



KHYATI MULTIMEDIA - ENTERTAINMENT LIMITED

Office : 100, Chinubhai Towers, Opp. Handloom House, Ashram Road, Ahmedabad - 380 009.
Phone : (079) 26584335, 26582983 Fax No. : (079) 26574354 Email ID : khyatimulti@yahoo. com.
Cin - L92199GJ1995PLCO24284

KMEL/LIST/BSE/BSPL/REG-34(1)/LODR/10-2018
DATE: 16th October, 2018.

To
Deputy General Manager,
Department of Corporate Services,
The Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai: 400 001.

Dear Sir,

Sub: Submission of the Audited Financial Statements (Balance Sheet) along with annual Report of our Company for the Financial year ended on 31st March, 2018

Ref: (1) Our SCRIP CODE NUMBER: 531692
(2) Compliance to Regulation No 34(1) of SEBI (LODR) 2018.

With reference to above subject please find attached herewith soft copy in PDF (Machine Readable format) of the Company's 24th Audited Annual Report (Standalone) for the financial year ended on 31st March 2018 which was placed before the members in their 24th Annual General Meeting held on Saturday the 29th September 2018, duly received, discussed, considered, approved and adopted by the shareholders of the company, which please find in order and acknowledge receipt.

Please upload this Audited Annual Report on the website of the Exchange suitably for the information and benefits of Investors, Shareholders and General Public.

Thanking you, we remain,

Yours Faithfully,

For, Khyati Multimedia Entertainment Limited

Kartik J. Patel
Managing Director
DIN: 00047862

Kindly acknowledge receipt.

Encl: 24th Audited Annual Report for the year ended on 31/03/2018.



KHYATI MULTIMEDIA-ENTERTAINMENT LIMITED

**24th ANNUAL REPORT
FOR THE YEAR 2017-18**

COMPANY REGISTRATION NO: 04-024284

CIN NO: L92199GJ1995PLC024284

Registered with Registrar of Companies, Gujarat State

KHYATI MULTIMEDIA-ENTERTAINMENT LIMITED

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

CIN: L92199GJ1995PLC024284

DATE OF: 20/01/1995

COMPANY REGN NUMBER: 04-24284

INCORPORATION;

NOMINAL SHARE CAPITAL: Rs.13, 00, 00,000/-

24TH ANNUAL GENERAL MEETING PROGRAMME

DATE : 29TH SEPTEMBER 2018

DAY : SATURDAY

TIME : 04.00 P.M

VENUE : **SUBHARTI PRARTHNA BHAVAN & PARTY PLOT,
C. K. KHADAYATA CHATRALAYA CAMPUS,
GULBAI TEKARA, AHMEDABAD-380006**

NOTE TO THE 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.

BOARD OF DIRECTORS

Mr. Kartik J. Patel
Mr. Rao Kamalkant
Mr. Praful Agrawal
Mr. Arvindkumar Prajapati
Mrs. Jignaben K. Patel
Mr. Vinod M. Chelani
(W.e.f. 02/05/2017)

Chairman & Managing Director
Independent Director
Non- Independent Director
Independent Director
Independent Women Director
Company Secretary

ACTING IN ADVISORY NATURE ONLY TO VARIOUS COMMITTEES OF CORPORATE GOVERNANCE

SECRETARIAL AUDITOR

Shri Kamlesh M. Shah
(Practicing Company Secretary)

BANKERS OF THE COMPANY

HDFC Bank Limited, Navrangpura Branch, Ahmedabad: 380 009.

REGISTRAR AND SHARE TRANSFER AGENT

MCS SHARE TRANSFER AGENT LIMITED

201, Shatdal complex,
Opp. Bata show room,
Ashram road,
Ahmedabad – 380 009

Auditors

N. GAMADIA & CO.
Chartered Accountants
Ahmedabad

Company Law Consultants

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

REGD. OFFICE

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

INVESTORS GRIEVANCE AND COMPLIANCE OFFICER:

Vinod M. Chelani,
Company Secretary
100, Chinubhai Towers, Opp: Handloom House,
Ashram Road, Navrangpura,
Ahmedabad: 380 009

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NOTICE

NOTICE is hereby given that the 24TH Annual General Meeting of the Members of the **KHYATI MULTIMEDIA ENTERTAINMENT LIMITED** will be held on Saturday the 30th September, 2017 at 4:00 P.M. at the Subharti Prarthna Bhavan & Party Plot, C. K. Khadayata Chatralaya Campus, Gulbai Tekara, Ahmedabad-380006 to transact the following business:

ORDINARY BUSINESS:

- 1) To Receive, Consider, and Adopt the Audited Statement of Accounts i.e. The Audited Balance Sheet as at 31st March, 2018 The Profit & Loss Account for the year ended on that date, the report of the Auditors thereon.
- 2) To Re-appoint a director Prafulchandra Agarwal (DIN: 00088295) who retires by rotation and being eligible offers himself for reappointment

SPECIAL BUSINESS:

- 3) Appointment of Mr. Kartik J. Patel (DIN:00047862) as a Managing Director of the Company

To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

“RESOLVED THAT in accordance with the provisions of Section 196, 197, 203 read with Schedule V and all other provisions, if any, applicable to the Company, for the time being in force, of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof and provisions of the Listing Agreement, approval of members of the Company be and is hereby accorded to the appointment of Mr. Kartik J. Patel (DIN: 00047862) as the Managing Director of the Company, for a period of five consecutive years effective from October 1, 2018, on the terms and conditions with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Part II of Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.”

“RESOLVED FURTHER THAT where in any financial year during the tenure of Mr. Kartik J. Patel as a Managing Director, the Company has no profits or its profits are inadequate, he shall be paid within such maximum remuneration as permissible under Section II of Part II of Schedule V of the Companies Act, 2013.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as “Board” which term shall include Committee(s) thereof authorized for the purpose) be and is hereby authorized to take all such steps and actions and give such directions as may be in absolute discretion deemed necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the shareholders or otherwise and that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**By order of the board
KHYATI MULTIMEDIA ENTERTAINMENT LIMITED
SD/-**

**Kartik J. Patel
(Chairman & Managing Director)
(DIN: 00047862)**

**Date: 30.05.2018
Place: Ahmedabad**

Reg. Office:

100, Chinubhai Towers,
Opp: Handloom House, Ashram Road,
Navrangpura, Ahmedabad-380009
Tel NO: 91-079-26582983
Fax: 91-079-26584335

E-Mail: khyatimulti@yahoo.com

Website: www.khyatimultimedia.com

Corporate Identification Number (CIN):

L92199GJ1995PLC024284

IMPORTANT NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/herself and proxy need not be a member. The proxies to be effective should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty members and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.

2. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Company is pleased to provide the facility of remote e-voting to all members as per the applicable Regulations relating to e-voting. Complete instructions on e-voting facility provided by the Company are annexed to this Notice explaining the process of e-voting with necessary user id and password along with procedure for such e-voting. Such remote e-voting facility is in addition to voting that may take place at the Meeting venue on 29th September 2018.
3. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representative/s to attend and vote at the Annual General Meeting.
4. Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, details of directors seeking appointment/reappointment at the Annual General Meeting is given in detail, as annexed hereto.
- 5. Shareholders are requested to bring their copy of Annual Report to the meeting.**
6. Members/Proxies should fill Attendance Slip for attending the meeting.
- 7. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 21st September, 2018 to Monday, 1st October, 2018 (both days inclusive).**
8. Members seeking any information or clarification on Accounts are requested to send written queries to the Company, at least one week before the date of the meeting. Replies will be provided in respect of such written queries received only at the meeting.
9. Relevant documents referred to in the accompanying Notice and the Explanatory Statement will remain open and available for inspection by the members at the administrative office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every member participating in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their DEMAT accounts. Members holding shares in physical form can submit their PAN to the Company or its Share Registrars and Transfer Agents.

11. **Members who have not registered their email IDs so far with their depository participants, are requested to register their email IDs for receiving all the Communications including Annual Report, Notices etc. in electronic mode.**
12. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Companies (Management and Administration Rules), 2014, and Regulation 36 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository.
13. The Notice of the Annual General Meeting and Annual Report of the Company for the year ended 31st March, 2018 is uploaded on the Company's website www.khyatimultimedia.com and may be accessed by the members.
14. Electronic copy of the Annual Report for 2017-18 is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, a physical copy of the Annual Report for 2017-18 is being sent in the permitted mode.

The instructions for members for voting electronically are as under: -

- (i) The voting period begins on 26.09.2018 at 10:00 a.m. and ends on 28.09.2018 at 05:00 p.m. During this period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22.09.2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in DEMAT form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user, follow the steps given below:

	For Members holding shares in DEMAT Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both DEMAT shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are

	<p>requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field.</p> <ul style="list-style-type: none"> In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

After entering these details appropriately, click on "SUBMIT" tab.

- (i) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in DEMAT form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the DEMAT holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (iii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
 - (iv) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (v) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - (vi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (vii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (viii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (viii) If DEMAT account holder has forgotten the changed password then enter the User ID and the image verification code "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (ix) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- (x) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xiii) If DEMAT account holder has forgotten the changed password then enter the User ID and the image verification code
 - a. Please follow all steps from sl. no. (i) to sl. no. (ix) above to cast vote.
 - b. The voting period begins on 26.09.2018 at 10 a.m. and ends on 28.09.2018 at 05:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 22.09.2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - c. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

GENERAL INSTRUCTIONS FOR VOTING:

- a. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- b. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- c. Shri Kamlesh. M. Shah, Practicing Company Secretary, (Membership No. ACS: s8356 and COP No. 2072, Address: 801-A, Mahalaya Complex, Opp: Hotel President, B/h. Fairdeal House, Swastik Cross Roads, Navrangpura, Ahmedabad: 380 009, Gujarat, India,) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- d. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, submit to the Chairman of the Company.
- e. Results declared by the Chairman along with the Scrutinizer's Report shall be placed on the Company's website www.khyatimultimedia.com and on the website of CDSL within three (3) days of passing of the resolutions at the AGM of the Company. The results shall be communicated to the NSE and BSE Limited and will also be uploaded on website of Stock Exchanges.
- f. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 17.09.2018, may obtain the login ID and password by sending a request at www.evotingindia.com

**By order of the Board of Directors
for KHYATI MULTIMEDIA-ENTERTAINMENT LIMITED**

**Place: Ahmedabad
Date: 30.05.2018**

**Kartik J. Patel
(Chairman & Managing Director)
(DIN: 00047862)**

EXPLANATORY STATEMENT

PURSUANT TO THE PROVISIONS OF SECTION 102(1) OF THE COMPANIES ACT, 2013

In Respect of Item No. 4 Mr. Kartik J. Patel (DIN: 00047862) has been appointed as Managing Director of the Company for a period of five years commencing from October 1, 2018 and accordingly an agreement is executed between the Company and the Managing Director.

The material provisions of the agreement entered into with Mr. Kartik J. Patel are as under:

1. The term of Mr. Kartik J. Patel as Managing Director of the Company shall be for a period of five years commencing from October 1, 2018;

2. Mr. Kartik J. Patel, without approval of the Board, shall not act as a Key Managerial Personnel of any other Company and shall devote his full time and attention in managing affairs of the Company;

3 Subject to overall superintendence and control of the Board, Mr. Kartik J. Patel shall exercise all the substantial powers of management concerning to the Company subject to condition that he shall not exercise such powers without approval of the Board of Directors or at General Meeting which, by the provisions of the Companies Act, 2013 or Rules framed there unders;

4 Mr. Kartik J. Patel as a Managing Director of the Company shall discharge all the duties as may be assigned to him by the Board of Directors of the Company from time to time.

In terms of Articles of Association, Managing Director and Whole time Director are not liable to retire by rotation. However other than Independent Directors, the Company has only 4 Directors out of which 1 is Non-Executive Directors designated as Director. Accordingly, the office of Managing Director shall also be liable to retire by rotation.

General Meeting without payment of any fee. Except Mr. Kartik J. Patel, Mr. Jigna K. Patel or relatives of either, no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed resolution.

