. **Nature of Industry:** Real Estate Business
- b. **Date of commencement of business:** The Company has received the Certificate dated 29th October 1983 from Maharashtra State.
- c. **In case of new Companies, expected date of commencement of activities as per project approved by financial institutions, appearing in the prospects:** Not Applicable
- d. **Date of Incorporation:** The Company has received the Certificate dated 20th October, 1983 from Maharashtra State.

Financial performance based on the indicators:

| Particulars | 2008-09 | 2007-08 | 2006-07 |
|--|---------------------|---------------------|---------------------|
| Gross Receipts | 3,672,606 | 1,171,989 | 29,118,512 |
| Profit / (Loss) before Depreciation | 1,720,083 | 369,151 | 9,600,131 |
| Depreciation | 214,660 | 110,402 | 16,204 |
| Profit / (Loss) before Tax | 1,505,423 | 258,749 | 9,583,927 |
| Provision Tax | 174,437 | 8,150 | 1,284 |
| Profit / (Loss) after Tax | 1,330,986 | 200,412 | 9,582,643 |
| Loss Brought Forward | (78,905,471) | (79,105,883) | (88,689,526) |
| Net Loss carried to Balance Sheet | (77,574,485) | (78,905,471) | (79,105,883) |

- f. **Export Performance and net foreign exchange collaborations:** Not Applicable
- g. **Foreign investment or collaborations, if any:** Not Applicable.

II. Information about the appointee:

a. Background details, job profile, Suitability and Past remuneration

Background details -

Job Profile : Subject to the superintendence, direction and control of the Board, the day to day management and administration of the Company is vested in the Managing Director

Past Remuneration-

The remuneration (including bonus & perquisites), received by Mr. Bhavin Soni in was as follows:

| Period | Salary, Bonus & Allowance Rs. | Perquisite Rs. | Commission Rs. | Other (Specify) | Total Rs. | % of net Profit |
|----------------|-------------------------------|----------------|----------------|-----------------|-----------|-----------------|
| NOT APPLICABLE | | | | | | |

b. Remuneration proposed-

Remuneration shall is proposed between the range of Rs.60,000/- to Rs.2,00,000/- per month as may be recommended in its absolute discretion by the remuneration committee from time to time.

Perquisites will be computed in accordance with the applicable provision of the Income Tax Act, 1961.

b. Trend in the Industry and comparative remuneration profile:

The remuneration proposed is commensurate with the remuneration at prevailing market rate paid to similar senior level appointees in other Companies.

d. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any

III. Other Information

Reasons for Inadequate profits, steps taken for Improvement & projected earnings:

- Reasons: Considering the recession trends in the Market, there was substantial depression in the business revenues of real estate industry leading to the lesser revenue generation by the Company during the financial year 08-09.
- Improvement: The Company is trying to minimize losses by cost cutting and improving the efficiency of organization and by optimizing the use of available resources. The Company proposes to raise adequate resources to cater the demand of real estate industries in the current scenario of India economy for dwelling houses and infrastructure. To augment the resources of the funds,

Company intends to mobilize through private placements and the commercial borrowings through the institution or bank as need arises in the years to come.

- (c) **Projected Earnings:** The Company is hopeful of having better performance and enhancement in the generation of revenue, which would increase the projected earnings as well as the profitability of the Company.

Information under clause 49 of the Listing agreement regarding Re-appointment of Directors:

Mr. Pritesh Haria joined the Board as a Director of the Company with effect from 17th January, 2006. He is an independent Director and does not hold any Committee position in any public limited listed company.

Disclosure pursuant to Clause 49 (IV) (E) (v) of the Listing Agreement :

Shareholding of Mr. Pritesh Haria (both owned or held by / for other persons on a beneficial basis) as on 10th July, 2009: NIL

DIRECTORS' REPORT

The Members of **JOY REALITY LIMITED**

Your Directors present herewith the 26th Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2009.

| 1. FINANCIAL RESULTS | <u>Amount in Rupees</u> | |
|-----------------------------------|-------------------------|------------------|
| | 2008-2009 | 2007-2008 |
| Particulars | | |
| Gross Receipts | 36,72,606 | 11,71,989 |
| Profit/(Loss) before Depreciation | 17,20,083 | 3,69,151 |
| Depreciation | 2,14,660 | 1,10,402 |
| Profit/(Loss) Before Tax | 15,05,423 | 2,58,749 |
| Provision for Tax | 1,74,437 | 8,150 |
| Profit/(Loss) After Tax | 13,30,986 | 2,00,412 |
| Loss Brought Forward | (7,89,05,471) | (7,91,05,883) |
| Net Loss carried to Balance sheet | (7,75,74,485) | (7,89,05,471) |

FINANCIAL RESULT

Total income received during the year under review is Rs. 36,72,606 /- after providing the expenditure the net profit before tax earned by the company is Rs. 15,05,423/- as against Rs.2,58,749/- of previous year. The Company had transferred the leased assets under the term of agreement to the lessee on completion of the tenure / receipt of money / and / or settlement of accounts amounting to Rs. 24,80,520/- of Computer assets and Rs. 2,90,28,978/- of Plant & Machinery asset and depreciation provided on such assets Rs.328,74,494/-. However, the excess depreciation of Rs. 13,64,996/- has been treated as revenue income of the year.

DIVIDENDS

In view of carried forward losses your directors regrets their inability to declare any dividend for the year.

BUSINESS PROSPECTS AND OUTLOOK

The management of the Company has been taken over by Bhavin J. Soni group under leadership of Shri. Jayant B. Soni who is an astute and successful businessmen having experience in real estate business from last 2 decades. He has successfully completed many realty development projects in last few years. He is a man of vision and because of his induction in the board of director company will be benefited immensely.

The Company proposes to raise adequate resources to cater the demand of real estate industries in the current scenario of India economy for dwelling houses and infrastructure. To augment the resources of the funds, Company intends to mobilize through private placements and the commercial borrowings through the institution or bank as need arises in the years to come. Baring unforeseen circumstances, your directors are hopeful to have better earning to wipe out the earlier year losses.

SAST

The company shares under SAST has been acquired by Bhavin J Soni Group by public offers and their shareholding has increased with their relatives and associates as on 30th April 2009 12.13% of capital of the company by virtue of SAST they have become promoter of the company in place of Mr. K Madhusudan Reddy.

CORPORATE GOVERNANCE

Pursuant to clause no. 49 of the listing agreement with the Bombay Stock Exchange a compliance report together with the certificate from the statutory auditor is annexed hereto.

DIRECTORS

1. In accordance with the Articles of Association of the Company and provisions of the Companies Act, 1956 Mr. Pritesh Champaklal Haria retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment.
2. In accordance with the Articles of Association of the Company Mr. Premesh Bhagwandas Khatri was appointed as an independent director during the year whose terms expires in ensuing annual general meeting. The company has received the notices recommending his candidature to appoint as director of the company and he offers himself for re-appointment and his service is useful to the company therefore board recommends to be appointed him as director of the company.
3. In accordance with the Articles of Association of the Company Mr. Bhavin Jayant Soni was appointed as an additional director in view of take over the management of the company under SAST on 30th April, 2009 whose terms expires in ensuing annual general meeting. The company has received the notices recommending his candidature to be appointed as director of the company and he offers himself for re-appointment and his service is very much useful to the company therefore board recommends to appoint him as promoter director of the company.
4. In accordance with the Articles of Association of the Company Mr. Jayant Bhavanji Soni was appointed as an additional director in view of take over the management of the company under SAST on 30th April, 2009 whose terms expires in ensuing annual general meeting. The company has received the notices recommending his candidature to be appointed as director of the company and he offers himself for re-appointment and his service is very much useful to the company therefore board recommends to appoint him as director of the company.
5. In accordance with the Articles of Association of the Company and provisions of the Companies Act, 1956 Mr. K. Madhusudan Reddy retires by rotation at the ensuing Annual General Meeting and express his inability to continue as Director. Managements express their gratitude to the retiring promoter and director for his co-operation and guidance during his tenure as board member. Members are requested to pass vote of thanks to outgoing promoter and director.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

- a. that in the preparation of the Annual Accounts for the year ended March 31, 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- b. that the Directors have selected such accounting policies and 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 the financial year ended March 31, 2009 and of the loss of the Company for that year.
- c. that the Directors have taken proper and sufficient care 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 Annual Accounts for the year ended March 31, 2009, on a going concern basis.

