

KHEMANI DISTRIBUTORS
& MARKETING PRIVATE
LIMITED

ANNUAL REPORT

2014-2015

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KHEMANI DISTRIBUTORS & MARKETING (P) LTD

CIN:U7430GJ2011PTC063520

Regd Off: B-319, L.B. Appts, Salabatpura, Ring Road, Surat

[Tel:9825803214](tel:9825803214), email:khemaniamitv@gmail.com

NOTICE

Notice is hereby given that the 4th Annual General Meeting (the "Meeting") of Members of Company will be held at registered office of the Company on 30.09.15 at 11:00 A.M., to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2015, the Profit & Loss account for the period ended on that date and the Reports of the Directors' and the Auditors thereon.
2. To appoint Auditors and fix their remuneration.

**By Order of the Board of Directors
For & Behalf of Board**

Date: 03/09/2015
Place: Surat

**Sd/-
Amit Khemani
Director
DIN-02227413**

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

DIRECTORS' REPORT

To,
The Members,
Khemani Distributors & Marketing (P) Ltd

Your Directors take pleasure in presenting their 4th Annual Report of the Company along with the Audited Financial Statements, for the period ended March 31, 2015.

1. FINANCIAL RESULTS:

The financial Results are briefly indicated below:

Particulars	(Amount in Rupees)	
	Period/ year ended 31.03.2015	Period/ year ended 31.03.2014
Total Revenue	68,82,06,826	51,40,66,613
Total expenses	61,39,00,446	51,35,19,244
Profit/ (loss) before tax	7,43,06,380	5,47,369
Profit/ (loss) after tax	7,34,33,052	3,92,859
Profit/(Loss) Brought Forward	3,54,135	-39,724
Balance carried to Balance Sheet	7,37,87,187	3,54,135

2. FINANCIAL OPERATIONS & CHANGE of BUSINESS:

During the year under review, the company gross income was Rs. 68,82,06,826/- as compare to previous year of Rs.51,40,66,613/-. The Company has earned profit of Rs. 7,34,33,052/- after tax compared to profit of Rs. 3,92,859/- after tax in the previous year. There was no change of business of the Company.

3. DIVIDEND AND TRANSFER TO RESERVES:

Your Directors do not recommend any dividend for the year ended 31.03.15.

4. DEPOSITS:

During the period under review, your Company has not accepted any deposits from the public as such, no amount of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

5. PARTICULARS OF EMPLOYEES:

During the Financial Year the Company does not have any employee who was drawing remuneration required to be disclosed pursuant to the Section 197 of Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

No directors were appointed/resigned during the year.

7. SUBSIDIARIES:

The Company does not have any subsidiary Company.

8. DIRECTOR'S RESPONSIBILITY STATEMENT:

As required under Section 134 (3) (c) of the Companies Act, 2013, your Directors' confirm that:

- i. In the preparation of the Annual Accounts for the year ended on 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures.

- ii. 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 on 31st March, 2015 and of the Profit or Loss of the Company for that period.
- iii. The Directors have taken proper and sufficient care for the maintenances of adequate accounting records in accordance with the provision of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors have prepared the Annual accounts on a going concern basis.
- v. The Director have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

9. CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION:

Since the Company is not a manufacturing unit provisions of Section 134 (3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption is not applicable.

10. NUMBER OF BOARD MEETINGS:

During the financial year, the Board of Directors had met seven times i.e. 30.06.14, 06.09.14, 12.11.14, 06.01.15, 14.01.15, 16.03.15 & 28.03.15. All the directors were present in all meeting.

11. FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the period under review, there were no Foreign Exchange Earnings and Outgo.

12. AUDITORS:-

Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made thereunder, the current auditors of the Company, M/s C.P.Jaria & Co., Chartered Accountants, (registration number: 104058WW) retires and are eligible for appointment, subject to approval by shareholders at annual general meeting.

The members are requested to approve the appointment of M/s C.P.Jaria & Co., Chartered Accountants, (registration number: 104058WW) as statutory auditors of the Company and to fix their remuneration for the year 2015-16.

13. AUDITORS REPORT:

There are no qualifications or adverse remarks in the Auditor's Report which require clarification/explanation. The notes on financial statements are self-explanatory, and needs no further explanation.