Details of Directors seeking Appointment / Re-appointment at the Forthcoming Annual General Meeting (Pursuant to Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2)

Name of Director	Mr. Kartik J. Patel	Mr. Prafulchandra Agarwal
Director Identification Number	00047862	00088295
Date of Birth	February 13, 1965	January 06,1960
Qualification	Bachelor of Science(BSC) .	-
Terms and Conditions of Re-appointment	As Set out in the Agreement with Mr. Kartik J. Patel	N.A.
Last Remuneration drawn	₹Nil	Nil
No. of Equity Shares held in the Company	16,31,600	10,995
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mr. Jigna K. Patel (Wife)	Nil
Directorships held in other Companies	5	14
Chairmanship/Membership of the committee of the Board of Directors of the Company	1	Nil
Committee position held in other Companies	Nil	1

DIRECTORS' REPORT

Your Directors are pleased to submit herewith their report together with the audited statement of accounts for the 24th financial year ended 31st March, 2018.

[Amount in Rs.]

PARTICULARS	2017-18	2016-17
Income from Operation	00.00	00.00
Other Income	6,00,149	0.00
Total Income	6,00,149	0.00
Total Expenditure	12,23,006	1,192,246
Profit/ (loss) before tax and dep.	(6,22,857)	(11,92,246)
Provision for depreciation	2,53,048	253,048
Provision for Differ Tax	1,90,917	71,947
Net Profit / (Loss) after tax for the year	(4,31,941)	(1,246,193)

OPERATIONAL OVERVIEW

During the year under review the Company has earned total income from other sources of Rs. 6,00,149/- (Previous Year of Rs. 0) from business. After deducting all administrative expenses and depreciation and necessary adjustments for taxation, etc. the company has incurred a net loss of Rs. (6,22,857)/- (Previous of Rs (676,474)/-).

DIVIDEND

Due to loss, your Directors have not recommended dividend for the financial year 2017-18.

BUSINESS ACTIVITY

Khyati Multimedia Entertainment Limited has involved in the area of high-quality Desktop Publishing, imaging, Corporate Presentations, creative designing, graphic designing and multimedia software development and is also engaged in the business of letting out vehicle.

There was no change in the nature of any of the business activity during the year.

DETAILS OF THE ASSOCIATES/ JOINT VENTURE / SUBSIDIARIES COMAPANIES

The company does not have holding or subsidiary companies during the year and no other company has become holding / subsidiary/ joint venture.

FIXED DEPOSIT

The Company has not accepted any public deposit during the year under review and no amount against the same was outstanding at the end of the year.

REGULATORY STATEMENT

In conformity with Regulations of SEBI (Listing Obligation and Disclosures Regulations),2015 the Cash Flow Statement for the year ended 31.03.2018 is annexed hereto. The equity shares of the Company are listed on the BSE Ltd.

The Company has paid listing fees for the year 2017-18 to above stock exchanges.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

As required under Section 134 (3) (m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014, particulars relating to conservation of Energy, R & D, Technology absorption and foreign Exchange earnings / outgo are separately provided in the annexure to this report. Also, We would like to Highlight that Our Company is not Engaged in Manufacturing Activity so, the Section 134 is not applicable to the Our Company.

DETAILS OF RELATED PARTIES TRANSACTIONS PURUSANT TO SECTION 188(1) OF THE COMPANIES ACT, 2013

The Company is not entering into related parties transactions for sale/purchase of goods or services at preferential prices. However, all the transactions in the nature of sales/purchase of goods or services are made on arms length basis except the salary paid to employees and director and key managerial person. However a lease rent is being paid to Mrs. Jignaben K Patel as per the valid lease rental agreement which will be paid. The same were reported to the Board at every meeting and Board took a note of the same and approved. Other details for inter corporate financial transactions or remuneration and other benefits paid to directors, their relatives, key managerial personnel etc.

The Company has formulated various other policies like Risk Management Policy, Evaluation of Board Performance Policy, and CSR Policy etc. etc. All such policies were documented and adopted

by the Board and also uploaded all the policies applicable at the website of the Company www.khyatimultimedia.com.

Full details of Risk Management Policy are given in the Corporate Governance Report under the head Whistle Blower Policy.

As the Company is loss making one, the provisions related to CSR is presently not applicable to the Company.

Regarding Performance Review of each of the member of the Board and also the performance of the various Committees and the Board, the Company has adopted the Model Code of Conduct for Independent Directors, Key Managerial Personnel as prescribed in Schedule IV to the Companies Act, 2013 and also as prescribed in the SEBI (Insider Trading) Regulations. The Company strictly follows the procedure to obtain necessary timely declarations from each of the directors and key managerial personnel from time to time.

DETAILS OF LOANS, GUARANTEES AND INVESTMENTS U/S 186 OF THE COMPANIES ACT, 2013

During the year under review the Company has not made any inter corporate loans, investments, given any corporate guarantee to any other body corporate, subsidiary, associate or any other company. However the company has borrowed a sum of Rs. 27,000 from Director as a unsecured loan at 0% Interest for dealing with the day to day fund requirement of the company.

The Board of Directors supports to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity. The Report on corporate governance as stipulated according to the SEBI (LODR) Regulation, 2015 forms part of the Annual Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance as required under SEBI (LODR), Regulation 2015 is attached to the Report on corporate governance.

BOARD OF DIRECTORS

Details about the Board of Directors Meetings are attached to the Report on Corporate Governance. Further, Mrs. Prafulchandra Agarwal, will be the Director retiring by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation of the SEBI (Listing Obligations and Disclosures) Regulations,2015 with the Stock Exchanges.

DECLARATION BY INDEPENDENT DIRECTORS:

(Pursuant to Provisions of section 149(6) OF the Companies Act 2013)

All the Independent Directors of the Company do hereby declare that:

- (1) All the Independent Directors of the Company are neither Managing Director, nor a Whole Time Director nor a Manager or a Nominee Director.
- (2) All the Independent Directors in the opinion of the Board are persons of integrity and possesses relevant expertise and experience.
- (3) Who are or were not a Promoter of the Company or its Holding or subsidiary or associate company.
- (4) Who are or were not related to promoters or directors in the company, its holding, subsidiary or associate company.
- (5) Who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company or their promoters or directors, during the two immediately preceding financial years or during the current financial year.
- (6) None of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary, or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakhs rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year,
- (7) Who neither himself, nor any of his relatives,
 - (a) Holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of three financial years immediately preceding the financial year in which I\he is proposed to be appointed.
 - (b) Is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial years in which he is proposed to be appointed of
 - (i) A firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; OR
 - (ii) Any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent, or more of the gross turnover of such firm;
 - (iii) Holds together with his relatives two per cent, or more of the total voting power of the company; OR
 - (iv) Is a Chief Executive or director, by whatever name called, or any non-profit organization that receives twenty five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; OR
 - (v) Who possesses such other qualifications as may be prescribed.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of section 134 Clause (C) of Sub-Section (3) of the Companies Act, 2013, in relation to financial statements for the year 2016-17, the Board of Directors state:

- a) In the preparation of the annual accounts for the financial year ended 31st March 2017, as far as possible and to the extent, if any, accounting standards mentioned by the auditors in

their report as not complied with, all other applicable accounting standards have been followed along with proper explanation relating to material departure;

- b) 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 and profit and loss account of the Company for that period;
- c) The Directors 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 and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts on a going concern basis; and
- e) The directors in the case of a listed company had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION BY BOARD AS PER REQUIREMENT OF SECTION 178 (1)

In compliance with Section 178 (1) as also in compliance with Regulation of SEBI (LODR),2015, the Board of Directors do hereby declare that:

- a. The Company has proper constitution of the Board of Directors including independent directors in proportion as per requirement of SEBI (LODR),2015. However, the Company is still in process for appointing a suitable person as woman director as required under Section 149 of the Companies Act, 2013.
- b. The Company has constituted Nomination and Remuneration Committee, Stakeholders Relationship Committee, Audit Committee as per requirements of the SEBI (LODR),2015 and provisions of the Companies Act 2013.
- c. The Company has the policy for selection and appointment of independent directors who are persons of reputation in the society, have adequate educational qualification, sufficient business experience and have integrity & loyalty towards their duties.
- d. The Company is not paying managerial remuneration to its Managing/Whole Time Directors based upon their qualification, experience and past remuneration received by them from their previous employers and company's financial position.
- e. The Independent Directors are paid sitting fee for attending Board and other committee meetings as decided by the Board from time to time. This sitting fee is decided considering the financial position of the company.
- f. The Company is not paying any commission on net profits to any directors.
- g. During the year the Board has met 5 times during the year. The details of presence of every director at each meeting of the Board including the meetings of the Committees, if any, are given in the reports of the Corporate Governance.

INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:

The details in respect of internal financial control and their adequacy are included in Management Discussion and Analysis Report, which forms part of this report.

SYSTEM OF PERFORMANCE EVALUATION OF THE BOARD, INDEPENDENT DIRECTORS AND COMMITTEES AND INDIVIDUAL DIRECTORS

1. The Board makes evaluation of the effectiveness and efficiency of every individual directors, committee of directors, independent directors and board as a whole.
2. For these purpose the Board makes evaluation twice in a year on a half yearly basis.
3. The performance of individual directors are evaluated by the entire Board, excluding the Director being evaluated on the basis of presence of every directors at a meeting, effective participation in discussion of each of the business of agenda for the meetings, feedback receives from every directors on draft of the minutes and follow up for action taken reports from first line management.
4. Effectiveness and performance of various committees are evaluated on the basis of the scope of work assign to each of the committees the action taken by the committees are reviews and evaluated on the basis of minutes and agenda papers for each of the committee meetings.
5. The performance of independent directors are evaluated on the basis of their participation at the meetings and post meeting follow up and communication from each of such independent directors.

DISCLOUSER AS PER COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

Total managerial remuneration paid to each of them during the current year and previous year are as under:

- I. The Percentage of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

Sr. No.	Name of director	Designation	Remunerati on paid in current year	Remunerat ion paid in previous year	Total cost of remuneration of the employees	Percentage remuneration of director to total cost of remuneration
1	Mr. Kartik J. Patel	Managing Director	NIL	NIL	NIL	0%
2	Mr. Jignaben K. Patel	Women Director	NIL	NIL	NIL	0%
3	Mr.Prafulchandra Agarwal	Non-Executive Director	NIL	NIL	NIL	0%
4	Mr. Arvind Prajapati	Independent Director	NIL	NIL	NIL	0%
5	Mr. Kamalkant Rao	Independent director	NIL	NIL	NIL	0%
6	Mr. Vinod Chelani W.e.f. 16/10/2017	Company Secretary	1,10,000/-	NIL	—	—

- II.** The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any in the financial year:

There was no increase in remuneration.

- III.** The number of permanent employees on the rolls of company:

There were no other employees other than the Key Managerial person and directors which are on the pay rolls of company.

- IV.** The explanation on the relationship between average increase in remuneration and company performance;

NOT APPLICABLE as there was no substantial increase in remuneration of any employee during the year. The increase was only due to increase in inflation index.

- V.** Comparison of the remuneration of the Key managerial personnel against the performance of the company :

The KMP i.e. Whole time Directors and Financial Managers does not receive any remuneration apart from the Company Secretary who has been paid a yearly Remuneration of Rs.1,80,000/- per annum.

- VI.** Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;

Closing Market Price of shares of Company as on 31/03/2017: Rs. 0.80 /-

Closing Market Price of shares of Company as on 31/03/2018: Rs. 0.00/-
(Not Traded in the Month of March,2018)

Earnings Per share for the financial year ended on 31/03/2017: Rs.(0.12)/-

Earnings per share for the financial year ended on 31/03/2018: Rs. (0.04)/-

Regarding other information like Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies is not given herewith since Company had made IPO more than 5 Years before and there was no substantial variation in the market price of shares of the company. Company's EPS is negative and hence PE Ratio is not given.

- VII.** Comparison of the remuneration of each key managerial personnel against the performance of the company;

As the company is paying minimum managerial remuneration to its managerial personnel and the Company is the loss making one the comparison of remuneration of each of the KMP with performance of the company is not comparable.

