

KHEMANI DISTRIBUTORS
& MARKETING PRIVATE
LIMITED

ANNUAL REPORT

2011-2012

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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 1st ANNUAL GENERAL MEETING of the members of M/S. KHEMANI DISTRIBUTORS & MARKETING PVT LTD be held at the Registered office of the company on 03.07.12 at 11.30 A.M. to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts for the period ending on 31.03.12 and the report of Board of Directors and the Auditors.
2. To appoint Auditors and Fix their remuneration.

By the order of the Board
For Khemani Distributors & Marketing (P) Ltd

Sd/-
Director
Amit Khemani
DIN: 02227413
PLACE: SURAT
DATE: 07/06/12

Note : A member is entitled to attend and vote at the meeting and is entitled to appoint a proxy to attend and vote instead of himself and the proxy need to be a member of the company.

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 1st ANNUAL GENERAL MEETING REPORT AND AUDITED ACCOUNTS of the company for the period ended on 31.3.2012.

1) FINANCIAL PERFORMANCE:

The company was incorporated on 06.01.11 and has posted net loss of Rs. 17674/- during the period.

2) PARTICULARS OF EMPLOYEES:

There is no employee who has drawn remuneration more than aggregate of Rs. 6000000/- per annum and more than Rs. 500000/- per month, if employed for the part of the period as required under section 217(2A) of the Companies Act,1956.

3) RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, ENERGY CONSERVATION ETC.:

The company is not doing any manufacturing activity and hence Additional Information on conservation of energy, technology absorption, foreign exchange earning and outgo as required to be disclose in terms of section 217(1)(e) of The Companies act,1956, read with the Companies(disclosures of particulars of Board of Directors) Rule,1988 is not applicable.

4) DIRECTORS AND THEIR RESPONSIBILITY STATEMENT:

Pursuant to the section 217(2AA) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000 the directors confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- (ii) Appropriate Accounting Policies have been selected and applied consistently and have made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31.03.2012 and of the loss for the period 06.01.11 to 31.03.2012.
- (iii) Proper and sufficient care has been taken 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.
- (iv) The Annual Accounts have been prepared on a going concern basis.

4) AUDITORS:

M/s. C.P.Jaria & Co, Chartered Accountants, the Auditors of the company retires and eligible for re-appointment.

5) APPRECIATION:

Your Directors would like to express their graceful appreciation of the assistance and Co-Operation received from the Shareholders during the period under review.

BY AND BEHALF OF THE BOARD

Sd/- Director Amit Khemani DIN: 02227413 PLACE: SURAT DATE: 07/06/2012	Sd/- Director Vijay Khemani DIN: 02227389
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AUDITOR'S REPORT

To,
The Shareholders of M/s.KHEMANI DISTRIBUTORS & MARKETING (P) LTD.

We have audited the attached Balance Sheet of M/s.KHEMANI DISTRIBUTORS & MARKETING (P) LTD as at 31st March, 2012 and also the attached Profit and Loss Account of the Company for the period ended on that date annexed hereto, and we report that :-

1. As required by the Companies (Auditor's Report) Order,2003 issued by Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure , a statement on the matters specified in paragraph 4 & 5 of said order.
2. The Company is a small and medium sized company (SMC) as defined in the general instructions in respect of Accounting Standards notified under the Companies Act,1956. Accordingly, the company has generally complied with the Accounting Standards as applicable to a Small and Medium Sized Company.
3. Further to our Comments in the Annexure referred to in paragraph 1 above.
 - a. 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.
 - 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 such books.
 - c. The Balance Sheet and the Profit and Loss Account referred to in this report are in agreement with the books of Accounts as submitted to us.
 - d. In our opinion, the Profit & Loss Account and Balance Sheet generally comply with the accounting standards referred to in Sub-Section 3(C) of sec-211 of Companies act,1956.
 - e. In our opinion and based on the information and explanation given to us, none of the directors are disqualified as on 31.03.2012 from being appointed as the directors in terms of sec-274(1) (g) of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanation given to us the said accounts read together with accounting policies and Notes to the Accounts, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view subject to above :-
 - (i) In the case of the Balance Sheet of the state of affairs of the Company as 31st March, 2012 AND,
 - (ii) In the case of Profit & Loss Account of the loss of the Company for the ended on that date.