STATUTORY AUDITORS

The Statutory Auditors of the Company, M/s. Shah & Co., Chartered Accountants retire at ensuing Annual General Meeting of the Company. Members are requested to appoint Statutory Auditors of the Company and fixed their remuneration.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation to Company's Bankers, Customers, Shareholders and employees for their continued support and co-operation.

For and on behalf of the Board of Directors
Mr. Bhavin J. Soni Mr. K. Madhusudan Reddy

Date: June 26, 2009

Place: Mumbai

Director

Director

MANAGEMENT DISCUSSION AND ANALYSIS

REAL ESTATE AND DEVELOPER

The Company has changed its main objects to carry on business of property development and real estate in the earlier years instead of Leasing Business since over 20 years. The project taken by the company has been delayed due to technical litigation which is hopeful to be sorted out shortly. The present market condition of the real estate has been slowdown Due to liquidity problem the Company had to go slow on real estate property development. The new management has vision, experience and resources to promote real estate business aggressively. To improve the financial resources efforts are put sincerely to recover the old dues and settling with parties to maintain cordial relations.

The avenues of resources of funds shall be explored by the new managements and there is bright hope to turn around the Company with new objects of business.

Though accumulated loss is huge, it shall take time to wipe off with limited resources. However, management is exploring the possibilities to participate with other new entrepreneurs for business avenues. Accordingly funds shall be raised for the same by issuing further share capital to promoters and / or others by way of private placement of shares or borrowings as the case may be for new business activity.

OPPORTUNITIES AND THREATS

OPPORTUNITIES

There are good opportunities available in the real estate market in India since rise of property are in south trend The Government has been pragmatic and supportive in its approach in reducing interest rate on housing and providing finance through bank for property development business project to projects. We are hopeful for demand of commercial and residential property in near future.

Your new management has committed to turnaround the company and makes it profitable at an early date by their sincere efforts, business acumen, experience and resources on emerging opportunities in the current scenario of the real estate industry.

THREATS

The slow down of consumer demands and reduction of real estate prices, the credit squeeze by the Reserve Bank of India to Real Estate Development Company is likely to slow down the momentum of growth on capital gearing of the company.

SEGMENT WISE PERFORMANCE

The Company has mainly one reportable business segment; hence no further disclosure is required under Accounting Standard (AS) 17 on segment reporting.

OUTLOOK, RISKS AND CONCERNS

The new managements have positive outlook of the Company. Your Company is planning to explore new avenues of business including participation in joint venture with others having similar real estate development projects. The new management explores the resources of funds by infusing further capital or long-term borrowings. Barring unforeseen circumstances, management is confident that performance of the Company would improve in the years to follow.

INTERNAL CONTROL SYSTEMS

The Company has adequate Internal Control systems, which provide, inter- alia, reasonable assurance of recording the transactions of its operations in all material respects and providing protection against misuse or loss of Company assets.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Total income achieved during the year under review is Rs. 36,72,606/- as against Rs.11,71,989 in the previous year. After providing for taxation of Rs. 174,437/-, the profit after tax earned by the Company is Rs. 13,30,986/- as against profit after tax of Rs. 200,412/- as earned in the previous year.

Indian economy is marching ahead and is the third largest economy in the world In this scenario, the need of the hour is expeditious development of infrastructure as delivery systems have to keep pace with the other sectors of the economy. The growth in residential real estate development is driven by rising disposable income, lower interest, increased urbanization, changing pattern from joint family to independent family, demographic factors etc. Thus the outlook for your company looks very encouraging in the coming few years, as it engage mainly in residential estate development as its core area.

The company intends to upscale its activities and has been negotiating various properties.

HUMAN RESOURCES

The new management shall create policy of Human Resources to achieve biggest advantage to the Company for turnaround. The Company plans with prudent knowledge management leading to enhanced skills and capabilities and market ability to promote real estate business in the current time. The Company shall evaluate performance management system, which reinforces its work ethics and results in profitability to enhance the shareholders value.

CAUTIONARY STATEMENT

The statements made in this report describe the Company's objectives, expectations and projections that may be forward looking statements. The actual results might differ materially from those expressed or implied depending on the economic conditions, government policies and other incidental factors, which are beyond the control of the Company and Management.

INVESTMENTS

During the year under report the outstanding position in the investment of shares and debentures of various companies and investment in partnership firm were to the tune of Rs.133,76,181/- as compared to the last year's investment of Rs.47,18,647/-. The Book value of the quoted investments for the year under review was Rs.196,022/- (Previous Year Rs.1,95,862/-) and its market valuation was Rs.4,09,587/- (Previous Year Rs.3,34,220/-).

CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges, a compliance report on Corporate Governance together with a Certificate from the Statutory Auditors is annexed as part of the Annual Report.

COST AUDIT

The Company is not required to undertake the cost audit as required under Section 233 B of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

The provisions of Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

PARTICULARS OF EMPLOYEES

The Company has no employee in the category specified under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

For and on behalf of the Board of Directors
Mr. Bhavin J. Soni Mr. K. Madhusudan Reddy

Date: June 26, 2009

Place: Mumbai

Director

Director

Registered Office:

306, Madhava, 3rd Floor,
C-4, Bandra - Kurla Complex,
Bandra (E), Mumbai – 400051.

REPORT OF CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

1. COMPANY'S PHILOSOPHY

JOY REALITY LIMITED believes that transparent accounting policies, appropriate disclosures norms, best-in-class Board practices and consistently high standards of corporate conduct towards its stakeholders are essential for sustained corporate growth.

Corporate Governance is about commitment to values and ethical business conduct. The Report on the Corporate Governance is to fulfill this commitment. An Organization is able to attract investors, and enhance the trust and confidence of all stakeholders by following the best governance practices.

Our Governance philosophy is based on the following:-

- Management is the trustee of the Shareholders capital and not the owner.
- Provide an enabling environment to harmonize the goals of maximizing stakeholder value and maintaining a customer centric focus.
- Have a simple and transparent corporate structure driven solely by business needs.
- Communicate externally, in a truthful manner, about how the Company is running internally.
- Make clear distinction between personal convenience and corporate resources.
- Be transparent and maintain high degree of disclosure levels in all facets of its operations.
- Satisfy the spirit of the law and not just the letter of the law.

The Company's philosophy on Corporate Governance is thus concerned with the ethics, values and morals of the Company and its directors, who are expected to act in the best interests of the Company and remain accountable to shareholders and other beneficiaries for their action.

Your Board of Directors presents the Corporate Governance Report for the year 2008-09.

2. BOARD OF DIRECTORS

The Board of Directors alongwith its Committees provide leadership and guidance to the Company's management and direct, supervise and control the performance of the Company. The Board of Directors presently comprise of Four Directors, all are Non-Executive Directors.

During the financial year under review, Ten Board meetings were held on the following dates: 25th April, 2008, 5th May, 2008, 30th June 2008, 31st July, 2008, 15th September, 2008, 23rd October, 2008, 20th November, 2008, 30th January, 2009, 4th February, 2009, 20th March, 2009.