Since Managing director and Executive Directors are being not paid minimum remuneration and other KMPs are getting remuneration as per prevailing industry norms, it is not possible to compare remuneration with the performance of the company.

- VIII.** The key parameters for any variable component of remuneration availed by the directors;
NOT APPLICABLE.

- IX.** The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;

There were No employees who are receiving remuneration in excess or higher than the remuneration of Director or Key Managerial Personnel.

- X.** Affirmation that the remuneration is as per the remuneration policy of the Company.

All remuneration of the Employees and directors are paid as per remuneration policy of the Company.

PARTICULARS OF THE EMPLOYEES

Particulars of the employees as required under provisions of Section 197 (12) of the Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, are not attached with this report since there was no employee who was in receipt of remuneration in excess of Rs.8,50,000 per month during the year or Rs. 1.02 Cr. per annum in the aggregate if employed part of the year.

AUDITORS

STATUTORY AUDITORS

M/s. N. GAMADIA & CO., Chartered Accountant were appointed in the Last Annual General Meeting for the Next Five Financial Years i.e. 2017-18 to 2021-22 (Subject to the Ratification of Appointment by the Members in the Every Annual General Meeting hence, the Board has now proposed to appoint the Statutory Auditors for a period of Next 5 Years. Necessary Resolution for their appointment as the Statutory Auditors and fixing their remuneration is proposed to be passed at the Annual General Meeting.

COST AUDITORS

NOT APPLICABLE

SECRETARIAL AUDITOR

The Company has appointed M/s. KAMLESH M. SHAH & CO., as the secretarial auditor for the financial year 2017-18. They have given their report in the prescribed form MR-3 which is annexed to this report as an ANNEXURE.

OBSERVATION OF THE SECRETARIAL AUDITOR

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executives Directors and Independent Directors and the woman director. Company Secretary has appointed w.e.f. 16th September,2017. *Except:*

- 1. Companies Name is been mentioned in the list of Shell companies issued by SEBI Circular, in reply to this Company has filed the Various Suitable Reply with BSE. After Considering the Necessary Suitable Reply. BSE has issued Order of Forensic Audit for Removing the Companies Name from the List of Shell Companies.*
- 2. Company has not Appointed Yet Internal Auditor as per Section 139 of Companies Act,2013.*
- 3. Company has given Loans & Advances (CLEAN) to three various Parties at Hyderabad and pune the company has sent by registered post the letter of confirmation of accounts, however counter confirmation are not yet received.*
- 4. The company has not yet appointed CFO as per the Companies Act, 2013.*

EXPLANATION TO THE AUDITORS' REMARKS

The Directors submit their explanations to the various observations made by the statutory auditors in the report are as under for the year 2017-2018.

MATERIAL CHANGES / INFORMATION:

1. No material changes have taken place after the closure of the financial year up to the date of this report which may have substantial effect on the business and financial of the Company. However, net worth of the company has been completely eroded
2. No significant and material orders have been passed by any of the regulators or courts or tribunals impacting the going concern status and companies operations in future.

APPRECIATION

Your Directors place on record their sincere appreciation for the valuable support and co-operation as received from government authorities, Financial Institutions and Banks during the year. The Directors are also thankful for the support extended by Customers, Suppliers and contribution made by the employees at all level. The Directors would also like to acknowledge continued patronage extended by Company's shareholders in its entire endeavor.

**For and on behalf of the Board
Khyati Multi-Media Entertainment Limited
Sd/-**

Khyati Multimedia Entertainment Limited

Date: 30.05.2018
Place: Ahmedabad

**24th Annual General Meeting
Annual Report 2017-18
Kartik J. Patel
(DIN: 00047862)
Chairman & Managing Director**

ANNEXURE – 1 TO THE DIRECTORS' REPORT

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDING
ON 31/03/2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

1) REGISTRATION AND OTHER DETAILS:

SR. NO.	PARTICULARS	DETAILS
1	CIN	L92199GJ1995PLC024284
2	Registration date	20/01/1995
3	Name of the company	KHYATI MULTIMEDIA ENTETAINMENT LTD
4	Category/ sub-category of the company	Company limited by shares/ Indian Non- Government Company
5	Address of the registered office and contact details	101, CHINUBHAI TOWER, OPP : NATIONAL HANDLOOM HOUSE, ASHRAM ROAD, NAVRANGPURA AHMEDABAD-380009 GUJARAT
6	Whether listed company	YES
7	Name, address and contact details of registrar and transfer agent if any	MCS SHARE TRANSFER AGENT LIMITED 201, SHATDAL COMPLEX, OPP : BATA SHOWROOM, ASHRRAM ROAD, AHMEDABAD- 38009 E-Mail ID : helpdeskahmd@mcsregistrars.com Website www.mcsregistrars.com Phone : 91-022-67720400 Fax : 91-022- 28591568

2) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SL. No.	Name and descriptions of main products/ services	NIC Code of the product/ Service	% to Total turnover of the company from main business activity	% to Total turnover from other sources
1	Multimedia	9983159	NIL	0%

3) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	CONCERN	% of shares held by COMPANY	APPLICABLE SECTION
		N.A		N.A	

1) 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) a) Indian/Individual/HUF	NIL	1793895	NIL	16.61 %	NIL	1793895	NIL	16.61 %	NIL
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt. (s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Khyati Multimedia Entertainment Limited

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e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (1):-	NIL	1793895	NIL	16.61 %	NIL	1793895	NIL	16.61 %	NIL
(2) Foreign	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
a) NRIs - Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other - Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (2):- Total shareholding of Promoter (A) = (A)(1)+(A)(2)	NIL	1793895	NIL	16.61 %	NIL	1793895	NIL	16.61 %	NIL
B. Public Shareholding	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
1. Institutions									
a) Mutual Funds									
b) Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(1):	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Khyati Multimedia Entertainment Limited

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2. Non-Institutions	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
a) Bodies Corp.	320555	NIL	320555	2.97%	319122	NIL	319122	2.95%	0.10%
i) Indian ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	61,69,100	NIL	61,69,100	57.12%	60,76,269	65692	6141961	56.87%	0.25
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	24,40,268	74,200	2514468	23.28%	25,43,040	NIL	2543040	23.55%	0.27%
c) Others (NON RESIDENT & CLEARING MEMBERS)	2182	NIL	2182	0.02	2182	NIL	2182	2.97%	0.02%
Sub-total (B)(2):-	8932105	74200	9006305	82.80%	8940613	65692	9006305	83.39%	0.59%
Total Public Shareholding (B)=(B)(1)+(B)(2)	8932105	74200	9006305	82.80%	8940613	65692	9006305	83.39%	0.59%
C. shares held by custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
GRAND TOTAL (A+B+C)	8932105	1868095	10800200	100%	8940613	1859587	10800200	100%	NIL

(ii) Shareholding of promoters

Name of promoter	Shareholding at the beginning of the year	Shareholding at the end of 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	% change in shares holding during the year
Mr. Kartikbhai J. Patel	16,30,600	15.10	Nil	16,30,600	15.10	Nil	Nil
Mr. Jasubhai M. Patel	76,100	0.70	Nil	76,100	0.70	Nil	Nil
Mr. Praful Agrawal	10,995	0.00	Nil	100	0.00	Nil	Nil
Mr. Rajiv Parikh	100	0.00	Nil	100	0.00	Nil	Nil
Mr. Yogesh Patel	100	0.00	Nil	100	0.00	Nil	Nil
Mrs. Jigna K Patel	76000	0.70	Nil	76000	0.70	Nil	Nil
TOTAL	17,93,895	16.61	NIL	17,93,895	16.61	NIL	NIL

(iii) Change in Promoter's Shareholding

1.MR. KARTIKBHAI J. PATEL	Shareholding at the beginning of the year		Cumulative shareholding during the year	
At the beginning of the year	1630600	15.10	1630600	15.10
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) :	NO CHANGE	NO CHANGE	NO CHANGE	NO CHANGE
At the end of the year	1630600	15.10	1630600	15.10

2. MR. JASUBHAI M. PATEL	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	At the beginning of the year	76100	0.70	76100
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) :	NO CHANGE	NO CHANGE	NO CHANGE	NO CHANGE
At the end of the year	76100	0.70	76100	0.70

3. MR. PRAFUL AGRAWAL	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	At the beginning of the year	100	0.00	100
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) :	NO CHANGE	NO CHANGE	NO CHANGE	NO CHANGE
At the end of the year	100	0.00	100	0.00

4. MR. RAJIV PARIKH	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	At the beginning of the year	100	0.00	100
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) :	NO CHANGE	NO CHANGE	NO CHANGE	NO CHANGE
At the end of the year	100	0.00	100	0.00

5. MR. YOGESH PATEL	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	At the beginning of the year	100	0.00	100
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) :	NO CHANGE	NO CHANGE	NO CHANGE	NO CHANGE
At the end of the year	100	0.00	100	0.00

6. MRS.JIGNA K.PATEL	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	At the beginning of the year	76000	0.70	76000
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) :	NO CHANGE	NO CHANGE	NO CHANGE	NO CHANGE
At the end of the year	76000	0.70	76000	0.70

2) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDER (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS)

SR. NO.	NAME OF THE SHAREHOLDERS	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	CHHOTALAL RAMJIBHAI BHANDERI	314328	2.6221	314328	2.6221
2	KUNDAN CHHOTALAL BHANDERI	114808	1.0630	114808	1.0630
3	BHANDERI SAKARBEN	56296	0.9656	56296	0.9656

4	VALA AMITABEN MAHENDRABHAI	77950	0.8986	77950	0.8986
5	MAHENDRA M VALA	71590	0.7870	71590	0.7870
6	AKBARI ANJANABEN K	77991	0.7221	77991	0.7221
7	VIMAL C SHAH HUF	72236	0.6688	72236	0.6688
8	BABULAL JAIN	71016	0.6575	71016	0.6575
9	RADHESHYAM R LODH	67500	0.6250	67500	0.6250
10	DHRUVE C BHANDERI	25292	0.2342	25292	0.2342
	TOTAL	949007	8.7864	949007	8.7864

3) INDEBTEDNESS

INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	4,21,100	NIL	49,35,100
ii) Interest due but not paid	NIL	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	NIL	4,21,100	NIL	49,35,100
Change in Indebtedness during the financial year				
* Addition	NIL	-	-	-
* Reduction	-	3,94,100	-	3,94,100
Net Change	NIL	(3,94,100)	-	(3,94,100)
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	27,000	NIL	27,000

ii) Interest due but not paid	NIL	-	-	-
iii) Interest accrued but not due	-		-	
Total (i+ii+iii)	NIL	27,000	NIL	27,000

4) EMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	SALARY	SHRI KARTIK J. PATEL	NIL
		SMT. JIGNABEN K. PATEL	NIL
		SHRI PRAFULCHANDRA AGARWAL	NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission - as % of profit - Others, specify...	NIL	NIL
5.	Others, please specify	NIL	NIL
	Total (A)	NIL	NIL
	Ceiling as per the Act	NIL As per section (ii)part (ii) of schedule V.	

b. Remuneration to other directors:

Independent Directors	SHRI KAMALKANT RAO	SHRI ARVINDKUMAR PRAJAPTI	
Fee for attending board / committee meetings	NIL	NIL	NIL
Commission			
Others, please specify			
Total	NIL	NIL	NIL
Overall Ceiling as per the Act	30,00,000/- AS PER Section II Part II of Schedule V		

5) **REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO/CEO	Total
		SMT.PARUL KADIA (up to 02/05/2017)		
1	Gross salary	1,80,000	N.A.	1,80,000
2	Stock Option	N.A.	N.A.	N.A.
3	Sweat Equity	N.A.	N.A.	N.A.
4	Commission	N.A.	N.A.	N.A.
	- as % of profit	N.A.	N.A.	N.A.
	others, specify...	N.A.	N.A.	N.A.
5	Others, please specify	N.A.	N.A.	N.A.
	Total	1,80,000	N.A.	1,80,000

6) **PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	No	No	No	No	No
Punishment	No	No	No	No	No
compounding	No	No	No	No	No
B. DIRECTORS					
Penalty	No	No	No	No	No
punishment	No	No	No	No	No
compounding	No	No	No	No	No
C. Other Officers In Default					
Penalty	No	No	No	No	No
punishment	No	No	No	No	No
compounding	No	No	No	No	No

ANNEXURE – 2 TO THE DIRECTORS’ REPORT

CORPORATE GOVERNANCE REPORT

1. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE :

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency, and fairness in all its transactions in the widest sense and meet its stakeholder’s aspirations and expectations. The Company will continue to focus its resources, strengths and strategies for enhancement of the long term shareholders’ value while at the same time protecting the interest of other stakeholders.