14. EXTRACT OF ANNUAL RETURN:

The Extract of Annual Return in Form MGT – 9 pursuant to section 92 (3) of the Companies Act, 2013 and rule 12 (1) of Companies (Management and Administration), Rules 2014 are as per Annexure to this Report.

15. PARTICULARS OF LOAN, GURANTEES OR INVESTMENT:

During the year, the Company has not given any loans, given any guarantee or provided security as per Section 186 of the Companies Act, 2013.

16. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

In regard of Loan, Guarantee and Investments details are provided in financial statements.

17. INTERNAL FINANCIAL CONTROL:

The Company has in place adequate internal financial control with reference to financial statements. During the year such controls were tested and no reportable material weakness in the design or operations were observed.

18. RISK MANAGEMENT POLICY:

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed also discussed at the meetings of the Board of Directors of the Company.

19. GENERAL

Your Director states that no disclosure or reporting is required in respect of the following items as there were no transaction on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (inc sweat equity shares) to employees of the company under any scheme.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
5. No significant or material changes & commitments affecting financial position of the Company, occurring after Balance sheet date.

20. ACKNOWLEDGEMENTS:

Your Directors would like to express their sincere appreciation to the shareholders for the confidence reposed by them in the company and for the continued support and co-operation extended by them. Your Directors also wish to place on record their deep sense of appreciation for the continuing support and efforts of Vendors, Dealers, Business Associates and Employees received during the period ended March 31, 2015.

BY AND BEHALF OF THE BOARD

Sd/-
Director-Amit Khemani
DIN: 02227413
PLACE: SURAT
DATE: 03/09/15

Sd/-
Director-Vijay Khemani
DIN: 02227389

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended 31.03.2015
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

I	CIN	U74300GJ2011PTC063520
II	Registration Date	06/01/2011
III	Name of the Company	Khemani Distributors & Marketing (P) Ltd
IV	Category/Sub-Category of the Company	Company Limited by shares / Indian Non-Government Company
V	Whether listed Company (Yes/No)	No
VI	Address of the Registered Office and contact details	B-319, L.B. Appts, Salabatpura, Ring Road, Surat Mobile:9825803214 Email: khemaniamity@hotmail.com
VII	Name, Address and Contact details of Registrar and Transfer Agent, if any	In House

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product	% to total turnover of the Company
1	Wholesale of other Goods	46909	87.41
2	Other Financial Activities	64990	12.59

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary of the Company	% of shares held	Applicable Section
NIL					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF		100000	100000	33.90		195000	195000	66.10	-
b) Central Govt.									
c) State Govt(s).									
d) Bodies Corp.									
e) Bank/ FI									
f) Any Other									
Sub-Total (A)(1)		100000	100000	33.90		195000	195000	66.10	-
(2) Foreign									

a) NRIs-Individuals									
b) Other-Individuals									
c) Bodies Corp.									-
d) Bank/ FI									
e) Any Other									
Sub-Total (A)(2)									-
Total shareholding of Promoter (A) (A)(1) + (A)(2)		100000	100000	33.90		195000	195000	66.10	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									-
b) Bank/ FI									-
c) Central Govt.									
d) State Govt(s).									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-Total (B)(1)									-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian		195000	195000	66.10		100000	100000	33.90	
i) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii)									
c) Others (Specify)									
(c-1) NRI Individual (Non Rep)									
(c-2) NRI (Repatriation)									
Total Public shareholding (B) (B)(1) + (B)(2)		195000	195000	66.10		100000	100000	33.90	-
A. Shares held by Custodian for GDRs & ADRs									
	NIL								
Grand Total (A+B+C)		295000	295000	100		295000	295000	100	-

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Vijay Khemani	50000	16.95	-	145000	49.15	-	32.20
2	Amit Khemani	50000	16.95	-	50000	16.95	-	-
	Total	100000	33.90	-	195000	66.10	-	32.20

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Vijay Khemani				
	At the beginning of year	50000	16.95	50000	16.95
	Date wise Change				
	28/03/2015 Transferred	95000	32.20	145000	49.15
	At the end of year	145000	49.15	145000	49.15

