

KHYATI MULTIMEDIA ENTERTAINMENT LIMITED

18th AUDITED ANNUAL REPORT FOR THE YEAR 2011-12

Regd. Office:

**100, Chinubhai Towers, Opp: Handloom House,
Ashram Road, Navrangpura, Ahmedabad: 380 009.**

Telephone: 91-079-26582983 (F) 91-079-26584335

E.Mail: khyatimulti@yahoo.com

Website : www.khyatimultimedia.com

KHYATI MULTIMEDIA-ENTERTAINMENT LIMITED

EIGHTEENTH ANNUAL GENERAL MEETING - PROGRAMME.

DATE : 29TH SEPTEMBER, 2012
DAY : SATURDAY
TIME : 04.00 P.M.
VENUE : REGISTERED OFFICE OF THE
COMPANY AT :
100, Chinubhai Towers, Opp: Handloom House
Ashram Road, Navrangpura,
Ahmedabad: 380 009.

NOTE TO SHAREHOLDERS:

As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.

CONTENTS:

- 1) Board of Directors and Other Information.
- 2) Notice for the Annual General Meeting.
- 3) Directors' Report.
- 4) Corporate Governance Report.
- 5) Auditors' Report.
- 6) Balance Sheet.
- 7) Profit & Loss Account.
- 8) Schedules to the Balance Sheet and Profit & Loss Account.
- 9) Notes to the Accounts.
- 10) Balance Sheet Abstract and Company's General Business Profile.
- 11) Cash Flow Statement pursuant to Clause 32 of the Listing Agreement and Auditors' report there on.
- 12) Attendance Sheet & Proxy Form.

BOARD OF DIRECTORS

Shri Kartik J. Patel	Chairman & Managing Director
Shri Rao Kamalkant	Director
Shri Praful Agrawal	Director
Shri Arvindkumar Prajapati	Director

COMPANY SECRETARY.

Mr. Laljibhai L Vora.

ACTING IN ADVISORY NATURE ONLY TO VARIOUS COMMITTEES OF CORPORATE GOVERNANCE

Secretarial and Corporate Legal Matters

Shri Kamlesh. M. Shah & Co.,
(Practicing Company Secretary)

Finance, Audit and Taxation Matters

M/s. Khandhar & Co.,
Chartered Accountants

BANKERS OF THE COMPANY

Punjab National Bank, Relief Road Branch, Ahmedabad – 380001.
The Sabarmati Co-op. Bank Ltd., Vadaj Branch, Ahmedabad – 380014.
HDFC Bank Limited, Navrangpura Branch, Ahmedabad: 380 009.

REGISTRAR AND SHARE TRANSFER AGENT

Sharepro Services (India) Private Limited
13/A-B, Ahimsa Warehousing Corporation
Near Telephone Exchange, Sakinaka,
Andheri Kurla Road, Sakinaka,
Mumbai

Auditors

D J N V & CO.
Chartered Accountants
Ahmedabad

Company Law Consultants

M/s. Kamlesh M Shah & Co.,
Practicing Company Secretary
Ahmedabad

REGD. OFFICE

101, Chinubhai Towers,
Opp. Handloom House,
Ashram Road, Navrangpura,
Ahmedabad: 380 009.

INVESTORS GRIEVANCE AND COMPLIANCE OFFICER:

Kartik. J. Patel,
Chairman And Managing Director
100, Chinubhai Towers, Opp: Handloom House,
Ashram Road, Navrangpura,
Ahmedabad: 380 009.

NOTICE

NOTICE is hereby given to the Members of Khyati Multimedia Entertainment Limited that **18th Annual General Meeting** of the Members of the Company will be held on Saturday the 29th September, 2012 at 04.00 P.M. at the Registered Office of the Company at 100, Chinubhai Towers, Opp: Handloom House, Ashram Road, Navrangpura, Ahmedabad: 380 009 to transact the following Business.

ORDINARY BUSINESS :

1. To Receive, Consider, Approve and Adopt the Audited Statement of Account i.e. The Audited Balance Sheet as at 31/03/2012, the Profit & Loss Account for the Year ended on that date and the report of the Auditors and Directors thereon.
2. To Appoint a Director in place of Mr.Rao Kamalkant, who retires by rotation and being eligible offers himself for reappointment.
3. To Appoint a Director in place of Mr.Arvindkumar Prajapati, who retires by rotation and being eligible offers himself for reappointment.
4. To Appoint M/s. D J N V & CO., Chartered Accountants, as the Statutory Auditors for the next Financial Year to hold the office as such from the conclusion of this Annual General Meeting up to the date of next Annual General Meeting and to fix their remuneration.

NOTES

- i) A Member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of him and that a Proxy need not be a member of the Company.
- ii) Proxies in order to be effective should be duly completed in the prescribed form stamped and signed and must be deposited at the Registered office of the company no less than 48 hours before the time fixed for the meeting.
- iii) Members desiring any information as regards account are requested to write to the company at least 7 days before the meeting to enable the management to keep the information ready.
- iv) Members are requested to intimate any change in their registered addresses if any directly at the Registered Office of the Company at their address mentioned elsewhere in this report.
- v) The Register of members and share transfer books of the company shall remain closed on 25/09/2012 to 29/09/2012 (Inclusive of Both Days). For the purpose of Annual General Meeting as per requirements of section 154 of the Companies Act 1956 and in compliance to Listing Agreement with stock exchanges.

DATE: 4th SEPTEMBER, 2012
PLACE: Ahmedabad.

By Order of the Board of Directors
Of Khyati Multimedia Entertainment Limited
Sd/-
(Kartik J. Patel)
Chairman And Managing Director.

DIRECTORS' REPORT

To,
The Members,
KHYATI MULTIMEDIA-ENTERTAINMENT LIMITED

Dear Shareholders,

Your Directors have pleasure in presenting herewith the 18th Audited Annual report of your Company for the financial year ended on 31st March 2012.

FINANCIAL HIGHLIGHTS:

During the year under review the financial performance of the Company is as under:

(Amount in Rupees)

Particulars.	For the Year Ended on 31/03/2012	For the Year Ended on 31/03/2011
Gross Income	337248	812455
Total Expenses	702662	3329359
Provision for Depreciation	155781	374400
Profit Before Tax	-521195	-2891304
Income Tax for Current Year.	NIL	NIL
Provision for Deferred Tax.	21974	17073
Adjustment of I. tax Of Earlier years	335979	204528
Net Profit / (Loss) for the Year	-879148	-3112905
Previous year Balance B/f.	-118414656	-115301751
Total Loss Transferred to Balance Sheet.	119293804	118414656

DIVIDEND

As your company has incurred a net loss during the year under review and due to making provision for deferred tax liability the accumulated losses does not permit your directors to declare any amount as dividend to be paid.

UNPAID/UNCLAIMED DIVIDEND

The Company does not have any outstanding unpaid/unclaimed dividend which is required to be transferred to the Investors Education and Protection funds as per the provision of Section 205C of the Companies Act, 1956. The Company does not have any outstanding liability on account of Interest and Principal of Deposits, Debentures or Share Application Money.

SHARE CAPITAL STRUCTURE

There was no change in Authorized Capital, Issued Capital, Subscribed and Paid-up Capital of the Company during the year.

BUY BACK OF EQUITY SHARES

The Company had not made any Buy Back of its paid up equity shares during the year in terms of section 77A, 77AA and 77B of the Companies Act 1956. Hence no specific disclosure is required to be made in this report.