Composition of Board of Directors and related information

| Name of the Director | Category | No of Board Meeting attended | Attendance at last AGM | No. of outside Directorship as at 31-03-2009 | | No. of outside Board Committee Membership as on 31-03-2009 | |
|----------------------------------|------------------------------|------------------------------|------------------------|--|---------|--|----------|
| | | | | Public | Private | Member | Chairman |
| * Mr. Madhusudan Reddy | Non Executive Director | 10 | Yes | 2 | 4 | -- | -- |
| ** Mr. Jayantilal Bhavanji Soni | Director | 2 | No | 1 | 3 | -- | -- |
| *** Mr. Bhavin Jayant Soni | Director | 2 | No | 1 | 2 | -- | -- |
| Mr. Deepak Narhari Vachcharajani | Indepedent Non-Exe. Director | 10 | Yes | 1 | -- | -- | -- |
| Mr. Pritesh Champaklal Haria | Indepedent Non-Exe. Director | 10 | Yes | -- | 3 | -- | -- |
| **** Mr. Premesh Khatri | Additional Director | 2 | No | 1 | 1 | -- | -- |

* Mr. Madhusudan Reddy: Ex - Promoter

** Mr. Jayantilal Bhavanji Soni resigned from the Directorship wef 12th May 2008

*** Mr. Bhavin Jayant Soni resigned from the Directorship w.e.f. 12th May 2008

**** Mr. Premesh Khatri was appointed as additional director w.e.f 30th January 2009

DETAILS OF SHARES HELD BY DIRECTORS AND THEIR RELATIVES

Names

Shares held on 31st March, 2009

A. Directors

K. Madhusudan Reddy

208,200

B. Relatives of Directors

K. Sanjeeva Reddy

147,500

3. AUDIT COMMITTEE

During the period under review, the Audit Committee met 5 times viz. 25th April, 2008, 31st July, 2008, 15th September, 2008, 23rd October, 2008, 30th January, 2009.

Composition of audit committee and related information:

| Name of the Director | Category | No. of Meetings attended during the financial year ended 31st March 2009 |
|----------------------------------|------------------------------------|--|
| Mr. Deepak Narhari Vachcharajani | Independent Non Executive Director | 5 |
| Mr. K. Madhusudan Reddy | Non Executive Director | 5 |
| Mr. Bhavin Jayant Soni | Director | 1 |
| Mr. Pritesh Champaklal Haria | Independent Non Executive Director | 4 |

The Audit Committee has been empowered to do all acts to comply with the applicable provisions of the Listing Agreement and the Companies Act, 1956.

The Terms of reference for the Audit Committee include

Reviewing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other expenses.

Reviewing with management the annual/ Half yearly / Quarterly financial statements before submission to the Board.

Reviewing with Management, External and internal Auditors, the adequacy of internal control systems.

Reviewing the adequacy of internal Audit function, including reporting structure coverage and frequency of internal audit.

Discussion with External Auditors before the Audit, nature and scope of Audit, any significant findings and followup thereon as well as post audit discussion to ascertain any area of concern.

Reviewing the findings of any internal investigations by internal Auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of material nature and reporting the matter to the Board.

To look into the reasons for substantial default in payment to the depositors, shareholders (In case of non payment of declared dividends) and creditors.

Related Party Transactions

To review the matters required to be included in the Director's Responsibility Statement to be included in terms of clause (2AA) of section 217 of the Companies Act, 1956.

To Review the Management Discussion and Analysis of financial condition and result of operations.

To Recommend Re-appointment of Statutory Auditors and to fix their remuneration.

All the items in Agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial results, detailed presentations are made. The Agenda and the relevant notes are sent in advance separately to each Member to enable the Committee to take informed decision.

The minutes of the Meeting of the Committee are circulate through email to all Directors and confirmed at the subsequent meetings.

4. REMUNERATION COMMITTEE

The purpose of the remuneration committee shall be to discharge the Board's responsibilities relating to formulation of compensation plans and policies of the Company's Directors, to have a credible and transparent policy in determining and accounting for the remuneration of the Directors and to bring about objectivity in determining the remuneration package while striking balance between the interest of the Company and Shareholder.

Size and Composition:

The Board reconstituted Remuneration Committee of Directors having Mr. Pritesh Champaklal Haria as the Chairman of the Committee and Mr. K. Madhusudan Reddy and Mr. Deepak Narhari Vachhrajani as the Member of the Committee.

Mr. Bhavin Jayant Soni resigned from the Directorship at the Board Meeting held on 12th May 2008 as a result he ceased to be a member of Remuneration Committee.

Mr. Deepak Vachhrajani, Non-Executive Director of the Company was appointed as a member of the Remuneration Committee by the Board at their meeting held on 30th June 2008.

The broad terms of the Committee are to determine and review remuneration / compensation package of the Directors of the Company.

b. Attendance at the Remuneration Committee Meetings:

During the accounting year 2008-09, no Remuneration Committee Meeting was held.

5. INVESTORS GRIEVANCE COMMITTEE

The Committee has the mandate to review, redress shareholders grievance, to approve all share transfers.

a. Size and Composition

The Company constituted Shareholders Grievance Committee to specifically look into the redressal of the shareholders grievances and also the share transfers and other investor related matters.

The Committee consists of Mr. K Madhusudan Reddy – Chairman of the Committee and Mr. Pritesh Champaklal Haria and Mr. Bhavin Soni – Members of the committee.

Mr. Bhavin Jayant Soni has resigned from the Directorship of the Company with effect from 12th May 2008 by passing a circular resolution, which was noted by the Board at their meeting held on 30th June, 2008.

Hence Mr. Deepak Narhari Vachhrajani, Nom-Executive Director has been appointed as a member of the Committee with effect from 30th June 2008.

b. Meeting of the Shareholder's grievance committee Meetings

During the accounting year 2008-09, 15th April 2008, 30th June 2008, 14th August, 2008, 10th November, 2008.

c. The functions of the Shareholders Grievance Committee include the following:

Transfer / Transmission of shares

Issue of duplicate share certificates,

Monitoring expeditious redressal of investors grievances,

Non receipt of Annual Report and declared dividend,

All other matters related to shares

d. Investor Grievance Redressal

Number of complaints received by Company's Registrar & Transfer agents during the financial Year ended 31.03.2009 - One

Number of complaints resolved to the satisfaction of shareholders during the financial year ended 31.03.2009 - (Company have made sufficient efforts to resolve one complaint received, however, there being no response from the complainant; the Company is not in a position to resolve the said matter.

Number of pending share complaints as on 31.03.2009 - Except mentioned above, no other complaint is received by the Company.

6. GENERAL BODY MEETINGS

a. The particulars of last four Annual General Meetings are as under:

| AGM for the Financial Year | Location of holding AGM | Date & Time of AGM |
|----------------------------|--|---|
| 2007-2008 | 306, Madhava, 3rd Floor, C4, Bandra (East) Mumbai - 400 051. | Tuesday, 30th September, 2008 at 10.30 a.m. |
| 2006-2007 | 6/A-2, Court Chambers, 35, New Marine Lines, Mumbai - 400 020. | Monday, 30th July 2007 at 10.30 a.m. |
| 2005-2006 | 6/A-2, Court Chambers, 35, New Marine Lines, Mumbai - 400 020. | Thursday, 31st August 2006 at 10.30 a.m. |
| 2004-2005 | 6/A-2, Court Chambers, 35, New Marine Lines, Mumbai - 400 020. | Friday, 30th September 2005 at 10.30 a.m. |

b. Special resolutions passed in the previous years Annual General Meeting:

At the Annual General Meeting of the Shareholders of the Company held on 30th September, 2008; the following special resolutions were passed:

- For appointment of Mr. Uday Mota as a Manager of the Company pursuant to the provisions of section 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions of Companies Act, 1956 and as approved and recommended by the remuneration Committee.
- For increasing the Authorised capital of the Company, from Rs. 10 crores to Rs. 20 crores divided into 2,00,00,000 equity shares of Rs.10/- each and consequent alteration into the Memorandum and Articles of association of the Company.
- For increasing the borrowing limits of the Company from Rs.60 crores to Rs. 200 crores pursuant to section 293 (1) (d) of the Companies act, 1956.
- For alteration of the Articles of association of the Company to insert Article no. 25A after Article no. 25 under the heading "Dematerialization of Securities".

Disclosures

- There are no material significant transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives etc. , that may have a potential conflict with the interest of the Company at large. The register of Contracts containing transactions in which Directors are interested is placed before the Board regularly for its approval.
- During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance on any matter related to the capital market.

3. The Company has a process in place that meets the objectives of the whistle blower policy. The Board reviews the findings and action taken on matters initiated through this mode. In the opinion of the Board there are no cases where a person was denied access to the grievance process set up by the Company.
4. The Company has been providing the Chairman of the Company with the resource required to implement his role.
5. During the year no amounts were transferred to the Investor Education and Protection Fund.
6. Adoption of non mandatory requirements under Clause 49 of the Listing Agreement are being reviewed by the Board from time to time.

