

NOTICE

Notice is hereby given that the 18th Annual General Meeting of the Members of **KREZ HOTEL & REALTY LIMITED** will be held on Saturday, the 28th September, 2013 at 11.30 a.m. at, A-205, Crystal Plaza, New Link Road, Andheri (West), Mumbai - 400 053, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013, and the Profit & Loss Account for the year ended on that date and the reports of Directors' and Auditors' thereof.
2. To appoint a Director in place of Shri Mukesh Padhya, who retire by rotation and being eligible offer himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

By order of the Board
For Krez Hotel & Realty Ltd.

Place : Mumbai
Dated : 29th August, 2013

Kamlesh Desai
Managing Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The register of Members and the Share Transfer Book will remain closed from 26th September, 2013 28th September, 2013 (both days inclusive) for the purpose of ensuing Annual General Meeting.
3. Members are requested to notify any changes in their address quoting their folio number to the Company's share department.
4. Members are requested to bring their copies of the Annual Report at the Meeting.

Certified True Copy

For Krez Hotel & Realty Ltd.

K. W. Desai

Director

Details of Director Appointed /Seeking re-appointment in forthcoming Annual General Meeting :

The brief resume of Directors seeking re-appointment :

1. Mukesh Padhya (63)

Mr. Mukesh Padhya instrumental person and looking after the administration and resorts business of the Company and have vast experience of hotel & event management. He also hold directorship in other Company.

DIRECTORS' REPORT

Your Directors have pleasure in presenting to you the 18th Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2013.

FINANCIAL PERFORMANCE

During the year under review the Company has witness a net turnover of Rs. 49.46 Lacs Compare to Previous Year Rs. 50.89 Lacs and incurred expenditure of Rs. 48.71 Lacs compare to previous year of Rs. 48.91 Lacs, hence the Company has been able to generate marginal profit of Rs. 1.99 Lacs as against previous year profit of Rs. 3.14 Lacs.

FINANCIAL RESULTS

Particulars	Rs. In Lacs	
	For the year ended on	
	31.03.13	31.03.12
Total Income	49.46	50.89
Total Expenditure	48.71	48.91
Profit / (Loss) After Tax	1.98	3.14
Equity Share Capital	1025.00	1025.00

DIVIDEND

Your directors do not recommend any dividend for the year.

DIRECTORS

Shri Mukesh Padhya retire by rotation at the forthcoming annual general meeting and offer himself for re-appointment.

FIXED DEPOSITS

Your Company has not accepted any fixed deposit during the year under review which falls under the definition of Section 58 A of the Companies Act, 1956.

CORPORATE GOVERNANCE

In terms of Listing Agreement with Stock Exchanges, the Company is required to comply with the Corporate Governance provisions and the Company is complied with the same and attached separate annexure for the same.

LISTING

The shares of the Company are listed at the Inter-connected Stock Exchange, Mumbai, Pune and Ahmedabad and Rajkot Stock Exchange.

AUDITORS

The Auditors M/s Gupta Shyam & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible offer themselves for reappointment. You are requested to consider their reappointment for the next financial year and fix their remuneration.

The Specific notes forming part of the Accounts referred to in the Auditors' Report are self-explanatory and do not require any further elucidation.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 217 (2AA) of the Companies (Amendment) Act, 2000, the Directors confirm :

1. that in the preparation of Annual Accounts, the applicable accounting standards had been followed along with the proper explanation relating to material departures if any.
2. that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the Financial year and of the Profit & Loss of the Company for that period.
3. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so to prevent and detect fraud and other irregularities.
4. that the Directors had prepared the accounts on a going concern basis.

STATUTORY DISCLOSURES

- A) Particulars of the employees of the Company pursuant to Section 217 (2A) of the Companies Act, 1956 are not applicable, since no one come under the preview.
- B) Particulars required to be furnished by the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988:
 - i) Part A and Part B relating to Conversion of Energy and technology Absorption are not applicable to the Company as your Company is not a manufacturing Company.
 - ii) Foreign Exchange Earning and Outgo :- The Company has neither consumed nor earned any foreign exchange during the year under review.

ACKNOWLEDGEMENT

Your Directors place on records their grateful appreciation for the assistance and co-operation received from banks, clients, staff and you the shareholders.

For and on behalf of the Board of
Krez Hotel & Realty Limited

Place : Mumbai,
Dated : 29th August, 2013

Managing Director

ANNEXURE TO DIRECTOR'S REPORT

Corporate Governance Report

a) Company's philosophy on code of Governance

The Krez Hotel is believes that good corporate governance is essential to achieve long term goals and also to enhance the shareholders value. The Company engaged in hotel business and construction activities and now believes to create value that can sustained over a long term for all its shareholders, employees, customers, government and others.

b. Board of Directors :

The Board of your Company consists of Four Directors including non-executive independent Director. All the members of the Board are eminent with sound knowledge and background in different field.

The Board is headed by Shri Kamlesh Desai.

Board Meetings and procedure

The Board of Directors of your Company met Eight times during the year on 02.04.12, 25.04.12, 28.05.12, 14.08.12, 05.09.12, 30.10.12, 02.11.12 and 15.02.13. The details pertaining to the name and category of Directors on the Board, their attendance at the Board Meetings held during the financial year 2011 – 12 and at the last Annual General Meeting of the Company and the no. of Directorship on the Board or membership/chairmanship in committee held by them across all the Companies are as under :

Name of Directors	Position / Status	Attended		Directorship	No. of other Committee Membership/ Chairmanship
		Board Meeting	Last AGM		
Mr. Kamlesh Desai	ENI	8	Y	2	3
Mr. Mukesh Padhya	NEI	6	Y	-	2
Mr. Jigar Desai	ENI	8	Y	1	-
Mr. Chandravadan Doshi	NEI	6	-	-	-

ENI = Executive Not Independent, NEI = Non-executive Independent Director

c. Audit Committee

The Board of Directors has constituted Audit committee of Directors to exercise powers and discharge function as stipulated in Section 292A of the Companies Act, 1956 During the year Four meetings were held on 28.05.2012, 14.08.2012, 30.10.2012, and 15.02.2013, all the members had attended all meeting. The role and terms of reference of the audit committee covers the matter specified for audit committees under clause 49 of the listing agreement and provisions of Companies Act, 1956. The committee comprises of two Directors and one member who are Non-executive.