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.		Shareholding at the beginning of the year (01.04.2014)		Cumulative Shareholding during the year (31.03.2015)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	For Each of the Top 10 Shareholders				
1	Kavya Shares & Securities (P) Ltd	145000	49.15	100000	33.90
2	Bhuneswari Securities (P) Ltd	50000	16.95	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	For Each of the Directors and KMP				
1	Vijay Khemani	50000	16.95	145000	49.15
2	Amit Khemani	50000	16.95	50000	16.95

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	81,819,387.00	-	81,819,387.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	81,819,387.00	-	81,819,387.00
Change in Indebtedness during the financial year				
* Addition	920,389.00	78,775,862.00	-	79,696,251.00
* Reduction		(51,205,207.00)	-	(51,205,207.00)
Net Change	920,389.00	27,570,655.00	-	28,491,044.00
Indebtedness at the end of the financial year				
i) Principal Amount	920,389.00	109,390,042.00	-	110,310,431.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	920,389.00	109,390,042.00	-	110,310,431.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

- A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:
During the year no remuneration paid to MD, WTD and Manager.
- B. Remuneration of other directors
Salary paid to Amit Khemani: Rs. 6,00,000/-
- C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD
During the year no remuneration paid to other than MD/Manager/WTD.

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

A.	Company	Nil
B	Directors	Nil
C	Other officers in Default	Nil

INDEPENDENT AUDITOR'S REPORT

To the members of Khemani Distributors & Marketing (P) Ltd

Report on the Financial Statement

We have audited the accompanying financial statement of **Khemani Distributors & Marketing (P) Ltd** (“the Company”), which comprise the Balance Sheet as at March 31, 2015, and the statement of Profit & Loss and Cash Flow Statement for the year ended, and the summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

The Management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the act”) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including Accounting Standards specified under section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder. We conducted our audit in accordance with the standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirement 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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's management and Board of Directors, 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 aforesaid 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 March 31, 2015;
- (b) In the case of Profit & Loss Account, of the profit of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and regulatory Requirements

1. As required by required by the Companies (Auditor's Report) Order, 2015 (“the Order”) issued by Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 & 4 of the Order.

2. As required by section 143(3) of the Act, we further report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss Account and Cash Flow Statement dealt with this report are in agreement with the books of Accounts;
 - (d) In our opinion, Balance Sheet, Statement of Profit and Loss Account and Cash Flow Statement comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
 - (e) On the basis of written representation received from the directors as on March 31, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as the directors in terms of Section 164(2) of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rules, 2014:
 - 1. The Company does have disputed tax liability which is pending before appellate authorities.
 - 2. The company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - 3. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education & Protection Fund. The question of delay in transferring such sums does not arise.

FOR C.P.Jaria & Co
Chartered Accountants

Sd/-
(C.P.Jaria)
M.No.030817
F.No.104058W
PLACE: SURAT
DATE: 03/09/2015

Annexure referred to in paragraph 1 of our report of even date to the members of Khemani Distributors & Marketing (P) Ltd on the accounts of the company for the year ended 31.03.15

On the basis of such checks as we considered appropriate and accordingly to the information and explanations given to us during the course of our audit, we report that:

1. The company has maintained proper records showing full particulars including quantitative details and location of all its fixed assets. During the year the management has physically verified all the fixed assets and no material discrepancies have been noticed on such verification. During the year, the company has not disposed off substantial part of its fixed assets.
2. As informed to us the inventory has been physically verified by the management during the year, In our opinion, the frequency of such verification is reasonable. In our opinion the procedure for physical verification of inventory followed by management are reasonable and adequate to the size of the company and nature of its business. The company has maintained proper records of inventory. The discrepancies noticed if any on physical verification between physical stocks and book records were not material in relation to the operations of the company and have been properly dealt with in the books of account.
3. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
5. The Company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013.
6. As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.
7. (a) According to the information and explanations given to us and on basis of our examination of the books of accounts, the company has been generally regular in depositing undisputed statutory dues including Provident fund, Employee's state insurance, Income Tax, sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other statutory dues as applicable, with the appropriate authorities in India;

(b) According to information and explanations given to us and based on the records of the company examined by us, there are no dues of Wealth tax, Service Tax, Sales tax, Custom Duty and excise duty which have not been deposited on account of any disputes. The disputed income tax liability is pending before Appellate Authorities;

(c) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education & Protection Fund. The question of reporting delay in transferring such sums does not arise.
8. The Company does not have accumulated losses exceeding 50% of its net worth and it has not incurred cash losses during the financial covered by our audit and in the immediately preceding financial year.
9. Based on our audit procedure and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues from any financial institution or banks and has not issued debentures during the year.
10. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank and financial institutions during the year.
11. According to the information and explanations given to us, the company had not raised any term loan during the year.

12. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the period.

FOR C.P.Jaria & Co
Chartered Accountants

Sd/-
(C.P.Jaria)
M.No.030817
FRN 104058W
PLACE: SURAT
DATE: 03/09/15

BALANCE SHEET AS AT 31.03.15

PARTICULARS	NOTE	CURRENT YEAR	PREVIOUS YEAR
I. EQUITY AND LIABILITIES			
(1) Shareholder's Fund			
(a) Share Capital	1	197,500	197,500
(b) Reserves and Surplus	2	93,287,187	19,854,135
(c) Money received against share warrants		0	0
(2) Share Application money pending allotment		0	0
(3) Non-current Liabilities			
(a) Long-Term Borrowings	3	110,310,431	81,819,387
(b) Deferred tax liabilities (Net)		0	0
(c) Other Long term liabilities		0	0
(d) Long term provisions		0	0
(4) Current Liabilities			
(a) Short Term borrowings		0	0
(b) Trade Payables	4	11,377,208	6,568,235
(c) Other current Borrowings		0	0
(d) Short-term Provisions	5	3,433,086	3,625,422
Total		218,605,412	112,064,679
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Asssets			
(i) Tangible Assets	6	2,245,507	1,289,381
(ii) Intangible Assets		0	0
(iii) Capital work-in-progress		0	0
(iv) Intangible assets under development		0	0
(b) Non-Current Investments	7	80,840,198	15,266,784
(c) Deferred tax Assets (Net)		293,282	0
(d) Long Term loans and advances	8	2,170,000	4,267,296
(e) Other non-current assets	9	6,000	12,000
(2) Current Assets			
(a) Current Investments		0	0
(b) Inventories	10	89,972,441	63,386,949
(c) Trade receivables	11	14,269,621	11,725,211
(d) Cash & Cash equivalents	12	25,126,544	15,179,623
(e) Short term loans & advances		0	0
(f) Other Current Assets	13	3,681,819	937,435
Total		218,605,412	112,064,679
AS PER OUR REPORT OF EVEN DATE FOR C.P.JARIA & CO CHARTERED ACCOUNTANTS		FOR KHEMANI DISTRIBUTORS & MARKETING (P) LTD	
(C.P.JARIA) PARTNER M.NO 030817 FRN: 104058W PLACE: SURAT DATE: 03/09/15		Sd/- DIRECTOR-Amit Khemani DIN: 02227413	
		Sd/- DIRECTOR-Vijay Khemani DIN: 02227389	

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31/03/2015

PARTICULRAS	NOTE	CURRENT YEAR	PREVIOUS YEAR
I. Revenue from operations	14	682,253,050	513,392,624
II. Other Income	15	5,953,776	673,989
III. Total Revenue	(I + II)	688,206,826	514,066,613
IV. Expenses			
Cost of Material Consumed		0	0
Purchase of Stock-in-trade	16	580,651,096	492,704,581
Changes in inventories of finished goods, work-in progress and stock-in trade	17	(11,443,058)	(4,280,275)
Employee benefit Expenses	18	13,232,024	4,961,089
Finance costs	19	18,773,136	5,724,863
Depriciation		814,355	218,560
Other expenses	20	11,872,893	14,190,426
IV.Total Expenses		613,900,446	513,519,244
V. Profit before exceptional and extraordinary items & Tax	(III-IV)	74,306,380	547,369
VI. Exceptional Items		0	0
VII. Profit before extraordinary items & Tax	(V-VI)	74,306,380	547,369
VIII. Extraordinary items			
IX. Profit before tax	(VII-VIII)	74,306,380	547,369
X. Tax Expenses			
(1) Current Tax		1,166,610	154,510
(2) Deferred Tax		(293,282)	0
XI. Profit(loss) from the period from continuing operations after tax	(VII-VIII)	73,433,052	392,859
XII. Profit(loss) from discontinuing operations		0	0
XIII. Tax expenses of discontinuing operations		0	0
XIV. Profit(loss) from discontinuing operations after tax	(XII-XIII)	0	0
XV. Profit(loss) for the period	(XI+XIV)	73,433,052	392,859
XVI. Earning per equity share			
(1) Basic		248.93	1.33
(2) Diluted		371.81	1.99
AS PER OUR REPORT OF EVEN DATE FOR C.P.JARIA & CO CHARTERED ACCOUNTANTS		FOR KHEMANI DISTRIBUTORS & MARKETING (P) LTD	
(C.P.JARIA) PARTNER M.NO 030817 FRN: 104058W PLACE: SURAT DATE: 03/09/15		Sd/- DIRECTOR-Amit Khemani DIN: 02227413	
		Sd/- DIRECTOR-Vijay Khemani DIN: 02227389	