Related Party Transactions:

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosures of transactions with the related parties set out in Notes on Accounts – schedule K, forming part of the Annual Report.

All related party transactions are negotiated on arms and length basis and are intended to further the interests of the Company.

Code of Conduct:

The Board of Directors has adopted the Code of Business Conduct and Ethics for Directors. The code is reviewed from time to time by the Board. The said Code has been communicated to the Directors of the Company.

7. MEANS OF COMMUNICATION

Quarterly, Half- yearly and Annual Results of the Company are published in the leading English and Marathi national daily.

Half yearly results with the Managing Director's observations were sent to all the shareholders. These results are promptly submitted to the stock exchange.

Management discussion and Analysis forms part of this Annual Report.

8. GENERAL SHAREHOLDER INFORMATION

| | |
|--------------------------|---|
| AGM date, time and venue | : 31st July, 2009 at 11.30 A.M. at Registered Office of the Company situated at - 306, Madhava, Plot No. C/4, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051. Maharashtra |
| Financial Calendar | : April to March |
| First quarterly results | : Last week of July 2009 |
| Second quarterly results | : Last week of October 2009 |
| Third quarter results | : Last week of January 2010 |

Results for the year ending March 2009 : Last week of April 2010
Date of book closure : 29/07/2009, 30/07/2009 & 31/07/2009
Listing on stock exchanges : The Bombay Stock Exchange Limited
Stock code : 508929
Registrar & Transfer Agents: Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound ,
L.B.S. Marg Bhandup (W), Mumbai 78.
Tel 25963838 Ext : 2317
Fax : 25946969
M :- 9321546214
Bhandup : 4000 078

Share Transfer system

The shares lodged for transfer are processed by the Registrar and Transfer Agent and are approved by Shareholders Grievance Committee. Shares sent for transfer in physical form are registered and returned within a maximum period of 30 days from the date of receipt, subject to documents being valid and complete in all respects.

Nomination Facility for Shareholding

As per the provisions of the Companies Act, 1956, facility for making nomination is available for shareholders, in respect of the shares held by them, Nomination forms can be obtained from the Registrar and Transfer agents of the Company.

Correspondence regarding change in Address

Members are requested to address all correspondences, including dividend matters, to the Registrar and Share transfer Agents.

Shareholding pattern as on 31st March 2009

| Category | No. of shares held | Percentage of Shareholding | Share Amount | % of Total |
|----------------|--------------------|----------------------------|-----------------|------------|
| 1 - 5000 | 1442 | 75.0650 | 4625000 | 7.6980 |
| 5001 - 10000 | 312 | 16.2420 | 2313500 | 3.8510 |
| 10001 - 20000 | 80 | 4.1640 | 1214000 | 2.0210 |
| 20001 - 30000 | 16 | 0.8330 | 409000 | 0.6810 |
| 30001 - 40000 | 7 | 0.3640 | 262000 | 0.4360 |
| 40001 - 50000 | 3 | 0.1560 | 140000 | 0.2330 |
| 50001 - 100000 | 11 | 0.5730 | 778000 | 1.2950 |
| 100001 - **** | 50 | 2.6030 | 50340500 | 83.7860 |
| Total | 1921 | 100.00 | 60082000 | 100 |

| | |
|---|--|
| Dematerialisation of shares | : The Company is in the process of |
| And liquidity | : making application for dematerialization of shares in NSDL and CDSL |
| Outstanding ADR/GDR/ Warrants or any Convertible Instruments, conversion dates and likely impact on equity | : NIL |
| Plant Location | : Not Applicable |
| Address for correspondence | : JOY REALITY LIMITED 306, Madhava, 3 rd Floor, C-4, Bandra (East), Mumbai – 400051 Tel : 022 6702 1550 Email : joyreality@yahoo.com |

MAKARAND M. JOSHI & CO.

COMPANY SECRETARIES

Makarand M. Joshi
B.COM., F.C.S.

Kumudini Paranjape
B.COM., A.C.S.

1-2, Shilpali, Cross Gokhale Road, Near Top Liner, Mumbai-400081.
Tel.: 2163 9868, 2163 9086, 2163 6379 Fax 2163 7952

Practicing Company Secretary's Certificate on Corporate Governance

To the Members

Joy Reality Limited

We have examined the compliance of conditions of Corporate Governance by Joy Reality Limited, for the year ended March 31, 2009, as stipulated in Clause 49 of the listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited by to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that such compliance is neither an assurance to the future viability of the Company nor the efficiency and effectiveness with which the management has conducted the affairs of the company.

Place : Mumbai
Date : June 26, 2009

M/s. Makarand M. Joshi & Co.

SD/-
Makarand Joshi
Partner

Persons constituting group coming within the definition of “group” as defined in the Monopolies and Restrictive Trade Practices Act, 1969, for the purpose of Regulation 3(1) (e) (i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, include the following:

| Sr. No. | Name of the Entities |
|----------------|---|
| 1 | K. Madhusudan Reddy |
| 2 | K. Sanjeeva Reddy |
| 3 | Bhavin Soni |
| 4 | Jayant Soni |
| 5 | Money Anchor Financial Services Private Limited |
| 6 | K. Sujatha Reddy |
| 7 | K. Sanjeeva Reddy HUF |
| 8 | Jayantilal B. Soni HUF |
| 9 | Malti J. Soni |
| 10 | Rachana B. Soni |
| 11 | Snehal J. Soni |
| 12 | Chandan Mota |
| 13 | Snehal J. Dharamshi |
| 14 | Jatin T. Dharamshi |
| 15 | Kalpana T. Dharamshi |
| 16 | Tarun. Dharamshi |

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members have confirmed compliance with the Code of Conduct and Ethics for the year ended 31st March 2009.

For **JOY REALITY LIMITED**

Pritesh C. Haria
Director

Place : Mumbai
Date : June 26, 2009

CHIEF EXECUTIVE OFFICER (CEO) and CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, **Mr. Pritesh Haria**, Director and **Mr. Deepak Vachharajani**, Director of **JOY REALITY LIMITED**, to the best of our knowledge and belief, certify that:

1. We have reviewed the balance sheet and profit and loss account and notes on accounts, as well as the cash flow statements and the directors' report;
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made;
3. Based on our knowledge and information, the financial statements and other financial information included in this report, fairly present in all material respects, the financial condition, results of the operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/or applicable laws and regulations.
4. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.
5. The Company's other certifying officers and we, are responsible for establishing and maintaining disclosure controls and procedures for the Company, and we have :
 - a. designed such disclosure controls and procedures to ensure that material information relating to the Company, is made known to us by others within those entities particularly during the period during which this report is being prepared; and
 - b. evaluated the effectiveness of the company's disclosure, controls and procedures.

6. The Company's other certifying officers and we, have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and the Audit Committee of the Company's Board of Directors (and persons performing equivalent functions):
 - a. all significant deficiencies in the design or operation of internal controls , which could adversely affect the Company's ability to record, process, summarize and report financial data, and have identified for the Company's auditors, any material weakness in internal controls;
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal controls;
 - c. the company's other certifying officers and we, have indicated in this report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weakness; and
 - d. all significant changes in the accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.
7. In the event of any materially significant misstatements or omissions, the signing officers will return to the Company that part of any bonus or incentive or equity – based compensation, which was inflated on account of such errors, as decided by the Audit Committee;
8. We affirm that we have not denied any personnel access to the Audit Committee of the Company;
9. We further declare that all Board members have affirmed compliance with the code of conduct for the current year.

