



KHEMANI

**KHEMANI DISTRIBUTORS &
MARKETING LIMITED**

8TH

ANNUAL REPORT

2018-2019



COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Vijaykumar Mangtaram Khemani

Chairman

Mr. Amit Vijaykumar Khemani

Whole Time Director

Mrs. Anupa Amitkumar Khemani

Non Executive Director

Mr. Amit Mahavirprasad Jain

Independent Director

Mr. Balkishan R. Agrawal

Independent Director

Mr. Mukesh D. Kabra

Independent Director

REGISTERED OFFICE

Plot No. D 91/92, Laxminarayan Industrial Park,

Nr. Baroda Rayon Corporation (BRC),

Udhana, Bhestan, Surat-394210

Contact No.:- 09737747888

E-mail:- investors@khemanigroup.net

Website: - www.khemanigroup.net

AUDITORS

M/s C.P. Jaria & Co.

INTERNAL AUDITORS

Ravindra Dhakkar & Associates

COMPANY SECRETARY

Ms. Rekha Naraniwal

CHIEF FINANCIAL OFFICER

Mr. Amit Vijaykumar Khemani

SECRETARIAL AUDITOR

Mrs. Richa Goyal

REGISTRAR AND TRANSFER AGENT

Bigshare Services Private Limited

CIN NUMBER

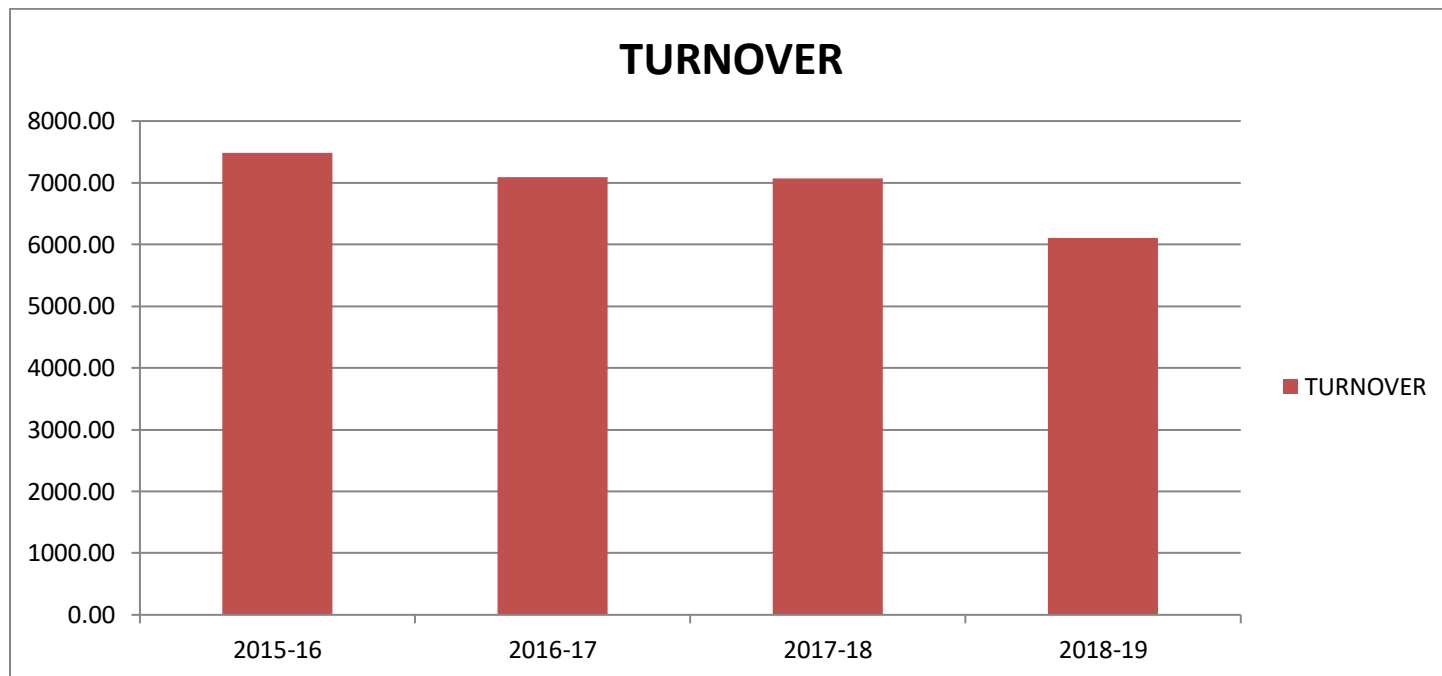
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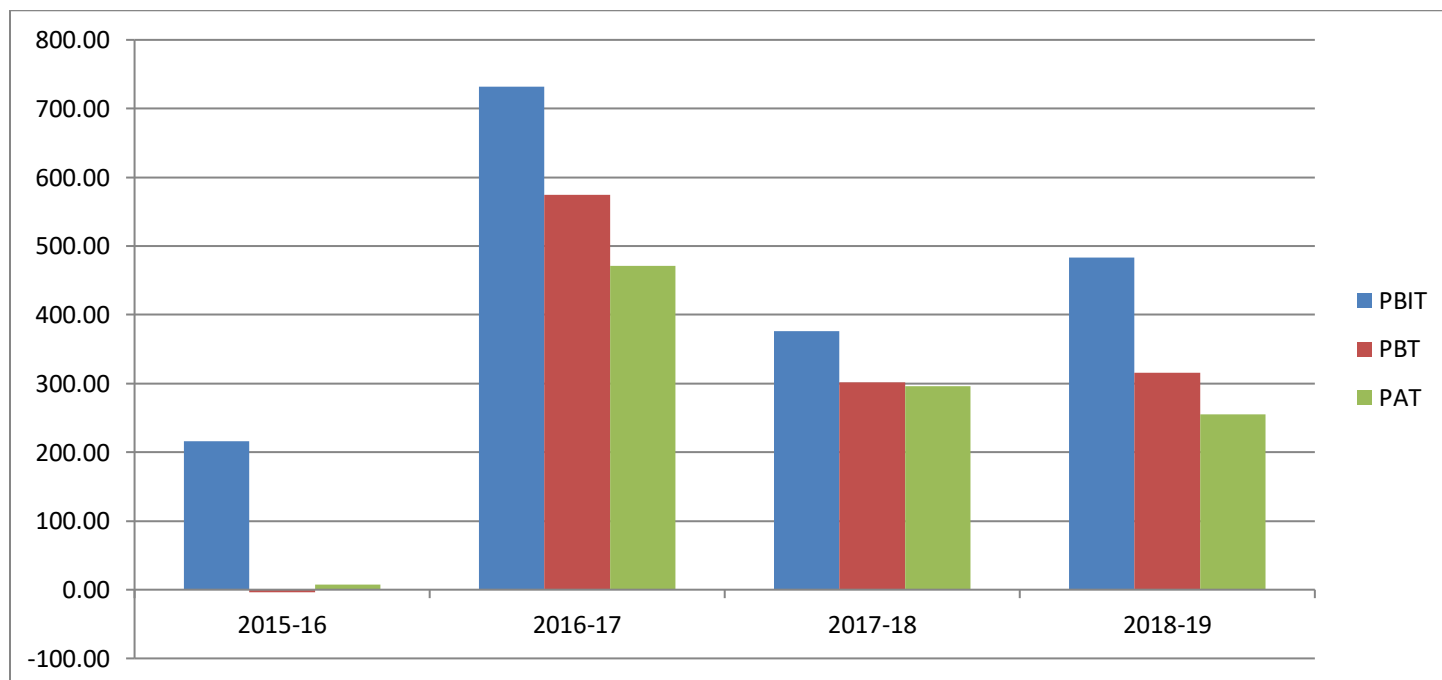
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FINANCIAL HIGHLIGHTS