FOR C.P.Jaria & Co
Chartered Accountants

Sd/-
(P.K.Jain)
M.No.: 112020
F.No.: 104058W
PLACE: SURAT
DATE: 07/06/12

ANNEXURE TO THE AUDITOR'S REPORT

1. (a) The company does not have any fixed assets.
2. There is no inventory with the company, hence not applicable.
3. (a)The company has granted loans to parties covered in the registered maintained under section 301 of the Companies Act,1956.,
(b)(i) The Company has not taken unsecured Loans during the period.
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. As explained to us, during the period, any transaction required to be entered in the register maintained under section 301 of Companies Act, 1956, has been entered.
6. The company has not accepted deposits from the public and hence the provisions of Sec-58A & 58AA of the Companies Act, 1956, and the rules framed there under are not applicable. In company's case no order has been passed by the Company Law Board.
7. In our opinion and as informed to us, the company has an adequate internal audit system, commensurate with the size and nature of its business.
8. The central government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act,1956.
9. (a) According to the information and explanations given to us and on basis of our examination of the books of accounts, company is generally regular in depositing any statutory liabilities with the appropriate authorities. As at 31.3.2012, there were no undisputed dues payable for a period of more than six months from the date they become payable.
(b)According to the information and explanations given to us , there is no disputed dues in respect of Provident fund, Investor Education and protection fund, Employee's state insurance, Income Tax, sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other statutory dues.
10. The company has been registered for a period not less than five years. The Company does have accumulated losses and has incurred cash losses during the period covered by our audit.
11. Based on our audit procedure and on the information and explanations given by the management, company has not taken any loan from financial institution.
12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund/nidhi/mutual benefit fund/ society.
14. According to the information and explanations given to us, the Company is dealing or trading in Bonds and other investments.
15. 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.
16. The company has not taken any loan from financial institution.
17. According to information and explanations given to us, funds raised on short term basis have, prima facie, not been used during the period for long term investments and vice versa.
18. 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 during the period.
19. No Security is required to be created since the company has not issue any debentures.

20. The company has not raised any money by public issues during the period.

21. 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/-
(P.K.Jain)
Partner
M.No.: 112020
F.No.: 104058W
PLACE: SURAT
DATE: 07/06/12

BALANCE SHEET AS AT 31.3.2012

PARTICULARS	NOTE	CURRENT PERIOD
<u>I. EQUITY AND LIABILITIES</u>		
(1) Shareholder's Fund		
(a) Share Capital	1	197,500
(b) Reserves and Surplus	2	19,482,326
(c) Money received against share warrants		0
(2) Share Application money pending allotment		0
(3) Non-current Liabilities		
(a) Long-Term Borrowings	3	0
(b) Deferred tax liabilities (Net)		0
(c) Other Long term liabilities		0
(d) Long term provisions		0
(4) Current Liabilities		
(a) Short Term borrowings		0
(b) Trade Payables	4	148,105
(c) Other current Borrowings		0
(d) Short-term Provisions	5	219,650
Total		20,047,581
<u>II.ASSETS</u>		
(1) Non-Current Assets		
(a) Fixed Asssets		
(i) Tangible Assets		0
(ii) Intangible Assets		0
(iii) Capital work-in-progress		0
(iv) Intangible assets under development		0
(b) Non-Current Investments		0
(c) Deferred tax Assets (Net)		0
(d) Long Term loans and advances	6	19,500,000
(e) Other non-current assets	7	24,000
(2) Current Assets		
(a) Current Investments		0
(b) Inventories		0
(c) Trade receivables	8	61,683
(d) Cash & Cash equivalents	9	460,574
(e) Short term loans & advances		0
(f) Other Current Assets	10	1,324
Total		20,047,581

AS PER OUR REPORT OF EVEN DATE
FOR C.P.JARIA & CO
CHARTERED ACCOUNTANTS

Sd/-
(P.K.JAIN)
PARTNER
M.NO.: 112020
PLACE: SURAT
DATE: 07/06/12

FOR KHEMANI DISTRIBUTORS &
MARKETING (P) LTD

Sd/-
DIRECTOR-Amit Khemani
DIN: 02227413

Sd/-
DIRECTOR-Vijay Khemani
DIN: 02227389

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31/3/2012

PARTICULARS	NOTE	CURRENT PERIOD
I. Revenue from operations	11	7,786,034
II. Other Income	12	106,477
III. Total Revenue	(I + II)	7,892,511
IV. Expenses		
Cost of Material Consumed		0
Purchase of Stock-in-trade		7,479,033
Changes in inventories of finished goods, work-in progress and stock-in trade		0
Employee benefit Expenses	13	296,000
Finance costs		0
Other expenses	14	135,152
IV. Total Expenses		7,910,185
V. Profit before exceptional and extraordinary items & Tax	(III-IV)	(17,674)
VI. Exceptional Items		0
VII. Profit before extraordinary items & Tax	(V-VI)	(17,674)
VIII. Extraordinary items		
IX. Profit before tax	(VII-VIII)	(17,674)
X. Tax Expenses		
(1) Current Tax		0
(2) Deferred Tax		0
XI. Profit(loss) from the period from continuing operations after tax	(VII-VIII)	(17,674)
XII. Profit(loss) from discontinuing operations		0
XIII. Tax expenses of discontinuing operations		0
XIV. Profit(loss) from discontinuing operations after tax	(XII-XIII)	0
XV. Profit(loss) for the period	(XI+XIV)	(17,674)
XVI. Earning per equity share		
(1) Basic		(0.06)
(2) Diluted		(0.09)