2. BOARD OF DIRECTORS :

COMPOSITION AND CATEGORY

The composition of the Board of Directors of the Company represents an appropriate mix of executive and non-executive directors to ensure the independence of the Board and to separate the board functions of governance and management

The Board currently comprises of proper Constitution of Board of Directors including the Chairman of the Board.

None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees across all companies in which they are Directors.

BOARD PROCEDURE

The Board meets atleast once in a quarter to review the quarterly performance and the financial results. The Board meetings are generally scheduled well in advance and the notice of each Board Meeting is given in writing to each Director.

To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every Board Meeting on the overall performance of the company.

The Minutes of the Board meetings are circulated in advance to all Directors and confirmed at subsequent Meeting. The Minutes of Audit Committee and other Committees of the Board are regularly placed before the Board.

During the financial year ended March 31st, 2018, Five Board Meetings were held respectively on 30.05.2017, 30.09.2017, 16.10.2017, 14.12.2017, 14.02.2018. The gap between two Board Meetings did not exceed four months.

The composition of the Board of Directors, the number of other Directorship and Committee positions held by the Director, of which the Director is a Member/Chairman, are as under:

Name of Director	Category	DIN	No. of Board Meetings attended during the year	Whether attended last AGM	No. of other Directorship held	Committee* Membership held in other Companies	
						As Member	As Chairman
Shri Kartik J. Patel	Non Executive Promoter Chairman	00047862	5	Yes	5	1	Nil
Shri Jignaben K Patel	Non Executive Promoter Women Director	00047896	5	Yes	2	Nil	Nil
Shri Prafulchandra J. Agarwal	Non Promoter Executive Director	00088295	5	Yes	14	2	1
Shri Rao Kamalkant	Independent & Non Executive Director	02576450	5	Yes	3	Nil	Nil
Shri Arvindkumar Prajapati	Independent & Non Executive Director	02694784	5	Yes	Nil	Nil	Nil

*1 Committee includes Audit Committee and Shareholders'/Investors Grievance Committee only.

CODE OF CONDUCT

The Company has already adopted a code of conduct for all employees of the company and Executive directors. The board has also approved a code of conduct for the non-executive directors of the company. All board members and senior management personnel (as per clause 49 of listing agreement) have affirmed compliance with the applicable code of conduct has been provided in the Annual Report. The directors and senior management of the company have made disclosures to the board confirming that there are no material financial and/ or commercial transactions between them and the company that could have potential conflict of interest with the company at large.

3. COMMITTEES OF THE BOARD

AUDIT COMMITTEE:

The terms of reference of the Audit Committee are wide enough to cover matters specified for Audit Committees under Regulation 18 of the SEBI (Listing Obligation and Disclosures Regulations), 2015 as well as in Section 177 of the Companies Act, 2013 besides other terms as may be referred to by Board of Directors from time to time.

The Audit Committee comprises of four three-executive Directors all of whom two are Independent Directors.

During the period under review, Five Audit Committee meetings were held respectively on 30.05.2017, 30.09.2017, 16.10.2017, 14.12.2017, 14.02.2018.

The composition of the Audit Committee and attendance at its meetings is given hereunder:

Name of Director	Position	No. of Meetings	Meetings attended
Shri Arvindkumar Prajapati	Chairman	5	5
Shri Kartik J. Patel	Member	5	5
Smt. Jignaben K Patel	Member	5	5
Shri Rao Kamalkant	Member	5	5

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

NOMINATION AND REMUNERATION COMMITTEE:

The Remuneration Committee comprises of two independent Non-executive directors viz. Shri Arvindkumar Prajapati, Shri Kartik J Patel and Shri Rao Kamalkant

During the period under review, **NIL** Nomination and Remuneration Committee meetings were held

The remuneration committee has been constituted to recommend/review the remuneration package of the Managing/ Whole Time Directors based on performance and defined criteria.

DETAILS OF REMUNERATION PAID TO DIRECTORS DURING 2017-18

(Amount in Rs.)

NAME OF DIRECTOR	REMUNERATION	SITTING FEES	TOTAL
Shri Kartik J. Patel	Nil	Nil	Nil
Smt. Jignaben K Patel	Nil	Nil	Nil
Shri Rao Kamalkant	Nil	Nil	Nil
Shri Arvindkumar	Nil	Nil	Nil

- The Company does not have a scheme for grant of stock option to the directors.

SHAREHOLDERS' /INVESTORS' GRIEVANCE COMMITTEE:

Shri Kartik J. Patel- Chairman, Shri kamalkant Rao and Shri Arvindkumar Prajapati are members of the Committee. The Committee is empowered to oversee the redressal of Investors' complaints and other miscellaneous complaints. The Company as a matter of policy disposes of investor complaints within a span of five working days.

Name and designation of Compliance Officer:
Shri Kartik J.Patel- Managing Director

No. of shareholders' complaints received during the year: 2 Complaint
No. of complaints not resolved to the satisfaction of shareholders: Nil
No. of pending Complaints: Nil
No. of complaints resolved during the year: 2 Complaint

4. **GENERAL BODY MEETING**

- ***Date, Time and Venue of the last three Annual General Meetings:***

Year	Date	Time	Venue	No. of special resolutions passed
2014-15	September 30th, 2015	4.00 P.M	101, Chinubhai Towers, Opp: Handloom House, Ashram Road, Navrangpura, Ahmedabad: 380 009	1
2015-16	September 30th, 2016	4.00 P.M	101, Chinubhai Towers, Opp: Handloom House, Ashram Road, Navrangpura, Ahmedabad: 380 009	0
2016-17	September 30th, 2017	4.00 P.M	101, Chinubhai Towers, Opp: Handloom House, Ashram Road, Navrangpura, Ahmedabad: 380 009	0

- 1.No extra-ordinary general meeting of the shareholders was held during the year.
- 2.Postal ballot: during the year under review, no resolution was put through by postal ballot.

DISCLOSURES**POLICIES:-****A. POLICY ON RELATED PARTY TRANSACTIONS
SCOPE AND PURPOSE OF THE POLICY**

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 ("Act") read with the Rules framed there under and Regulation 23 of SEBI (Listing Obligations and Disclosures Regulations),2015, our Company has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

Also, Regulation 23 of SEBI (LODR),2015 requires a company to formulate a policy on materiality of related party transactions and dealing with related party transactions. In light of the above, our Company has framed this Policy on Related Party Transactions ("Policy"). This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee. Going forward, the Audit Committee would review and amend the Policy, as and when required, subject to the approval of the Board.

OBJECTIVE OF THE POLICY

The objective of this Policy is to set out (a) the materiality thresholds for related party transactions and; (b) the manner of dealing with the transactions between the Company and its related parties based on the Act, Regulation 23 of SEBI (LODR),2015 and any other laws and regulations as may be applicable to the Company.

MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS**a) Identification of related parties:-**

The Company has formulated guidelines for identification and updating the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed there under and Regulation 23 of SEBI (LODR),2015.

b) Identification of related party transactions:-

The Company has formulated guidelines for identification of related party transactions in accordance with Section 188 of the Act and Regulation 23 of SEBI (LODR),2015.

DISCLOSURES

The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business along with the justification for entering into such transaction.

B. FAMILIARIZATION POLICY FOR INDEPENDENT DIRECTORS

PURPOSE AND OBJECTIVE OF THE POLICY

The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company.

FAMILIARIZATION AND CONTINUING EDUCATION PROCESS

- The Company through its Managing Director / Executive Director / Key Managerial Personnel conducts programmes / presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company.
- Such programmes/presentations provide an opportunity to the Independent Directors to interact with the Senior Management of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time.
- The programmes/presentations also familiarize the Independent Directors with their roles, rights and responsibilities.
- When a new Independent Director comes on the Board of the Company, a meeting is arranged with the Chairperson, Managing Director, Chief Financial Officer to discuss the functioning of the Board and the nature of the operation of the Company's business activities.
- New Independent Directors are provided with copy of latest Annual Report, the Company's Code of Conduct, the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices, Schedule of upcoming Board and Committee meetings.
- The Company provides the Directors with the tours of company's facilities from time to time.
- A detailed Appointment Letter incorporating the role, duties and responsibilities, remuneration and performance evaluation process, insurance cover, Tata Code of Conduct and obligations on disclosures, is issued for the acceptance of the Independent Directors.

C. RISK MANAGEMENT POLICY

LEGAL FRAMEWORK

Risk Management is a key aspect of the "Corporate Governance Principles and Code of Conduct" which aims to improvise the governance practices across the Company's activities. Risk management policy and processes will enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities.

BACK GROUND AND IMPLEMENTATION

The Company is prone to inherent business risks. The objective of Risk Management Policy shall be identification, evaluation, monitoring and minimization of identifiable risks. This policy is in

compliance with the amended Clause 49 of the Listing Agreement (W.e.F 1st October 2014) which requires the Company to lay down procedure for risk assessment and procedure for risk minimization. The Board of Directors of the Company and the Audit Committee shall periodically review and evaluate the risk management system of the Company so that the management controls the risks through properly defined network. Head of Departments shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Board and Audit Committee.

COMMITTEE

The Company has not made Risk Management Committee but the Board of Directors & Audit Committee is looking after the Risk Management of the Company.

D. CORPORATE SOCIAL RESPONSIBILITY POLICY

India's new Companies Act, 2013 has introduced several new provisions which change the face of Indian corporate business. One of such new provisions is Corporate Social Responsibility (CSR). As per Section 135 of the Companies Act, 2013, it provides the threshold limit for applicability of the CSR to a Company i.e. (a) net worth of the company to be Rs 500 crore or more; (b) turnover of the company to be Rs 1000 crore or more; (c) net profit of the company to be Rs 5 crore or more.

Since company is a loss making company, CSR Policy is not applicable. Company has not made Corporate Responsibility Committee.

E. VIGIL MECHANISM POLICY**LEGAL FRAMEWORK**

Section 177 of the Companies Act, 2013 requires every listed company and such class or classes of companies, as may be prescribed to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed.

Regulation 22 of SEBI (LODR), 2015 between listed companies and the Stock Exchanges, inter alia, provides for a mandatory requirement for all listed companies to establish a mechanism called "Whistle Blower Policy" for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the company's code of conduct.

POLICY

In compliance of the above requirements, Khyati Multimedia Entertainment Ltd, being a Listed Company has established a Vigil (Whistle Blower) Mechanism and formulated a Policy in order to provide a framework for responsible and secure whistle blowing/vigil mechanism.

The Vigil (Whistle Blower) Mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. The

mechanism provides for adequate safeguards against victimization of Directors and employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

F. SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (POLICY WHERE MORE THAN 4 WOMEN WORKING) AND ELIMINATION OF CHILD LABOUR POLICY.**OBJECTIVE:**

It is the endeavor of the Company, to ensure a safe, secure and congenial work environment where employees and workers will deliver their best without any inhibition, threat or fear. In pursuance of this objective, the Company has evolved a “Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Policy”.

The approach adopted by the Company is to spread awareness about the causes and consequences of sexual harassment at workplace and thereby prevent any occurrences. In the event of such an occurrence, the Group would use this Policy to provide the framework for action.

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Policy:

Sexual harassment in the work place has been defined as “unwelcome” sexually determined behavior (whether directly or by implication). It includes any or all of the following:

- Physical contact and advances
- A demand or request for sexual favours
- Sexually colored remarks
- Showing pornography
- Any other unwelcome physical, verbal or non-verbal conduct of a sexual nature.
- Sexual harassment will be deemed to have taken place if work is used as the excuse or occasion for repeated, personalized, offensive and unwelcome speech or gestures.