KHEMANI DISTRIBUTORS & MARKETING (P) LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31 MARCH, 2015

Particulars	Year Ended	
	31-Mar-15	31-Mar-14
A. CASH FLOW FROM OPERATING ACTIVITY		
Profit before Taxation	74306380	547369
Adjustment for:		
Profit on sale of Assets		0
Depreciation	814355	218560
Operating Profit before working capital changes	75120735	765929
Changes in working capital :-		
Increase/(Decrease) in trade payables	4808973	6411362
Increase/(Decrease) in other current liabilities	(192336)	3152422
Increase/(Decrease) in short term provision	0	0
Increase/(Decrease) in other Long-term borrowings	0	0
Increase/(Decrease) in other short-term borrowings	0	0
(Increase)/Decrease in trade receivables	(2544410)	(11725211)
(Increase)/Decrease in inventories	(26585492)	(59341775)
(Increase)/Decrease in other Assets	(2744384)	18725
(Increase)/Decrease in Long Term loans and advances	2097296	10782704
(Increase)/Decrease in Short Term loans and advances	0	0
(Increase)/Decrease in Non-current Assets	6000	6000
Increase/(Decrease) in last year provision	0	0
	(25154353)	(50695773)
Cash generated from Operations	49966382	(49929844)
Less:- Taxes paid (For previous year)	1166610	154510
Net Cash generated from operations before extraordinary items	48799772	(50084354)
Extraordinary items	0	0
Net Cash generated from operating activities	(A) 48799772	(50084354)
B. CASH FLOW FROM INVESTING ACTIVITY		
(Increase)/Decrease in Fixed Asset	(1770481)	(1269941)
Net Cash generated from Investing activities	(B) (1770481)	(1269941)
C. CASH FLOW FROM FINANCING ACTIVITY		
Increase/(decrease) in Long Term Borrowing	28491044	81619387
(Increase)/decrease in Investments	(65573414)	(15266784)

Net Cash generated from Financing activities	(C)	(37082370)	66352603
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)		9946921	14998308
CASH & CASH EQUIVALENTS, AT THE BEGINNING OF YEAR		15179623	181315
CASH & CASH EQUIVALENTS, AT THE END OF YEAR		25126544	15179623

Note:

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard (AS) - 3 on "Cash Flow Statements".

