



BUILDERS & DEVELOPER

(FORMERLY MADHUSUDAN LEASING AND FINANCE LIMITED)

25th Annual Report 2007-2008



COMPANY INFORMATION**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)
Mr. Bhavin Jayant Soni
(Resigned w.e.f 12th May, 2008)

Compliance Officer

Mr. Uday Mota

Auditors

M/S. Shah & Company
Chartered Accountants

Bankers

Indian Overseas Bank

Legal Advisor

M/s. M. T. Miskita & Company
Advocates & Solicitors

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:

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:**25th Annual General Meeting**

Date: 30th September 2008.

Time: 10:30 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 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty – Fifth Annual General Meeting of **JOY REALTY LIMITED** (Formerly known as MADHUSUDAN LEASING & FINANCE LIMITED) will be held on Tuesday, September 30, 2008 at 10.30 A.M. at 306, Madhava, 3rd Floor, C-4, Bandra - Kurla Complex, Bandra(E), Mumbai – 400051 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2008, Profit and Loss Account for the year ended on that date and the Reports of the Auditors' and the Directors' thereon.
2. To appoint a Director in place of Mr. Deepak Vachharajani, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint the Auditors to hold office from the conclusion of this meeting until conclusion of the next Annual General Meeting and to authorize Board to fix their remuneration.

“RESOLVED THAT M/S. SHAH & COMPANY, Chartered Accountants, Mumbai, being retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company to hold the office from the conclusion of the ensuing Annual General Meeting until conclusion of the next Annual General Meeting, on such remuneration as may be determined by the Board of Directors in consultation with the Auditors, in addition to reimbursement of service tax and all out of pocket expenses in connection with the audit of the Accounts of the Company, which remuneration may be paid on existing terms to be agreed between the Auditors and the Board of Directors.”

Special Business:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Ordinary 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. Uday Mota, as the Manager of the Company, for a period of 3 (three) years with effect from 30.9.2008 on the terms & conditions including remuneration as are set out hereunder:

A) Period of Appointment:

30.9.2008 to 29.9.2011 (3 years)

B) Salary:

Rs.19,500/- (Rupees Ninteen Thousand Five Hundred Only) per month with an annual increment of Rs.3,900/- (Rupees Three Thousand Nine Hundred Only) per month.

In addition to salary the Manager 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 Manager, the Company has no profits or its profits are inadequate, 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 Manager 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 Manager.

RESOLVED FURTHER THAT wherein any financial year during the currency of the tenure of the Manager, the Company has no profits or its profits are inadequate, the Company may pay to the Manager 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.”

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 94 and Section 16 of the Companies Act, 1956, the Authorised Share Capital of the Company be increased from Rs.10 Crores to Rs.20 Crores divided into 2,00,00,000 equity shares of Rs.10 each and the existing Clause V of the Memorandum of Association of the Company be and is hereby substituted by the following new clause:

“V. a) The Authorized Share Capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crores Only) Equity Shares of Rs.10/- each (Rupees Ten Only). The Company has power, from time to time, to increase or reduce its capital and to divide the shares in the capital for the time being into other classes and to attach thereto, respectively, such preferential, deferred, qualified or other rights, privileges or conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions or restrictions in such manner as may for the time being be permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf.”

RESOLVED FURTHER THAT any Director of the Company be and is hereby authorized to do all acts, deeds and things as may be necessary in this regard.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 31 of Companies Act, 1956, the existing Article No. 5 of the Articles of Association of the Company be and is hereby substituted by the following:

V. The Authorized Share Capital of the Company shall be such amounts and be divided into such shares as may from time to time, be provided in Clause V of the Memorandum of Association with power to increase the capital in accordance with the Company’s regulations and legislative provisions for the time being in force in that behalf with the powers to divide the share capital, whether original or increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions in such a manner as may for the time being be provided by the Regulations of the Company and allowed by law and the Company in general meeting to give to any person the option to call for or consolidate or subdivide the shares and issue shares of higher denomination.”

RESOLVED FURTHER THAT any Director of the Company be and is hereby authorized to do all acts, deeds and things as may be necessary in this regard.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 293(1)(d) of the Companies Act, 1956, 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 in furtherance to the special resolution passed by the Company at the 12th Annual General Meeting held on Monday, 31st July, 1995, authorising the Board of Directors of the Company to borrow upto Rs. 60 Crores (Rupees Sixty Crores Only) in excess of the paid up capital of the Company and its free reserves, the consent of the Members be and is hereby accorded to extend the existing borrowing limits of the Board of Directors of the Company of Rs. 60 Crores (Rupees Sixty Crores Only) to Rs. 200 Crores (Rupees Two Hundred Crores Only) notwithstanding that the money to be borrowed, together with the money already borrowed by the Company (apart from temporary loans obtained from the bankers of the Company in the ordinary course of business) will exceed the aggregate of the paid – up capital of the Company and its free reserves.

RESOLVED FURTHER THAT any Director of the Company be and is hereby authorized to do all acts, deeds and things as may be necessary in this regard.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 31 of the Companies Act, 1956, the following Article 25A be added after Article 25 under the heading “Dematerialisation of Securities”:

25A(1) For the purpose of this Article: ‘Beneficial Owner’ means a person or persons whose name is recorded as such with a depository; ‘SEBI’ means the Securities and Exchange Board of India; ‘Depository’ means a Company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992; and ‘Security’ means such security as may be specified by SEBI from time to time. Dematerialisation of Securities

(2) The provisions of this Article shall apply notwithstanding any thing to the contrary contained in any other Article of these Articles.

(3) (i) The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996. (ii) Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities. If a person opts to hold its security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

(4) All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the

Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

(5) (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be a registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner. (ii) Save as otherwise provided in (i) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it. (iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

(6) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

(7) Nothing contained in Section 108 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

(8) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

(9) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

(10) The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 150 and 151 and other applicable provisions of the Act and the Depositories Act, 1996 with the details of shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic form. The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and security holders for the purposes of these Articles.