YEAR UNDER REVIEW

The Company has earned a Total income of Rs.337,248 (Previous year it was Rs 812,455/-). After all Administrative Expenditure and Depreciation of Rs 858,443 (Previous year Rs. 3,703,759/-) the company has suffered a gross operational loss of Rs. 521,195 /- (Previous year gross loss of Rs. 28,91,304/-). After making necessary adjustments for Deffered Tax, Your Company had a Net loss for the year transferred to balance sheet is Rs.879,148 /- (Previous year loss of Rs. 31,12,905/-).

SETTLEMENT/ LIQUIDATION OF FINANCIAL LIABILITIES

The company has reached the stage of loss of pick net worth by more than 50%. It is a sick company as per audited balance sheet for the current year. The company has sold its entire real estate i.e. fixed assets, with the consent of its bankers, financial institutions in order to liquidate their dues which are cleared with their consent. The company has Accumulated losses at the end of the financial year.

FUTURE BUSINESS PLANS

During the year Company is planning to find Business Opportunities to enable it to carry on the business of real estate developers. For the purpose company has acquired, land blocks in the city of Ahmedabad for development of multiplex theatre and shopping complex.

DEMATERIALISATION OF SECURITIES

Your Company's equity shares are already admitted in the System of Dematerialization by both the Depositories namely NSDL and CDSL. The Company has already signed tripartite Agreement through Registrar and Share Transfer Agent M/s. Sharepro Services. The Investors are advised to take advantage of timely dematerialization of their securities. The ISIN allotted to your Company is INE 593B01014. The total shares dematerialised upto 30/06/2012 are 8,666,058. The share holders who have not demated are requested to demat their shares immediately.

COMPLIANCE TO CODE OF CORPORATE GOVERNANCE

The Complete Report on Corporate Governance is given separately after this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and perceptions on existing business, future out look of the industry, future expansion and diversification plans of the Company and future course of action for the development of the Company are fully explained in a separate Para in Corporate Governance Report in Annexure-A forming part of this report and also report on Corporate Governance.

DEPOSITS

During the year under review your company has neither invited nor accepted any public deposit or deposits from the public as defined under Section 58A of the Companies Act-1956. The Deposits were accepted from the Directors are exempt as per the provisions of Section 58A of the Companies Act 1956.

DIRECTORS

During the year under review Shri Rao Kamalkant and Shri Arvindkumar Prajapati shall retire by rotation at the ensuing Annual General Meeting as provisions of Law. They are eligible for reappointment as director and has offered themselves for directorship of the company. Hence, your directors recommend reappointing them by passing resolutions.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provision contained in Section 217(2AA) of the Companies Act, 1956, the Directors of your Company confirm:

- (A) That in the preparation of the annual accounts, **as far as possible and except the to extent if any accounting standards mentioned by the auditors in their report as not complied with** the applicable accounting standards has been followed and no material departure has been made from the same;
- (B) That they 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 affair of the company at the end of the financial year and of the profit or loss of the company for that period;
- (C) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company for preventing and detecting fraud and other irregularities;
- (D) That they have prepared the annual accounts on a going concern basis.

STATUTORY AUDITORS

M/s. D J N V & Co., present Statutory Auditors of the company have given their letter of consent and confirmation under section 224(1B) the Companies Act 1956 for reappointment as Statutory Auditors of the Company. Necessary Resolution making their appointment as the Statutory Auditors and fixing their remuneration is proposed to be passed at the Annual General Meeting.

INTERNAL AUDITORS

In order to make proper compliance with the provisions of Corporate Governance the company has established in house internal Audit Department which is functioning under the close supervision and direction of the Audit Committee and also taking expert guidance/ advise of the Internal Auditors M/s. Khandhar And Co., Chartered Accountants from to time to time.

AUDITORS OBSERVATION

Auditor observed that the Company has not deposited the Provident fund amounting to Rs 200750/- in the respective account for which it was clarified that the matter is under dispute and after the final satisfaction of the dispute it will be deposited. There are no other observations made by the Auditors in their report. However notes to the Accounts itself are clarificatory and self explanatory in the nature.

FORMATION OF AUDIT COMMITTEE

In compliance to the Provisions of Section 292A of the Companies Act 1956 and clause 49 of the Listing Agreement on Corporate Governance in part, your directors have already formed an Audit Committee within the organization consisting of 3 independent directors, an advisor (Chartered Accountants) to internal audit Department and Practicing Company Secretary as advisors to the company. The area of operations and functional responsibilities assigned to the committee are as per the guidelines provided in Clause 49 of the Listing Agreement for implementation of code of corporate governance. The committee meets at least once in a quarter and gives its report of each meeting to the Board for its approval, record and information purpose.

EMPLOYEES

There are no employees of the company who were in receipt of the remuneration of Rs.24,00,000/- in the aggregate if employed for the year and in receipt of the monthly remuneration of Rs. 2,00,000/- in the aggregate if employed for a part of the year under review. Hence the information required under Section 217 (2A) of the Companies Act, 1956 being not applicable are not given in this report.

STATUTORY INFORMATION

The Information required to be disclosed in the report of the Board of Directors as per the provisions of Section 217 (1)(e) of the Companies Act-1956 and the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 regarding the conservation of energy, technology absorption, foreign exchange earnings and outgo, as the company was totally non operational for its main business activities of water park resort and multimedia operations, the same data are not applicable to the company for the current year hence are not given herewith.

MATERIAL CHANGES

Except the information given in this report there are no material changes have taken place after completion of the financial year up to the date of this report which may have substantial effect on business and finances of the company.

APPRECIATION

Your Directors take this opportunity to acknowledge the trust reposed in your company by its Shareholders, Bankers and Clients. Your Directors also keenly appreciate the dedication & commitment of all our employees, without which the continuing progress of the company would not have been possible.

DATE : 4th September, 2012
PLACE: Ahmedabad.

On Behalf of the Board of Directors
Of Khyati Multimedia Entertainment Limited

Sd/-
(Kartik J. Patel)
Chairman And Managing Director

REPORT ON CORPORATE GOVERNANCE

MANAGEMENT PERCEPTION ON CORPORATE GOVERNANCE

The company believes that good Corporate Governance practices enable the Board to direct and control the affairs of the company in an efficient manner. As such, the company steps to put in place the system of Corporate Governance as per the guidelines provided in Clause 49 of the Listing Agreement. Further with the formation of the various committees within the organizations, the company also complies with various provisions of the Companies Act, 1956 as well as SEBI and Stock Exchange requirements. Hence, as per the norms prescribed under Listing Agreement being applicable to the company and in compliance to Section 292A of the Companies Act, 1956, the company had duly complied with the code of corporate governance on 31st March 2012.