It is the duty of the Organization to prevent or deter acts of sexual harassment and if they take place, to provide procedure for resolution, encourage counseling, settlement or prosecution of acts of sexual harassment;

- Where the conduct of the employee would constitute an offence under the Indian Penal Code of any other law, Khyati Multimedia Entertainment Limited shall initiate legal action
- Where the conduct would in addition to an offence under law, constitute misconduct under the rules or regulations of the organization, Khyati Multimedia Entertainment Limited. shall initiate disciplinary action against him/her.

The concerns of or about employees can be reported without fear of reprisal or retaliation. Any allegations of sexual harassment will be investigated quickly and discreetly, and disciplinary action initiated as described in this policy. To the extent possible, the identity of the complainant, the victim, witnesses and the alleged harasser will be protected against unnecessary disclosure. All efforts will be made to ensure that proceedings remain confidential.

POLICY BASED ON SEBI (LODR) REGULATION, 2015

Company has also adopted the Policy based on SEBI (Listing Obligation and disclosure Requirements) Regulation, 2015 the following policies applicable w.e.f 01.12.2015 are as follows.

All the policies applicable are also uploaded with BSE Website and also available on companies website www.khyatimultimedia.com

I. POLICY ON PRESERVATION OF DOCUMENTS

A Policy on preservation of Documents (defined below) would ensure safe-keeping of the records and safeguard the Documents from getting manhandled, while at the same time avoiding superfluous inventory of Documents. The Company, therefore, formulates this Policy, in pursuance to Regulation 9 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations"), on preservation of the Documents to aid the employees in handling the Documents efficiently. It not only covers the various aspects on preservation of the Documents, but also the safe disposal/destruction of the Documents.

II . ARCHIVING OF DOCUMENTS WHICH ARE HOSTED ON THE COMPANY'S WEBSITE:

Recognizing the need to ensure the preservation and availability of the Documents of the Company after their required regulatory preservation period, for any legal, administrative, and historical purposes, the Company adopts the following archival policy in respect of Documents which are hosted on the website of the Company:

1.1. All Documents generated, disclosed or received by the Company, on its website, for the purpose of shareholder communication, are the properties of the Company and constitute archival material.

1.2. Archival material of the Company shall not be destroyed or purged without the approval of the Authorized Person. Provided that nothing contained herein shall be deemed to lead to an exception in case of an accidental deletion, or deletion due to any system flaw, virus, or any other deletion, inaccessibility or loss due to any reason other than deliberate and determinate deletion.

1.3. Material so selected for preservation shall be sent to the Company archives in the category of [Libraries]

1.4. The Authorized Person, in consultation with the Board, will be responsible for deciding how long archival material is to be retained in and under the direct control of the officer concerned, if the law does not specify any time period. The period shall not be less than 3 years.

a. Archiving of the Documents to be submitted to the stock exchange, in terms of the Regulations, shall be done after the lapse of the preservation period of 5 years [as specified in Regulation 30(8)], as per the archival policy.

b. For the Documents to be submitted to the stock exchange to comply with disclosure norms as required by any other Applicable Law, the Documents are to be archived after the lapse of the specified/required time period.

III. POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS.

GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION

Events / information shall be considered as Material if it meets any of the following criteria: (a) the event or information is in any manner unpublished price sensitive information; (b) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;

(c) the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date; and

(d) any other event/information which is treated as being material in the opinion of the Board of Directors of the Company.

1. DISCLOSURES OF EVENTS OR INFORMATION

a. Events specified in Annexure A are deemed to be material events and the Company shall make disclosure to of such events or information as soon as reasonably possible and not later than twenty-four (24) hours from the occurrence of such event or information in the following manner:

- i. inform the stock exchanges in which the securities of the Company are listed;
- ii. upload on the corporate website of the Company.

Provided that in case the disclosure is made after twenty-four (24) hours of occurrence of such event or information, the Company shall, along with such disclosure(s) provide an explanation for delay.

b. The Company shall make disclosure of events as specified in Annexure B based on application of guidelines for determining Materiality as per clause 3 of the Policy.

c. The Company shall make disclosures updating Material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

d. The Company shall disclose all events or information with respect to its Material Subsidiaries.

e. The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information and on its own initiative. Further it shall confirm or deny any event or information to stock exchange(s) reported in the media.

f. In case where an event occurs or information is available with the Company, which has not been indicated in Annexure A or Annexure B, but which may have material effect on it, the Company will make adequate disclosures in regard thereof.

All the above disclosures would be hosted on the website of the Company for a minimum period of five years and thereafter archived as per Company's policy for Preservation and Archival of Documents.

NON COMPLIANCE BY THE COMPANY. PENALTIES. STRICTURES:

The Company has complied with the requirements of the Stock Exchange/SEBI/any statutory authorities on all matters related to capital markets. There are no penalties or strictures imposed on the Company by Stock Exchange or SEBI.

5. CODE OF CONDUCT

The Company has its Code of Conduct which is applicable to Board of Directors as well as designated senior management personnel. The Code is circulated to all the members of the Board and management personnel and the compliance of the same is affirmed by them annually. An annual declaration of Whole Time Director, as to compliance of Code of Conduct has been provided in the Annual Report.

6. CERTIFICATE ON CORPORATE GOVERNANCE

As required under Regulation 15 of SEBI (LODR),2015, Certificate is provided in the Annual Report.

7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This is given as a separate section in this Annual Report.

8. CERTIFICATION

As required by Regulations of SEBI LODR,2015, certification on financial statements is provided in the Annual Report.

9. COMPLIANCE WITH CORPORATE GOVERNANCE

Company is fully committed to the compliance of applicable mandatory requirement of SEBI (Listing Obligations and Disclosures Regulations),2015 as amended from time to time. The company submits quarterly Compliance Report to BSE & NSE in respect of compliance of Regulation 15 of the SEBI (LODR),2015.

10. MEANS OF COMMUNICATION

- a. All financial results are immediately sent to stock exchanges after being taken on record by the Board.
- b. As per the requirements of Listing Agreement, Results are also published in leading daily local & English National newspapers namely Indian Express and Financial Express. The said results are also displayed at Company's web site.
- c. The Company's website www.khyatimulti.co.in contains a separate dedicated section named "Investors" where information for shareholders is available. Press releases, if any, are also displayed at Company's website as well as published in newspapers.

11. GENERAL INFORMATION FOR SHAREHOLDERS AND INVESTORS

The Company is registered in the State of Gujarat having Corporate Identification Number (CIN) as allotted by Ministry of Corporate Affairs (MCA) as **L92199GJ1995PLC024284**

a) Annual General Meeting.

Date : 29th September, 2018

Time : 4.00 P.M.

Venue: Subharti Prarthna Bhavan & Party Plot, C. K. Khadayata Chatralaya Campus, Gulbai Tekara, Ahmedabad-380006

b) Financial Year

For accounting and financial reporting purpose, Company follows Financial Year which starts from 1st April each year and ends on 31st March of every succeeding year.

The Quarterly Results for the financial year 2018-19 will be taken on record by the Board of Directors as per the following tentative schedule (subject to change, if any):

Quarter ending 30 th June 2018	:	By 10/08/2018
Quarter ending 30 th September 2018	:	By 05/11/2018
Quarter ending 31 st December 2018	:	By 04/02/2019
Quarter ending 31 st March 2019	:	By 30/05/2019

c) Date of Book Closure / Record Date : 21-09-2018 to 01-10-2018
(Both days inclusive)

d) Dividend Payment Date : Not Applicable

e) Listing on Stock Exchange : **Bombay Stock Exchange Ltd.(BSE)**
Phiroze Jeejeebhoy Towers Dalal
Street, Mumbai – 400001
Scrip Code: 531692

Demat ISIN No. for NSDL and CDSL : **INE593B01030**

f) Listing Fees to Stock Exchanges

Company has paid listing fees in respect of financial year 2018-19 to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

g) Custodial Fees to Depositories

Company has paid Custodian Fees for the financial year 2018-19 to both depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

h) Share Price Data

(Rs. per share)

Company : [KHYATI MULTIMEDIA-ENTERTAINMENT LTD.](#) **531692**

Period: Apr 2017 to March 2018

All Prices in ₹

Month	Open	High	Low	Close	No. of Shares	No. of Trades	Total Turnover	Deliverable Quantity	% Deli. Qty to Traded Qty
Apr 17	0.84	0.96	0.84	0.95	3,884	19	3,602	3,884	100.00
May 17	0.94	0.94	0.94	0.94	400	2	376	400	100.00
Jun 17	0.90	0.90	0.82	0.82	630	4	525	630	100.00
Jul 17	0.78	0.78	0.50	0.50	15,783	67	9,193	15,783	100.00
Aug 17	0.50	0.50	0.50	0.50	1,791	11	894	1,791	100.00
Oct 17	0.50	0.50	0.50	0.50	2,515	2	1,257	2,515	100.00
Apr 18	0.52	0.54	0.52	0.54	6,752	12	3,623	6,752	100.00

i) Shareholding pattern as on 31st March, 2018

Sr. No.	Particulars	No. of Shares of Rs.10/- each	% holding
1	INDIAN PROMOTERS	17,93,895	16.61%
3	BODIES CORPORATES	319122	2.95%
4	PUBLIC	8685001	80.42%
6	NON RESIDENT INDIANS (NRI)	2182	0.02%
Total		10800200	100.00%

j) Distribution of shareholding as on 31st March, 2018

	No. of Shares	%	No. of Members	%
Up to 500	1509519	13.977	6979	73.455
501 - 1000	1179557	10.922	1322	13.914
1001 - 2000	927729	8.59	576	6.063
2001 - 3000	556925	5.157	218	2.294
3001 - 4000	338016	3.13	92	0.968
4001 - 5000	423676	3.923	87	0.916
5001 - 10000	958897	8.879	127	1.337
10001 & ABOVE	4905881	45.424	100	1.053

k) Dematerialization of Shares and Liquidity

On March 31st 2018, nearly 83.39% of the shareholders of Company were holding Company's shares in demat form. In the same way, Promoters & Promoters-group shareholding was not fully dematerialized. Also, the aggregate dematerialized shareholding of the Company stood at 83.39% of the total no. of shares. Brief position of Company's dematerialized shares is given below:

S. No.	Description	No. of Holders	Shares	% holding
1	NSDL	5731	5719004	52.95
2	CDSL	3626	2947104	27.28
3	PHYSICAL	144	2134092	19.75
Total		9501	10800200	100%

l) Share Transfer System

All transfers of shares held in physical form are dealt by our Registrar and Share Transfer Agents. Presently the share transfers received in physical form are processed and registered within prescribed time periods (15) days from the date of receipt subject to the documents being valid and complete in all respects. Depositories control share transfers in Demat Mode. The Company obtains from a Company Secretary in Practice half yearly certificate of compliance in respect of compliance with share transfer formalities as required under Regulation 40 (10) of the SEBI (LODR),2015 with Stock Exchanges and files a copy of the certificate with the stock exchanges.

m) Reconciliation of Share Capital Audit Report

As stipulated by Securities and Exchange Board of India, Company is required to carry out Reconciliation of Share Capital Audit (RSCA) from a practicing Company Secretary. This audit is carried out every quarter and the report thereon of Practicing Company Secretary is submitted to the stock exchanges. The audit, inter alia, confirms that the total listed and paid-up capital of the company is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

n) Registered & Administrative Offices:**Registered Office**

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

o) Address for Investor Correspondence:

In case any problem or query shareholders can contact at:

Name : Vinod M. Chelani
Compliance officer

Address : 100, Chinubhai Towers,
Opp: Handloom House, Ashram Road,
Navrangpura, Ahmedabad-380009

Tel NO: 91-079-26582983

Fax: 91-079-26584335

E-Mail: khyatimulti@yahoo.com

Website: www.khyatimultimedia.com

Shareholders may also contact Company's Registrar & Share Transfer Agent at:

Name : **MCS SHARE TRANSFER AGENT LIMITED**
201, Shatdal complex,
Opp. Bata show room,
Ashram road,
Ahmedabad – 380 009

Phone : **91-022-67720400**

Fax : **91-022- 28591568**

Email : helpdeskahmd@mcsregistrars.com

Website : www.mcsregistrars.com

Annexure to Corporate Governance Report

DECLARATION REGARDING COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

We, Kartik J. Patel, Managing Director and Prafulchandra J. Agarwal 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 Regulations of SEBI (LODR), 2015 entered into with Stock Exchange. The Board has adopted a code of conduct for all Board members and senior management of the company which is posted on the website of the company. All Board members and senior management personnel have affirmed their compliance with the code of conduct for the current year.