RESOLVED FURTHER THAT any Director of the Company be and is hereby authorized to do all the necessary act, deeds and things in this regard.”

Place : Mumbai

By order of the Board

Date : July 31, 2008

Registered Office:

Directors

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

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and the proxy need not be a member of the Company. Under the Companies Act, 1956, voting is by a show of hands unless a poll is demanded by a member or members present in person, or by proxy, holding at least one-tenth of the total shares entitled to vote on the resolution or by those holding paid-up capital of at least Rs. 50,000. A proxy shall not vote except on a poll. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. Members /Proxies should bring duly-filled Attendance Slips sent herewith to attend the meeting.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. The Register of Members and Share Transfer Books of the Company will remain closed from September 29, 2008 to September 30, 2008 (both days inclusive) for the purpose of Annual General Meeting.
5. Members holding shares in physical form and desirous of making/changing nomination in respect of their shareholding in the Company, may send their request in the prescribed form 2B to the Registrar & Transfer Agents of the Company.
6. Corporate Members are requested to send to the Company, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General meeting.
7. Members desirous of obtaining any information on the Accounts and Operations of the Company are requested to write at least one week before the meeting so that the same could be compiled in advance.
8. Members are requested to notify changes, if any, in their registered addresses along with the pin code to the Company's Registrar and Share Transfer Agent.
9. Members are requested to bring their copy of Annual Report to the Meeting.
10. All documents referred to in the notice are open for inspection at the registered office of the Company between 10.30 A. M. and 1.00 P.M. on all working days up to the date of the Meeting.
11. Member are requested to address all correspondences to the Registrar and Share transfer Agents, Intime Spectrum Registry Limited, C-13, Pannalal Silk Mill Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078. Tel: 2596 3838. Email: isrl@intimespectrum.com
12. As per the provisions of the Companies Act, 1956, facility for making nominations 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.
13. Members seeking any information or clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the meeting to enable the Company to compile the information and provide replies at the meeting.

EXPLANATORY STATEMENT

As required by Section 173 (2) of the Companies Act, 1956.

Item No. 4

Mr. Uday Mota is a B.Com Graduate from University of Mumbai (Maharashtra). He has three years of experience in the field of Shares & Investments. He has been a part of Security & Remote Surveillance Systems for a period of one year. He has also devoted six years in the field of accounts and banking operations.

Mr. Uday has been associated with the organization since April 2008 and it is in the interest of the Company to avail his services for the smooth conduct and management of business.

The Board of Directors accorded their consent at the Board Meeting held on 31st July, 2008 to appoint Mr. Uday Mota as the Manager of the Company under Sections 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions of Companies Act, 1956 with effect from September 30, 2008 subject to the approval of the shareholders of the Company.

The Remuneration Committee comprising of three members namely Mr. Pritesh Champaklal Haria – Chairman of the Committee, Mr. K. Madhusudan Reddy- Member of the Committee and Mr. Deepak Vachhrajani – Member of the Committee, approved and recommended the remuneration payable to Mr. Uday Mota as set out in the body of the resolutions which the Board has agreed to offer by its resolutions dated 31st July, 2008. The remuneration is within the ceiling limits of remuneration under applicable statutory provisions and Schedule XIII of the Companies Act, 1956. The Company has not made any default in repayment of any of its debts (including deposits) or debentures or interest payable thereon for continuous period of 30 days in the preceding financial year before the date of appointment of the Manager.

Your approval is sought for the appointment of Mr. Uday Mota as the Manager of the Company.

None of the Directors of the Company are interested in the said resolution.

Item no. 5

The Authorized Share Capital of the Company presently stands at Rs. 10,00,00,000/- divided into 1,00,00,000 Equity shares of Rs.10/- each. In view of the proposed expansion of the Company's business it is desirable to bring the authorized capital of the Company in proper correlation with the proposed magnitude of the Company's resources and size of its undertaking. Therefore it is advisable to increase the authorized share capital by Rs.10,00,00,000/-

Thus, the Authorized Share Capital of the Company would be Rs. 20,00,00,000/- divided into 2,00,00,000 Equity Shares of Rs. 10/- each. The increased equity shares will rank pari passu in all respects with the existing equity shares in the Company. The proposed increase in the Authorised capital will require alteration in the Memorandum of Association.

The Board recommends passing of the aforesaid resolution.

None of the Directors of the Company (except to the extent of their shareholding) are in any way concerned or interested in the aforesaid resolution.

Item no. 6

The management is of the opinion that the amount of the Authorized Share Capital of the Company should be stated only in Clause V of the Memorandum of Association of the Company and the Article No. 5 of the Articles of Association of the Company should state that the Authorized Share Capital of the Company shall be as per Clause V of the Memorandum of Association. As a result any further increase in the Authorized Capital of the Company would require only alteration in Clause V of Memorandum of Association of the Company.

The Board recommends passing of the aforesaid resolution.

None of the Directors of the Company (except to the extent of their shareholding) are any way concerned or interested in the aforesaid resolution.

Item no.7

Pursuant to the provisions of clause (d) of sub-section (1) of Section 293 of the Companies Act, 1956, the Board of Directors of the Company cannot, except with the permission of the shareholders in general meeting, borrow money/moneys in excess of the aggregate of the paid – up capital of the Company and its free reserves.

The Members at their Meeting held on 31st July, 1995, authorized the Board of Directors to borrow upto a limit of Rs. 60 Crores in excess of the aggregate paid – up share capital and free reserves of the Company. However the expansion plans of the Company would necessitate additional fund requirement and call for revision of the borrowing limits of the Board of Directors to borrow money/ moneys in excess of the existing limit and therefore it is proposed to extend the said borrowing limit from Rs. 60 Crores to Rs. 200 Crores.