TURNOVER (RS. IN LACS)



PBIT, PBT & PAT (RS. IN LACS)



NOTICE

Notice is hereby given that the Eighth (8th) Annual General Meeting of the Members of KHEMANI DISTRIBUTORS & MARKETING LIMITED will be held on Monday, 16th September 2019, at 2:00 p.m. at Plot No. D 91/92, Laxminarayan Industrial Park, BRC Compound, Udhana, Bhestan, Surat-394210 Gujarat, to consider and transact the following business:-

ORDINARY BUSINESS:-

1. Adoption of Financial Statement and Report of Board of Directors.

To consider and adopt the Audited Financial Statement, Auditors Report and the reports of the Board of Directors of the Company for the financial year ended on 31st March, 2019.

2. Re-appointment of Director Retiring by Rotation.

Mr. Amit Vijaykumar Khemani (DIN: 02227413), who retires by rotation and being eligible, offer himself for re-appointment be and is hereby re-appointed as a director of the Company, liable to retire by rotation.

SPECIAL BUSINESS:-

3. To consider and approve re-appointment of Mr. Vijaykumar Khemani as Managing Director of the Company.

To consider and, if though fit, to pass with or without modification, the following resolution as ordinary resolution:-

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re enactment thereof for the time being in force), read with Schedule "V" of the Companies Act, 2013 and also pursuant to the Articles of Association of the Company, and also subject to the approval of the Shareholders of the Company, Mr. Vijaykumar Khemani be and is hereby re-appointed as Managing Director of the Company for a period of 5 years wef 21.06.2019 on the terms and conditions and remuneration as set out below:

Name	Vijaykumar Khemani
Designation	Managing Director
Salary	Upto Rs. 12,00000 /- p.a. (Rupees Twelve Lacs Only)

In addition to the above, he shall also be entitled to receive the following:

(a) Car for use on Company's business

(b) Reimbursement of entertainment expense actually and properly incurred III the course of business of the Company."

"RESOLVED FURTHER THAT The Board of Directors of the Company be and is hereby also authorized to amend, alter, modify or otherwise vary the aforesaid terms and conditions/or remuneration or Mr. Vijaykumar Khemani, Managing Director of the Company from time to time"

"RESOLVED FURTHER THAT anyone of the present Directors of the Company be and is hereby singly and severally authorized to do all such acts, deeds, matters and things as may be necessary for effecting the aforesaid resolution including but not limited to filing of necessary forms with Registrar of Companies, Gujarat."

4. To consider and approve re-appointment of Mr. Amit Vijaykumar Khemani as Whole-Time Director and Chief Financial Officer Director of the Company.

To consider and, if though fit, to pass with or without modification, the following resolution as ordinary resolution :-

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule "V" of the Companies Act, 2013 and pursuant to Articles of Association of the Company, and also subject to the approval of the Shareholders of the Company, Mr. Amit Vijaykumar Khemani be and is hereby re-appointed as Whole-time Director of the Company (WTD) with the designation Chief Financial Officer (CFO) under the category KMP for a period of 5 years w.e.f. 21st June, 2019 on the terms and conditions and remuneration as set out below:

Name	Amit Vijaykumar Khemani
Designation	CFO
Salary	Upto Rs. 9,00,000 /- p.a. (Rupees Nine Lacs Only)

In addition to the above, he shall also be entitled to receive the following:

- (a) Car for use on Company's business
- (b) Reimbursement of entertainment expense actually and properly incurred in the course of business of the Company."

"RESOLVED FURTHER THAT The Board of Directors or the Company be and is hereby also authorized to amend, alter, modify or otherwise vary the aforesaid terms and conditions/or remuneration of Mr. Amit Vijaykumar Khemani, Whole-time Director of the Company from time to time"

"RESOLVED FURTHER THAT anyone of the present Directors of the Company be and is hereby singly and severally authorized to do all such acts, deeds, matters and things as may be necessary for effecting the aforesaid resolution including but not limited to filing of necessary forms with Registrar of Companies, Gujarat."