As per out report of even date attached

For C.P.Jaria & CO
Chartered Accountants

For Khemani Distributors & Marketing (P) Ltd

C.P.Jaria
Partner
M.No 030817
FRN:104058W
PLACE: SURAT
DATE: 03/09/2015

Sd/-
Director
Vijay Khemani
DIN: 02227389

Sd/-
Director
Amit Khemani
DIN:02227413

NOTES TO BALANCE SHEET & PROFIT & LOSS STATEMENT

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	
NOTE-1			
<u>SHARE CAPITAL</u>			
<u>AUTHORISED SHARE CAPITAL</u>			
500000 EQUITY SHARES OF RS.1/-EACH	500,000	500,000	
	500,000	500,000	
<u>ISSUED, SUBSCRIBED AND FULLY PAID UP</u>			
100000 EQUITY SHARES OF RS 1/- EACH	100,000	100,000	
<u>ISSUED, SUBSCRIBED AND NOT FULLY PAID UP</u>			
195000 EQUITY SHARES OF RS 1/- EACH PARTLY PAID UP RS 0.50/- PER SHARE	97,500	97,500	
	197,500	197,500	
NOTE-1A			
RECONCILAITION OF SHARES OUTSTANDING			
SHARES OUTSTANDING AT THE BEGINNING OF YEAR	295,000	295,000	
SHARES ISSUED DRING THE YEAR	0	0	
SHARES BOUGHT BACK DURING THE YEAR	0	0	
SHARES OUTSTANDING AT THE END OF YEAR	295,000	295,000	
NOTE-1B			
SHAREHOLDER HOLDING FOR THAN 5% SHARES	%	NO OF SHARES	NO OF SHARES
VIJAY KUMAR KHEMANI	49.16	145,000	16.95 50000
AMIT KHEMANI	16.95	50,000	50,000
KAVYA SHARES & SECURITIES (P) LTD	33.89	100,000	145,000
BHUVNSHWARI SECURITIES PVT LTD	16.95	50,000	50,000
<p>THE COMPANY HAS ONE CLASS OF EQUITY SHARES HAVING A PAR VALUE OF RS.1/- PER SHARE. EACH SHAREHOLDER IS ELIGIBLE FOR ONE VOTE PER SHARE HELD NO SHARES WERE BOUGHT BACK FOR LAST FIVE YEARS THERE ARE UNPAID CALLS ON SHARES FROM DIRECTORS.</p>			
NOTE-2			
<u>RESERVES & SURPLUS</u>			
A. SHARES PREMIUM ACCOUNT			
OPENING BALANCE		19,500,000	19,500,000
ADD:PREMIUM CREDITED		0	0
LESS: PREMIUM UTILIZED		0	0
CLOSING BALANCE		19,500,000	19,500,000
B. PROFIT & LOSS A/C			
OPENING BALANCE		354,135	(38,724)
ADD:CURRENT YEAR PROFIT/(LOSS)		73,433,052	392,859
LESS: WRITTEN BACK IN CURRENT YEAR		0	0
CLOSING BALANCE		73,787,187	354,135
TOTAL		93,287,187	19,854,135
NOTE-3			
<u>LONG TERM BORROWINGS</u>			
UNSECURED LOANS FROM DIRECTORS, RELATIVES,CORPRATE		109,390,042	81,819,387

CAR LOAN-SBI	920,389	0
	110,310,431	81,819,387
NOTE-4		
<u>TRADE PAYABLES</u>		
SUNDRY CREDITORS	11,377,208	6,568,235
	11,377,208	6,568,235
NOTE-5		
<u>SHORT TERM PROVISIONS</u>		
PROVISION FOR DOUBTFUL DEBTS	855,266	780,360
ESIC PF PAYABLE	79,711	0
PROFESSIONAL TAX PAYABLE	66,109	0
INCENTIVE PAYABLE	0	384,587
VAT PAYABLE	0	314,538
TDS PAYABLE	994,427	571,611
PROVISIONS FOR EXPENSES	1,437,573	1,574,326
	3,433,086	3,625,422
NOTE-7		
<u>NON-CURRENT INVESTMENTS</u>		
SHARE/BONDS INVESTMENTS AT COST	80,840,198	15,266,784
	80,840,198	15,266,784
NOTE-8		
<u>LONG TERM LOANS & ADVANCES</u>		
OTHER ADVANCES		
UNSECURED ADVANCE	0	2,190,996
SECURITY DEPOSITS	330,000	236,300
ADVANCE AGAINST FIXED ASSETS	1,840,000	1,840,000
UNSECURED OTHER ADVANCES	0	0
	2,170,000	4,267,296
NOTE-9		
<u>OTHER NON-CURRENT ASSETS</u>		
PRELIMINARY EXPS NOT WRITTEN OFF	6,000	12,000
	6,000	12,000
NOTE-10		
<u>INVENTORY</u>		
CLOSING STOCK-GOODS	19,768,507	8,325,449
CLOSING STOCK-BONDS	70,203,934	55,061,500
	89,972,441	63,386,949
NOTE-11		
<u>TRADE RECEIVABLES</u>		
SUNDRY DEBTORS UNSECURED	14,269,621	11,725,211
	14,269,621	11,725,211
NOTE-12		
<u>CASH & CASH EQUIVALENTS</u>		
CASH IN HAND	11,878,778	4,525,097
FIXED DEPOSIT WITH BANK	4,992,972	0
CHEQUES IN HAND	4,958,920	3,835,117
BANK BALANCE IN CURRENT A/C WITH SCHEDULE BANK	3,295,874	6,819,409
	25,126,544	15,179,623
NOTE-13		
<u>OTHER CURRENT ASSETS</u>		