BOARD COMPOSITION

Name of the Director	Designation	Type	Executive / Non Executive
Mr. Kartik J. Patel	Chairman & Managing Director	Promoter & Exec Dir.	Executive
Mr. Praful Agarwal	Director	Independent Director	Non Executive
Mr. Kamal Kant Rao	Director	Independent Director	Non Executive
Mr. Arvind Kumar Prajapati	Director	Independent Director	Non Executive

COMPOSITION OF COMMITTEES

A. AUDIT COMMITTEE

	Name	Type
1	Shri Kamalkant Rao.	Chairman
2	Shri Kartik. J. Patel	Member
3	Shri Alpesh. K. Patel*	Finance Controller
4	Shri Kamlesh M. Shah*	Company Secretary to act as secretary to committee

B INVESTOR GRIEVANCE COMMITTEE

	Name	Type
1	Shri Kartik J. Patel	Chairman
2	Shri Arvind D Prajapati	Member
3	Shri Kamlesh M. Shah *	Company Secretary to act as Secretary

*(In the Advisory capacity only)

NO. OF BOARD AND COMMITTEE MEETINGS HELD DURING THE YEAR:

Name of the Committee	No. of Meetings held
Board	6
Audit Committee of Board	5
Investor Grievance Committee	12

ATTENDANCE OF THE DIRECTORS IN VARIOUS MEETINGS:

	Name of the Director	Board Meeting	ACB Meeting	IGCB Meeting
1	Mr.Kartik J. Patel	6	5	12
3	Mr. Kamal Kant Rao	6	5	-
4	Mr. Arvind D Prajapati	6	-	12
5	Mr. Praful Agarwal	6	-	-

DIRECTORS PRESENT AT THE LAST ANNUAL GENERAL MEETING DATED 29TH SEPTEMBER 2011

1	Shri Kartik J. Patel	Chairman & Managing Dir.
2	Shri Praful J. Agarwal	Director
3	Shri Kamal Kant Rao	Director

DETAILS OF ANNUAL GENERAL MEETINGS HELD DURING THE LAST 5 FINANCIAL YEARS

1. September 29, 2007 101, Chinubhai Towers, Opp: Handloom House, Ashram Road, Navrangpura, Ahmedabad: 380 009
2. September 30, 2008 101, Chinubhai Towers, Opp: Handloom House, Ashram Road, Navrangpura, Ahmedabad: 380 009
3. September 30, 2009 101, Chinubhai Towers, Opp: Handloom House, Ashram Road, Navrangpura, Ahmedabad: 380 009
4. September 29, 2010 101, Chinubhai Towers, Opp: Handloom House, Ashram Road, Navrangpura, Ahmedabad: 380 009
5. September 30, 2011 101, Chinubhai Towers, Opp: Handloom House, Ashram Road, Navrangpura, Ahmedabad: 380 009

FUNCTIONS OF AUDIT COMMITTEE:

The Audit Committee is headed by Shri Kmalkant. Rao as Chairman and includes other director namely Shri Kartik. J. Patel. The Committee is regularly giving feed back on daily financial and accounting position of the company to the Board. In addition thereto the company has also appointed Mr. Alpesh. K. Patel, Finance Controller of the Company to see the execution of the

entire accounts, finance functions of the company He also seek advice of independent professional persons as advisors on the committee i.e. Ms. Khandhar & Co., the Internal Auditors and Mr. Kamlesh M. Shah a Practicing Company Secretary from time to time. The role of professional advisors has been of an Advisory nature. They do not take part in the proceedings of the committee. However they are giving their expert guidance on making compliance with the Accounting Standards, Financial transactions and accounting and Taxation matters, Company Law and other Corporate Legal Matters etc.

The Committee meets at least once in every quarter and prepare its minutes on the proceedings and business discussed, transacted. All committee Reports and minutes are placed before the Board in all its meetings for information, guidance, directions and taking the same on record.

Other functions, powers, duties etc. of the committee are defined taking in to account the legal provisions of the Listing Agreement and the same are kept flexible to be decided by the Board from time to time.

ESTABLISHMENT OF THE INTERNAL AUDIT SYSTEM

The company has already established the Internal Audit System under the Chairmanship of the Audit Committee. The Managing Director and the Chief Financial Officer of the company both are jointly responsible for giving full accounts to the committee including to carry out any suggestions of the committee. The audit system ensures proper financial control and accounting of the transactions as per the established accounting standards.

FUNCTIONS OF INVESTORS SERVICES COMMITTEE

This Committee looks in to all aspects and business related to Shares and retail investors. The Committee also looks after the Dematerialization process of equity shares.

The Committee is also empowered to keep complete records of Shareholders, Statutory Registers relating to Shares and Securities, maintaining of the complete records of Share Demated, Investors Grievances and complaints received from investors and also from various agencies. The Committee has also appointed Advocates, to look after the legal cases and problems relating to the investors, shares etc.

The Committee meets every month to approve all the cases of shares demate, transfer, issue of duplicate and resolution of investors complaints, submission of information to various statutory authorities like NSDL/CDSL, SEBI, Stock Exchanges, Registrar of Companies periodically and from time to time.

Other functions, roles, duties, powers etc. have been clearly defined in line with the Clause 49 of the Listing Agreement and are kept flexible for modification by the Board from time to time.

PASSING OF THE RESOLUTIONS BY POSTAL BALLOT SYSTEM

The Company had not passed any resolution by means of Postal Ballot at the last Annual General Meeting. The Company had during the financial year not passed any resolutions by means of Postal Ballot system.

MANAGEMENT DISCUSSION AND ANALYSIS

(a) PRESENT STRENGTH OF THE COMPANY

The company has made extensive efforts in developing various products used in multimedia and entertainment sectors. The company has strong fixed assets base in the form of land, resort building, developed garden and Water Park, restaurant area for use as resort, hotel business by tourism industry.

(b) FUTURE OUT LOOK

During the year company has altered its main object clause so as to enable it to carry on the business of real estate developers. For the purpose company has acquired, land blocks in the city of Ahmedabad for development of multiplex theatre and shopping complex.

(c) COMPANY'S ACTION PLAN

The management of your company is trying to identify and explore all the available possibilities for smooth marketing of the products of multimedia and entertainment sectors with best available remunerative prices and also provide after sales service. The company after liquidation of its financial liabilities will renovate and modernize its resort facilities to make the same of international standards so that time-share marketing concept business can well be developed for the company.

The management is also in process of exploring the possibilities of having suitable tie up for Business Process Out sourcing with the Overseas Bodies and generates good remunerative earnings.

WHILSTEL BLOWER POLICY

A. OVER COMING BARRIERS OF CURRENT OPERATIONS

This system is established under the chairmanship of Shri Kartik J. Patel (Managing Director) and he will be further assisted by chief operational officer (COO) and chief financial officer (CFO) Mr. Alpesh. K. Patel. The company's operational department ensures whistle blower upon failure / shut down or breaks down of manufacturing, supply systems and service utilities of its resort project division. Upon such intimation the company has established the UPS systems for overcoming power failure problems, has established data back up systems on CDs, and is also in the process of hiring the data warehouse for retrieval of the information.

The CFO blows the whistle upon any possible financial crunch or over/extensive financial liabilities. The short term financial management system ensures overcoming any unforeseen liabilities through overdrafts on deposits or temporary borrowing on Inter Corporate deposits basis. The long term financial planning ensures productive use of long term financial funds. The company as far as possible ensures making separation in usage of short term and long term funds.

B. POSSIBLE THREATS TO FINANCIAL SYSTEMS

The company operates in a multimedia and entertainment industry wherein the company is required to make heavy financial investment in products, high cost of manpower which are basically in the nature of revenue (Short Term) but the product being generated is of

long term usage and can be marketed over the years which generates revenue in years. Further the company also faces threats of possible shortage of short term funds due to non completion of final products or delay in completion of the final products.

**C. MANAGEMENT’S ACTION PLANS
(TO OVERCOME POSSIBLE SYSTEM FAILURES)**

These are the areas which are difficult for any management to overcome and control. Even though the company’s HRD and technical department ensures performance appraisal of manpower which to some extent help in eliminating this risk.

DISCLOSURES

A) MATERIALLY RELATED PARTY TRANSACTIONS:

Name of the Related party & description of the relationship

- A. Kartik Patel
- B. Kirit Patel
- C. Jignaben Patel.