The Composition of Audit Committee is as under :

S. No.	Name of the members	Status	Director Status
1.	Mukesh Padhya	Chairman	Non-Executive & Independent
2.	Jigar Desai	Member	Executive & Not-Independent
3.	Chandravadan Doshi	Member	Non- Executive & Independent

Terms of reference :

The terms of reference of this committee are wide enough covering the matters specified for Audit Committee under Clause 49 of the Listing Agreement as amended.

- Overseeing of the Company's financial reporting process and disclosure of financial information.
- Review of quarterly financial statement ensuring compliances with regulatory guidelines before submission to the Board
- Recommended appointment, removal of statutory auditors and payment of fees to them.
- Statement of significant related party transactions.

d. Remuneration Committee

The Board has constituted the Remuneration Committee however no remuneration has been paid to the Directors for the year 2012 – 13.

e. Shareholders / Investors Grievance Committee

The Board has constituted a share transfer committee consisting of Mr. Kamlesh Desai, Mr. Jigar Desai and Mr. Mukesh Padhya, and Mr. Jigar Desai is designated as Compliance Officer. As on 31st March, 2013 there were no complaints pending and no share transfer pending for registration for more than 15 days as on the said date.

f. General Body Meeting

a. Location and time where last three Annual general Meeting (AGMs) were held :

AGM/EGM held	Day, Date & Time	Venue
2011-2012	Satu., 29 th Sept., 2012 12.30 p.m.	Registered Office
EGM	Sat., 9 th June, 2012, 3.30 p.m.	Registered Office
2010-2011	Friday, 30 th Sept., 2011 12.30 p.m.	Registered Office
2009-2010	Thur., 30 th Sept., 2007 12.30 p.m.	Registered Office
2008-2009	Wedn., 30 th Sept., 2009 12.30 p.m.	Registered Office

Further During the year two resolution were put through postal ballot

g. Disclosures

i) Related Party Transaction :

There are no materially significant transactions with related parties, viz. Promoters, directors or the management, their subsidiaries or relatives conflicting with company's interests. However the necessary details are given in notes to accounts of the Company.

ii) Compliances by the Company

The Company has complied with Stock Exchange and Securities Exchange Board of India (SEBI) and other statutory authorities on all the matter related to capital market. No penalty or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years.

iii) Code of Conduct

The Company has laid down the code of conduct for its Director and Senior Management personnel of the Company. The Company will soon posted the same on its official website which is under preparation.. A declaration to adhere to this has been annexed and signed by the Director of the Company.

iv) Disclosure of Accounting Treatment

In the preparation of financial statement Company has followed the required accounting standard issued by the Institute of Chartered Accountants of India to the extent it is applicable.

v) CEO / CFO Certification.

The CEO and CFO of the Company have given their certificate on financial statement to the Board for the financial year ended on 31st March, 2013 in terms of Clause 41 of the Listing Agreement.

h. Means of Communication

The Company published its quarterly results in the "Free Press Journal and Lokshakti" newspapers. The Company does not have any website for displaying results or official news.

Management Discussion and Analysis is a part of the Annual Report.

a) General Shareholders Information

1) AGM – Date, time and venue :

Date : 28th September, 2013
Time : 11.30 a.m.
Venue : A-205, Crystal Plaza,
Link Road, Andheri (West),
Mumbai-400 053.

- 2) Financial year ending : 31st March
- 3) AGM : September
- 4) Date of book closure from 26th September, 13 to 28th September, 13. (both days inclusive.)
- 5) Dividend payment date : not applicable since no dividends is recommended by the Board.
- 6) ISIN No. : INE436B01016
- 7) Reporting of Un-audited Financial Result : In respect of year 13 – 14
 - a) First quarter : Last week of July, 13
 - b) Second quarter : Last week of October, 13
 - c) Third quarter : Last week of January, 14
 - d) Fourth quarter : Last week of April, 14
 - e) Annual General Meeting (For 12 – 13) : By August / Sept., 14
- 8) Listing on Stock Exchanges: Ahmedabad, Pune, Rajkot and Inter Connected Stock Exchanges.
- 9) Stock Code : The Inter Connected Stock Exchange, Mumbai - Jaykaydee
 The Stock Exchange, Ahmedabad - 27972
 The Stock Exchange, Pune - Jayka160200
 The Stock Exchange, Rajkot - N.A.
- 10) Market Price Data – High/Low during the each month of the financial year 2011 – 2012 is not available since there is no trading takes place at stock exchange during the year.
- 11) Registrar & Share Transfer agent (RTA) : M/s Bigshare Services Pvt. Ltd.
 (for physical & demat shares) E-2, Ansa Industrial Estate,
 Sakivihar Road, Sakinaka,
 Andheri (East), Mumbai.

Share Transfer System : Share transfers are registered and returned within a period of 30 days except few transfer, from the date of receipt, if the documents are cleared in all respects by the Committee.

12) Distribution of shareholding as on 31.03.2013

Shareholding of Nominal Value	Shareholders No.	% of Total	Share Amount Rs.	% of Total
1 – 5000	331	58.17%	1045000	1.02
5001- 10000	74	13.01%	726900	0.71
10001 - 20000	48	8.44%	815000	0.80
20001 – 30000	42	7.38%	1155000	1.13
30001 – 40000	14	2.46%	505000	0.49
40001 – 50000	14	2.46%	690000	0.67
50001 – 100000	20	3.51%	1658500	1.62
More than 100001	26	4.57%	95904600	93.56
	358	100%	102500000	100.00

13) Shareholding pattern as on 31.03.2013

Category	No. of Shares	% of Total
Director & their Relatives	5515082	53.81
Other Bodies Corporate	134600	1.31
Public	4600218	44.88
Others- Clearing Member	100	0.00
Total	10250000	100.00

14) Dematerialisation of shares and liquidity : 67% of the share capital has been dematerialised as on 31st March, 2013.

15) The Company has not issued any GDRs/ADRs/Warrants. None of the instruments issued by the Company is pending for conversion into equity shares.

16) Site Location : Shirdi

17) Address for correspondence : 642, Laxmi Plaza, Laxmi Ind. Estate, Link Road, Andheri (West), Mumbai – 400 053.