The Board recommends passing of the aforesaid resolution.

None of the Directors of the Company (except to the extent of their shareholding) are any way concerned or interested in the aforesaid resolution.

Item no. 8

The Board of Directors at their Meeting held on 31st July, 2008 passed a resolution for admitting Equity Shares of the Company for Dematerialization. The Articles of Association of the Company is required to be altered to include the necessary enabling articles in order to admit the Company's Equity Shares for Dematerialization.

The Board recommends passing of the aforesaid resolution.

None of the Directors of the Company (except to the extent of their shareholding) are any way concerned or interested in the aforesaid resolution.

INFORMATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING RE – APPOINTMENT OF DIRECTORS.

Mr. Deepak Vachharajani joined the Board as a Director of the Company with effect from January 17, 2006. Mr. Deepak Vachharajani aged 54 years has done his graduation (B.Com) from Mumbai University. He has provided professional services as an Income Tax Consultant for 25 years. He is an Independent Director in Marks Infotech Limited 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. Deepak Vachharajani (both own or held by / for other persons on a beneficial basis) as on July 31, 2008 was Nil.'

DIRECTORS' REPORT

The Members of JOY REALTY LIMITED

Your Directors present herewith the 25th Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2008.

1. FINANCIAL RESULTS	Amount in Rupees	
	2007-2008	2006-2007
Particulars		
Gross Receipts	11,71,989	2,91,18,512
Profit/(Loss) before Depreciation	3,69,151	96,00,131
Depreciation	1,10,402	16,204
Profit/(Loss) Before Tax	2,58,749	95,83,927
Provision for Tax	8,150	1,284
Profit/(Loss) After Tax	2,00,412	95,82,643
Add/(Less): Net Previous year Adjustment	-	1,000
Loss Brought Forward	(7,91,05,883)	(8,86,89,526)
Net Loss carried to Balance sheet	(7,89,05,471)	(7,91,05,883)

2. MANAGEMENT DISCUSSION AND ANALYSIS

a) INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company was pioneer in Leasing Business since over 20 years. Due to severe liquidity problem the Company had to discontinue leasing business in 1996. The management put sincere efforts to recover the dues of leasing business by negotiating with parties, granting remission in interest, penal interest, settling with one time payment dues of accounts to maintain cordial relations including Banks.

The avenues of resources of funds are dried up and there was no bright hope to turn around the Company with similar business. All said and done with limited resources of funds the Company is putting efforts to carry on security business and leasing of property to corporate clients after purchase with bank and other finance.

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.

b) OPPORTUNITIES AND THREATS

OPPORTUNITIES: There are huge opportunities available in the emerging real estate market in India. Government has been pragmatic and supportive in its approach in ushering in reforms in the industry which should open up more avenues of growth. With the booming economy the demand for quality real estate, both commercial and residential, has increased tremendously.

Your Company is keeping a close watch on emerging opportunities in the industry with a view to convert these opportunities into profitable projects.

THREATS: Tightening of regulations on lending to real estate sector by the measures announced by Reserve Bank of India is likely to slow down the momentum of growth. Further, the tightening of external commercial borrowing norms of funding by the Government of India is likely to dampen the enthusiasm of global investors in Indian real estate industry. The frequent hike in the rate of interest on home loans will have a cascading effect on the growth of this industry on account of possible slow down in consumer demand.

c) 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.

d) OUTLOOK, RISKS AND CONCERNS

The outlook of the Company remains positive. Company is planning to explore new avenues of business including participation by others having similar objective. Company is also planning to appoint competent staff for revival of its business activity diversify its activities and mobilize the resources of funds by infusing further capital or long-term borrowings. Your Company has put in place a policy of continuously monitoring the risks associated with its business and take timely corrective measures with the help of market research, pro-active decision making in order to contain the fallout of the threats and risks associated with the industry and the business. Barring unforeseen circumstances, management is confident that performance of the Company would improve in the years to follow.

e) 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.

f) FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Total income achieved during the year under review is Rs. 11,71,989 as against Rs. 29,118,512 in the previous year. After providing for taxation of Rs. 59,875, the profit after tax earned by the Company is Rs. 78,358 as against profit after tax of Rs. 9,582,643 as earned in the previous year.

FUTURE PROSPECTS

Indian economy is marching ahead and is the third largest economy in the world. The growth in GDP is likely to be in double figures. 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. Thus infrastructure including commercial and residential infrastructure is bound to grow at least at twice the rate of growth in GDP. 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.

g) HUMAN RESOURCES

Human Resources continue to be the biggest asset of the Company. The Company has created a conducive working environment with prudent knowledge management leading to enhanced skills and capabilities. Your Company provides challenging career development opportunities and encourages innovative thinking. It monitors employees' performance to enhance individual and organizational performance. The Company organized and conducted various types of training and development programmes for the employees during the year. Employee relations continue to be cordial. The Company has strong Performance Management System, which reinforces its work ethics.

h) 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.

3. INVESTMENTS

During the year under report the outstanding position in the investment of shares and debentures of various companies were to the tune of Rs. 47,18,647/- 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. 1.96 lacs (previous year Rs. 1.96 lacs) and its market valuation was Rs. 3.34 lacs (previous year Rs.2.15 lacs).

4. 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.

5. COST AUDIT

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

6. 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, 2008, the applicable accounting standards have been followed alongwith 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, 2008 and of the profit 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, 2008, on a going concern basis.

7. DIRECTORS

In accordance with the Articles of Association of the Company and provisions of the Companies Act, 1956 Mr. Deepak Vachharajani retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment.