Place : Mumbai

Date : June 26, 2009

Pritesh Haria - Director

Deepak Vachharajani - Director

AUDITOR'S REPORT

TO,

THE MEMBERS OF

JOY REALITY LIMITED

(formerly Madhusudan Leasing and Finance Limited)

1. We have audited the attached Balance Sheet of JOY REALITY LIMITED (formerly Madhusudan Leasing and Finance Limited) as at 31st March 2009 and also the Profit and Loss Account and the Cash Flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.
3. As required by the Companies (Auditor's report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 ("the order") issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in Paragraph (3) above; we report that;
 - (i) 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;
 - (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - (iv) In our opinion, the Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) On the basis of written representation received from the directors of the company as on March 31, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director of the company in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

- (vi) In our opinion and to the best of our information and according to the explanations given to us the said accounts subject to non provision of Rs 86,80,299/- of debts & Advances considered doubtful of recovery as referred In Note No. vii(i), Note No: vii(ii) regarding depletion in value of fixed assets, Note No vii(iii) regarding diminution in vale of investment in shares & Bonds and Note No: V regarding deferred tax liability (if any), read together with the other notes in schedule K give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) In so far as it relates to the Balance Sheet of the State of affairs of the company as at March 31 st, 2009 ;
 - (b) In so far as it relates to the Profit & Loss Account of the "PROFIT" of the company for the year ended on that date; and
 - (c) In so far as it relates to the cash flow statement, of the cash flows of the Company for the year ended on that date.

For SHAH & COMPANY
CHARTERED ACCOUNTANTS

H.N.SHAH
PARTNER
MEMBERSHIP NO. : 8152

Place: Mumbai

Dated: 26 June 2009

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Para 3 of our Report of even date)

- i. (a) The records maintained by the company showing particulars including quantitative details and situation of fixed assets needs to be updated.
- (b) As explained to us, all the fixed assets except assets lying with lessee have been physically verified by the management at reasonable intervals, in a proper manner, which in our opinion is reasonable looking to the size of the Company and nature of its business.
- (c) None of the assets has been dispensed during the year except stated in Note IX of Schedule K.
- ii. (a) The company has changed its business from that of Leasing and Finance to Real Estate. We are informed that inventories in the nature of projects undertaken have been physically verified by the management at reasonable intervals.
- (b) The procedure of physical verification of stock-in-trade followed by the management are reasonable in relation to the size of the company and the nature of its business
- (c) The company is maintaining reasonable records of stock-in-trade. No material discrepancies has been notified between the physical stock and book records
- iii. (a) The company has not granted any loans during the year to the parties covered in the register maintained under section 301 of the Companies Act, 1956. In view of this sub clause (b), (c) and (d) of clause 4 (iii) of the Companies (Auditors' Report) order, 2003 is not applicable to the company for the year under report.
- (b) The Company has taken interest free unsecured loan from two parties covered in the register maintained u/s. 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 60.92 Lacs and the year-end balance of unsecured loan taken from such parties were Rs 35.00 Lacs.
- (c) The terms and conditions of loans taken are not prima facie prejudicial to the interest of the Company.
- (d) There is no stipulation for repayment of principal amount.
- iv. As per information and explanations given to us, it appears that there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of goods and fixed assets and sale of goods. We have not observed any continuing failure to correct major weaknesses in internal controls.

- v. According to the information and explanations given to us, there are no transactions in pursuance of contracts and arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs.5,00,000/- (Rupees Five Lakhs only) or more in respect of any party in the year under report.
- vi. According to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act 1956 and the rules framed there under. Therefore, the provisions of Clause 4 (vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- vii. The Company has no internal audit system in the year under review but it has internal control system commensurate with the size and nature of its business.
- viii. The Company is not covered under section 209(1)(d) of the Companies Act, 1956.
- ix.
 - (a) According to the information and explanation given to us, the Company is generally regular in depositing with the appropriate authorities in India the undisputed statutory dues of Income Tax, Wealth Tax, Service Tax and Sales Tax. However, the provisions of Employees Provident Fund Act, Employees State Insurance Scheme and other statutory dues are not applicable to the Company.
 - (b) According to the information and explanations given to us, at the end of the financial year there were no undisputed amounts payable in respect of the income tax and other statutory dues, as applicable, for a period of more than six months from the date they became payable.
- x. The accumulated losses of the company are more than 50% of its net worth. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institutions or banks.
- xii. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. 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 (Auditors' Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xv. According to the information given to us the Company has not given any guarantee for loans taken by others from banks or financial institutions.

- xvi. In our opinion and according to information and explanation given to us there was no term loans taken by the Company and hence provision of clause 4 (xvi) of the Order is not applicable.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- xix. The Company has not issued any debenture during the year. Accordingly, the provision of clause 4 (xix) of the Order is not applicable to the Company for the year under review.
- xx. The Company has not raised any money by way of public issue during the year under review.
- xxi. As per the information and explanation given to us and to the best of our knowledge and belief, no material fraud on or by the Company has been noticed or reported during the year.

For SHAH & COMPANY
CHARTERED ACCOUNTANTS

H.N.SHAH
PARTNER
MEMBERSHIP NO. : 8152

Place: Mumbai

Dated: 26 June 2009

BALANCE SHEET AS ON 31ST MARCH 2009

| | | | As at 31.03.2009 | As at 31.03.2008 |
|--|---|------------------|---------------------|---------------------|
| SHAREHOLDERS' FUNDS | | | | |
| 1.SHAREHOLDERS FUNDS | | | | |
| a. Share Capital | A | | 6,00,82,000 | 5,93,55,510 |
| b. Reserves & Surplus | B | | 3,70,43,500 | 3,70,43,500 |
| 2.SECURED LOANS | C | | 5,82,288 | 12,57,003 |
| 3.UNSECURED LOANS | D | | 35,00,000 | 73,18,172 |
| | | Total Rs. | 10,12,07,788 | 10,49,74,185 |
| APPLICATION OF FUNDS | | | | |
| 1.FIXED ASSETS | E | | | |
| a. Gross Block (At Cost) | | 1,68,41,273 | | 4,83,50,771 |
| b. Less : Depreciation | | 81,26,103 | | 4,07,85,937 |
| c. Net Block | | | 87,15,170 | 75,64,834 |
| 2.INVESTMENT (At Cost) | F | | 1,33,76,181 | 47,18,647 |
| 3.CURRENT ASSETS, LOANS & ADVANCES | G | | | |
| a. Work in Progress | | 3,57,46,123 | | 2,14,45,045 |
| b. Sundry Debtors | | 83,80,299 | | 85,60,299 |
| c. Cash & Bank Balance | | 4,68,595 | | 7,70,153 |
| d. Loan & Advances | | 8,46,542 | | 57,24,609 |
| | | 4,54,41,559 | | 3,65,00,466 |
| Less : Current Liabilities & Provisions | H | | | |
| a. Current Liabilities | | 4,37,26,107 | | 2,26,80,771 |
| b. Provisions | | 1,73,500 | | 34,462 |
| | | 4,38,99,607 | | 2,27,15,233 |
| Net Current Asset | | | 15,41,952 | 1,37,85,233 |
| 4.PROFIT & LOSS ACCOUNT | | | 7,75,74,485 | 7,89,05,471 |
| | | Total Rs. | 10,12,07,788 | 10,49,74,185 |
| SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS | K | | | |

As per our Report of even date attached
For Shah & Co.
Chartered Accounts

(H. N. Shah)
Partner
Membership No. 8152

Place : Mumbai
Date : 26th June 2009

For and on Behalf of the Board
Mr. K. Madhusudan Reddy - Chairman
Mr. Bhavin J. Soni - Director
Mr. Pritesh C. Harla - Director

Place : Mumbai
Date : 26th June 2009

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

| | | | For the Year ended 31.03.09 | For the Year ended 31.03.08 |
|--|---|------------------|--------------------------------|--------------------------------|
| INCOME | | | | |
| Reality & Other Income (T.D.S. Rs. 108,005/- P.Y. Rs. 72,512/-) | | | 9,53,257 | 9,89,928 |
| Dividend | | | 195 | 3,294 |
| Interest Income (TDS Rs. 157,855/- P.Y. Rs. 40,509/-) | | | 6,96,624 | 1,78,767 |
| Interest on Capital from Partnership Firm | | | 6,57,534 | -- |
| Dep. written back (Refer Note "IX" of Sch. "K") | | | 13,64,996 | -- |
| | | Total Rs. | 36,72,606 | 11,71,989 |
| EXPENDITURE | | | | |
| Personnel Expenses | I | | 2,50,214 | -- |
| Administrative & Other Expenses | J | | 17,02,309 | 3,02,837 |
| Depreciation | | | 2,14,660 | 1,10,402 |
| | | | 21,67,183 | 9,13,239 |
| Profit before Taxes | | | 15,05,423 | 2,58,749 |
| Less : Provision for Tax | | | | |
| FBT | | | 17,500 | 8,150 |
| Income Tax | | | 1,56,000 | 26,312 |
| Earlier Year | | | 937 | 23,875 |
| Profit after Taxes but before Extraordinary items | | | 13,30,986 | 2,00,412 |
| Add: (Loss) Balance brought forward from Previous Year | | | (7,89,05,471) | (7,91,05,883) |
| (Loss) Carried to Balance Sheet | | Total Rs. | (7,75,74,485) | (7,89,05,471) |
| Earning per Share | | | 0.22 | 0.03 |
| SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS | K | | | |