As required by SEBI (LODR) Regulation 2015, 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 30th May 2015.

For Khyati Multimedia Entertainment Limited

Place: Ahmedabad
Date: 30.05.2018

Kartik J. Patel
Managing Director
DIN: 00047862

Prafulchandra J. Agarwal
Director
DIN: 00088295

CERTIFICATE ON CORPORATE GOVERNANCE

To
Members
KHYATI MULTIMEDIA ENTERTAINMENT LIMITED.

We have examined the compliance of the conditions of Corporate Governance by Khyati Multimedia Entertainment Limited for the year ended 31st March, 2018 as stipulated in Regulation 15 of the SEBI (LODR), 2015 of the Company with stock exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (LODR), Regulation 2015 except to the extent that CFO is yet to be appointed.

We state that in respect of investor grievances received during the year ended 31st March, 2018, no investor grievances are pending against the company for the period exceeding one month, as per the records maintained by the Company and presented to the Investors/Shareholders Grievance Committee. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad

Date: 30th May 2018

**FOR KAMLESH M. SHAH & CO.,
PRACTICING COMPANY SECRETARIES**

**(Kamlesh M. Shah)
PROPREITOR
ACS: 8356, COP: 2072**

CERTIFICATION

(Pursuant to SEBI (LODR) Regulation 2015)

To
The Board of Directors

We hereby certify that:

- a. We have reviewed Financial Statements and the Cash Flow Statement for the year ended **31st March 2018** and that 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 statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they 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 control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Khyati Multimedia Entertainment Limited

Place: Ahmedabad
Date: 30.05.2018

Kartik J. Patel
Managing Director
DIN: 00047862

Prafulchandra J. Aggarwal
Director
DIN: 00088295

ANNEXURE – 3 TO DIRECTORS' REPORT
MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Global business environment is becoming more competitive than ever. As a result, this is forcing businesses to seek newer ways to improve their efficiency, lower operating costs, be more responsive to customer needs, and brings new products to market faster. This drive to improve results has resulted in a burgeoning interest in technology management ranging from the acquisition to the exploitation of new technologies. While many technologies are of primary interest to one or two industries, almost all industries have an interest in information technology most companies cannot operate without computer system. These have been employed in nearly all business areas from education to manufacturing to construction. Management is becoming aware that their competitive edge may depend on the ability of their computer and communication systems to respond quickly to changing business needs. This means that businesses must keep abreast of competitive moves in the use of computers and in many cases be prepared to stay ahead of their competitors. Having access to the latest technological advancements may be a major factor that will give a business that extra competitive edge.

DISCUSSION ON COMPANY'S PERFORMANCE

During the year under review the Company has earned total income from other sources of Rs. 1,290,822 /- (Previous Year of Rs. 92,350) from business. After deducting all administrative expenses and depreciation and necessary adjustments for taxation, etc. the company has incurred a net loss of Rs. (676,474) /- (Previous of Rs (1,541,923)/-).

SWOT ANALYSIS OF COMPANY**Strength**

When media industries tout their strengths, they often mean their customers rather than the journalism awards sitting on the trophy shelf. They might note their total volume of customers, or their market dominance in demographics that your business covets. Consider larger trends as well as specific. If you're looking to invest or advertise, broadcast television rules if you want the broadest audience, but doesn't have the influence it once did, for example. Brand names can also be a strength. Both customers and advertisers may want to be associated with media outlets considered elite news and entertainment sources.

Weaknesses

Every media outlet engages in a fierce competition for a larger share of audience. At any given time, ratings or circulation figures are a weakness for some industry sectors. Cost structure is a weakness in some traditional media industries, where a change in audience media preferences has left a solid brand, but a bloated workforce and narrowing customer base. New media can have a similar problem, with founders and investors pouring cash into their vision of the future that results in an unsustainable amount of red ink.

Opportunities

Traditional media industries are looking to monetize their offerings on the Internet, or turn their free social media outlets into effective sales pitches for their pay offerings. There's also the time-honored opportunities presented by the expansion of markets. Combine them both, and media outlets may find it profitable to specialize in niche content that's more popular outside of their traditional geographic footprint, and sell targeted Web advertisements to bring in the necessary revenue. The shifting consumer preferences, while often viewed as a negative also provides opportunities for media organizations to benefit. People using the Internet to get their news may lower the market for the physical newspaper, but create new opportunities to market its content, for example

Threats

Disruptive technologies are a threat to media industries that haven't been proactive in using them for their benefit. User-generated content, whether it's a popular series of YouTube videos or the hottest social media site that everyone's obsessing over, also takes eyeballs away from established media industries. Fragmentation is a further threat for those who depend on a high volume of customers, as broadcast TV networks, radio and newspapers in particular have found out. If you're a business looking to get the most comprehensive coverage possible in your advertising, doing it through the leading local radio station has less appeal if the ratings are far from what they once were.

RISKS AND CONCERNS

Some of the major risks and concerns identified by the Company are:

- Working Capital risks
- Market ups and down ratio risk
- Government Policy and Political Structure risk
- Competition risk
- Economic Slowdown risk

In its process of Risk Management, Company takes proactive steps in identifying inherent business and operational risks and accordingly takes appropriate steps to guard against these identified risks.

INTERNAL CONTROL SYSTEM

Your Company has in place adequate internal control systems commensurate with the size of its operations. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, applicable laws and regulations, safeguarding of assets and economical and efficient use of resources. The system is assessed periodically. The Internal Audit team continuously monitors the effectiveness of the internal control systems. It reports to the Audit Committee about the adequacy and effectiveness of the internal control system of your Company.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Company maintained healthy, cordial and harmonious industrial relations at all levels. The Board of Directors and management wish to place on record their appreciation of the efforts put in by all employees to achieve good performance.

RISK MANAGEMENT

Risks are events, situations or circumstances which may lead to negative consequences on a Company's business. Risk management is a structured approach to manage uncertainty. It involves identifying potential risks, assessing their potential impact, taking timely action to minimize potential impact and continuous monitoring of identified risks. Your Company has a robust risk management process to identify and assess business risks and opportunities. Your Company's risk management plan describes the potential risk, contains an analysis of the impact of risks and includes risk strategies to help the business reduce the consequences. The risk management plan of your Company is regularly reviewed to ensure that it accurately reflects the current potential risks to its business.

FUTURE OUTLOOK

Khyati Multimedia Entertainment Limited has involved in the area of high-quality Desktop Publishing, imaging, Corporate Presentations, creative designing, graphic designing and multimedia software development and is also engaged in the business of letting out vehicle.

ANNEXURE – 4 TO DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

FORM NO. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Key Managerial Personnel) Rules, 2014]

To,
The Members,
KHYATI MULTIMEDIA-ENTERTAINMENT LIMITED
CIN: L92199GJ1995PLC024284

I/we have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices followed by **KHYATI MULTIMEDIA-ENTERTAINMENT LIMITED** (Hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and on that basis; we are expressing our opinion thereon.

Based on my/our verification of the records of **KHYATI MULTIMEDIA-ENTERTAINMENT LIMITED**, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I/We hereby report that in my/our opinion, the company has, during the audit period covering **the financial year ended on 31st March 2018** complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliances mechanism in place to the extent , in the manner and subject to the reporting made hereinafter:

I/We have examined the books, papers, minute books, forms and returns filed and record maintained by **KHYATI MULTIMEDIA-ENTERTAINMENT LIMITED (CIN: L92199GJ1995PLC024284)** for the financial year ended on **31.03.2018** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulations) Act,1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

- (iv) Foreign Exchange Management Act,1999 and the rules and regulation made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:**(NOT APPLICABLE FOR THE YEAR UNDER REVIEW)**
- (v) The following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act') :-
- (a)** The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011; **(COMPLIED WITH ANNUAL DISCLOSURE OF SHAREHOLDING AS PER REGULATION NO. 30 OF THE REGULATIONS)**
- (b) The Securities and Exchange Board of India (Prohibition of Insider Training) Regulations,1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d)** The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(NO ESOS OR ESOPS WERE ISSUED DURING THE YEAR UNDER REVIEW)**
- (e)** The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(NOT APPLICABLE FOR THE YEAR UNDER REVIEW)**
- (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- (g)** The Securities and Exchange Board of India(Delisting of Equity Shares)Regulations, 2009; **NOT APPLICABLE FOR THE YEAR**
- (h)** The Securities and Exchange Board of India (Buyback of Securities)Regulations, 1998; **(NOT APPLICABLE FOR THE YEAR UNDER REVIEW)**
- (vi) As stated in the **Annexure – A** – all the laws, rules, regulations are applicable specifically to the company.
- (vii) No Other Observations regarding other major corporate events occurred during the year and various compliances made by the Company with applicable Laws, Rules, Regulations, Listing Agreements etc.

I/We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and applicable w.e.f 1st day of July 2015 are adopted by the Company by passing requisite Board Resolutions and are complied with.
- (ii) The Listing Agreements entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provision of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I/We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non -Executives Directors, Independent Directors and Woman Director. *Except the company has not yet appointed CFO as per the Companies Act, 2013.*

There were no changes in the composition of the Board of Directors during the year.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

Except:

5. *Companies Name is been mentioned in the list of Shell companies issued by SEBI Circular, in reply to this Company has filed the Various Suitable Reply with BSE. After Considering the Necessary Suitable Reply. BSE has issued Order of Forensic Audit for Removing the Companies Name from the List of Shell Companies.*
6. *Company has not Appointed Yet Internal Auditor as per Section 139 of Companies Act,2013.*
7. *Company has given Loans & Advances (CLEAN) to three various Parties at Hyderabad and pune the company has sent by registered post the letter of confirmation of accounts, however counter confirmation are not yet received.*

I/We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

I/We further report that during the audit period the company has not made any

- (I) Public/ Right/Preferential issue of shares/ debentures/sweat equity, etc.
- (II) Redemption/ buy-back of securities
- (III) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (IV) Foreign technical collaborations

Place: Ahmedabad

Date: 30th May,2018

**FOR KAMLESH M. SHAH & CO.,
PRACTICING COMPANY SECRETARIES**

**(Kamlesh M. Shah)
PROPRIETOR
ACS: 8356, COP: 2072**

ANNEXURE-A

Securities Laws

1. All Price Sensitive Information was informed to the stock exchanges from time to time
2. All investors complain directly received by the RTA& Company is recorded on the same date of receipts and all are resolved within reasonable time.

Labour Laws

1. All the premises and establishments have been registered with the appropriate authorities.
2. The Company has not employed any child labour/ Bonded labour in any of its establishments.
3. Provisions with relate to compliances of PF/ESI/Gratuity Act are not applicable to Company.

Environmental Laws

1. As the company is not engaged in the manufacturing activities, so the Environmental law is not applicable to the Company.

Taxation Laws

1. The company follows all the provisions of the taxation and Income Tax Act, 1961 and filing the returns at proper time with Income tax department and all other necessary departments.

**Place: Ahmedabad
Date: 30th May,2018**

**FOR KAMLESH M. SHAH & CO.,
PRACTICING COMPANY SECRETARIES**

**(Kamlesh M. Shah)
PROPRIETOR
ACS: 8356, COP: 2072**

INDEPENDENT AUDITOR'S REPORT

To the Members of Khyati Multimedia Entertainment Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Khyati Multimedia Entertainment Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information, (hereinafter referred to as "Ind AS Financial Statements").

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the (state of affairs) financial position, profit or loss (financial performance including other comprehensive income) cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS 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 requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and, *except for the fact that the confirmation for advances given of Rs. 208.75 lacs is not produced to us by the company*, give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, its loss (financial performance including other comprehensive income) its cash flows and changes in equity for the year ended on that date.