Name of the related party	Nature of relationship	Nature of Transaction	Year ended 2012
Jignaben Patel	Relative of Director	Rent Paid	114000
Kirit C. Patel	Relative of Director	Remuneration	90,000
Kartik Patel	Managing Director	Loan taken Loan repaid	7325000 535000

B) DETAILS OF NON-COMPLIANCE

No penalties imposed on the company or any of its directors by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

MEANS OF COMMUNICATIONS

A] ESTABLISHMENT OF INTERNAL MANAGEMENT INFORMATION SYSTEMS

The company has established the Management Information System (MIS) whereby each and every functional department submits their performance reports and any type, nature, description of problems to their Functional heads. The functional heads have autonomy for redressal of problems and HRD problems or functional problems at their own level. Any problems requiring policy decisions are being intimated to Audit Committee for redressal or amendments in the policy and procedures. The progress reports are being regularly on monthly basis intimated to the Audit Committee through the Financial Officer of the company who in turn put the same to Audit Committee meetings. All the Investors’ grievances or share department related queries are addressed to the Compliance Officer who in turn put the same before the Investors’ Grievances Committee.

B) INFORMATION SYSTEM BETWEEN COMMITTEES AND THE BOARD

Both Audit Committee and Investors' Grievances Committees receive periodical regular information from the concerned functional heads, after resolutions of all the problems communicate back the same to functional heads for further communications. The progress report and minutes of all meetings held of both the committees are being placed before the Board for information and taking the same on records.

C) INFORMATION SYSTEM BETWEEN THE COMPANY AND INVESTORS

The company is regularly taking on record the unaudited financial results on quarterly basis as per requirements of the Clause 41 of the Listing Agreement and the same are published in English and Gujarati newspapers in time. Further these original paper cuttings are also being submitted to Stock Exchanges in time. The material information relating to the business of the company are being intimated to the Stock Exchange who in turn publish the same in their daily official bulletin. The Audited Financial Balance Sheet is being dispatched to all shareholders in time at their registered addresses.

STATUTORY COMPLIANCES MADE AND RETURNS ETC. FILED

The company has duly complied with the provisions of the Companies Act 1956, all the provisions of the Listing Agreement. The company has also filed various unaudited Financial Results, Balance Sheets, Income Tax returns and other statutory returns with all the authorities in time. There are no defaults as on date in any such compliances and no legal action of any nature has been taken against the company or its officers / directors.

DEMATERIALISATION OF SHARES AND LIQUIDITY:

The Company has entered into Tripartite Agreement with both Depository namely National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). Now the Shareholders have the option to hold their share either in physical form or in Demat form. However as per SEBI circular hereby advise all its shareholders to dematerialize their holding at the earliest. Total Shares dematerialized up to 30/06/2012 is 86,66,058 shares.

SHARE TRANSFER SYSTEM:

The share transfer system in physical form is processed and the Share Certificates are returned within a period of one month from the date of receipt. At the end of the year, there were no complaints pending with the company related to Transfer of shares.

NAME AND ADDRESS OF THE COMPLIANCE OFFICER:

Mr. Kartik J Patel
Chairman And Managing Director.
100, Chinubhai Towers, Opp: Handloom House,
Ashram Road, Navrangpura,
Ahmedabad – 380 009.

OTHER DETAILS

REGISTERED OFFICE	:	101, Chinubhai Towers, Opp: Handloom House, Ashram Road, Navrangpura, Ahmedabad: 380 009.
BOOK CLOSURE DATES	:	SEPT 25, 2012 To SEPT.29, 2012 (Inclusive of Both days)
REGISTRAR AND SHARE TRANSFER AGENT	:	Sharepro Services (India) Pvt.Ltd. 13/A-B, Ahimsa Warehousing Corp. 2 nd Floor, Near Telephone Exchange, Sakinaka, Andheri Kurla Road, Mumbai.
ISIN NUMBER OF THE COMPANY:	:	INE 593 B01014

FINANCIAL CALENDAR

Unaudited Results for the Quarter :	
Ending on 30th June, 2011	: Last week of July, 2011
Ending on 30th September, 2011	: Last Week of October, 2011
Ending on 31st December, 2011	: Last week of January, 2012
Ending on 31st March, 2012	: Last week of April, 2012

DETAILED PROGRAMME OF THE 18th ANNUAL GENERAL MEETING

DATE	29th SEPTEMBER 2012
DAY	SATURDAY
TIME	04.00 P.M.
VENUE	REGISTERED OFFICE OF THE COMPANY AT 100, Chinubhai Towers, Opp: Handloom House, Ashram Road, Navrangpura, Ahmedabad: 380 009.

Listing Details

Equity Shares of the company are listed and traded on
The Stock Exchange, Ahmedabad
The Stock Exchange, Mumbai

Stock Exchange Code	ASE Code	:	030376
	BSE Code	:	531692

Market Quotations and Number of Shares Traded during the Financial Year ended on 31/03/2012

Scrip Code: 531692 **Company::**KHYAYATI MULTTIMEDIA ENTERTAINMENT LIMITED
For the Period: April 2011 to August 2012

All Prices in ₹

Month	Open	High	Low	Close	No. of Shares	No. of Trades	Total Turnover	Deliverable Quantity	% Deli. Qty to Traded Qty	* Spread	
										H-L	C-O
Apr 11	1.05	1.87	1.03	1.15	3,29,240	670	5,05,347	2,92,814	88.94	0.84	0.10
May 11	1.10	1.20	0.98	1.01	59,850	111	64,556	59,850	100.00	0.22	- 0.09
Jun 11	1.05	1.10	0.82	0.94	70,439	99	69,284	70,439	100.00	0.28	- 0.11
Jul 11	0.98	1.14	0.82	1.00	77,241	107	78,421	77,241	100.00	0.32	0.02
Aug 11	1.00	1.08	0.85	0.93	45,428	115	42,710	45,428	100.00	0.23	- 0.07
Sep 11	0.90	1.05	0.87	0.98	35,258	98	33,460	32,851	93.17	0.18	0.08
Oct 11	1.02	1.02	0.82	0.89	45,453	89	40,407	24,632	54.19	0.20	- 0.13
Nov 11	0.91	0.91	0.67	0.67	22,482	86	17,344	20,382	90.66	0.24	- 0.24
Dec 11	0.65	0.67	0.53	0.56	15,787	64	9,441	15,287	96.83	0.14	- 0.09
Jan 12	0.54	0.97	0.54	0.97	26,988	77	20,580	26,888	99.63	0.43	0.43
Feb 12	1.01	1.60	1.00	1.50	63,421	175	77,851	63,421	100.00	0.60	0.49
Mar 12	1.57	1.57	0.77	0.77	18,542	83	19,507	18,542	100.00	0.80	- 0.80
Apr 12	0.77	0.92	0.71	0.88	32,188	42	29,145	32,188	100.00	0.21	0.11
May 12	0.88	1.07	0.88	0.98	5,399	26	5,035	5,399	100.00	0.19	0.10
Jun 12	0.97	1.50	0.85	1.48	65,025	106	68,592	65,025	100.00	0.65	0.51
Jul 12	1.55	1.70	1.34	1.46	39,661	98	61,607	39,412	99.37	0.36	- 0.09
Aug 12	1.39	1.53	1.16	1.28	10,420	39	13,730	10,420	100.00	0.37	- 0.11

CATEGORY WISE HOLDING OF SHARES AS ON 30/06/2012

Category	Number of Shares or voting rights held.	Percentage of Holding
Promoters	18,57,200	17.20%
Bodies Corporate	6,39,877	05.92%
Public (Indian) holding shares of value more than Rs. 1 Lac.	24,53,460	22.72%
Public Indian holding shares of value less than Rs. 1 lac.	58,47,304	54.14%
NRI	2,359	00.06%
Total	1,08,00,200	100.00 %

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT FOR BOARD OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

To,
The Members,
Khyati Multimedia Entertainment Limited.