Address for Correspondence :

- Shareholders holding shares in physical Mode are requested to lodge share transfer, transmission and intimate changes if any in their registered addresses, residential status etc. quoting their folio no to Company's Registrar and Share Transfer Agent.
- Query on Annual Report be addressed to Company's registered office.

Compliance :

This section of the report together with the information given under Management Discussion and Analysis and brief resume of Directors constituted a detailed report on Corporate Governance.

The Company has complied with Mandatory requirement of Corporate Governance. The Board would review implementation of Non – Mandatory Requirements of Corporate Governance Code in due course of time.

Auditors Certificates regarding compliances of conditions of corporate Governance is annexed to this report.

For Krez Hotel & Realty Limited

Kamlesh Desai
Managing Director

Place : Mumbai
Date : 29th August, 2013

Declaration on Compliance of the Company's Code of Conduct:

The Company has framed a Code of Conduct for the Members of the Board of Directors and the Senior Management personnels of the Company pursuant to Clause 49 of the Listing Agreement with Stock Exchanges to further strengthen corporate governance practice in the Company. They have affirmed compliance with the said code.

For Krez Hotel & Realty Ltd.

Place : Mumbai
Date : 29th August, 2013

Kamlesh Desai
Managing Director

CEO & CFO CERTIFICATION

The Board of Directors
Krez Hotel & Realty Ltd.
Mumbai

Re- Financial Statements for the year 2012-13 – Certification

We, Kamlesh Desai, Managing Director and Mr. Jigar Desai, Director, on the basis of the review of the financial statements and the cash flow statement for the financial year ending March 31, 2011 and to the best of our knowledge and belief, thereby certify that: -

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are to the best of our knowledge and belief, no transaction entered into by the company during the year ended March 31, 2013 which are fraudulent, illegal or violate of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that :
 - a) There have been no significant changes in the internal control over financial reporting during this year.
 - b) There have been no significant changes in accounting policies during this year and that the same have been disclosed in the notes to the financial statements.
 - c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

Kamlesh Desai
Managing Director

Jigar Desai
Director

Place : Mumbai, Date : 29th August, 2013

Compliance Certificate from the Auditor of the Company

The Members of
Krez Hotel & Realty Ltd.
Mumbai

We have reviewed the implementation of Corporate Governance producers by M/s Krez Hotel & Realty Limited (the Company) during the year ended 31st March, 2013 with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

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

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanations given to us by the Company.

Based upon such a review, in our opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement.

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

For Gupta Shyam & Co.
Chartered Accountants

Shyam Gupta
Proprietor

Place : Mumbai
Date : 29th August, 2013

Business of the Company

The Company presently engaged in hotel business and its related activity.

Introduction

Construction Industry is booming industry and remain so with the continuation of the development process especially in the developing countries. With the process of development process especially in the developing countries. With the process of development, the migration of people takes place from rural to urban areas. This phenomenon is most significantly observed in the Asian Tiger countries, China and India. Thus, the Construction Industry is also on a rise in such countries.

Despite the hullabaloo against slow pace of reforms, in 2012, a part (Infrastructure Construction Industry) of the Indian economy is gearing up for large investments. There is only one direction to go-ahead! But yes the concerns are around speed! However hope is still on and its better to participate in the growth story (even if its growing slowly) than to miss the bus for what could be huge opportunity for businesses.

Investment in infrastructure sector plays a crucial role in growth of economy and in turn the construction industry. In the last few years, the rapid growth of economy has put a tremendous pressure on the physical infrastructure of the country. In order to sustain the economic growth, the government lined up huge investment across various infrastructure segments. The total investment planned in the infrastructure sector during the Twelfth Five Year Plan is estimated to double than in the Eleventh Five Year Plan.

Industry Structure & Development

The FY2012/13 had a growth of 6.0% for the Indian construction sector. Due to monetary issues and other related policies the Indian construction industry showed a lackluster performance in 2012-13. But the outlook for the construction sector beyond FY2012/13 is brightening up. Not only are monetary conditions likely to improve for construction companies in FY2013/14, but the government is also making pertinent efforts to remove bottlenecks that are delaying infrastructure projects in India. India's construction sector is to reach 7.6% growth in FY2013/14.

In 2012 the Asian Development Bank (ADB) and India Infrastructure Finance Company Limited (IIFCL) have launched the first version of the credit enhancement scheme or infrastructure bond guarantee scheme. This risk-sharing facility will partially guarantee INR7.2bn (US\$128mn) of rupee-dominated bonds issued by Indian companies to finance infrastructure projects. In 2012, the government announced that it is planning to set up a National Investment Board (NIB) to speed up infrastructure development within the country.

The NIB will focus on fast-tracking the execution of approved projects by getting all regulatory clearances. In 2012, the Indian government finalized the long-delayed bill for land acquisition, paving the way for the bill to be introduced during the current parliamentary session. The final draft of the bill now proposes that land for public-private partnership (PPP) and private projects can be acquired with a two-thirds majority from affected landowners - an improvement from the earlier requirement of 80%.

Opportunities and Threats

The Indian economy has witnessed considerable progress in the past few decades. Most of the infrastructure development sectors moved forward, but not to the required extent of increasing growth rate up to the tune of 8 to 10 per cent. The Union Government has underlined the requirements of the construction industry.

The Company target domestic customers for its various projects, since Company having good relation ship with various brokers and associates engaged same line. Looking the existing response from buyers the Company has started to develop its hotel Project. The same project will suited to current market situation and medium income group. Beside this Company is also planning to construct other projects at different locations.

The major threats for this sector is slow down of industrial growth and reduction in property prices, higher bank / financial institutions interest rates are major threats for the industry. Further the movement of Stock Market is also play a vital role in property market, beside any major changes by the Government in relation with its policy decision.

However, the Company is planning such a way that even do affected by such above threats but has come out with positive developments against such threats and has been successful in marketing its product demand in market.

Segmentwise Performance and reporting

The Company presently engaged in hotel business only, hence the segment wise performance is not applicable. Financial Performance of the Company for the year under review has already covered under the Directors' Report.

Cautionary Statement

Statements in Management Discussion and Analysis describing the Company's objective, expectations, estimates or prediction may be forward looking within the meaning of applicable securities and laws and regulations. Actual result may differ materially from those either expressed or implied in the statement. Important factor that could influence the Company's operations include demand and supply scenario, changes in Government Policies, tax laws, economic development with in the country and other incidental factors. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statement, on the basis, of any subsequent development, events or information.