Material Uncertainty Related to Going Concern

We also draw attention to Note No.24 to the statement regarding the fact that the company is not carrying out any commercial activity during the year and continuously incurring cash losses. There is absence of future business plans in place. These conditions indicate that a material uncertainty exists that may cast significant doubt on Company's ability to continue as a going concern. However, the accounts are prepared based on going concern.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

1. We draw attention to note 23 to the statement with regard to order date April 23, 2018 of BSE Limited for conducting forensic audit of accounts and other documents of the company for the period from April 01, 2015 to till date for shell companies. Any adverse outcome of the same may have impact on the financials of the Company.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we 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 purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;
 - e. On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".
 - j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
 - iii. There is no amount required to be transferred to the Investor Education and Protection Fund by the Company.

For N. Gamadia & Co.

Chartered Accountants

ICAI Firm Registration No. 116075W

Nilesh Gupta
Partner
Membership No. 100426

Place: Ahmedabad

Date: May 30, 2018

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Khyati Multimedia Entertainment Limited on the financial statements for the year ended March 31, 2018]

- (i) In respect of Company's Fixed Assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular programme of physical verification of the fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However, during the year, fixed assets have not been physically verified by the management as per the programme of verification.
 - (c) The company does not hold any immovable properties and hence reporting under Clause 3(i)(c) of the Order is not applicable to the Company.
- (ii) The Company does not have any physical inventory during the year under audit and hence reporting under Clause 3(ii) is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, reporting under clauses 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not granted any loans, investments, guarantees and securities to the parties covered under sections 185 and 186 of the Companies Act, 2013 and hence the provisions of clause 3(iv) of the order are not applicable to the company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections

73 to 76 of the Act and the rules framed there under. Hence the provisions of clause 3(v) of the order are not applicable to the company.

- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii)
- (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and services tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.
 - (b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount Rs.	Period to which the amount relates	Forum where dispute is pending	Remarks
Provident fund Act, 1952	Provident Fund	2,00,750	Sep-1997 to Sep-2000	Provident Fund Appellate tribunal New Delhi, which has remanded the case to APFC, Ahmedabad	

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution(s), bank(s), government(s) or dues to debenture holder(s).
- (ix) The Company has neither raised money by way of public issue offer nor has obtained any term loans. Therefore, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) According to the information and explanations given to us, the Company has not paid / provided for managerial remuneration during the year and hence the requisite compliance mandated by the provisions of Section 197 read with Schedule V to the Act is not applicable to the Company.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For N. Gamadia & Co.

Chartered Accountants

ICAI Firm Registration No. 116075W

Nilesh Gupta

Partner

Membership No. 100426

Place: Ahmedabad

Date: May 30, 2018

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Khyati Multimedia Entertainment Limited on the financial statements for the year ended March 31, 2018]

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Khyati Multimedia Entertainment Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a

material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components

Khyati Multimedia Entertainment Limited

**24th Annual General Meeting
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of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For N. Gamadia & Co.

Chartered Accountants

ICAI Firm Registration No. 116075W

Nilesh Gupta

Partner

Membership No. 100426

Place: Ahmedabad

Date: May 30, 2018

Khyati Multimedia Entertainment Limited
Balance Sheet as at March 31, 2018

(In Rupees)

Particulars	Note No.	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	3	101,348	354,396	607,444
(b) Financial Assets				
(i) Investments	4	3,639,770	3,639,770	6,717,770
(ii) Others	5	20,875,000	21,748,500	24,250,672
Total Non-Current Assets		24,616,118	25,742,666	31,575,886
(2) Current assets				
(a) Financial Assets				
(i) Trade Receivables	6	-	-	180,000
(ii) Cash and cash equivalents	7	111,498	43,578	37,576
(iii) Others financial assets	8	11,386	10,891	6,724
(b) Current tax asset	9	-	15,724	15,724
Total Current Assets		122,884	70,193	240,024
TOTAL ASSETS		24,739,002	25,812,859	31,815,910
EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share capital	10	108,002,000	108,002,000	108,002,000
(b) Other Equity		(83,448,927)	(83,016,987)	(81,752,794)
Total Equity		24,553,073	24,985,013	26,249,207
(2) Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	11	27,100	421,100	4,935,100
(b) Deferred tax liabilities (Net)	12	-	190,916	118,969
Total Non-Current Liabilities		27,100	612,016	5,054,069
Current liabilities				
(a) Financial Liabilities				
(i) Trade payables	13	139,669	215,830	482,601
(b) Other current liabilities	14	4,500	-	30,033
(c) Provisions	15	14,660	-	-
Total Non-Current Liabilities		158,829	215,830	512,634
TOTAL EQUITY AND LIABILITIES		24,739,002	25,812,859	31,815,910

The accompanying notes form an integral part of financial statements

As per our report of even date attached

For **N. Gamadia & Co.**
Chartered Accountants
Firm Registration Number : 116075W

For and on behalf of the Board of directors
of **Khyati Multimedia Entertainment Limited**

CA Nilesh Gupta
Partner
M. No. 100426

Kartik Patel
Managing Director
DIN: 00047862

Praful Agarwal
Director
DIN: 00088295

Place : Ahmedabad
Date : May 30, 2018

Place : Ahmedabad
Date : May 30, 2018

Khyati Multimedia Entertainment Limited
Statement of Profit and Loss for the year ended March 31, 2018

(In Rupees)

	Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
	Revenue From Operations		-	-
	Other Income	16	600,149	-
I	Total Income		600,149	-
	Employee benefits expense	17	123,000	207,000
	Depreciation and amortization expense	3	253,048	253,048
	Other expenses	18	846,958	732,198
II	Total expenses		1,223,006	1,192,246
III	Profit/(loss) before tax (I- II)		(622,857)	(1,192,246)
IV	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax	12	190,917	71,947
V	Profit/(loss) for the year		(431,941)	(1,264,193)
VI	Other Comprehensive Income		-	-
VII	Total Comprehensive Income for the Year (VIII+VII) (Comprising Profit (Loss) and Other Comprehensive Income for the year)		(431,941)	(1,264,193)
VIII	Earnings per equity share	19		
	(1) Basic		(0.04)	(0.12)
	(2) Diluted		(0.04)	(0.12)

The accompanying notes form an integral part of financial statements

For N. Gamadia & Co.
Chartered Accountants
Firm Registration Number : 116075W

For and on behalf of the Board of directors
of Khyati Multimedia Entertainment Limited

CA Nilesh Gupta
Partner
M. No. 100426

Kartik Patel
Managing Director
DIN: 00047862

Praful Agarwal
Director
DIN: 00088295

Place : Ahmedabad
Date : May 30, 2018

Place : Ahmedabad
Date : May 30, 2018

Khyati Multimedia Entertainment Limited

Cash flow statement for the year ended March 31, 2018

(In Rupees)

Particulars	2017-18	2016-17
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	(622,857)	(1,192,246)
Depreciation	253,048	253,048
Operating profit before working capital changes	(369,809)	(939,198)
Adjustments for changes in working capital		
Increase/(Decrease) in Trade payables	(76,161)	(266,771)
Increase/(Decrease) in Current liabilities and provisions	19,160	(30,033)
(Increase)/Decrease in Long term loans and advances	873,500	2,502,172
(Increase)/Decrease in Other Current Assets	15,229	(4,167)
(Increase)/Decrease in Other Trade Receivables		180,000
Cash generated from operations	831,728	2,381,201
Net cash generated from operating activities	461,918	1,442,003
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of investments	-	3,078,000
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowing	(394,000)	(4,514,000)
Net Increase/(decrease) in cash and cash equivalents	67,919	6,004
Opening balance	43,578	37,576
Closing balance	111,498	43,578

Note: The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standards (Ind AS-7)- statement of cash flow.

For **N. Gamadia & Co.**
Chartered Accountants
Firm Registration Number : 116075W

For and on behalf of the Board of directors
of **Khyati Multimedia Entertainment Limited**

CA Nilesh Gupta
Partner
M. No. 100426

Kartik Patel
Managing Director
DIN: 00047862

Praful Agarwal
Director
DIN: 00088295

Place : Ahmedabad
Date : May 30, 2018

Place : Ahmedabad
Date : May 30, 2018

Khyati Multimedia Entertainment Limited
Statement of Changes in Equity for the year ended March 31, 2018

A. Equity Share Capital

Particulars	No. of shares	Amount (in Rs.)
As at April 01,2016	10,800,200	108,002,000
Changes in equity share capital during the year	-	-
As at March 31,2017	10,800,200	108,002,000
Changes in equity share capital during the year	-	-
As at March 31,2018	10,800,200	108,002,000

B. Other Equity

Particulars	Reserves and Surplus		
	Securities Premium Reserve	Retained Earnings	Total
Balance at April 01,2016	34,960,000	(112,651,941)	(77,691,941)
Fair value of investment	-	(4,060,853)	(4,060,853)
Loss for the year	-	(1,264,193)	(1,264,193)
Balance at March 31,2017	34,960,000	(117,976,987)	(83,016,987)
Transfer to retained earnings	-	-	-
Loss for the year	-	(431,941)	(431,941)
Balance at March 31,2018	34,960,000	(118,408,928)	(83,448,928)

As per our report of even date attached
For N. Gamadia & Co.
Chartered Accountants
Firm Registration Number : 116075W

For and on behalf of the Board of directors
of **Khyati Multimedia Entertainment Limited**

CA Nilesh Gupta
Partner
M. No. 100426

Kartik Patel
Managing Director
DIN: 00047862

Praful Agarwal
Director
DIN: 00088295

Khyati Multimedia Entertainment Limited
Notes to financial statements for the year ended March 31, 2018

3 (i) Property, Plant and Equipments

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 01, 2017	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2018	As at April 01, 2017	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Tangible Assets										
Plant & Machinery	50,490	-	-	50,490	25,482	3,744	-	29,226	21,264	25,008
Vehicle	1,601,757	-	-	1,601,757	1,272,369	249,304	-	1,521,673	80,084	329,388
	1,652,247	-	-	1,652,247	1,297,851	253,048	-	1,550,899	101,348	354,396

(ii) Property, Plant and Equipments

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 01, 2016	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2017	As at April 01, 2016	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Tangible Assets										
Plant & Machinery	50,490	-	-	50,490	21,738	3,744	-	25,482	25,008	28,752
Vehicle	1,601,757	-	-	1,601,757	1,023,065	249,304	-	1,272,369	329,388	578,692
	1,652,247	-	-	1,652,247	1,044,803	253,048	-	1,297,851	354,396	607,444

Khyati Multimedia Entertainment Limited
Notes to financial statements for the year ended March 31,2018

4 Investments

Particulars	As at 3/31/2018	As at 3/31/2017	As at 4/1/2016
Investment in Equity Instruments - Unquoted			
Investment in other entities carried at cost			
Khyati Exports Private Limited (345780 equity shares of Rs. 10 each) (Earlier Kadam Exports Private Limited)	3,639,770	3,639,770	3,639,770
Komm onn Communication Ltd.(102600 equity shares of Rs. 30 each)	-	-	3,078,000
Total (equity instruments)	3,639,770	3,639,770	6,717,770
Aggregate amount of quoted investments and market value thereof	-	-	3,078,000
Aggregate amount of unquoted investments- book value/ market value	3,639,770	3,639,770	3,639,770
Aggregate amount of impairment in the value of investments	-	-	-

5 Others

Particulars	As at 3/31/2018	As at 3/31/2017	As at 4/1/2016
Capital Advances	20,875,000	21,748,500	24,250,672
	20,875,000	21,748,500	24,250,672

6 Trade Receivables

Particulars	As at 3/31/2018	As at 3/31/2017	As at 4/1/2016
Unsecured			
Considered good	-	-	180,000
Considered doubtful	-	-	-
	-	-	180,000
Allowances for Credit Loss	-	-	-
	-	-	180,000

7 Cash and Cash Equivalents

Particulars	As at 3/31/2018	As at 3/31/2017	As at 4/1/2016
Balance with Banks	27,633	20,107	16,914
Cash on hand	83,865	23,471	20,663
	111,498	43,578	37,576