8. STATUTORY AUDITORS

You are requested to appoint Auditors for the current year and fix their remuneration. The Auditors of the Company, M/s. Shah & Co., Chartered Accountants retire at ensuing Annual General Meeting of the Company and have given their consent for re-appointment. The Company has also received a certificate from them under section 224(1B) of the Companies Act, 1956.

9. 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.

10. 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

Date: July 31, 2008

Place: Mumbai

DIRECTOR

Registered Office:

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

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2007-08

(As required under Clause 49 of the Listing Agreement with the Stock Exchange)

1. Company's philosophy on Corporate Governance

JOY REALTY LIMITED believes that transparent accounting policies, appropriate disclosure 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:-

1. Management is the trustee of the shareholders capital and not the owner.
2. Provide an enabling environment to harmonise the goals of maximizing stakeholder value and maintaining a customer centric focus.
3. Have a simple and transparent corporate structure driven solely by business needs.
4. Communicate externally, in a truthful manner, about how the Company is running internally.
5. Make clear distinction between personal conveniences and corporate resources.
6. Be transparent and maintain a high degree of disclosure levels in all facets of its operations.
7. 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 2007- 08.

2. Board of Directors

a. Size and Composition of Board

The composition and category of Directors as on March 31, 2008 are as under:

Name of Directors	Category	No. of Directorships in other Companies		No. of Membership/ Chairmanship of other Board Committees	
		Public	Private	Member	Chairman
Mr. Madhusudan Sanjeeva Reddy	Non Executive Promoter	2	4	-	-
*Mr. Jayantilal Bhawanji Soni	Director	1	3	-	-
**Mr. Bhavin Jayant Soni	Director	1	2	-	-
Mr. Deepak Narhari Vachharajani	Independent Non-executive	1	-	-	-
Mr. Pritesh Champaklal Haria	Independent Non-executive	-	3	-	-

* Mr. Jayantilal Bhawanji Soni was appointed as a Director at the Board meeting held on July 31, 2007. He resigned from the Directorship of the Company at the Board meeting held on May 12, 2008.

** Mr. Bhavin Jayant Soni resigned from the Directorship of the Company at the Board meeting held on May 12, 2008.

b. Attendance at Board Meeting and Annual General Meeting:

During the accounting year 2007-08, nine Board Meetings were held on 20/04/07, 31/05/07, 28/06/07, 30/07/07, 31/07/07, 26/10/07, 08/11/07, 19/12/07 and 31/01/08.

The Annual General Meeting of the Company for the financial year 2006-2007 was held on July 30, 2007.

Attendance at Board Meetings and last Annual General Meeting:

Name of Directors	No. of Board Meetings attended	Attendance at last AGM
Mr. Madhusudan Sanjeeva Reddy	9	Present
*Mr. Jayantilal Bhawanji Soni	5	N.A.
**Mr. Bhavin Jayant Soni	8	Present
Mr. Deepak Narhari Vachharajani	8	Present
Mr. Pritesh Champaklal Haria	7	Present

*Mr. Jayantilal Bhawanji Soni was appointed as a Director at the Board meeting held on July 31, 2007. He resigned from the Directorship of the Company at the Board meeting held on May 12, 2008.

**Mr. Bhavin Jayant Soni resigned from the Directorship of the Company at the Board meeting held on May 12, 2008.

c. Board's Functioning & Procedures:

The Board has complete access to any information within the Company. At meetings of the Board, it welcomes the presence of Managers who can provide additional insights into the items being discussed.

The items placed at the Meeting of the Board include the following:

-Unaudited Quarterly/Half Yearly financial results and Audited Annual Accounts of the Company, results and capital employed, for consideration and approval,

Minutes of meetings of Audit and Share Holders Grievance Committee,

General notices of interest,

Review compliance of all laws applicable to the Company including the requirements of the Listing Agreement with the Stock Exchanges and steps taken by the Company to rectify instances of non compliances, if any,

Related party transactions,

Reviewing the Company's financial and risk management policies,

Reviewing the business plan and strategy of the Company.

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

The Minutes of the Meetings of the Board are circulated through email to all Directors and confirmed at the subsequent Meeting. The Minutes of the Audit Committee and Shareholders' Grievance Committee are circulated through email to all Directors and thereafter tabled for discussion at the subsequent Board Meeting.

3. Audit Committee

Audit committee acts as a link between the Statutory and Internal Auditors and the Board of Directors. The primary objective of the Audit Committee is to provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures.

a. Size and Composition:

The Board has constituted the Audit Committee of Directors comprising of Mr. Deepak Vachharajani, Non-Executive Independent Director, as Chairman of the Committee, Mr. K. Madhusudan Reddy, Non-Executive Promoter and Mr. Bhavin Jayant Soni, Non-Executive Independent Director as Members of the Committee. Mr. Bhavin Jayant Soni has resigned from the Directorship of the Company with effect from May 12, 2008 by passing a circular resolution, which was noted by the Board at their meeting held on June 30, 2008. Hence, Mr. Pritesh Champaklal Haria, Non-Executive

Independent Director has been appointed as a Member of the Committee with effect from June 30, 2008.

The Members of the Committee are well versed in finance / accounts, legal matters and general business practices.

b. Attendance at the Audit Committee Meetings:

During the accounting year 2007-08, four Audit Committee Meetings were held on April 20, 2007, July 31, 2007, October 26, 2007 and January 31, 2008.

Name of Members	No. of Audit Committee Meetings attended
Mr. Deepak Narhari Vachharajani	4
Mr. K. Madhusudan Reddy	4
*Mr. Bhavin Jayant Soni	4
**Mr. Pritesh Champaklal Haria	Nil

*Mr. Bhavin Jayant Soni resigned from the Directorship of the Company at the Board meeting held on May 12, 2008.

**Mr. Pritesh Champaklal Haria was appointed as the Member of Audit Committee w.e.f June 30, 2008.

c. The functions of the Audit Committee include the following:

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 the 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 follow up 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 a failure of internal control systems of a material nature and reporting the matter to the Board.