CASH FLOW STATEMENT ANNEXED TO FINANCIAL STATEMENTS

Amount in Rs.

	As At 31-03-2013	As At 31-03-2012
A. Cash Flow From Operating Activities		
Net Profit /(Loss) Before Tax & Extraordinary Items	1,98,978.00	3,14,425.00
Adjusted for dep., Misc. exp written off, int. exp.	11,54,375.00	11,42,033.00
Operating Profit/(Loss) before Wr. Capital changes	13,53,353.00	14,56,458.00
Adjustment for		
Trade and Other Receivables	0.00	0.00
Inventories	(2,940.00)	(5,995.00)
Other Current Assets	(6,04,332.00)	(19,000.00)
Loans & Advances & Deposits	(6,80,541.00)	14,78,426.00
Trade Payables	(16,25,831.00)	(14,44,931.00)
Other Current Liabilities & Short Term Provisions	30,03,800.00	0.00
Short Term Loans	5,13,817.00	(3,22,598.00)
Net Adjusted For	6,03,973.00	(3,14,098.00)
Cash Generated from operations	19,57,326.00	11,42,360.00
Interest, direct taxes paid and net prior year adj.	0.00	0.00
Net Cash from Operating Activities	19,57,326.00	11,42,360.00
B. Cash Flow From Investing Activities		
Purchase / Sale of Fixed Assets	(2,49,850.00)	(1,05,150.00)
Increase/ Decrease in Capital Work in Progress	(8,93,025.00)	0.00
Increase/ Decrease in Other Non Current Assets	13,46,000.00	2,08,110.00
Net Cash used in Investing Activities	2,03,119.00	1,02,960.00
C. Cash Flow From Financing Activities		
Proceeds from Issue of Share Capital	0.00	0.00
Rec./ Payment of Long Term Loans / Advances	0.00	55,000.00
Deferred Tax Liabilities	(1,23,941.00)	(1,15,983.00)
Net Cash from Financing Activities	(1,23,941.00)	(60,983.00)
NET INC. IN CASH & CASH EQUIV. (A+B+C)	20,36,504.00	11,84,337.00
OPENING BAL. OF CASH & CASH EQUIVALENTS	17,47,717.00	5,63,380.00
CLOSING BAL. OF CASH & CASH EQUIVALENTS	37,84,221.00	17,47,717.00

We have examined the Cash Flow Statement of Krez Hotel & Realty Limited for the year ended 31st March, 2013. The statement has been prepared in accordance with the requirements of the Listing Agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our Report of 4th July, 2013 to the members of the Company.

For Gupta Shaym & Co.
Chartered Accountant

For and on behalf of the Board of
Krez Hotel & Realty Ltd.

Shyam S. Gupta
Proprietor
Mumbai: 4th July. 2013

Managing Director Director



GUPTA SHYAM & Co
Chartered Accountants

CA. Shyamsunder Gupta
{ B Com(Hon.), FCA, DISA (ICAI) }

11, Sukhsagar, Akurli X Rd no1, Kandivali (E), Mumbai-101.

E-mail: kapildhara@mtnl.net.in Phone/Telefax: 2887 0869.

Ref: SSG / Report / 2012-13

INDEPENDENT AUDITOR'S REPORT

To,
The Stakeholders
Krez Hotel Pvt. Ltd.
Mumbai

Report on the Financial Statements

We have audited the accompanying financial statements of Krez Hotel Private Limited which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



Opinion

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

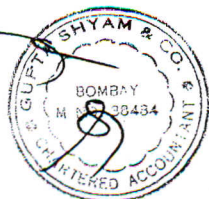
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2013
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date;
- (c) in the case of Cash Flow Statement, Cash Flow for the year ended on that date;

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matter specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by Company so far as appears from our examination of the books.
 - (c) The Balance Sheet, Statement of Profit & Loss Account dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956, to the extent applicable.
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the companies Act, 1956.
 - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

For Gupta Shyam & Co
Chartered Accountants
FRN: 103450W

CA Shyamsunder Gupta
(Proprietor)
M.No: 038484



Mumbai, 4th, July, 2013

ANNEXURE TO THE AUDITORS REPORT

Referred to in Paragraph 1 of our report of even date on the accounts of KREZ HOTEL & REALTY LIMITED (Formerly: Jay Kay Dee Industries Ltd.) for the period ended on 31st, March 2013

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets .
 - (b) The fixed assets have been physically verified by the management at the reasonable intervals. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies reported on such verifications were not material and have been properly dealt with in the books of accounts.
 - (c) As per the record available no part of the fixed assets is disposed off during the year which affects the going concern of the company.
- ii. (a) The management has conducted physical verification of stock of food & beverages & others at reasonable intervals. Further in case of shares & securities, shares held in physical form have been physically verified and if held in dematerialized account then same is verified with the statement of depository at the end of the period by the management . In our opinion having regard to the nature of stocks, the frequency of verification is reasonable.
 - (b) In our opinion, the procedure followed by the management for such physical verifications are reasonable and adequate in relation to the size of the company and nature of its business.
 - (c) The Company is maintaining proper records of stock of food & beverages. The discrepancies noticed on verification between physical stock and the book records were not material in relation to the operation of the Company and the same have been properly dealt with in the books of accounts.
- iii. (a) The Company has not granted any secured or unsecured loan to the parties listed in the register maintained under Section 301 of the Companies Act, 1956, hence other related clauses (b,c & d) are not applicable.
 - (e) The company has accepted unsecured loan from the two parties listed in the register maintained under Section 301 of the Companies Act, 1956 during the year. The amount of loan involved was Rs. 7.37 lacs and the balance at the end was Rs. 5.38 lacs.
 - (f) In respect of loan taken terms & conditions are not prime-facie prejudicial to the interest of the company
 - (g) As informed by management that there is no stipulation regarding the payment, therefore, the amount cannot be treated as overdue.
- iv. In our opinion and according to the information and explanations given to us, internal control procedures are in commensurate with the size of the Company and the nature of its business with regards to the hotel business, purchase of shares and the fixed assets and sale of goods and shares. Further we have not observed any continuing failure or major weakness in the internal controls during the year.