I, Kartik. J. Patel, Managing Director of the Company, hereby certify that all the Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct in accordance with Clause-49.I.D of the Listing Agreement entered into with Stock Exchange.

As required by Clause 49 of the Listing Agreement, Certificate of Compliance with the Corporate Governance Requirements by the Company issued by Auditors is given as an annexure to the Directors' Report.

We further confirm that during the year, none of the Directors or any of the Key managerial persons had done any trading in shares of the Company in the secondary market. Further the company had not made any allotment of shares to any Directors or any of the key managerial personnel during the year.

The above Report was adopted by the Board at their meeting held on 4th September 2012.

**For and On Behalf of the Board of Directors
Sd/-**

Date: 4th September, 2012
Place: Ahmedabad

(Kartik. J. Patel)
Managing Director

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF
THE COMPANY**

We, Kartik. J. Patel, Chairman of the Board of Directors and Kamal Kant Rao, Chairman of an Audit Committee of Khyati Multimedia Entertainment Limited, do hereby certify that:

- (a) We have reviewed the financial statement and the cash flow Statement for the year and to the best of our knowledge and belief;
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
 - (ii) these statement together present a true and fair view of the Company affairs and are in compliance with existing accounting standards, applicable laws, and regulations.
- (b) As per the best of our knowledge and belief, no transactions entered into by Khyati Multimedia Entertainment Limited during the year which is fraudulent, illegal of volatile of the company's Code of Conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting in Khyati Multimedia Entertainment Limited and we have evaluated the effectiveness of the internal control system of the company pertaining to financial reporting. We have disclosed to the auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit Committee:
 - (i) Significant changes in internal controls over financial reporting during the year.
 - (ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements.
 - (iii) Instance of Significant fraud of which we have become aware and the involvement therein, if any, of the management of an employee having a significant role in the Company internal control system.
- (e) We affirm that we have not denied any personal access to the Audit Committee of the Company (in respect of matters involving alleged misconduct, if any.)
- (f) We further declare that all Board Members and senior management have affirmed compliance with the code of conduct for the current year.

For & On Behalf of the Board of Director of

Place: Ahmedabad.

**Sd/-
(Kartik. J. Patel)
Chairman**

**Sd/-
(Kamal Kant Rao)
Director &
Chairman-Audit Committee**

Date: 4th September, 2012.

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To
The Members of
KHYATI MULTIMEDIA-ENTERTAINMENT LIMITED

We have examined the relevant records for the year ended March 31, 2012 relating to the Compliance with the requirement of corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges.

On the basis of our review and according to the information and explanations given to us by the company, we state that in our opinion and to the best of our knowledge, the Company has complied with the mandatory requirements as contained in the Listing Agreement with the Stock Exchanges and as per Section 292A of the Companies Act 1956.

Date: 4th September, 2012

For D J N V AND COMPANY.
Chartered Accountants,

Place: Ahmedabad.

SD/-
(Nainesh Khandhar)
Partner
Membership No: 39925

AUDITORS' REPORT

To the members of
KHYATI MULTIMEDIA ENTERTAINMENT LIMITED

We have audited the attached Balance Sheet of **KHYATI MULTIMEDIA ENTERTAINMENT LIMITED** for the year ended 31st March, 2012 and the Profit & Loss Account and the Cash Flow Statement 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.

1. We conducted our audit in accordance with the 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 management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 and the Companies (Auditor's Report) (Amendment) Order , 2004 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 we enclose in the Annexure a statement on the matter specified in paragraphs 4 & 5 of the said order.
3. Further, we report that :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by the law have been kept by the company so far as appears from our examination of the books;
 - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Account;
 - (d) In our opinion, the Balance Sheet and Profit and Loss Account & 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.
 - (e) On the basis of written representations received from the Directors of the company as at March 31, 2012 and taken on record by the board of directors, we report that no director is disqualified from being appointed as director of the company under clause (g) of sub- section (1) of section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Accounting Policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true & fair view;
 - (I) In case of the Balance Sheet , of the state of Affairs of the company as at 31st March, 2012.
 - (II) In case of the Profit & Loss Account, of the Loss for the year ended on that date.

- (III) In case of the cash flow statement, of the cash flows for the year ended on that date.

**For DJNV & CO.
Chartered Accountants
ICAI Regn. No. :115145W**

**Sd/-
(Nainesh Khandhar)
Partner
M.No. 39925**

**Ahmedabad
Date: 04/09/2012**

ANNEXURE TO THE AUDITOR'S REPORT

- (1) (a) In our opinion and according to the information and explanation given to us, the company has maintained all the relevant records showing full particulars including quantitative details and situation of fixed assets.

(b) In our opinion, the fixed assets have been physically verified by the management at reasonable intervals having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) In our opinion, the disposal of fixed assets during the year does not affect the going concern assumption.
- (2) As company is not having any kind of stock the Clauses 4(ii) of the Companies (Auditor's Report) Order'2003 is not applicable is not applicable to the Company.
- (3) (a) The company has not granted Loan to any party covered in the register maintained under Section 301 of the companies Act, 1956. Hence, Clause 4(iii)(a) to (d) of the Order is not applicable to he company.

(e) The company has taken unsecured loan from one party covered in the register maintained under section 301 of the companies Act, 1956.The maximum amount involved during the year is Rs.73.25 lakhs and the year end balance of such party is Rs. 67.9 lakhs.

(f) As per the information and explanation given to us unsecured loans taken By the company is not prima-facie prejudicial to the interest of the company.

(e) As per the information and explanation given to us unsecured loans taken by the company is repayable on demand.
- (4) In our opinion and according to the information and explanation 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) According to the information and explanation given to us, during the year, there were no transactions that need to be entered into the register maintained under section 301 of the Companies Act,1956. Accordingly, paragraph (v) (a) and (b) of the order, are not applicable.
- (6) In our opinion and according to the information and explanations given to us, the company not accepted any deposits from the public which falls within the provisions of section 58 A and 58 AA of the Companies Act, 1956, and the rules framed there under

- (7) The company has no formal internal audit system. However, in our opinion there are adequate internal control procedures commensurate with the size and nature of its business.
- (8) To the best of knowledge and according to the information given to us, the Central Government has not prescribed maintenance of cost record under section 209 (1) (d) of the Companies Act, 1956.
- (9)(a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company is regular in depositing undisputed statutory dues including Provident Fund, Investor education protection fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise Duty, Cess and other statutory dues with the appropriate authorities.
- (b) According to information and explanation given to us, the following are the details of the sales Tax, Income Tax, Customs Duty, Wealth Tax or Cess which has not been deposited on account of any dispute.

Nature of Dues	Amount (Rs. In Lacs)	Forum where it is pending
Provident Fund	Rs. 200750/-	Provident fund Appellate Tribunal New Delhi, which Has remanded the Case to APFC, Ahmedabad

- (10) In our opinion, accumulated losses of the Company are more than 50% of its net worth. The Company has incurred cash losses in the financial year under report and in the immediately preceding financial year.
- (11) According to the records of the company examined by us and the information and explanations given to us, the company had defaulted in repayment of dues to bank in earlier years and has now opted for One time settlement with the bank. The Company is regular in paying the installments of One time settlement with the bank.
- (12) According to the information & explanation given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (13) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provision of clause 4(xiii) of the companies (Auditor's Report) order, 2003 are not applicable to the comp
- (14) 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 (Auditor's Report) order, 2003 are not applicable to the company.