To look into the reasons for substantial defaults in the 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 the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.

To review the Management discussion and analysis of financial condition and results of operations.

To recommend re-appointment of Statutory Auditors and to fix their remuneration.

All the items in the 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 decisions.

The Minutes of the Meetings of the Committee are circulated through email to all Directors and confirmed at the subsequent Meeting.

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 a balance between the interest of the company and the shareholders.

a. 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 Members of the Committee.

Mr. Bhavin Jayant Soni resigned from the Directorship at the Board meeting held on May 12, 2008 as a result he ceased to be a member of remuneration committee.

Mr. Deepak Narhari Vachhrajani, Non- Executive Independent Director of the Company was appointed as a member of the Remuneration Committee by the Board at their meeting, held on June 30, 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 2007-08, no Remuneration Committee Meeting was held.

5. Shareholders Grievance Committee

The Committee has the mandate to review, redress shareholders' grievances, 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 May 12, 2008 by passing a circular resolution, which was noted by the Board at their meeting held on June 30, 2008.

Hence, Mr. Deepak Narhari Vachharajani, Non-Executive Independent Director has been appointed as a Member of the Committee with effect from June 30, 2008.

b. Meeting of the Shareholders' grievance committee Meetings:

During the accounting year 2007-08, Five Shareholders' Grievance Committee Meetings were held on 30/06/2007, 31/08/2007, 18/09/2007, 15/10/2007 and 8/11/2007.

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

Transfer /Transmission of shares,
Issue of duplicate share certificates,
Monitors expeditious redressal of investors' grievances,
Non receipt of Annual report and declared dividend,
All other matters related to shares.

d. Investor Grievance Redressal:

There were no complaints received during the year under review.

During the accounting year ended March 31, 2008, no complaints were received from shareholders. All valid share transfers received during the accounting year ended March 31, 2008 have been acted upon. There were no share transfers pending as on March 31, 2008, for more than 30 days.

The Shareholders Grievance Committee continued to function effectively and held five meetings during the year under review. It continued to attend the matters related to Share Transfers and redressal of Shareholders' complaints. The complaints and grievances of shareholders received were duly attended by the Committee and as of now no complaints are pending.

6. General Body Meetings

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

Financial Year	Day / Date	Location	Time
2003-2004	Thursday, September 30, 2004	6/A-2, Court Chambers, 35, New Marine Lines, Mumbai – 400020.	4.00 P.M.
2004-2005	Friday, September 30, 2005	6/A-2, Court Chambers, 35, New Marine Lines, Mumbai – 400020.	10.30 A.M.
2005-2006	Thursday, August 31, 2006	6/A-2, Court Chambers, 35, New Marine Lines, Mumbai – 400020.	10.00A.M.
2006-2007	Monday, July 30, 2007	6/A-2, Court Chambers, 35, New Marine Lines, Mumbai – 400020.	10.00A.M

b. Whether any Special Resolutions were passed in the previous three AGMs? Yes.

At the Annual General Meeting of the Shareholders held on July 30, 2007, the following special resolutions were passed:-

- For amendment in Memorandum of Association of the Company by insertion of new main object in Clause No. III A for construction and development of property for commercial and /or residential purposes.
- For change in the name of the Company from “Madhusudan Leasing and Finance Limited” to “Joy Realty Limited” to reflect the new main object of developments and constructions of projects work.
- For increase in authorized share capital of the Company from Rs. 8,00,00,000 (Rupees Eight Crores) divided into 80,00,000 (Eighty Lakhs) equity shares of Rs. 10/- (Rupees Ten) each to Rs. 10,00,00,000 (Rupees Ten Crores) divided into 1,00,00,000 (One Crore) equity shares of Rs. 10/-(Rupees Ten) each and consequent alteration of Clause V of the Memorandum of Association and Article 5 of the Articles of Association of the Company.
- For issue of shares at par/through rights issue/ through private placements and others.

At the Annual General Meeting of the Shareholders held on August 31, 2006, the following special resolutions were passed:-

- For appointment of Mr. Deepak Vachhrajani and Mr. Pritesh Champaklal Haria, who were appointed as Additional Directors w.e.f January 17, 2006 as Independent Directors of the Company subject to retirement by rotation under the provisions of Articles of Association of the Company.

- b. For appointment of Mr. Bhavin Jayant Soni was appointed as a Director of the Company pursuant to the notice received from a member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company.
- c. For raising of additional long term resources through private placement pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956.
- d. For diversifying the Company's business into real estate and other incidental and ancillary objects.
- e. Disclosures

Mr. Jayantilal Bhawanji Soni, has resigned from the Directorship of the Company with effect from May 12, 2008.

Mr. Bhavin Jayant Soni, has resigned from the Directorship of the Company with effect from May 12, 2008.

Mr. Uday Mota was appointed as Compliance Officer with effect from April 25, 2008.

The related party transactions as per Accounting Standard 18 is set out at note no. VI (A) of Schedule K in notes forming part of accounts in the Annual Report.

The Company has complied with the requirements of the Stock Exchanges, SEBI and Statutory Authorities on all matters related to capital markets and no penalties / structures were imposed on the Company during the last three years.

No penalty has been imposed on the Company by the Stock Exchange (BSE) or the Securities and Exchange Board of India (SEBI) or any statutory authority on any matters related to capital markets during last three years.

During the year the no amounts were transferred to the Investor Education and protection fund.

Adoption of non mandatory requirements under Clause 49 of the Listing Agreement are being reviewed by the Board from time to time.

- f. 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.