As per our Report of even date attached

For **Shah & Co.**
Chartered Accounts

(**H. N. Shah**)
Partner
Membership No. 8152

Place : Mumbai
Date : 26th June 2009

For and on Behalf of the Board

Mr. K. Madhusudan Reddy - Chairman
Mr. Bhavin J. Soni - Director
Mr. Pritesh C. Haria - Director

Place : Mumbai
Date : 26th June 2009

SCHEDULE FORMING PARTS OF BALANCE SHEET AS AT 31/03/2009

| | As at 31.03.2009 | As at 31.03.2008 |
|--|---------------------|---------------------|
| SCHEDULE A - SHARE CAPITAL | | |
| AUTHORISED | | |
| 200,00,000 Equity Shares (P.Y. 100,00,000 Equity Shares) of Rs. 10/- each fully paid up (Increased by 10 Crores in A.G.M.) | 200,000,000 | 100,000,000 |
| ISSUED, SUBSCRIBED AND PAID UP | | |
| 60,08,200 Equity Shares of Rs. 10/- each fully paid up | 60,082,000 | 60,082,000 |
| Less : Call-in-arrears (received during the year) | - - | 726,490 |
| Total Rs. | 60,082,000 | 59,355,510 |
| SCHEDULE B - RESERVES & SURPLUS | | |
| Share Premium (as per last Balance Sheet) | 37,043,500 | 37,043,500 |
| Total Rs. | 37,043,500 | 37,043,500 |
| SCHEDULE C - SECURED LOANS | | |
| HDFC Bank (Against Hypothecation of Car) (Amount repayable within a year Rs. 450,034/-, P.Y. Rs. 674,715/-) | 582,288 | 1,257,003 |
| Total Rs. | 582,288 | 1,257,003 |
| SCHEDULE D - UNSECURED LOANS | | |
| Incorporate Loans | 3,500,000 | 6,525,009 |
| Directors & firm in which directors are interested | - - | 793,163 |
| Total Rs. | 3,500,000 | 7,318,172 |

SCHEDULE 'E'**FIXED ASSETS**

(Figures in Rs.)

| Block of Assets | Name of Asset | At Cost | | | Depreciation | | | | | W.D.V. as on | |
|-----------------|---------------------------|--------------|------------|---------------|--------------|------------|---------------|--------------|---------------|--------------|-----------|
| | | As on 1/4/08 | Deletion | Total 31/3/09 | As on 1/4/08 | Deletion | #Written Back | For the Year | Total 31/3/09 | 31/3/09 | 31/3/08 |
| I | Furniture & Fixture | 145,848 | -- | 145,848 | 124,373 | -- | -- | 8,728 | 133,101 | 12,747 | 21,475 |
| II | Office Equipments | 155,959 | -- | 155,959 | 136,401 | -- | -- | 7,476 | 143,877 | 12,082 | 19,558 |
| III | Motor Car | 2,089,000 | -- | 2,089,000 | 94,198 | -- | -- | 198,456 | 292,654 | 1,796,346 | 1,994,802 |
| IV | Plant & Machinery * | 40,965,444 | 29,028,978 | 11,936,466 | 35,935,895 | 29,028,978 | 1,613,048 | -- | 5,293,869 | 6,642,597 | 5,029,549 |
| V | Computers * | 4,994,520 | 2,480,520 | 2,514,000 | 4,495,070 | 2,480,520 | (248,052) | -- | 2,262,602 | 251,398 | 499,450 |
| | For Year Ended 31/03/2009 | 48,350,771 | 31,509,498 | 16,841,273 | 40,785,937 | 31,509,498 | 1,364,996 | 214,660 | 8,126,103 | 8,715,170 | 7,564,834 |
| | For Year Ended 31/03/2008 | 46,525,146 | -- | 263,375 | 46,261,771 | 40,659,331 | 16,204 | 40,675,535 | 5,586,236 | 5,865,815 | |

- *1. These assets have not been physically verifiable by the Management, since it is in the possession of Contractual Parties.
- *2. The leased assets transferred to the lessee under contractual agreement has been adjusted and excess depreciation is treated as revenue income (Refer note no. "IX" of Schedule "K")

SCHEDULE 'F'

INVESTMENTS (LONG TERM)

| Sr No | Name of the Company | Face Value | Opening Qty. | Addition Qty. | Deletion Qty. | Closing Qty. | Amount | As on 31/03/2008 | |
|-------------------------|--|------------|--------------|---------------|---------------|--------------|----------|------------------|---------|
| | | | | | | | | Quantity | Amount |
| QUOTED INVESTMENTS | | | | | | | | | |
| 1. | Lloyds Steel Industries Ltd. | 10 | 300 | 0 | 0 | 300 | 20277 | 300 | 20277 |
| 2. | Banka (India) Ltd. | 10 | 1000 | 0 | 0 | 1000 | 10000 | 1000 | 10000 |
| 3. | Dhar Cements Ltd. | 10 | 3500 | 0 | 0 | 3500 | 150955 | 3500 | 150955 |
| 4. | J.S.W. Steel Ltd. (Jindal Vijaynagar Steel) | 10 | 300 | 0 | 0 | 300 | 2040 | 300 | 2040 |
| 5. | Agrochem Pubjab Ltd. | 10 | 600 | 0 | 0 | 600 | 2460 | 600 | 2460 |
| 6. | S. M. Dyechem Ltd. | 10 | 12 | 0 | 0 | 12 | 500 | 12 | 500 |
| 7. | Preeto Leather Ltd. | 10 | 100 | 0 | 0 | 100 | 1000 | 100 | 1000 |
| 8. | Premier Proteins Ltd. | 10 | 800 | 0 | 0 | 800 | 800 | 800 | 800 |
| 9. | IndusInd Bank | 10 | 6 | 0 | 0 | 6 | 60 | 6 | 60 |
| 10. | Nilkamal Ltd. | 10 | 34 | 0 | 0 | 34 | 340 | 34 | 340 |
| 11. | Force Motors Ltd. | 10 | 2 | 0 | 0 | 2 | 20 | 2 | 20 |
| 12. | UTI Master Units | 10 | 16 | 0 | 0 | 16 | 160 | 16 | 160 |
| 13. | Grasim Industries Ltd. | 10 | 25 | 0 | 0 | 25 | 250 | 25 | 250 |
| 14. | Ispat Industries Ltd. Equity Shares | 10 | 420 | 0 | 0 | 420 | 4200 | 420 | 4200 |
| 15. | Ispat Industries Ltd. Preference Shares | 10 | 280 | 0 | 0 | 280 | 2800 | 280 | 2800 |
| 16. | Lyka Labs Ltd. | 10 | 16 | 0 | 0 | 16 | 160 | 160 | 160 |
| Sub Total (A) | | | | | | | 196022 | | 196022 |
| OTHERS (UNQUOTED) | | | | | | | | | |
| 1. | Lyka Exports Ltd. | 10 | 160 | 0 | 0 | 160 | 5000 | 160 | 5000 |
| 2. | Sesa Industries Ltd. | 10 | 500 | 0 | 0 | 500 | 11250 | 500 | 11250 |
| 3. | Goldstar Steel & Alloys Ltd. | 10 | 300 | 0 | 0 | 300 | 2155 | 300 | 2155 |
| 4. | Gujarat Telephone Cables Ltd. | 10 | 22 | 0 | 0 | 22 | 220 | 22 | 220 |
| 5. | Kankariya Chemicals Ind. Ltd. | 10 | 10000 | 0 | 0 | 10000 | 100000 | 1000 | 100000 |
| 6. | Uniphos Agro Ind. Ltd. | 10 | 1000 | 0 | 0 | 1000 | 5000 | 1000 | 5000 |
| 7. | Good Earth Synthetic Ltd. (BOND) | 5000 | 878 | 0 | 0 | 878 | 4390000 | 878 | 4390000 |
| 8. | Damania Capital Market Ltd. | 10 | 300 | 0 | 0 | 300 | 9000 | 300 | 9000 |
| Sub Total (B) | | | | | | | 4522625 | | 4522625 |
| 1. | Inv. in Partnership Firm Abhishek Properties | | | | | | 8657534 | | 0 |
| Sub Total (C) | | | | | | | 8657534 | | 0 |
| Grand Total (A + B + C) | | | | | | | 13376181 | | 4718647 |