- (15) According to the information & explanations given to us, the company has not given any guarantees for the loans taken by others from banks or financial institutions
- (16) In our opinion and as per the information given to us as the company has taken term loan during the year.
- (17) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short term basis have been used for long term investment.
- (18) According to the information and explanation given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (19) According to the information and explanations given to us, Company has not issued any debenture during the year. Hence reporting on the question of securitization does not arise.
- (20) The company has not raised any fund by way of public issues during the Year hence the Clause 4(xx) of the Order is not applicable.
- (21) Based upon the audit procedures performed and on the basis of information and explanation provided by the management, we report that no fraud on or by the company has been noticed or reported during the year.

**For DJNV & CO.
Chartered Accountants
ICAI Regn No.115145W**

SD/-

**Nainesh Khandhar
Partner
M.No.39925**

Place : Ahmedabad

Date : 04/09/2012

KHYATI MULTIMEDIA ENTERTAINMENT LIMITED

Balance Sheet As At 31 March, 2012

Particulars	Note No.	As at	As at
		31 March 2012	31 March 2011
		Rs.	Rs.
<u>EQUITY AND LIABILITIES</u>			
<u>1. Shareholders' Funds :</u>			
a) Share Capital	3	108,002,000	108002000
b) Reserves & Surplus	4	(84,333,804)	(83,454,656)
c) Money received against Share Warrants			
		23,668,196	24,547,344
<u>2. Share Application money pending allotment</u>			
		-	-
<u>3. Non-Current Liabilities :</u>			
a) Long Term Borrowings	5	6,949,602	423,678
b) Deferred Tax Liabilities (Net)	7	12,441,752	12,419,778
c) Other Long term Liabilities		-	-
d) Long-term Provisions		-	-
		19,391,354	12,843,456
<u>4. Current Liabilities</u>			
a) Short-term borrowings	6	9,054,497	15,164,497
b) Trade Payables		176,735	1,033,188
c) Other Current liabilities	9	320,632	305,775
d) Short term Provisions		-	-
		9,551,864	16,503,460
TOTAL		52,611,414	53,894,260
<u>ASSETS</u>			
<u>1. Non-Current Assets</u>			
a) Fixed Assets :			
(i) Tangible Assets	19	2,315,698	2,471,479
(ii) Intangible Assets		-	-
		2,315,698	2,471,479
b) Non-Current Investments	8	21,042,454	20,479,770
c) Deffered Tax Assets (Net)		-	-
d) Long-Term Loans and Advance	12	27,490,196	30,204,947
e) Trade Receivable		-	-
f) Other Non-Current Assets		-	-
<u>2. Current Assets</u>			
a) Current Investment		-	-
b) Inventories		-	-
c) Trade Receivables	10	180,000	236,500
d) Cash & Cash Equivalents	11	1,556,110	166,515
e) Short Term Loans and Advances	12	26,956	335,049
f) Other Current Assets		-	-
TOTAL		52,611,414	53,894,260
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached herewith
For, DJNV & CO.
Chartered Accountants
Firm Reg. No. 115145W

For, Khyati Multimedia Entertainment Ltd.

SD/-
Nainesh Khandhar
(Partner)
M. No. 39925

SD/- SD/-
Managing Director Director

Place : Ahmedabad
Date : 04/09/2012

KHYATI MULTIMEDIA ENTERTAINMENT LIMITED

Statement of Profit & Loss for the year ended 31st March 2012

Particulars	Note No.	31 March 2012	31 March 2011
<u>CONTINUING OPERATIONS</u>			
INCOME			
Gross Revenue from operation	15	337,248	769,955
Net Revenue from Operations		337,248	769,955
Other Income	16	-	42,500
Total Revenue (i)		337,248	812,455
EXPENDITURE			
Purchase of traded goods		-	-
(Increase)/ Decrease in inventory of Traded Goods			
Employee Benefits Expense	13	90,000	710,000
Finance Cost	17	50,598	27,581
Depreciation and Amortisation expense	14	155,781	374,400
Other Expenses	18	562,064	2,591,778
Total Expenses (ii)		858,443	3,703,759
Profit / (Loss) before Tax			
[(i) - (ii)]		(521,195)	(2,891,304)
Tax expense:			
Current Tax			
Deferred Tax		21,974	17,073
Tax of earlier years		335,979	204,528
		357,953	221,601
Profit/ (Loss) for the year from continuing operations (A)		(879,148)	(3,112,905)
<u>DISCONTINUING OPERATIONS</u>			
Profit/ (Loss) after tax from Discontinuing Operation (B)		-	-
<u>TOTAL OPERATIONS</u>			
(A + B)		(879,148)	(3,112,905)
Profit/ (Loss) for the year		(879,148)	(3,112,905)
Basic earnings per share		(0.08)	(0.29)
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached herewith
For, DJNV & CO.
Chartered Accountants
Firm Reg. No. 115145W

For, Khyati Multimedia Entertainment Ltd.

sd/-
Nainesh Khandhar
(Partner)
M. No. 39925

sd/-
Managing Director

sd/-
Director

Place : Ahmedabad
Date : 04/09/2012

GENERAL TERMS FOR FINANCIAL STATEMENT

NOTES

1 Where Bonds / Debentures are redeemable by instalments, the date of maturity for this purpose must be reckoned as the date on which the first instalment becomes due.

2 Share Application Money

- (i) The terms and conditions and number of shares proposed to be issued, premium, in any, and the period before which shares shall be allotted shall be disclosed.
- (ii) It shall be disclosed whether the company has sufficient authorised capital to cover the share capital amount.
- (iii) The period for which the share application money has been pending beyond the period for allotment shall be disclosed.
- (iv) Share application money not exceeding the issued share capital and to the extent not refundable shall be shown under equity and share application money to the extent refundable i.e., the amount in excess of subscription or in case, the requirements of minimum subscription are not met, it shall be separately shown under 'Other Current Liabilities'.

3 A liability shall be classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the reporting date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities shall be classified as non-current.

4 An asset shall be classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realized within twelve months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets shall be classified as non-current.

- 5 A receivable shall be classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business.
- 6 A payable shall be classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business.
- 7 "Broad heads" shall be decided taking into account the concept of materiality and presentation of true and fair view of financial statements.