- g. Trading in the Company's shares by Directors and Designated Employees:-

In compliance with the SEBI (Prevention of Insider Trading) Regulations, 1992, the Company has appointed Mr. Uday Mota as the Compliance Officer who is responsible for setting policies, procedures for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct for trading in Company's securities under the overall supervision of the Board. The Company has adopted a Code of Conduct for Prevention of Insider Trading.

h. Means of Communication:

The Quarterly and Half-Yearly results of the Company are published in English and Marathi National dailies.

The Management Discussion and Analysis Report forms a part of this Annual Report, which is sent to each member by post.

The Company informs the Stock Exchange all price sensitive matters or such other matters which are material and of relevance to the shareholders.

7. General Shareholder Information

a. Annual General Meeting

Date: September 30, 2008.

Time : 10.30 A. M.

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

b. Financial Calendar

Financial Reporting for

Quarter ending June 30, 2008	By end July, 2008
Quarter/Half year ending Sept. 30, 2008	By end October, 2008
Quarter ending December 31, 2008	By end January, 2009
Quarter/Year ending March 31, 2009	By end April, 2009

Date of Book Closure : September 29, 2008 to September 30, 2008
(both days inclusive).

c. Market information

Listing on Stock Exchange	: The Bombay Stock Exchange Limited.
Listing fee for the year 2007-08	: Has been paid to the Stock Exchange.
Stock Code- Physical	: 508929 on The Bombay Stock Exchange Limited
Market Price Data	: High / Low price during each month of 2007-08 on The Bombay Stock Exchange Limited and BSE Sensex are as under:

Period	The Stock Exchange, Mumbai	
	Highest (Rs.)	Lowest (Rs.)
April, 2007	No	No
May, 2007	Trading	Trading
June, 2007	In	In
July, 2007	The	The
August, 2007	Year	Year
September, 2007	Under	Under
October, 2007	Review	Review
November, 2007		
December, 2007		
January, 2008		
February, 2008		
March, 2008		

d. Share Transfer System and other related matters:

Registrar and Share Transfer Agent :

For physical segment:

Intime Spectrum Registry Limited

C-13, Pannalal Silk Mill Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078.

Tel No: 2596 3838

Email:- isrl@intimespectrum.com

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 nominations 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: Member are requested to address all correspondences, including dividend matters, to the Registrar and Share transfer Agents,

Intime Spectrum Registry Limited.

C-13, Pannalal Silk Mill Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078.

Tel No: 2592 3837

Email:- isrl@intimespectrum.com

Distribution of Share holding as on 31.3.2008

No. of Equity Shares Held	No of Share -Holders	% of Share -Holders	No. of Shares Held	% of Share Holding
1 - 500	1447	75.21	464100	7.72
501 - 1000	310	16.11	229750	3.82
1001 - 2000	80	4.16	121400	2.02
2001 - 3000	16	0.83	40900	0.68
3001 - 4000	7	0.36	26200	0.44
4001 - 5000	3	0.16	14000	0.23
5001 - 10000	11	0.57	77800	1.30
10001 & ABOVE	50	2.60	5034050	83.79
TOTAL	1924	100.00	6008200	100.00

Dematerialisation of Shares: The Company is in the process of making application for dematerialization of shares in NSDL and CDSL.

Outstanding GDRs/ADRs: Nil
/ Warrants or any convertible Instrument, conversion date and likely impact on equity.

Plant Location: Not Applicable.

Address for Correspondence
JOY REALTY LIMITED
 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

D E C L A R A T I O N

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 2008.

For **JOY REALTY LIMITED**

K. Madhusudan Reddy
Director

Place : Mumbai
Date : July 31, 2008

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

We, **Mr. Madhusudan Reddy**, Director and **Mr. Deepak Vachharajani**, Director of **JOY REALTY 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

Deepak Vachharajani - Director

Date : July 31, 2008

Pritesh Haria - 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 2008 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, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2008 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, subject to note no iv(a) regarding non-provision of Rs 83,80,299/- of debts & Advances considered doubtful of recovery, note no iv(c)(ii) regarding depletion in value of fixed assets, note no iv(c)(iii) regarding diminution in value of investment in shares & Bonds and note no 11 regarding deferred tax liability (if any), the said accounts 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 31st, 2008 ;
 - (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: 30 June 2008

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.
- ii. (a) The company has changed its business from informed that leasing and 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 a party covered in the register maintained u/s. 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 13.47Lacs and the year-end balance of unsecured loan taken from such a party was Rs 13.47 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 said financial year.

- 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 Section 58AA of the Companies Act 1956 and the rules framed there under. Therefore, the provisions of Clause (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 under the Income Tax Act, Wealth Tax Act and Sales Tax Act. 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 become 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: 30 June 2008

BALANCE SHEET AS ON 31ST MARCH 2008

	S C H	As at 31.03.2008	As at 31.03.2007
SHAREHOLDERS' FUNDS			
1.SHAREHOLDERS FUNDS			
a. Share Capital	A	59,355,510	59,355,510
b. Reserves & Surplus	B	37,043,500	37,043,500
2.SECURED LOANS			
	C	1,257,003	NIL
3.UNSECURED LOANS			
	D	7,318,172	344,546
		Total Rs.	104,974,185
			96,743,556
APPLICATION OF FUNDS			
1.FIXED ASSETS			
a. Gross Block	E	48,350,771	46,261,771
b. Less : Depreciation		40,785,937	40,675,535
c. Net Block		7,564,834	5,586,236
2.INVESTMENT			
	F	4,718,647	4,718,647
3.CURRENT ASSETS, LOANS & ADVANCES			
a. Work in Progress	G	21,445,045	20,926,101
b. Sundry Debtors		8,560,299	8,489,381
c. Advance against Rights in Property		- -	- -
d. Cash & Bank Balance		770,153	17,050
e. Loan & Advances		5,724,609	498,478
		36,500,466	29,931,010
Less : Current Liabilities & Provisions	H		
a. Current Liabilities		22,680,771	22,596,936
b. Provisions		34,462	1,284
		22,715,233	22,598,220
Net Current Asset		13,785,233	7,332,790
4.PROFIT & LOSS ACCOUNT			
		78,905,471	79,105,883
		Total Rs.	104,974,185
			96,743,556
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 : 30th June 2008