- v. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that all transactions that need to be entered in the register in pursuance of section 301 of the Act, have been so entered.
- (b) Based on the information and explanations given to us, the transactions made in pursuance to the contract or arrangements entered in the register maintained under section 301 and exceeding the value of Rs. 5 lacs in respect of any party during the year have been made at price which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations 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.
- vii. In our opinion & as per the information given to us, the company do not have an internal audit system but internal controls are in commensurate with the size and nature of its business.
- viii. As informed to us, the maintenance of cost records has not been prescribed by the Central Govt u/s 209(1) (d) of the Companies Act, 1956 in respect of the activities carried on by the Company.
- ix. (a) According to the records of the Company, the company is not regular in depositing the statutory dues of provident fund and other taxes with the appropriate authorities , however there is no other statutory dues of tax & duties which are outstanding for more than six months as on 31st March,13 , except below :
- | | |
|--------------------|------------|
| 1. M-Vat | Rs. 219941 |
| 2. luxury tax | Rs. 594890 |
| 3. PF & other dues | Rs. 273950 |
- (b) According to the Information and explanation given to us, there are no disputed amounts payable in respect of Sales Tax , Professional Tax , Wealth Tax, Custom Duty, Excise Duty, Cess as on 31 st March, 2013, except income tax demand of Rs.173.09 lacs for which appeal is pending before CIT(A).
- x. Company has accumulated losses at the end of the period of Rs. 98.79 lacs which is less than 50 % of the net worth of the company and the company has not incurred cash losses during the year and in the preceding financial year .
- xi. According to the information and explanations given to us and the records examined by us , Company do not possess any loans from the bank, financial Institution or Debenture holders
- xii. According to the information and explanations given to us and the records examined by us , no loan has been granted by the Company on the basis of security by way of pledge of shares.
- xiii. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi /mutual benefit fund/societies.



- xiv. In our opinion & according to the information given to us, the Company has maintained proper records in respect of dealing in shares. All securities are held by the company in its own name except to the extent of exemptions granted under section 49 & have certain securities which have valid transfer form.
- xv. According to the information and explanations given to us and the records examined by us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- xvi. As per examination of record no term loan is outstanding and company have not availed any term loan from banks during the year.
- xvii. On the basis of the overall examination of the balance sheet and cash flows of the Company and the information and explanation given to us, we report that the Company has not utilized any funds raised on short term basis for the long term investments .
- xviii. The Company has not made any preferential allotment of shares to parties or Companies covered under Section 301 of the Act.
- xix. According to the information and explanations given to us, no debentures is issued by the Company during the year.
- xx. The Company has not raised any money through a public issue during the year.
- xxi. Based on the audit procedures performed and the information given by the management, we report that no fraud of material significance on or by the Company has been noticed or reported during the course of audit.

For Gupta Shyam & Company
Chartered Accountants
FRN:103450W


CA Shyamsunder Gupta
(Proprietor)
M.N.038484
Mumbai, 04th July, 2013



KREZ HOTEL & REALTY LTD
Balance Sheet as at 31 March, 2013

Particulars	Note No	As at March 2013	As at March 2012
I. EQUITY AND LIABILITIES			
(Amt. in Rs)			
(1) Shareholder's Funds			
Share Capital	3	102500000	102500000
Reserves and Surplus	4	-9878529	-10077507
(2) Non-Current Liabilities			
Deferred tax liabilities (Net)	5	4107363	4231304
(3) Current Liabilities			
Short-term borrowings	6	537854	24037
Trade payables	7	78216	1704047
Other current liabilities	8	5212094	2203310
Short-term provisions	9	488552	493536
Total		103045551	101078727
II. ASSETS			
(1) Non-current assets			
Fixed assets			
(i) Tangible assets	10	19837621	20742146
(ii) Capital work-in-progress		1118032	225000
Non-current investments	11	14420000	14420000
Long term loans and advances	12	24553003	24553003
Other non-current assets	13	12100157	13446157
(2) Current assets			
Current investments	14	12500000	12500000
Inventories	15	5931350	5928410
Trade receivables	16	2358462	2358462
Cash and cash equivalents	17	3784221	1747717
Short-term loans and advances	18	5819373	5138832
Other Current Assets	19	623332	19000
Total		103045551	101078727

The Significant Accounting Policies (2) & accompanying notes (1-25) are integral part of financial statements

In terms of our report attached.

For Gupta Shyam & Co
Chartered Accountants
FRN: 103450W

CA Shyamsunder Gupta
(Proprietor)
M.N.: 038484
Mumbai, 4th July 2013



For and on behalf of the Board

(Kamlesh Desai)
Managing Director

Mumbai, 4th July 2013

(Jigar Desai)
Director

KREZ HOTEL & REALTY LTD
Profit and Loss statement for the period ended on 31st, March 2013

Particulars	Note No	As at March 2013	As at March 2012
I. INCOME			
Revenue from operations	20	4946532	5089151
Other Income		0	0
Total Revenue		4946532	5089151
II. Expenses:			
Hotel & Establishment Maintenance	21	2168876.26	2162477
Employee benefit expense	22	611577	437025
Depreciation and amortization expense		1154375	1142033
Administrative & Other expenses	23	926053	1109981
Finance Cost	24	10613	39192
Total Expenses		4871495	4890708
III. Profit (loss) before exceptional/ Extraordinary items& tax	(I - II)	75037	198442
Exceptional / extraordinary items		0	0
IV. Profit (Loss) from Ordinary Activity before tax	(IV- V)	75037	198442
V Tax expense:			
Current tax		0	0
Deferred tax		-123941	-115983
VI. Net Profit/(Loss) for the period (VI-V)		198978	314425
VII. Earning per equity share:	25(d-iii)		
Basic		0.02	0.03
Diluted		0.02	0.03
Face value per equity shares		10	10

The Significant Accounting Policies (2) & accompanying notes (1-25) are integral part of financial statements

In terms of our report attached

For Gupta Shyam & Co
Chartered Accountants
FRN: 103450W



CA Shyamsunder Gupta
(Proprietor)
M.N.: 038484
Mumbai, 4th July 2013



For and on behalf of the Board



(Kamlesh Desai)
Managing Director



(Jigar Desai)
Director

Mumbai, 4th July 2013

KREZ HOTEL AND REALITY LIMITED

Significants Accounting Policies & Notes forming part of the Financial Statement for the period of six months ended on 31 St, March 2013

Note 1: Company Overview

Krez Hotel & Reality is engaged in hospitality services and presently having resort near Shirdi(Maharashtra) and having plan to expand the same as Studio Apartment with a luxurious residential hotel. Company was incorporated in 1995 and its shares are presently listed at Inter Connected Stock Exchange, Mumbai and Stock Exchanges of Rajkot, Pune & Ahmedabad

Note 2: SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNT

(I) SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

The financial statements are prepared in accordance with the historical cost convention & applicable accounting standards & generally accepted accounting principles. The company follows mercantile system of accounting generally & recognizes income & expenditure on accrual basis.

Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles

b) USE OF ESTIMATES

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect the reported amount and assets and liabilities & disclosure of contingent liabilities at the date of financial statement and result of the operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. difference between the actual results and an estimate is recognized in the period in which the results are known.

c) REVENUE RECOGNITION

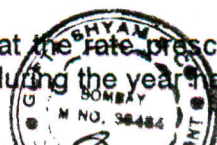
Revenue is recognized to the extent that it is probable that economic benefits will flow to the company and the revenue can be reliably measured:

1. Dividend income is recognized when the right to receive is established
2. Interest and other income are accounted for on accrual basis.
3. Revenue does not includes service tax and other tax component, if any
4. Income from room charges is account for on the day of check out by the customer

d) FIXED ASSETS & DEPRECIATION

Fixed asset are stated at cost less depreciation. The cost is inclusive of interest and incidental expenses incurred during the construction period

Depreciation on fixed assets is provided on S.L.M method at the rate prescribed in Schedule XIV of the Companies Act, 1956. Depreciation on additions during the year have been provided on pro-rata basis.



e) INVENTORIES

Trading in shares & securities (Quoted)	:	At cost or market value whichever is lower
Trading in shares & securities (Unquoted)	:	At cost
Food & Beverages	:	At cost

f) LEASE

In respect of operating leases, lease rentals are expensed with reference to the term of Lease and other considerations except lease rentals pertaining to the period up to the assets put to use, are capitalized.

g) BORROWING COST

Borrowing costs attributes to fixed assets during construction period are capitalized. Other borrowing costs a recognized as an expense in the profit and loss account

h) EMPLOYEES RETIREMENT BENEFITS

Employer contributions towards PF & ESIC are charged to the P&L Account.

Liabilities on account of retirement benefits such as Gratuity is charged to the P&L on the basis of Valuation done by independent actuaries at the close of the year.

Leave encashment calculated at the end of every financial year for the leave not availed during the year is encashed and paid off to the employee as per companies rule.

i) INVESTMENTS

Investments are accounted and valued at cost plus incidental expenses incurred for acquisition All investments are classified in in two categories i.e. Long term investments and current investments . Further in case of long term investment diminution, if any, other than temporary, is provided.

j) IMPAIRMENT

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit and loss in the year in which an asset is identified as impaired. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

k) ACCOUNTING FOR TAXES ON INCOME

The provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provision of the I. Tax Act, 1961.

Deferred tax is recognized, subject to the consideration of prudence, on timing difference, being the difference taxable incomes & accounting incomes that originate in one period & are capable of reversal in one or more subsequent period.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of Profit & Loss as current Tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward.



l) Provisions, contingent liabilities & assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of any past events and it is probable that there will be outflow of resources. Contingent liabilities are not recognized, but are disclosed in the notes. Contingent assets are neither recognized, nor disclosed in the financial statement.

m) Cash Flow Statement:

Cash flow are reported using the indirect method, whereby profit(loss) before extra ordinary items is adjusted for the effects of the transactions on non cash nature. The cash flow from operating, investing and financing activities of the company are segregated based on available information.

n) Earnings Per Share

The Earning considered in ascertaining the Company's earning per Shares (EPS) comprise of the net profit after tax to equity shares holders. Basic earnings per share are calculated by dividing the Net Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profits attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.



KREZ HOTEL & REALTY LTD
Notes on accounts to the Financial Statement for the period ended on 31 March 2013
Note 3 :Share Capital

	Figures in Lac	
	30-03-2013	31-03-2012
	Rs	Rs
Authorized		
11000000 (11000000) equity shares of Rs 10 each	110000000	110000000
	110000000	110000000
Issued		
10250000 (P.Y. 10250000) equity share of Rs 10 each	102500000	102500000
fully paid up in cash		
	102500000	102500000

Subscribed & fully paid up

10250000 (P.Y. 10250000) equity share of Rs 10 each	102500000	102500000
fully paid up in cash		
	102500000	102500000

Note no. 2(a) : Reconciliation of the shares at the begning and at the end of the reporting period

	<u>Equity Shares</u>	
<u>Particulars</u>		
Shares outstanding at the beginning of the year	10250000	10250000
Shares Issued during the year	0	0
Shares bought back during the year	0	0
Shares outstanding at the end of the year	10250000	10250000

Note no. 2(b) : Term / right attached to the sahre

The Company has one class of share , one is equity shares having par value of Rs. 10 each. Each equity share holder is entitled one vote.

Note no. 2(c) : Details of shareholding of 5% or more

	<u>As at March 2013</u>		<u>As at March 2012</u>	
<u>Name of shareholder</u>	<u>No of shares held</u>	<u>% of holding</u>	<u>No of shares held</u>	<u>% of holding</u>
1 Shanil Financial Services Ltd.	1286500	12.55%	1286500	12.55%
2 Kriyasu Finvest Pvt. Ltd.	4016032	39.18%	4016032	39.18%



KREZ HOTEL & REALTY LTD

Note 4 : Reserve & Surplus

(Amt. in Rs.)