8 Others

Particulars	As at 3/31/2018	As at 3/31/2017	As at 4/1/2016
Prepaid Expenses	11,386	9,691	6,724
Khyati Fincap Ltd	-	1,200	-
	11,386	10,891	6,724

9 Current Tax Asset

Particulars	As at 3/31/2018	As at 3/31/2017	As at 4/1/2016
TDS Receivable	-	15,724	15,724
	-	15,724	15,724

Khyati Multimedia Entertainment Limited
Notes to financial statements for the year ended March 31,2018

10 Equity Share Capital

Particulars	As at 3/31/2018	As at 3/31/2017	As at 4/1/2016
Authorised Equity Share Capital 1,30,00,000 Equity Shares (P.Y. 1,30,00,000 shares) of Rs.10/- each	130,000,000	130,000,000	130,000,000
Issued, Subscribed & Fully Paid Share Capital 1,08,00,200 Equity Shares (P.Y. 1,08,00,200 shares) of Rs.10/- each	108,002,000	108,002,000	108,002,000
	108,002,000	108,002,000	108,002,000

a)The company has only one class of equity shares having a par value of Rs. 10/- each. Each Share holder is eligible for one vote per share.

b) Reconciliation of number of shares outstanding:

Particulars	As at 3/31/2018	As at 3/31/2017	As at 4/1/2016
As at beginning of the year	10,800,200	10,800,200	10,800,200
Add: Shares Issued	-	-	-
As at end of the year	10,800,200	10,800,200	10,800,200

c)Details of share held by the shareholder holding more than 5% shares :

Name of Shareholders	As at 3/31/2018	As at 3/31/2017	As at 4/1/2016
Kartik J Patel			
No. of Shares	1,630,600	1,630,600	1,630,600
% of Shares Held	15.10%	15.10%	15.10%

11 Borrowings

Particulars	As at 3/31/2018	As at 3/31/2017	As at 4/1/2016
<u>Non-current</u>			
Unsecured			
Loan From Director	27,100	421,100	4,935,100
	27,100	421,100	4,935,100

Note: Loan from director is interest free and repayable on demand

12 Deferred Tax Liabilities (Net)

Particulars	As at 3/31/2018	As at 3/31/2017	As at 4/1/2016
<u>Deferred Tax Liabilities</u>			
Difference between book balance and tax balance of fixed assets			
Opening balance	190,916	118,969	77,316
Add/Less: current year deferred tax	(190,916)	71,947	(41,653)
Less: Earlier year adjustment	-	-	-
	-	190,916	118,969

Khyati Multimedia Entertainment Limited
Notes to financial statements for the year ended March 31,2018

13 Trade Payables

Particulars	As at 3/31/2018	As at 3/31/2017	As at 4/1/2016
Acceptances	-	-	-
Other than Acceptances *	139,669	215,830	482,601
	139,669	215,830	482,601

* There are no dues to Micro and Small Enterprises as on March 31, 2018 , March 31, 2017 and April 1,2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditor.

14 Other Current Liability

Particulars	As at 3/31/2018	As at 3/31/2017	As at 4/1/2016
TDS payable	4,500	-	30,033
	4,500	-	30,033

15 Provisions

Particulars	As at 3/31/2018	As at 3/31/2017	As at 4/1/2016
Provision for expense	14,660	-	-
	14,660	-	-

16 Other Income

Particulars	2017-18	2016-17
Interest on Income tax refund	57,872	-
Income tax Refund	465,777	-
Excess Recovery of Advances for Land	76,500	-
	600,149	-

17 Employee Benefit Expense

Particulars	2017-18	2016-17
Salaries and wages	123,000	207,000
	123,000	207,000

18 Other Expense

Particulars	2017-18	2016-17
Advertisement Expense	22,468	52,102
Car Expense	10,839	36,666
Car Insurance	15,369	13,597
Listing fees	293,400	229,000
Other Expense	4,403	1,499
Payment to Auditors*	76,700	23,000
Professional fees	58,600	25,000
Rent Expense**	114,000	114,000
ROC fees	10,200	2,400
R & T Agent Fees Expense	226,110	220,090
Telephone Expense	8,310	8,766
Travelling expense	-	3,260
Website Expense	6,559	2,818
	846,958	732,198

*Payments to auditors comprises:

Particulars	2017-18	2016-17
For Statutory Audit (including taxes)	53,100	23,000
For Certification work (including taxes)	23,600	-
	76,700	23,000

** Rent Expense of Rs. 1,14,000 (P.Y. 1,14,000) pertains to the related party - Jignaben Patel (Director)

Effect of Ind AS adoption on the Balance Sheet as at March 31, 2017 and April 1, 2016

(Rs. In lacs)

Particulars	Notes	As at March 31, 2017			As at April 1, 2016		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance sheet
ASSETS							
(1) Non-current assets							
(a) Property, Plant and Equipment		1,227,896	(873,500)	354,396	1,480,944	(873,500)	607,444
(b) Financial Assets		5,350,173	(1,710,403)	3,639,770	8,428,173	(1,710,403)	6,717,770
(i) Investments		23,225,450	(1,476,950)	21,748,500	25,727,622	(1,476,950)	24,250,672
(ii) Others		-	-	-	180,000	-	180,000
(a) Financial Assets		43,578	-	43,578	37,576	-	37,576
(i) Trade Receivables		26,615	(15,724)	10,891	22,448	(15,724)	6,724
(ii) Cash and cash equivalents		-	15,724	15,724	-	15,724	15,724
(iii) Others (to be specified)		-	-	-	-	-	-
(b) Current tax asset		-	-	-	-	-	-
Total Assets		29,873,712	(4,060,853)	25,812,859	35,876,763	(4,060,853)	31,815,910
EQUITY AND LIABILITIES							
(1) Equity							
(a) Equity Share capital		108,002,000		108,002,000	108,002,000		108,002,000
(b) Other Equity		(78,956,134)	(4,060,853)	(83,016,987)	(77,691,940)	(4,060,853)	(81,752,793)
Total Equity							
(2) Liabilities							
Non-current liabilities							
(a) Financial Liabilities		421,100		421,100	4,935,100	-	4,935,100
(i) Borrowings		190,916		190,916	118,969		118,969
(b) Deferred tax liabilities (Net)							
Current liabilities							
(a) Financial Liabilities		197,830	18,000	215,830	482,634	(33)	482,601
(i) Trade Payables		18,000	(18,000)	-	30,000	33	30,033
(b) Other current liabilities							
(c) Provisions							
Total Equity and Liabilities		29,873,712	(4,060,853)	25,812,859	35,876,763	(4,060,853)	31,815,910

KHYATI MULTIMEDIA ENTERTAINMENT LIMITED

CIN: L92199GJ1995PLC024284

100, CHINUBHAI TOWERS, 1ST FLOOR, OPP: HANDLOOM HOUSE, ASHRAM ROAD, NAVRANGPURA,
AHMEDABAD 380009 GUJARAT

ATTENDANCE SLIP

DP ID*		Folio	
Client ID*		No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 24th **ANNUAL GENERAL MEETING** of the Company held on Saturday, 29th September, 2018 at 04:00 P.M. at Subharti Prarthna Bhavan & party Plot, C. K. Khadayata Chatralaya Campus, GulbaiTekra, Ahmedabad-380006.

Signature of the Shareholder | Proxy

* Applicable for investors holding shares in electronic form.

KHYATI MULTIMEDIA ENTERTAINMENT LIMITED

CIN: L92199GJ1995PLC024284

100, CHINUBHAI TOWERS, 1ST FLOOR, OPP: HANDLOOM HOUSE, ASHRAM ROAD, NAVRANGPURA,
AHMEDABAD 380009 GUJARAT

Form No. MGT- 11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of Members:

Registered Address:

E-mail Address:

Folio No. | Client ID:

DP Id:



I/we, being the member(s) of _____ shares of Khyati Multimedia Entertainment Limited, hereby appoint:

- 1) _____ of _____ having e-mail id _____ or failing him
- 2) _____ of _____ having e-mail id _____ or failing him
- 3) _____ of _____ having e-mail id _____ or failing him

and whose signature(s) are appended below as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company, to be held on Saturday, 29th September, 2018 at 04:00 p.m. at Subharti Prarthna Bhavan & party Plot, C. K. Khadayata Chatralaya Campus, GulbaiTekra, Ahmedabad-380006 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Subject Matter of Resolution	Optional	
		For	Against
	ORDINARY RESOLUTION		
1	To receive, consider and adopt the financial statements of the Company including the Audited Balance Sheet as on March 31, 2018, the Statement of Profit and Loss and the Cash flow statement for the year ended on that date and the Reports of the Board of Directors and the Auditors of the Company.		
2	To Appoint Prafulchandra Agarwal (DIN: 00088295), who retires by rotation and being eligible, offers himself for re-appointment.		
	SPECIAL BUSINESS		
3	Appointment of Mr. Kartik J. Patel DIN: 00047862 as a Managing Director of the Company		

Signed this day of 2018

Affix ₹1/- revenue stamp

(Signature of the member/ Proxy)

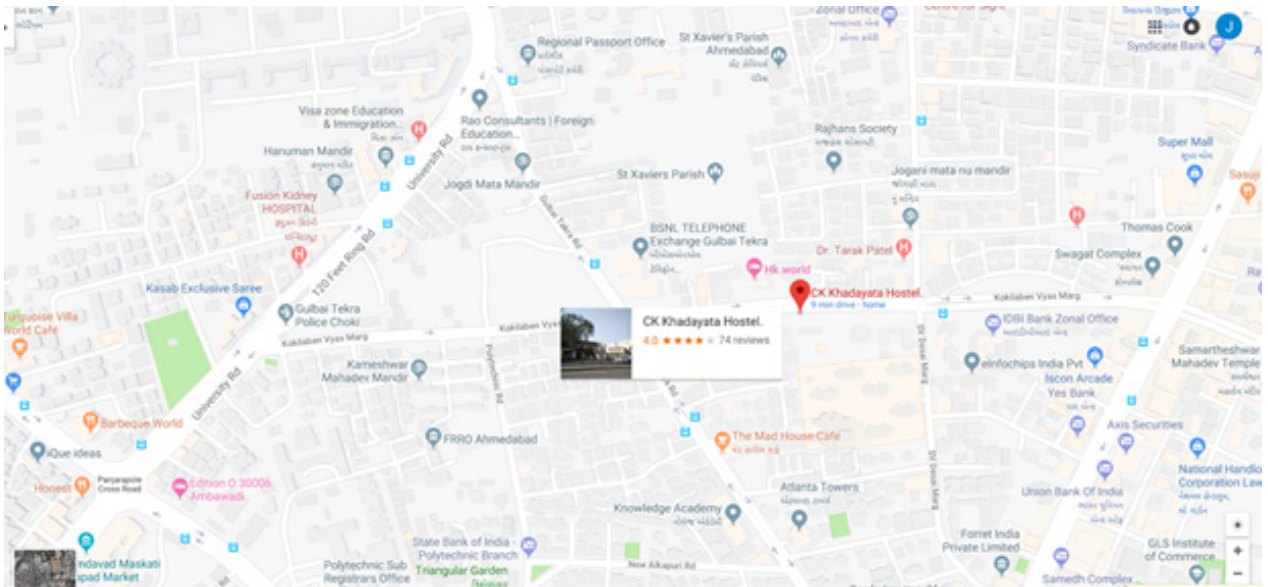
Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

*2. This is only optional. Please put a '☑' in appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Route Map of the AGM Venue

Venue: Subharti Prarthna Bhavan & Party Plot, C. K. Khadayata Chatralaya Campus,
Gulbai Tekara, Ahmedabad-380006



Khyati Multimedia Entertainment Limited

**24th Annual General Meeting
Annual Report 2017-18**

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CIN: L92199GJ1995PLC024284

*Regd. Office: 100, CHINUBHAI TOWERS, 1ST FLOOR, OPP: HANDLOOM
HOUSE, ASHRAM ROAD, NAVRANGPURA, AHMEDABAD 380009 Gujarat*

Email: khyatimulti@gmail.com Website: www.khyatimultimedia.com

CIN: L92199GJ1995PLC024284