For and on Behalf of the Board

Mr.K. Madhusudan Reddy - Chairman**Mr. Pritesh C. Haria - Director****Mr. Deepak Vachharajani - Director**

Place : Mumbai

Date : 30th June 2008

SCHEDULE FORMING PARTS OF ACCOUNTS FOR THE YEAR ENDED 31/03/2008

	As at 31.03.2008	As at 31.03.2007
SCHEDULE A - SHARE CAPITAL		
AUTHORISED		
100,00,000 Equity Shares (P.Y. 80,00,000 Equity Shares) of Rs. 10/- each fully paid up	100,000,000	80,000,000
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	726,490	726,490
Total Rs.	59,355,510	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)	1,257,003	- -
Total Rs.	1,257,003	- -
SCHEDULE D - UNSECURED LOANS		
Incorporate Loans	6,525,009	233,099
Directors & firm in which directors are interested	793,163	111,447
Total Rs.	7,318,172	344,546

SCHEDULE 'E'
FIXED ASSETS

(Figures in Rs.)

Block of Assets	Name of Asset	At Cost				Depreciation			W.D.V. as on	
		As on 1/4/07	Addition	Deletion	Total 31/7/08	As on 1/4/07	For the Year	Total 31/7/08	31/8/08	31/3/07
I	Furniture & Fixture	145,848	--	--	145,848	115,645	8,728	124,373	21,475	30,203
II	Office Equipments	155,959	--	--	155,959	128,925	7,476	136,401	19,558	27,034
III	Plant & Machinery	40,965,444	0	0	40,965,444	35,935,895	0	35,935,895	5,029,549	5,029,549
IV	Computers	4,994,520	--	--	4,994,520	4,495,070	0	4,495,070	499,450	499,450
V	Motor Car	--	2,089,000	--	2,089,000	--	94,198	94,198	1,994,802	--
	For Year Ended 31/03/2008	46,261,771	2,089,000	--	48,350,771	40,675,535	110,402	40,785,937	7,564,834	5,586,236
	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.

INVESTMENTS (LONG TERM)

SCHEDULE 'F'

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 Punjab 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
Sub Total (A)							195862		195862
OTHERS (UNQUOTED)									
1.	Lyka Exports Ltd.	10	160	0	0	160	5000	0	5000
2.	Lyka Labs Ltd.	10	16	0	0	16	160	0	160
3.	Sesa Industries Ltd.	10	500	0	0	500	11250	500	11250
4.	Goldstar Steel & Alloys Ltd.	10	300	0	0	300	2155	0	2155
5.	Gujarat Telephone Cables Ltd.	10	22	0	0	22	220	0	220
6.	Kankariya Chemicals Ind. Ltd.	10	10000	0	0	10000	10000	0	10000
7.	Uniphos Agro Ind. Ltd.	10	1000	0	0	1000	5000	1000	5000
8.	Good Earth Synthetic Ltd. (BOND)	5000	878	0	0	878	4390000	0	4390000
9.	Damanica Capital Market Ltd.	10	300	0	0	300	9000	0	9000
Sub Total (B)							4522785		4522785
Grand Total (A + B)							4718647		4718647

Aggregate of Investment

As at 31/03/2007

As at 31/03/2008

	Cost	Market Value	Cost	Market Value
Quoted	195862	334220	195862	214884
Unquoted	4522785	0	4522785	0
	4718647	334220	4718647	214884

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.

	As at 31.03.2008	As at 31.03.2007
SCHEDULE G - CURRENT ASSETS, LOANS & ADVANCES		
A. INVENTORIES		
a. Work in Progress - Lodha Project	618,944	100,000
b. Advance Against Acquisition of Rights of members	20,826,101	20,826,101
Total Rs.	21,445,045	20,926,101
B. SUNDRY DEBTORS		
(Unsecured and considered doubtful of recovery)		
Debts outstanding for a period exceeding Six Months	8,380,299	8,425,299
Other Debtors	--	64,082
(Unsecured and considered good)		
Debts outstanding for a period exceeding Six Months	180,000	--
Other Debtors	--	--
Total Rs.	8,560,299	8,489,381
C. CASH & BANK BALANCE		
Cash on Hand	2,486	--
In Current Account with Scheduled Banks	768,028	17,050
Total Rs.	770,513	17,050
D. LOANS & ADVANCES		
Advance recoverable in cash or kind		
Unsecured considered doubtful	300,000	300,000
Unsecured considered good	100,000	101,823
Deposits	67,620	67,620
Panchratna Builders (Advance)	5,138,258	--
Advance Tax & T.D.S.	118,731	29,035
Total Rs.	5,724,609	498,478
SCHEDULE H - CURRENT LIABILITIES & PROVISIONS		
A. CURRENT LIABILITIES		
<u>Sundry Creditors</u>		
Advance Against Property - Lodha	21,000,000	21,000,000
Auditors Remuneration	19,663	14,030
<u>Other Liabilities</u>		
Over Drawn Bank Balance	174	5,471
Due to Director / Promoter	1,610,455	1,575,455
TDS Payable (Since paid)	50,479	--
Staff Profession Tax Payable	--	1,980
Total Rs.	22,680,771	22,596,936