As at 31 March 13 As at 31st March 12

a. Surplus

Opening Balance	-10077507	-10391932
(+) Net profit/(Net Loss) for current year	198978	314425
Closing Balance	<u>-9878529</u>	<u>-10077507</u>
	<u>-9878529</u>	<u>-10077507</u>

Non Current Liabilities

Note 5: Deferred tax Liability (Net)

Deferred tax liability for the year has been provided on the basis of estimated tax computation for the year. Major component of deferred tax assets and liabilities arising on account of timing difference are:

Deferred Tax Liability

Depreciation	4107363	4231304
Others	0	0
	<u>4107363</u>	<u>4231304</u>

Deferred Tax Assets

B/f losses	0	0
Others	0	0
	<u>0</u>	<u>0</u>
Net deferred tax liability	<u>4107363</u>	<u>4231304</u>

The company has deferred tax assets represented by business & capital losses amounting of Rs.18224100 however, in consideration of prudence it is not recognized while considering the provision of deferred tax.

Current Liabilities

Note 6 : Short Term Borrowings

Unsecured

(a) Loans & advances from related parties

From Directors	57615	24037
From Corporates	480239	0
(Term of payment not stipulated)		
	<u>537854</u>	<u>24037</u>

Note 7: Trade Payables

(a) Trade Payables	0	0
(b) Others	78216	1704047
	<u>78216</u>	<u>1704047</u>

Note 8: Other Current Liabilities

(a) Creditors for expenses	1411453	1141380
(b) Advance from customers	2751250	121000
(c) Duties & Taxes payable	1049391	940930
	<u>5212094</u>	<u>2203310</u>

Note 9: Short Term Provisions

(a) Provisions for Employees benefit

Salary & Reimbursements	51084.00	31384
Contribution to PF & related funds	334580	336248
(b) Others		
Provision for I.Tax	0	23016
Provision for FBT	102888	102888
Total (a+b)	<u>488552</u>	<u>493536</u>



Note :10

KREZ HOTEL & REALTY LTD

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block		
	As at 1st April 2012	Additions/ (Disposals)	Revaluations / (Impairments)	As at 31st March 2013	As at 1st April 2012 for the year	Adjustments due to revaluations	On disposals	As at 31st March 2013	As at 31st March 2012
a									
Tangible Assets									
Land	664000	0	0	664000	0	0	0	664000	664000
Building- Phase	2977165	0	0	2977165	11340236	994591	0	17443338	18437929
Furniture	2299614	0	0	2299614	2292411	0	0	7203	7203
Kitchen & Other Equipments	3077887	215000	0	3292887	1696394	155275	0	1441218	1381493
Office Equipments	439114	0	0	439114	257393	20858	0	160863	181721
T.V. Sets	281968	0	0	281968	112354	13393	0	156221	169614
Electric Installation	1467686	215000	0	1682686	813136	78790	0	790760	854550
Weighing Scale	6040	0	0	6040	3783	287	0	1670	2257
Tools & Equipments	24026	0	0	24026	15119	1141	0	7766	8907
Kitchen Equipments	859053	0	0	859053	494609	40805	0	323639	364444
Vehicles	1465217	0	0	1465217	1391957	0	0	73260	73260
Motor Car	1465217	0	0	1465217	1391957	0	0	73260	73260
Computers	1317570	34850	0	1352420	0	4510	0	208602	1317570
Computers	1317570	34850	0	1352420	1139308	4510	0	208602	178262
TOTAL	38602453	249850	0	38852303	16720998	1154375	0	19014681	21881455

Note: 1.Closing WDV is residual value of Furniture and Motor -Car, therefore, depreciation is not provided for on the same.

b Intangible Assets

TOTAL	0	0	0	0	0	0	0	0	0
c									
Capital Work in Progress									
Studio Apartment	0	0	0	0	0	0	0	1118032	225000
TOTAL	0	0	0	0	0	0	0	1118032	225000
Grand Total (a+b+c+d)	38602453	249850	0	38852303	16720998	1154375	0	19014681	20955653



NON CURRENT ASSETS

Note 10: Non Current - Fixed Assets

As annexed separately

Note 11: Non-Current Investments

Other than Trade (Unquoted)

45000 (45000)equity shares of Rs. 10 each of Ispat India Ltd	900000	900000
150000 (150000)equity shares of Rs. 10 each of GR Fintech Ltd	1500000	1500000
154000(154000) equity shares of Rs. 10 each of Jaykaydee Rubber(India)	8470000	8470000
150000 (150000)equity shares of Rs. 10 each of linkson Coal &Mnrl Pvt L	1500000	1500000
50000(50000) equity shares of Rs. 10 each of Paras Portfolio Ltd	500000	500000
30000(30000) equity shares of Rs. 10 each of Shubham Synfam Pvt Ltd	300000	300000
50000(50000) equity shares of Rs. 10 each of Sumillion Indt Pvt. Ltd	500000	500000
75000 (75000)Equity shares of Rs. 10 of Weed Invstmnt & Finc Pvt Ltd	750000	750000
	<u>14420000</u>	<u>14420000</u>
Less : Provision for dimunition in the value of Investments	0	0
Total	<u>14420000</u>	<u>14420000</u>

Note 12: Long Term Loans & Advances

a. Capital Advances

Unsecured, considered good	13440000	13440000
	<u>13440000</u>	<u>13440000</u>
Doubtful	0	0
	<u>13440000</u>	<u>13440000</u>

b. Loans and advances to related parties (refer Note 2)

Unsecured, considered good	11113003	11113003
	<u>11113003</u>	<u>11113003</u>
Doubtful	0	0
	<u>11113003</u>	<u>11113003</u>

Grand Total (a+b)

Directors *		0
Other officers of the company		0
Firm in which director is a partner *		0
Private Company in which director is a member	11113003	11113003
	<u>24553003</u>	<u>24553003</u>

Note 13: Other Non- Current Assets

Unsecured, considered good	12100157	13446157
	<u>12100157</u>	<u>13446157</u>
Doubtful		0
	<u>12100157</u>	<u>13446157</u>
Directors *	0	0
Other officers of the company	0	0
Firm in which director is a partner *	0	0
Private Company in which director is a member	12100157	13446157

Current Assets

Note 14.: Current Investments

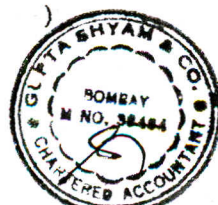
Other than Trade Investments

(a) Investment in Equity instruments (Quoted)		
750000 Equity shares of Rs.10 each of Garnet Construction Ltd	7500000	7500000
500000 equity shares of Rs.10 each of Kushagara Software Ltd	5000000	5000000
	<u>12500000</u>	<u>12500000</u>

(Aggregate market value Rs.