Date: 3rd August 2019

Place: Surat

By Order of the Board of Directors

SD/-
 VIJAYKUMAR MANGTURAM KHEMANI
 Managing Director
 DIN: 02227389

Note:-

1. The Company is listed with BSE on SME platform.
2. 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. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
4. Members/Proxies should fill Attendance Slip for attending the meeting.
5. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the Listing Regulation (Including any Statutory Modification or re-enactment thereof for the time being in force), the Company is not providing e-Voting facility as per Provisions of Companies Act, 2013, as SME listed Company is not Mandatory to provide E-voting Facility.
6. The Board of Director of the Company did not recommend any dividend hence provision of dividend is not applicable.
7. The register of the Members and share Transfer book of the company will remain closed from Saturday, 10th September 2019 to Saturday, 16th September 2019 (both days inclusive) for Annual General Meeting.
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 Statement is open for inspection by the members at the Regd. office of the Company on all working days, 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 participant 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 holding shares in physical form and who have not registered their email IDs are requested to register their email IDs with the Company's Share Registrars and Transfer Agents.
12. Members are requested to notify the change in their address to the company and always quote their folio number in all correspondence with the company.

13. Members who are holding shares in identical names in more than one folio are requested to send to the Registrar and Share Transfer Agent ('RTA'), the details of such folios together with the share certificates for consolidating their holdings into one folio. The share certificates will be returned to the Members after making requisite changes thereon.
 14. Securities and Exchange Board of India has mandated that the transfer of securities held in physical form, except in case of transmission or transposition, shall not be processed by the listed entities / Registrars and Share Transfer Agents with effect from 1st April 2019. Therefore, members holding share(s) in physical form are requested to immediately dematerialize their shareholding in the Company. Necessary prior intimation in this regard was provided to the shareholders.
 15. Members may also note that the Notice of the 8th Annual General Meeting, Attendance Slip, Proxy Form, Route Map, and the Annual Report will also be available on the Company's website www.khemanigroup.net for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at Surat for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post. For any communication, the shareholders may also send requests to the Company's investor email id: investors@khemanigroup.net.
 16. Electronic copy of the Annual Report for 2018-19 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 2018-19 is being sent in the permitted mode and members are requested to bring their copy of the Annual Report with them at the meeting.
 17. Route Map showing directions to reach to the venue of the AGM is given as per the requirement of the Secretarial Standards-2 on "General Meeting."
 18. A statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is annexed hereto.
- 19. Voting through postal ballot.**
- i. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the 8th Annual General Meeting (AGM) by electronic means and the business may be transacted through postal ballot.
 - ii. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting shall cast their vote through postal ballot at the meeting through ballot paper.
 - iii. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.

- iv. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 9th September, 2019.
 - v. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of voting at the AGM through ballot paper.
 - vi. Mrs. Richa Goyal, Practicing Company Secretary (FCS 8265) has been appointed as the Scrutinizer to scrutinize the voting in a fair and transparent manner.
 - vii. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM,
 - viii. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through postal ballot in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
 - ix. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.khemanigroup.net and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
20. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

Date: 3rd August 2019

Place: Surat

By Order of the Board of Directors

SD/-
VIJAYKUMAR MANGTURAM KHEMANI
Managing Director
DIN: 02227389

Annexure to the Notice Explanatory Statement pursuant to Section 102 of the Companies Act, 2013:

Item No. 3

To consider and approve re-appointment of Mr. Vijaykumar Khemani as Managing Director of the Company.