AS PER OUR REPORT OF EVEN DATE
FOR C.P.JARIA & CO
CHARTERED ACCOUNTANTS

Sd/-
(P.K.JAIN)
PARTNER
M.NO.: 112020
PLACE: SURAT
DATE: 07/06/12

FOR KHEMANI DISTRIBUTORS &
MARKETING (P) LTD

Sd/-
DIRECTOR-Amit Khemani
DIN: 02227413

Sd/-
DIRECTOR-Vijay Khemani
DIN: 02227389

NOTES TO BALANCE SHEET & PROFIT & LOSS STATEMENT

PARTICULARS		CURRENT PERIOD
NOTE-1		
<u>SHARE CAPITAL</u>		
<u>AUTHORISED SHARE CAPITAL</u>		
500000 EQUITY SHARES OF RS.1/-EACH		500,000
		500,000
<u>ISSUED, SUBSCRIBED AND FULLY PAID UP</u>		
100000 EQUITY SHARES OF RS 1/- EACH		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
		197,500
NOTE-1A		EQUITY (NUMBER)
RECONCILIATION OF SHARES OUTSTANDING		
SHARES OUTSTANDING AT THE BEGINNING OF PERIOD		0
SHARES ISSUED DURING THE PERIOD		295,000
SHARES BOUGHT BACK DURING THE PERIOD		0
SHARES OUTSTANDING AT THE END OF PERIOD		295,000
NOTE-1B		NO OF SHARES
SHAREHOLDER HOLDING FOR THAN 5% SHARES	%	
AMIT KHEMANI	16.95	50,000
VIJAY KUMAR KHEMANI	16.95	50,000
KAVYA SHARES & SECURITIES (P) LTD	49.15	145,000
BHUVNSHWARI SECURITIES PVT LTD	16.95	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 SINCE THIS IS THE FIRST YEAR OF INCORP. THERE IS NO UNPAID CALL ON SHARES FROM DIRECTORS AND OFFICERS</p>		
NOTE-2		
<u>RESERVES & SURPLUS</u>		
A. SHARES PREMIUM ACCOUNT		
OPENING BALANCE		0
ADD:PREMIUM CREDITED		19,500,000
LESS: PREMIUM UTILIZED		0
CLOSING BALANCE		19,500,000
B. PROFIT & LOSS A/C		
OPENING BALANCE		0
ADD:CURRENT YEAR PROFIT/(LOSS)		(17,674)
LESS: WRITTEN BACK IN CURRENT YEAR		0
CLOSING BALANCE		(17,674)
TOTAL		19,482,326
NOTE-3		
<u>LONG TERM BORROWINGS</u>		
UNSECURED LOANS FROM DIRECTORS, RELATIVES		0
		0
NOTE-4		

<u>TRADE PAYABLES</u>	
SUNDRY CREDITORS	148,105
	148,105
NOTE-5	
<u>SHORT TERM PROVISIONS</u>	
PROVISION FOR TAX	0
PROVISIONS FOR EXPENSES	219,650
	219,650
NOTE-6	
<u>LONG TERM LOANS & ADVANCES</u>	
OTHER ADVANCES	
UNSECURED CORPORATE ADVANCE	19,500,000
	19,500,000
NOTE-7	
<u>OTHER NON-CURRENT ASSETS</u>	
PRELIMINARY EXPS NOT WRITTEN OFF	24,000
	24,000
NOTE-8	
<u>TRADE RECEIVABLES</u>	
SUNDRY DEBTORS UNSECURED	61,683
	61,683
NOTE-9	
<u>CASH & CASH EQUIVALENTS</u>	
CASH IN HAND	8,863
BANK BALANCE IN CURRENT A/C WITH SCHEDULE BANK	451,711
	460,574
NOTE-10	
<u>OTHER CURRENT ASSETS</u>	
VAT BALANCE	1,324
	1,324
NOTE-11	
<u>REVENUE FROM OPERATIONS</u>	
SALES OF TRADED GOODS	7,786,034
	7,786,034
NOTE-12	
<u>OTHER INCOME</u>	
PROFIT ON SALE OF INVESTMENTS	106,477
	106,477
NOTE-13	
<u>EMPLOYEE BENEFIT EXPENSES</u>	
SALARY	296,000
	296,000
NOTE-14	
<u>OTHER EXPENSES</u>	
RENT	50,000
SALES PROMOTION EXPS	112
AUDIT FEES	7,500
PRELIMINARY EXPS W/OFF	6,000
DELIVERY CHARGES	1,757
PROFESSIONAL TAX	2,400
INSURANCE	5,213
LEGAL AND PROFESSIONAL FEES	19,800
BANK CHARGES	25,220

NOTE-15. 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

The Company does not own any fixed assets.

4. INVESTMENTS

Company does not hold any investments.

5. INVENTORIES

The company is not having any type of inventory.

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 period.

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. RELATED PARTY TRANSACTIONS

Key Managerial Personel: Amit Khemani, Vijay Kumar Khemani
Relatives of Directors: Avinash Khemani
Related Concern: Blue sky Advisors (P) Ltd

Particulars	Key Managerial Personnel	Related Concern	Relatives
Salary Paid			126000
Loan Advanced		19500000	

13. Employees Benefit Expenses

Particulars	Current Period	Previous Period
Salary Paid	296000	Nil

14. Details of Payment to Auditors

Particulars	Current Period	Previous Period
As Auditor	7500	Nil

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