<u>Provisions</u>		
Provisions for Taxation (Including FBT)	34,462	1,284
Total Rs.	34,462	1,284
SCHEDULE I - REALITY & OTHER INCOME		
Reality Income Received	989,928	- -
Sundry balances written back	- -	10,428
Incentives on Investment procurement	- -	81,675
Consultancy Fees	- -	100,000
Total Rs.	989,928	192,103
SCHEDULE J - ADMINISTRATIVE & OTHER EXPENSES		
Rent, Rates & Taxes	17,000	- -
Printing, Stationery, Typing & Xerox	9,008	5,592
Postage & Telegram	3,648	13,046
Travelling & Conveyance	11,929	9,816
Motor Car Expenses	8,550	- -
Miscellaneous Expenses	13,821	11,256
Bank Charges & Commission	2,562	677
Interest paid on Loan	249,105	162,252
Discount	428	- -
Interest on Car Loan	64,003	- -
Demat Charges	1,723	2,702
Listing Fees	15,000	15,000
Filing Fees	130,997	5,500
Audit Fees	19,678	14,285
Professional Fees	239,088	212,789
Legal & Professional Fees	16,298	21,513
Office Expenses	- -	2,000
Telephone Expenses	- -	8,875
Salary & Bonus	- -	97,980
Purchase Security Transaction Tax	- -	7,157
Sales Security Transaction Tax	- -	9,256
Security Transaction Charges	- -	9,129
Membership & Subscription	- -	2,800
Total Rs.	802,838	611,624

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) Depriciation

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 Business

Inventories:

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 on generally accrual basis. The Revenue is recognized when actual 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 Deferred Tax

Deferred Tax assets/ liability has not been computed, in view of unabsorbed losses and depreciation due to uncertainty over allowability and future prospects of profits

III Contingent Liability

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

IV 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 Management is pursuing with debtors for negotiated settlement

- 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 is not considered being long term in nature, therefore no provision has been made in Books

- V Amount remaining to be executed on contracts amounts to Rs 833.04 Lacs.
- V 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.
- VI 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 31/03/2008
Shri K. Madhusudan Reddy	Party where control Exists	Rs. 13,47,080/-
Madhusudan Securities Ltd.	Related Party	Rs. 4,33,000/-
Joy Builders	Related Party	Rs. 7,93,163/-
Joy Homecreation Ltd.	Related Party	Rs. 51,11,878/-
Money Anchor Fin. Services Pvt. Ltd.	Related Party	Rs. 9,80,131/-
(B) Key Management Personnel		
Name of Related Party	Nature of Relationship	Amount Payable as on 31/03/2008
Shri K. Madhusudan Reddy	Chairman	Rs. 13,47,080/-
Shri Jayant B. Soni	Director upto May 2008	NIL
Shri Bhavin J. Soni	Director upto May 2008	Nil
(C) Transaction with Related Parties		
Joy Builders	Interest on Loans paid	Rs. 52,685/-
Joy Homecreation Ltd.	Interest on Loans paid	Rs. 1,44,658/-
Joy Homecreation Ltd.	Rent paid	Rs. 17,000/-
Money Anchor Fin. Services Pvt. Ltd.	Interest on Loans paid	Rs. 51,762/-
Panchratna Builders	Interest on Loans Received	Rs. 1,78,767/-

VIII 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

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

For **Shah & Co.**
Chartered Accounts

For and on Behalf of the Board

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

Mr. K. Madhusudan Reddy - Chairman
Mr. Pritesh C. Haria - Director
Mr. Deepak Vachharajani - Director

Place : Mumbai
Date : 30th June 2008

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

Particulars	(in Rs. Lacs)	
	March 2008	March 2007
1 CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit (Loss) Before Tax and Extraordinary items	2.59	95.84
Adjustments for:		
Depreciation	1.10	0.16
Gain on Sale of Agricultural Land	0.00	100.34
Dividened	0.03	0.01
	3.66	(4.35)
Less: Income Taxes paid	1.14	0.01
Operating Profit before working Capital Changes	2.52	(4.36)
Adjustments for:		
(Increase)/Decrease in Current Assets	(58.15)	(210.98)
(Increase)/Decrease in Current Liabilities	(0.84)	171.76
	(54.79)	(43.58)
II CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase) Sale of Fixed Assets (Net)	(20.89)	102.97
Dividened Income	0.03	0.01
(Purchase) Sale of Investments	0.00	0.00
Profit/Loss on Sale of Investments	0.00	(20.86)
	(20.86)	102.98
Net cash used in investing activities	(20.86)	102.98
III CASH FLOW FROM FINANCING ACTIVITIES		
Secured Loan taken/repaid	12.57	0.00
Unsecured Loan taken/ repaid	69.73	(59.30)
Net Cash from Investing Activities	82.30	(59.30)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	7.54	0.10
Cash and cash equivalents at the beginning of the year	0.17	0.07
Cash and cash equivalents at the close of the year	7.71	0.17

Notes:

- 1 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.
- 2 Cash and Cash Equivalents includes Cash and Bank Balances.
- 3 Figures of Previous years have been regrouped and rearranged wherever necessary to confirm with Current Years classifications.

For **Shah & Co.**
Chartered Accountant

(H.N. Shah)
Partner

Place: Mumbai
Dated: 30th June 2008

For and on behalf of the Board of Directors

K. Madhusaudan Reddy - Chairman
Shri Pritech C. Haria - Director
Deepak Vachhachrajani - Director

Place: Mumbai
Dated: 30th June 2008

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 - Fifth Annual General Meeting of the of the Company being held on Tuesday, September 30, 2008 at 10.30 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 Tuesday, September 30, 2008 at 10.30 A.M. at,

_____ or at the adjournment thereof.

Signed this _____ day of _____ 2008.

Important

- a. Revenue Stamp of Rs. 1/- is to be affixed on this form.
- b. The Form should be signed across the stamp as per the specimen signature Registered with the Company.
- c. 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,
- d. 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

Book Post

To,

If undelivered please return to:

Joy Reality Ltd.

306, Madhava, 3rd Floor,
C-4, Bandra Kurla Complex,
Bandra (E),

Mumbai – 400051.

Tel: #022 6702 1550