NOTE - 3 SHARE CAPITAL

PARTICULARS	As at 31 March 2012		As at 31 March 2011	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Authorised Shares: Equity Shares of Rs. 1/- each.	130,000,000	130,000,000	130,000,000	130,000,000
Issued Equity Shares of Re. 1/- each.	108,002,000	108,002,000	108,002,000	108,002,000
Subscribed & fully Paid up Equity Shares of Re. 1/- each fully paid up	108,002,000	108,002,000	108,002,000	108,002,000
TOTAL	108,002,000	108,002,000	108,002,000	108,002,000
<p>The company has only 1 class of shares referred to as Equity shares having face value of Rs. 10 /- Each holder of Equity share is entitled to 1 vote per share.</p> <p>In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of shares held by the shareholders.</p> <p>The details of shareholders holding more than 5% shares as at 31/03/2012 and 31/03/2011 is set out below.</p>				
Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of shares	% held	No. of shares	% held
Kartik J Patel	1,630,600	15.10%	1,630,600	15.10%
<p>The Reconciliation of the number of shares outstanding and the amount of share capital as at 31/03/2012 & 31/03/2011 is set out below</p>				
Particulars	As at 31 March 2012		As at 31 March 2011	
	No. of shares	Amt.	No. of shares	Amt.
Shares at the beginning	108,002,000	108,002,000	108,002,000	108,002,000
Addition	-	-	-	-
Deletion	-	-	-	-
Shares at the end	108,002,000	108,002,000	108,002,000	108,002,000

NOTE - 4 RESERVE & SURPLUS

PARTICULARS	As at 31 March 2012	As at 31 March 2011
	Amount (Rs.)	Amount (Rs.)
- Securities Premium	34,960,000	34,960,000
	34,960,000	34,960,000
- Surplus/(Deficit) in the Statement of Profit and Loss		
Balance as per Last Financial Statement	(118,414,656)	(115,301,751)
Add : Profit for the year	(879,148)	(3,112,905)
Net Surplus in the Statement of Profit and Loss	(119,293,804)	(118,414,656)
TOTAL	(84,333,804)	(83,454,656)

NOTE - 5 LONG TERM BORROWINGS

Particulars	Non Current Portion		Current Maturities	
	As at 31 March 2012	As at 31 March 2011	As at 31 March 2012	As at 31 March 2011
	Amount (Rs)	Amount (Rs)	Amount (Rs)	Amount (Rs)
Term Loan from Bank	147,602	423,678	276,076	252,403
Loans & advances from related party	6,802,000	-		
TOTAL	6,949,602	423,678	276,076	252,403
Less : Amount disclosed under head "Other Current Liabilities" Note 7	-	-	276,076	252,403
TOTAL	6,949,602	423,678	-	-
Term Loan from Bank				
Term Loan from bank was taken in the Financial Year 2010 - 11 and carries Interest @ 9.00% . The loan is repayable in 36 monthly instalments. The loan is secured by hypothecation of the Vehicle for which the loan is taken.				
Loans & Advances from Related Parties				
The loans taken from Related parties are interest free and without any stipulation as to repayment				

NOTE - 6 SHORT TERM BORROWINGS

Particulats	Nature	As at 31 March 2012	As at 31 March 2011
		Amount (Rs)	Amount (Rs)
Cash Credit from Banks	Secured	9,054,497	15,164,497
TOTAL		9,054,497	15,164,497
Cash Credit from The Sabarmati Co-op Bank Ltd			
Interest Rate : 18 %			
Repayment : One Time Settlement repayable in 12 Monthly Instalment.			

NOTE - 7 DEFERRED TAX LIABILITY / DEFERRED TAX ASSET

	As at 31 March 2012	As at 31 March 2011
	Amt (Rs.)	Amt (Rs.)
Deferred Tax Liability		
Opening Balance	12,419,778	12,198,677
Add/Less: Current year Deffered Tax	21,974	221,101
TOTAL	12,441,752	12,419,778

NOTE - 8 NON CURRENT INVESTMENTS

Particulars	As at 31 March 2012	As at 31 March 2011
	Amount (Rs)	Amount (Rs)
A. Trade Investment		
Investment in shares (unquoted)		
Kadam Exports Pvt. Ltd. - 345780 shares of Rs.10 /- each	3,639,770	3,639,770
	3,639,770	3,639,770
B. Non Trade Investment - (Valued at cost unless otherwise stated)		
Investment in shares (quoted)		
Somplast Leather India Ltd. - 1166000 shares of Rs.10/- each	11,660,000	11,660,000
Komm On Communication Ltd. - 172670 shares of Rs.10 /- each	5,180,000	5,180,000
Kanel Oil & Expo - 129000 shares of Rs.10 /- each	562,684	-
	17,402,684	16,840,000
TOTAL	21,042,454	20,479,770

NOTE - 9 OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2012	As at 31 March 2011
	Amount (Rs)	Amount (Rs)
Current maturity of long term borrowings (note 5)	276,076	252,403
Provision for expenses	44,532	22,060
Other Statutory Dues	24	31,312
TOTAL	320,632	305,775

NOTE - 10 TRADE RECEIVABLES

Particulars	Non Current		Current	
	As at 31 March 2012	As at 31 March 2011	As at 31 March 2012	As at 31 March 2011
	Amount (Rs)	Amount (Rs)	Amount (Rs)	Amount (Rs)
A. Outstanding for a period exceeding six months from the date they are due for payment Unsecured , Considered Good				
(A)	-	-	-	-
B. Other Receivables Unsecured , Considered Good				
(B)	-	-	180,000	236,500
	-	-	180,000	236,500
TOTAL (A+B)	-	-	180,000	236,500

NOTE - 11 CASH AND CASH EQUIVALENTS

Particulars	Non Current		Current	
	As at 31 March 2012	As at 31 March 2011	As at 31 March 2012	As at 31 March 2011
	Amount (Rs)	Amount (Rs)	Amount (Rs)	Amount (Rs)
Cash and Cash Equivalents				
Balances with Bank:				
in Current Accounts	-	-	1,521,140	62,184
Cash on Hand	-	-	34,970	104,331
TOTAL	-	-	1,556,110	166,515

NOTE - 12 LOANS & ADVANCES

Particulars	Long Term		Short Term	
	As at 31 March 2012	As at 31 March 2011	As at 31 March 2012	As at 31 March 2011
	Amount (Rs)	Amount (Rs)	Amount (Rs)	Amount (Rs)
(A) Security Deposit	2,350,450	2,350,450		
(A)	2,350,450	2,350,450	-	-
(B) Loans & Advances to Others				
Unsecured , Considered Good	25,139,746	27,854,497		
(B)	25,139,746	27,854,497		
(C) Other Loans & Advances				
(i) Advance Tax	-	-	15,724	335,049
Less : Provision	-	-	-	-
Net Income Tax	-	-	15,724	335,049
(ii) Prepaid Expense	-	-	11,232	-
(C)	-	-	11,232	-
TOTAL (A+B+C)	27,490,196	30,204,947	26,956	335,049

NOTE - 13 EMPLOYEE BENEFIT EXPENSES

Particulars	As at 31 March 2012	As at 31 March 2011
	Amount (Rs)	Amount (Rs)
Directors Remuneration	90,000	540,000
Salary exp		170,000
TOTAL	90,000	710,000

NOTE-14 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	As at 31 March 2012	As at 31 March 2011
	Amount (Rs)	Amount (Rs)
Depriciation of tangible FA	155,781	374,400
TOTAL	155,781	374,400

NOTE - 15 REVENUE FROM OPERATIONS

Particulars	As at 31 March 2012	As at 31 March 2011
	Amount (Rs)	Amount (Rs)
Car Rent Income	180,000	236,500
Interest	157,248	533,455
TOTAL	337,248	769,955

NOTE - 16 OTHER INCOME

Particulars	As at 31 March 2012	As at 31 March 2011
	Amount (Rs)	Amount (Rs)
Short Term Capital Gain on Shares	-	42,500
TOTAL	-	42,500

NOTE - 17 FIANANCE COST

Particulars	As at 31 March 2012	As at 31 March 2011
	Amount (Rs)	Amount (Rs)
Car Loan Interest	50,598	27,581
TOTAL	50,598	27,581