VAT BALANCE	1,111,447	0
CLAIM RECEIVABLE-NET	700,431	684,156
ADVANCE TAX/TDS	1,851,941	0
INCOME TAX REFUND DUE	0	68,374
ADVANCE TO CREDITORS	18,000	184,905
	3,681,819	937,435

NOTE-14

REVENUE FROM OPERATIONS

SALES OF TRADED GOODS	596,375,722	504,850,504
LOSS ON SALE OF BONDS/SHARES	(65,181,868)	4,717,523
DIVIDEND	71,514,650	3,494,100
SHORT TERM GAIN ON SHARES	15,501,938	0
PROFIT FROM DERIVATIVES	64,042,608	330,497
	682,253,050	513,392,624

NOTE-15

OTHER INCOME

MISC INCOME	1,565,430	1,709
INTEREST INCOME	186,983	0
INCOME FROM TAX FREE BOND	3,643,950	0
INCENTIVE RECEIVED	557,413	585,759
DAMAGED GOODS REALISATION	0	86,521
	5,953,776	673,989

NOTE-16

PURCHASE OF STOCK-IN TRADE

PURCHASES OF TRADED GOODS	580,651,096	492,704,581
	580,651,096	492,704,581

NOTE-17

CHANGES IN INVENTORY

OPENING STOCK-GOODS	8,325,449	4,045,174
LESS: CLOSING STOCK-GOODS	19,768,507	8,325,449
	(11,443,058)	(4,280,275)

NOTE-18

EMPLOYEE BENEFIT EXPENSES

SALARY	11,719,650	4,491,635
SALARY-DIRECTOR	600,000	0
BONUS	481,150	358,900
ESI & PF EXPS	431,224	110,554
	13,232,024	4,961,089

NOTE-19

FINANCIAL COST

BANK CHARGES	80,653	48,863
INTEREST	18,692,483	5,676,000
	18,773,136	5,724,863

NOTE-20

OTHER EXPENSES

ADVERTISMENT	6,216	8,220
AUDIT FEES	25,000	25,000
RENT	773,020	635,000
BROKERAGE	113,283	15,000
CLEANING CHARGES	15,415	14,710
CONVEYANCE	325,170	114,040

COURIER CHARGES	4,020	1,420
DELIEVERY CHARGES	5,345,806	5,963,308
DIESEL EXPS	0	16,200
ELECTRCITY EXPS	120,229	94,329
GODOWN EXPS	57,580	146,459
REPAIRS & MAINTENANCE	108,972	164,771
INSURANCE	74,226	108,381
INTERNET EXPS	16,800	11,700
LOADING/UNLOADING EXPS	1,985,997	2,583,492
SELLING EXPS	313,403	2,561,082
MISC EXPS	312,359	244,222
SOFTWARE EXPS	14,391	20,000
BAD DEBTS	400,194	0
MERCANDISER EXPS	205,854	0
VECHILE EXPS	33,995	0
TELEPHONE EXPS	35,168	12,130
PACKING EXPS	489,900	497,999
PETROL EXPS	160,797	104,405
PRINTING & STATIONARY	251,586	303,092
PRELIMINARY EXPS W/OFF	6,000	6,000
SALES PROMOTION EXPS	29,584	162,750
SAMPLING EXPS	1,241	43,771
SECURITY EXPS	184,105	156,170
LEGAL AND PROFESSIONAL FEES	298,638	47,000
STAFF WELFARE	119,480	55,485
SUBCRIBTION FEES	0	38,613
TRAVELLING EXPS	44,464	35,677
	11,872,893	14,190,426