Note 15: Inventories

Share & Securities	5850000	5850000
Food & Beverages	38350	32910
Crockery & Utensils	43000	45500
	<u>5931350</u>	<u>5928410</u>



Note 16: Trade Receivables

(a) Trade receivables outstanding for a period less than six months from the date they are due for payment

0	0
0	0

(b) Trade receivables outstanding for a period exceeding six months from the date they are due for payment

Unsecured, considered good	2358462	2358462
Unsecured, considered doubtful	0	0
Less: Provision for doubtful debts	0	0
	2358462	2358462
	2358462	2358462

Total (a+b)**Note 17: Cash & cash equivalents**

a. Balances in current a/c with Banks

23998 14516

b. Cash on hand

3760223 1733201

3784221 **1747717****Note 18: Short Term loans & advances**

a. Loans and advances to related parties □

Unsecured, considered good	0	37443
Doubtful	0	0
	0	37443

b. Others (specify nature)

Advance Income tax & TDS	159923	182939
Advance recoverable in cash or for value to be received	5629450	4888450
MSEB-Electricity Deposits	30000	30000

5819373 5101389

5819373 **5138832****Total(a+b)****Note 19: Other Current Assets**

Pre-operative Expenses	81488	19000
Public Issue Expenses	541844	0
	623332	19000

Note 20: Revenue from Operation

Income from room charges	3077054	3619615
Income from Restaunt	1869478	1469536
	4946532	5089151

Note 21: Hotel & Establishment Maintenance

Food & beverages consumed	549099	396761
Legal & Professional Fees	30000	293059
Repairs & Maintance	201045	66497
Security Expenses	109000	124000
Wages, Salary, Bonus, Allowances & Perquisites	585600	636290
Property Tax	4410	30500
Power & Fuel	142274	447175
Miscellaneous expenses	436521	59341
M-VAT	110927	108854
	2168876	2162477

Note 22: Employees Benefit Expenses

(a) Salaries and incentives	498125	349340
(b) Contributions to PF & other related funds-	79668	64668
(c) Staff welfare expenses	33784	23017
	611577	437025



Note 23: Administrative, Selling & Other expenses

Office Rent	120000	120000
Electricity charges	35120	8360
Telephone & mobile Exp.	23640	48847
Printing & Stationery	20124	18499
Custodian Fees	50562	49635
Registrar & Transfer Agent	29565	31550
Director Remuneration	180000	180000
Payment to the Auditors		
Audit Fee	60000	60000
Taxation & certification matters	0	200000
Service Tax	18849	28026
Motor car Expenses	110847	141447
Busines Promotion	55137	32924
Filing Fees	24000	0
Miscellaneous expenses	158119	170693
Legal & Professional fee	40090	20000
	<hr/>	<hr/>
	926053	1109981

Note 24: Financial Cost

Interest expense	10613	39192
	<hr/>	<hr/>
	10613	39192



Notes 25: Notes on Accounts:

(a). Contingent liabilities not provided for in respect of:

1) Income Tax Department has raised a Notice of Demand aggregating to Rs.173.09 (incl interest of Rs. 77.10 lacs) after completion of block assessment u/s 153C of the I.Tax Act,1961 for the period from A.Y.2002-03 to 2007-08 and for A.Y.2008-09 and 2009-10 u/s 143(3) of the Act, after making various addition.

Company has filed and appeal against the said assessment orders. Accordingly, the income tax liability of the company pending in appeal and not provided for. As per the legal advice obtained by the company it has been advised that the A.O. has passed a high pitch assessment order and additions are made arbitrary and without considering the fact and detailed submitted during the course of the proceeding. Therefore It has strong case for set aside the said demand raised in totality.

b) As per the information provided to us by the management, none of the employees are entitled for the gratuity & other retirement benefits hence same is not provided for in the accounts.

c) As informed by the management the company has not received any information from the suppliers & others regarding their status under MSME Development Act, 2006 , hence disclosure relating to amount unpaid at the year end together with interest payable under the Act, have not been given

d) Information desired under relevant AS referred to in Section 211(3C) of the Companies Act,1956 to the extent applicable:

i) Related party Disclosure (As-18)

a) Information about the related party .

Sr. No.	Particulars
1	Key management personnel a. Kamlesh Desai – M.D.
2	Relative key management personnel a.Smt Surbhi Desai-Wife b.Shri Jigar Desai - Son
3	Enterprises owned or Significantly influenced by any Management Personnel or their relatives a.Sikozy Realtor Ltd

b) Information about related parties transactions with Personnel as specified above under:

i) Particulars of Payments/ Transaction	Sr.No a(1)	Sr.No 2	Sr.No 3 (Amt in Rs)
1. Managerial Remuneration	180000		
2. Repayment of loan			
3. Loan taken		33578	442796
4. Advance given			

ii).Segment Reporting-AS-17

In the opinion of the management , the company is engaged mainly in one business segment of hotel & restaurant business, hence no segment information is provided.



iii) .Earning per share AS-20:	March,13	March,12 (Amt in Rs.)
Profit after tax	198978	314425
Weighted average number of equity shares outstanding	10250000	10250000
Basic & Diluted earning per share	0.02	0.03

iv) Impairment of Assets AS-28 :

As informed by the management that it will carried out an exercise of identifying the assets that may have been impaired in case of each cash generated unit and the impairment loss, if any, will be provided in to the books at the year end.

e) **Balance of the sundry debtors & creditors, unsecured loans, Banks,loan & advances given** are subject to the confirmation. However in case of certain bank a/c we have been informed that no transaction is taken place in that a/c. since long, therefore same will be subjected to reconciliation if any.

f) In the opinion of the board the assets & loans & advances shown in the balance sheet are not less than the value stated, if realized in the ordinary course of the business. Further all known liabilities with reasonable certainty have been provided in the Financial Statement.

g) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/ disclosure

For Gupta Shyam & Co
Chartered Accountants
FRN: 103450W

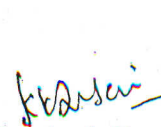


CA Shyamsunder Gupta

(Proprietor)
M.N.: 038484
Mumbai, 4th, July 2013



For and on behalf of the Board



Kamlesh Desai
(Managing
Director)



Jigar Desai
(Director)