Aggregate of Investment

| | As at 31/03/2009 | | As at 31/03/2008 | |
|----------|------------------|--------------|------------------|--------------|
| | Cost | Market Value | Cost | Market Value |
| Quoted | 196022 | 409587 | 195862 | 334220 |
| Unquoted | 13180159 | 0 | 4522785 | 0 |
| | 13376181 | 409587 | 4718647 | 334220 |

Note : 1. Some of the above quoted shares are not frequently on the stock exchanges. Diminution in value of Investment are not provided in Books, unless considered as permanent in nature in the opinion of Management.

2. The Company is partner in M/s. Abhishek Properties with a 1/3 profit/loss sharing ratio.

| | As at 31.03.2009 | As at 31.03.2008 |
|---|---------------------|---------------------|
| SCHEDULE G - CURRENT ASSETS, LOANS & ADVANCES | | |
| A. INVENTORIES | | |
| a. Work in Progress - Lodha Project 1,626,214 | | 618,944 |
| b. Advance Against Acquisition of Rights of members 34,119,909 | 35,746,123 | 20,826,101 |
| Total Rs. | 35,746,123 | 21,445,045 |
| B. SUNDRY DEBTORS | | |
| (Unsecured and considered doubtful of recovery) | | |
| Debts outstanding for a period exceeding Six Months | 8,380,299 | 8,380,299 |
| Other Debtors | -- | -- |
| (Unsecured and considered good) | | |
| Debts outstanding for a period exceeding Six Months | -- | 180,000 |
| Other Debtors | -- | -- |
| Total Rs. | 83,80,299 | 85,60,299 |
| C. CASH & BANK BALANCE | | |
| Cash on Hand | 49,470 | 2,486 |
| In Current Account with Scheduled Banks | 419,125 | 768,028 |
| Total Rs. | 468,595 | 770,513 |
| D. LOANS & ADVANCES | | |
| Advance recoverable in cash or kind | | |
| Unsecured considered doubtful | 300,000 | 300,000 |
| Unsecured considered good | 100,000 | 100,000 |
| Deposits | 67,620 | 67,620 |
| Panchratna Builders (Advance) | -- | 5,138,258 |
| Advance Tax & T.D.S. | 362,839 | 118,731 |
| Prepaid Expenses | 16,083 | -- |
| Total Rs. | 8,46,542 | 57,24,609 |
| SCHEDULE H - CURRENT LIABILITIES & PROVISIONS | | |
| A. CURRENT LIABILITIES | | |
| <u>Sundry Creditors</u> | | |
| Advance Against Property - Lodha | 12,500,000 | 21,000,000 |
| Auditors Remuneration | 24,450 | 19,663 |
| Kant Advertising Services | 1,256 | -- |
| Promad S. Shah & Associates | 33,093 | -- |
| <u>Other Liabilities</u> | | |
| Over Drawn Bank Balance | -- | 174 |
| Due to Director / Promoter | 31,000,000 | 1,610,455 |
| TDS Payable (Since paid) | 149,207 | 50,479 |

| | | |
|---|-------------------|-------------------|
| Staff Profession Tax Payable | 700 | -- |
| P.F. Employee's Cont | 780 | -- |
| P.F. Employer's Cont | 887 | -- |
| Salary Payable | 15,734 | -- |
| Total Rs. | 43,726,107 | 22,680,771 |
| Provisions | | |
| Provisions for Taxation (Including FBT) | 173,500 | 34,462 |
| Total Rs. | 173,500 | 34,462 |
| SCHEDULE I - PERSONNEL EXPENSES | | |
| Providend Fund | 10,644 | -- |
| Salary & Bonus | 239,570 | -- |
| Total Rs. | 250,214 | -- |
| SCHEDULE J - ADMINISTRATIVE & OTHER EXPENSES | | |
| Rent, Rates & Taxes | 102,000 | 17,000 |
| Printing, Stationery, Typing & Xerox | 64,728 | 9,008 |
| Postage & Telegram | 15,401 | 3,648 |
| Travelling & Conveyance | 11,470 | 11,929 |
| Motor Car Expenses | 40,920 | 8,550 |
| Miscellaneous Expenses | 8,664 | 13,821 |
| Bank Charges & Commission | 8,184 | 2,562 |
| Interest paid on Loan | 638,710 | 249,105 |
| Discount | -- | 428 |
| Interest on Car Loan | 123,285 | 64,003 |
| Demat Charges | -- | 1,723 |
| Listing Fees | 16,625 | 15,000 |
| Filing Fees | 7,524 | 130,997 |
| Audit Fees | 27,575 | 19,678 |
| Legal & Professional Fees | 602,995 | 255,386 |
| Advertisement Expenses | 32,828 | -- |
| Membership & Subscription | 1,400 | -- |
| Total Rs. | 1,702,309 | 802,837 |

SCHEDULE 'K'

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:

I SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting Convention & Concepts

The accounts are prepared in accordance with accounting principles generally accepted and the guidelines issued by the Institute of Chartered Accountants of India wherever applicable. The Company generally follows mercantile system of accounting under historical cost convention.

(b) Fixed Assets

All the Fixed Assets are stated at cost less accumulated depreciation.

(c) Depreciation

- i) Depreciation on owned assets has been provided on straight-line method at the rates prescribed by Schedule XIV of the Companies Act, 1956 as amended.
- ii) Depreciation on leased assets is provided by a method under which about 90% of the cost of such assets is written off over the primary lease period only.

(d) Investments

Long-term investments are stated at cost, which includes brokerage. Provision for the diminution in the value of investment is not made since it is considered long term in nature in the opinion of the management.

(e) Real Estate BusinessInventories:

Inventories are valued at lower of cost or net realizable value. The Construction Work in Progress includes cost of Land, Development Rights, TDR Rights, Construction Costs and Expenses incidental to the projects undertaken by the Company.

Inventories of finished tenements, if any, are valued at cost or estimated net realizable value) whichever is less as certified by management.

(f) Lease & Hire Purchase Business

Since the Company has discontinued the business of NBFC earlier, therefore, policy of accounting of lease and hire purchase is not applicable

(g) Income

It is accounted generally on accrual basis. The Revenue is recognized when actually received or the income is certain of realisability only.

(h) Expenses

The expenses pertaining to specific real estate project are considered as work in progress until the project is completed and revenue is recognized.

- II The management of the company has been taken over by Bhavin J. Soni Group, as acquirer, by making public offer under SEBI SAST offer in March, 2009 and duly notified to the Bombay Stock Exchange on 30TH April, 2009.
- III The Company has entered into Partnership At Will namely Abhishek Properties on 20th December, 2007 for development of real estate business along with other partners having Profit/Loss sharing 1/3rd. Income thereon as partner shall be accounted in the year of receipt or crystallized of the projects. Contribution towards the capital is Rs. 80 Lacs and interest earned on such capital is Rs. 657,534/-.
- IV The Company has increased the authorized capital from 100 Lacs equity shares of Rs. 10/- each i.e. Rs. 10 Crores to 200 Lacs equity shares of Rs. 10/- each i.e. Rs. 20 Crores by passing a special resolutions in their general body meeting held on 30th September, 2008. The necessary formalities and compliance are under process by the company to effectuate the resolutions to increase the authorized capital.