NOTE-6 - FIXED ASSETS :**STATEMENT OF DEPRECIATION FOR THE YEAR ENDED ON 31.03.2015 (AS PER THE COMPANIES ACT)**

SR. NO.	PARTICULARS	GROSS BLOCK			DEPRICIATION			NET BLOCK	
		AS ON 01.04.14	ADD/DEL DURING THE YEAR	TOTAL AS ON 31.03.15	AS ON 01.04.14	DURING THE YEAR	TOTAL AS ON 31.03.15	AS ON 31.03.15	AS ON 01.04.14
A.TANGIBLE ASSETS									
1	AIR CONDITIONER	76000	0	76000	10166	33330	43496	32504	65834
2	CAMERA	64250	0	64250	8080	28223	36303	27947	56170
3	COMPUTER	214200	0	214200	79534	94667	174201	39999	134666
5	COUNTING MACHINE	10000	0	10000	980	4416	5396	4604	9020
6	FURNITURE	331880	0	331880	41426	78338	119764	212116	290454
7	MOBILE	201250	0	201250	29994	86601	116595	84655	171256
8	PLASTIC CARRATE	66000	0	66000	8450	28980	37430	28570	57550
9	VECHILE	544361	0	544361	39930	158002	197932	346429	504431
Additions during the year									
	AIRCOOLER	0	5200	5200	0	2164	2164	3036	0
	MOBILE	0	155550	155550	0	30151	30151	125399	0
	COMPUTER SERVER	0	95677	95677	0	30599	30599	65078	0
	COMPUTER	0	157540	157540	0	42284	42284	115256	0
	FURNITURE	0	113928	113928	0	2011	2011	111917	0
	CAR	0	1242586	1242586	0	194589	194589	1047997	0
TOTAL		1507941	1770481	3278422	218560	814355	1032915	2245507	1289381
PREVIOUS YEAR		0	1507941	1507941	0	218560	218560	1289381	0

NO ASSETS WERE IMPAIRED/REVALUED DURING LAST FIVE YEARS

NOTE-21. SIGNIFICANT ACCOUNTING POLICIES :

1. GENERAL

The Financial Statements have generally been prepared on the historical cost convention. Accounting policies not specifically referred to otherwise are in consonance with generally accepted accounting principles.

2. BASIS OF ACCOUNTING

The company follows the mercantile system of accounting generally except otherwise stated herein below, if so.

3. FIXED ASSETS

Fixed assets are stated at cost of less accumulated depreciation. Depreciation has been provided at the rates and in accordance with the provisions of the Companies Act, 2013 on W.D.V.

4. INVESTMENTS

Investments are stated at cost.

5. INVENTORIES

Inventory is valued as cost or market value whichever is lower.

6. REVENUE AND EXPENDITURE RECOGNITION

Revenue is recognized and expenditure is accounted for on their accrual except insurance claim, claims in respect of material purchased and sold which are accounted for on cash basis.

7. MISCELLANEOUS EXPENDITURE

Miscellaneous Expenditure such as preliminary expenditure are amortized over a period of 5 years.

8. DEFERRED TAX

The Deferred tax is recognized for all temporary differences subject to the consideration of prudence and at currently available rates. Deferred Tax assets are recognized only if there is virtual certainty that they will be realized.

9. FOREIGN CURRENCY TRANSACTION

There is no such transaction during the year.

10. CONTINGENT LIABILITIES

There is no any contingent liability.

11. TRADE RECEIVABLE AND PAYABLE

Balances of trade payable and receivable are subject to confirmation, reconciliation and consequential adjustments, if any.

12. Employees Benefit Expenses

Particulars	Current Year	Previous Year
Director Salary	600000	Nil
Salary Paid	11719650	4491635
Bonus	481150	358900
ESI & PF	431224	110554

13. Details of Payment to Auditors

Particulars	Current Year	Previous Year
As Auditor	25000	25000

14. The amount due to Micro & Small Enterprises are based on the information provided by the management.

15. Related Party Transaction

Key Managerial Person: Amit Khemani, Vijay Khemani

Relatives of Director/ Related Concern: Amit Khemani HUF, Avinash Khemani, Anupa Khemani, Avinash Khemani HUF, Blue Sky Advisory Services (P) Ltd, Shree Siddhi Vinayak Krupa Selection

Particulars	Key Managerial	Relative/Related Concern
Salary	600000	600000
Loan Accepted	11135000	3300000
Loan Repaid	8800000	5177792
Interest paid	-	467503

16. Figures of the previous year have been regrouped/re-cast wherever necessary.