NOTE - 18 OTHER EXPENSES

Particulars	As at 31 March 2012	As at 31 March 2011
	Amount (Rs)	Amount (Rs)
Accidental Expenses	-	1,000,000
General Charges	104,326	845,700
Repair & Maintanance	-	1,308
Insurance	11,226	32,943
Power & Fuel Charges	49,648	48,473
Rates & Taxes	-	5,257
Conveyance	12,389	110,995
Rent	114,000	114,000
Travelling Expense	129,276	152,362
Legal Fees	3,000	174,000
Listing Fees	115,727	84,680
Payment to Auditors		
For Audit purpose	22,472	22,060
TOTAL	562,064	2,591,778

NOTE 19 TANGIBLE ASSETS

Cost of Valuation	Land	Plant & Machinery	Vehicle	Total
As at 31 March 2010	873,500	76,090	3,402,085	4,351,675
Addition			1,601,757	1,601,757
Disposal	-	-	3,402,085	3,402,085
Other Adjustment	-	-	-	-
As at 31 March 2011	873,500	76,090	1,601,757	2,551,347
Addition	-	-	-	-
Disposal	-	-	-	-
Other Adjustment	-	-	-	-
As at 31 March 2012	873,500	76,090	1,601,757	2,551,347

Depreciation	Land	Plant & Machinery	Vehicle	Total
As at 31 March 2010	-	8,300	660,287	668,587
Charge for the year		3,614	370,786	374,400
Disposal	-	-	963,119	963,119
Other Adjustment	-	-	-	-
As at 31 March 2011	-	11,914	67,954	79,868
Charge for the year	-	3,614	152,167	155,781
Disposal	-	-	-	-
Other Adjustment	-	-	-	-
As at 31 March 2012	-	15,528	220,121	235,649

NET BLOCK				
As at 31 March 2011	873,500	64,176	1,533,803	2,471,479
As at 31 March 2012	873,500	60,562	1,381,636	2,315,698

Other Statutory Dues

Particulars	Amount	
	2012	2011
TDS on Salary		31,312
TDS	24	
	24	31,312

Provision for expenses

Particulars	Amount	
	2012	2011
DJNV & Co.	44,532	22,060
	44,532	22,060

Trade Payable

Particulars	Amount	
	2012	2011
Ekta Rajpurohit		10,000
Jigna Patel	123,500	9,500
Kirit Patel		13,688
Laxmi Parmar		1,000,000
Vikash Singh	15,000	
Trade Bulls Securities Pvt. Ltd.	38,235	
	176,735	1,033,188

Security Deposit

Particulars	Amount	
	2012	2011
EPFA Account	62,000	62,000
Sterling Holiday Resort	2,288,450	2,288,450
	2,350,450	2,350,450

Loans & Advances to others

Particulars	Amount	
	2012	2011
Anjana Patel	200,000	200,000
Land for Resort	7,500,000	7,500,000
Manish Thakker	817,050	817,050
New Land Puna	13,375,000	13,375,000
Nidhi Parikh	500,000	500,000
Prafulchandar Agarwal	4,000	4,000
Rajnikant Patel		200,000
Ram Patel	2,502,172	2,502,172
Rita Patel		200,000
Shree Mahalaxmi Trading	141,524	2,456,275
S.S. Rauthan & Associates	100,000	100,000
	25,139,746	27,854,497

Advance Tax

Particulars	Amount	
	2012	2011
TDS on Interest 2008-09		278,796
TDS on Interest 2010-11		26,537
TDS Receivable 2009-10		29,716
TDS Receivable 12-13	15,724	
	15,724	335,049

Loans from related parties

Particulars	Amount	
	2012	2011
Kartik Patel	6,790,000	
Khyati Finance	12,000	
	6,802,000	-

General Charges

Particulars	Amount	
	2012	2011
Advertisement	2,418	
Bank Charges	336	131
Car Expense	26,172	57,543
Custody fees		59,000
Demat Charges	552	276
Interest on TDS	626	198
Loss on sale of assets		638,966
Office expense	15,556	16,886
Professional Fees	27,000	35,000
ROC	1,550	11,500
Telephone Expense	25,768	25,870
Xerox Expense		330
Stationery Expense	2,060	
website	2,287	
	104,326	845,700

Income Tax Of Earlier Years

Particulars	Amount	
	2012	2011
Income Tax	250	
Income tax of ealier years	335,049	
TDS	680	
	335,979	-

Khyati Multimedia Entertainment Ltd.

Note:20 Related Party Disclosure

* Related Parties with whom transactions have taken place during the year

Key Managerial Personnel

Kartik Patel
Kirit Patel
Jigna Patel

* Related Party Transactions

--> Loans & Advances from Related Parties

Name	Relationship	Nature of transaction	Transaction during the year		Outstanding Amount	
			2012	2011	2012	2011
Kartik Patel	Director	Loan taken	7,325,000	1,475,000	6,790,000	-
		Loan repaid	535,000	1,475,000		
Kirit Patel	Director	Directors Remuneration	90,000	540,000	-	-
Jigna Patel	Relative of Director	Rent paid	114,000	118,000	-	-

Note 21 : Earnings Per Share

The following represents the profit and share data used in the calculation of EPS

Particulars	2012	2011
Net profit after tax	(879,148)	(3,112,905)
No of shares	10,800,200	10,800,200
EPS	(0.08)	(0.29)

NOTE - 22 Dues to Micro and and small enterprises as defined under the MSMED Act , 2006

There are no dues to Micro & Small Enterprises as defined under the MSMED Act, 2006

NOTE - 23 Contingent Liability

The Company has opted for One Time Settlement option with The Sabarmati Co-op Bank (in liquidation) for repayment of Loan in 12 monthly Instalment. The bank has debited Rs.55150/- in the same account for which as explained by management, no clarification was available from the Bank. The management is persuing the matter with the bank. As such Rs.55150/- has been added to the liability which has not been recognised by the Company yet.

For, DJNV & Co.
Chartered Accountants
Firm Reg. No.: 115145W
SD/-
Nainesh Khandhar
(Partner)
M.No.:39925

Place: Ahmedabad
Date : 04/09/2012

For, Khyati Multimedia Entertainment Limited

SD/- SD/-
Managing Director Director

Place: Ahmedabad
Date : 04/09/2012

ATTENDANCE SLIP

I Shri/Smt. _____ of _____

being a member/ proxy of KHYATI MULTIMEDIA-ENTERTAINMENT LIMITED do hereby record my presence at the 18th Annual General Meeting of the members of the Company to be held on Saturday the 29th September, 2012, at 04.00 P.M. at 100, Chinubhai Towers, Opp: Handloom House, Ashram Road, Navrangpura, Ahmedabad: 380 009.

Name of Shareholder

Ledger Folio No

D.P. NAME:

D.P. I.D.:

CLIENT I.D.:

Number of Shares Held

Date:

Place: Ahmedabad.

(Signature of the Member/
Proxy attending the meeting)

PROXY FORM

Name of Shareholder

Ledger Folio No

D.P. NAME:

D.P. I.D.:

CLIENT I.D.:

Number of Shares Held

I Shri/Smt. _____ being a member of KHYATI MULTIMEDIA-ENTERTAINMENT LIMITED, holding _____ Shares in the company do hereby appoint Shri _____ of _____ or failing him Shri _____ of _____ or failing him Shri _____ of _____ to remain present at the 18th Annual General Meeting of the members of the Company to be held on Saturday the 29th September, 2012, at 04.00 P.M. at 100, Chinubhai Towers, Opp: Handloom House, Ashram Road, Navrangpura, Ahmedabad: 380 009 or at any adjournment thereof and to vote for and on my behalf if poll is granted.

Affix Rs 1/- revenue stamp

Date:

Place:

(Signature of the member
Appointing a Proxy)