V Deferred Tax

Deferred Tax assets/ liability have not been computed, in view of depreciation provided under Written Down Value of Income Tax Act by the management.

VI Contingent Liability

Contingent Liability in connection with Capital Expenditure of Purchase of rights in property for development not provided for Rs 408.69 Lacs.

VII No Provision is Made in Books

- i Sundry Debtors & Advances include amount due over 3 years, which are considered to be doubtful in nature, is not provided for in the books since new Management shall pursue with debtors for recovery.
- ii Depletion in value of Fixed Assets of the Company, lying with Lessees, is not provided in Books since amount is unascertainable.
- iii Diminution in value of Investment in shares and bonds are not considered being long term in nature, therefore no provision has been made in Books.
- iv The Income tax department has appealed against Income Tax Appellate Tribunal order for assessment year 1996-97 in Mumbai High Court. The liability and interest thereon is not provided since pending order is unascertainable. As legally advised to the company, all the undisputed tax and interest thereon is paid till date by the company.

VIII. Amount remaining to be executed on contracts amounts to Rs 700.10 Lacs to the members of the Lodha Society.

IX. The Company had transferred the leased assets under the term of agreement to the lessee on completion of the tenure / receipt of money and / or settlement of accounts amounting to Rs. 24,80,520/- of Computer assets and Rs. 2,90,28,978/- of Plant & Machinery asset and depreciation provided on such assets Rs.328,74,494/-. However, the excess depreciation of Rs. 13,64,996/- has been treated as revenue income of the year.

X Related Parties Disclosures under Accounting Standard 18 OFICAI

(A) Particulars of Party where control exists/ Relatives where control exists

| Name of Related Party | Nature of Relationship | Amount Payable as on 31/03/2009 |
|----------------------------|----------------------------|---------------------------------|
| Shri K. Madhusudan Reddy | Party where control Exists | Rs. 31,000,000/- |
| Joy Homecreation Ltd. | -- Do -- | Rs. 1,700,000/- |
| Money Anchor F. S. P. Ltd. | -- Do -- | Rs. 1,800,000/- |
| Joy Builders | -- Do -- | NIL |
| Panchratna Builders | -- Do -- | NIL |

(B) Key Management Personnel

| Name of Related Party | Nature of Relationship |
|--------------------------|------------------------|
| Shri K. Madhusudan Reddy | Chairman |
| Shri Bhavin J. Soni | Director |

(C) Transaction with Related Parties

| Name of Related Party | Nature of Transaction | Amount |
|--------------------------|-----------------------|--------------|
| Joy Homecreation Ltd. | Rent | Rs. 17,000/- |
| Joy Homecreation Ltd. | Interest on Loans | Rs. 70,586/- |
| Money Anchor F.S.P. Ltd. | Interest on Loans | Rs. 12,778/- |
| Joy Builders | Interest on Loans | Rs. 70,586/- |
| Panchratna Builders | Interest on Loans | Rs. 88,688/- |

XI Other information as required by Schedule VI, of Part II of the Companies Act, 1956, relating to exports, imports and earnings in foreign currency, remittance in foreign currency is not given, as the same is not applicable in the year under review

XII Previous Year's figures have been regrouped and recast wherever necessary

For **Shah & Co.**
Chartered Accounts

(H. N. Shah)
Partner
Membership No. 8152

Place : Mumbai
Date : 26th June 2009

For and on Behalf of the Board

Mr. K. Madhusudan Reddy - Chairman
Mr. Bhavin J. Soni - Director
Mr. Pritesh C. Haria - Director

Place : Mumbai
Date : 26th June 2009

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

| Particulars | (in Rs. Lacs) | |
|---|---------------|------------|
| | March 2009 | March 2008 |
| I CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit (Loss) Before Tax and Extraordinary items | 15.05 | 2.59 |
| Adjustments for: | | |
| Depreciation | 2.15 | 1.10 |
| Depreciation Written Back | (13.65) | 0.00 |
| Interest on Capital | (6.58) | 0.00 |
| Dividened | 0.00 | 0.03 |
| | (3.03) | 3.66 |
| Less: Income Taxes paid | 0.34 | 1.14 |
| Operating Profit before working Capital Changes | (3.37) | 2.52 |
| Adjustments for: | | |
| (Increase)/Decrease in Current Assets | (92.43) | (58.15) |
| (Increase)/Decrease in Current Liabilities | (210.45) | (0.84) |
| | 118.02 | (57.31) |
| Cash generated from operations | 114.65 | (54.79) |
| II CASH FLOW FROM INVESTING ACTIVITIES | | |
| (Purchase) Sale of Fixed Assets (Net) | 0.00 | (20.89) |
| Increase / (Decrease) in Share Capital | 7.26 | 0.00 |
| Dividened Income | 0.00 | 0.03 |
| (Purchase) / Sale of Investments | (80.00) | 0.00 |
| | (72.74) | (20.86) |
| Net cash used in investing activities | (72.74) | (20.86) |
| III CASH FLOW FROM FINANCING ACTIVITIES | | |
| Secured Loan taken / (repaid) | (6.75) | 12.57 |
| Unsecured Loan taken / (repaid) | (38.18) | 69.73 |
| Net Cash from Investing Activities | (44.93) | 82.30 |
| NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS | (3.02) | 7.54 |
| Cash and cash equivalents at the beginning of the year | 7.71 | 0.17 |
| Cash and cash equivalents at the close of the year | 4.69 | 7.71 |

Notes:

- The cash flow statement has been prepared under the Indirect method as set out in accounting Standard 3 Cash Flow Statement issued by the The Institute Of Chartered Accountants of India.
- Cash and Cash Equivalents includes Cash and Bank Balances.
- Figures of Previous years have been regrouped and rearranged wherever necessary to confirm with Current Years classifications.

For **Shah & Co.**
Chartered Accounts

(H. N. Shah)
Partner
Membership No. 8152

Place : Mumbai
Date : 26th June 2009

For and on Behalf of the Board

Mr. K. Madhusudan Reddy - Chairman
Mr. Bhavin J. Soni - Director
Mr. Pritesh C. Haria - Director

Place : Mumbai
Date : 26th June 2009

ATTENDANCE SLIP

JOY REALITY LIMITED

(Formerly known as MADHUSUDAN LEASING & FINANCE LIMITED)

Regd Off: 306, Madhava, 3rd Floor, C-4, Bandra Kurla Complex, Bandra (E), Mumbai 51.

(Please complete this Attendance Slip and hand it over at the entrance of the meeting hall)

I hereby record my presence at the Twenty - Sixth Annual General Meeting of the of the Company being held on Friday, July 31, 2009 at 11.30 A. M. at 306, Madhava, 3rd Floor, C-4, Bandra – Kurla Complex, Bandra (E), Mumbai – 400051.

Membership Folio No.: _____ No. of Shares held: _____

Name of the Shareholder/Proxy*: _____

Signature of Shareholder/ Proxy*: _____

**Strike out whichever is not applicable.*

PROXY FORM

JOY REALITY LIMITED

(Formerly known as MADHUSUDAN LEASING & FINANCE LIMITED)

Regd Off: 306, Madhava, 3rd Floor, C-4, Bandra Kurla Complex, Bandra (E), Mumbai 51.

Membership Folio No.: _____ No. of Shares held: _____

I/We _____ of

_____ being a member / members of **Joy Reality Limited**, hereby

appoint _____ of _____

or failing him/her _____ of _____ as

my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Friday, July 31, 2009 at 11.30 A.M. at,

_____ or at the adjournment thereof.

Signed this _____ day of _____ 2009.

Important

- Revenue Stamp of Rs. 1/- is to be affixed on this form.
- The Form should be singed across the stamp as per the specimen signature Registered with the Company.
- The Companies, 1956 lays down that an instrument appointing a Proxy shall be deposited at the Registered Office of the Company and not less than **FORTY-EIGHT-HOURS** before the time fixed for the Meeting,
- A proxy need not be a Member.

Book Post

To,

JOY REALITY LTD.

306, Madhava, 3rd Floor,
C-4, Bandra Kurla Complex,
Bandra (E),
Mumbai – 400051.
Tel: #022 6702 1550