The Board of Directors of the Company (the 'Board'), at its in meeting held on June 21, 2019 has. subject to the approval of members, re-appointed Mr. Vijaykumar Khemani as Managing Director, for a period of 5 (Five) years with effect from June 21, 2019, at the remuneration of Rs. 12,00,000/- per annum.

it is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. Vijaykumar Khemani as Managing Director in terms of the applicable provisions of the Act.

Except Mr. Vijaykumar Khemani, who s concerned or interested in the Resolutions of the accompanying Notice relating to his own re-appointment none of the Directors, Key Managerial Personnel or the Company and their relatives arc, in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution

The Board commends the ordinary Resolution set out at item No. 3 of the Notice for approval of Members.

Item No. 4

To consider and approve re-appointment of Mr. Amit Vijaykumar Khemani as Whole-Time Director and Chief Financial Officer Director of the Company.

The Board of Directors of the Company (the 'Board'), at its in meeting held on June 21, 2019 has. subject to the approval of members, re-appointed Mr. Amit Vijaykumar Khemani as Whole-time Director (WTD) with a designation Chief Financial Officer (CFO) under the category KMP of the Company, for a period of 5 (Five) years with effect from June 21, 2019, at the remuneration of Rs.9,00,000/- per annum.

it is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. Amit Vijaykumar Khemani as Whole-time Director (WTD) with a designation Chief Financial Officer (CFO) in terms of the applicable provisions of the Act.

Except Mr. Amit Vijaykumar Khemani, who s concerned or interested in the Resolutions of the accompanying Notice relating to his own re-appointment none of the Directors, Key Managerial Personnel or the Company and their relatives arc, in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution

The Board commends the ordinary Resolution set out at item No. 4 of the Notice for approval of Members.

Date: 3rd August 2019

Place: Surat

By Order of the Board of Directors

SD/-

VIJAYKUMAR MANGTURAM KHEMANI

Managing Director

DIN: 02227389

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting

Name of Director	AMIT VIJAYKUMAR KHEMANI
DIN	02227413
Nationality	Indian
Date of Appointment in the Board	02/01/2016
Qualification	B.Com.
Age	41 Year
Experience	<ul style="list-style-type: none"> • Over 10 year of rich experience in the field of trading in FMCG goods. • Looking into the matter of trading in FMCG goods for the Company. • He has been on board since incorporation and pioneered of the company. • He has been appointed as Whole-Time Director of the Company w.e.f. 2nd January, 2016.
List of directorships held in other Companies	BSAS Infotech Limited Stepup Arogyam India Private Limited
Chairperson/Member in the Committees of the Boards of Companies in which he/she is a Director	NIL
Number of shares held in the Company	13,800 (0.12 %)

BOARD REPORT

Dear Members,

Your Directors have pleasure in presenting Annual report on the affairs of the Company together with the Audited Statement of Accounts for the year ended on 31st March, 2019.

1. FINANCIAL SUMMARY OR PERFORMANCE OF THE COMPANY:-

Particulars	(In Lacs)	
	2018-19	2017-18
Revenue from operation	6102.96	7070.28
Other Income (Non Operating)	242.78	143.59
Total Income	6345.74	7213.87
Total Expenditure	6013.26	6837.50
Profit/(Loss) before finance cost and exceptional item	332.48	376.37
Finance cost	16.80	74.32
Profit/(Loss) before exceptional item and tax	315.68	302.05
Add/(Less): Exceptional item	--	--
Profit before Taxation	315.68	302.05
Add/(Less) : Tax Expenses	60.98	5.78
Profit after Taxation/Net profit	254.70	296.27

2. OPERATIONS:-

The total operating income of the company for the year under review is Rs. 6102.96 Lacs compared to the previous year's operating income of Rs 7070.28 Lacs. The company has incurred profit before tax of Rs. 315.68 Lacs compared to previous year's profit of Rs. 302.05 Lacs. The profit after tax of the Company is Rs. 254.69 Lacs compared to previous year's profit after tax of Rs. 296.27 Lacs. In previous year, the company had received a dividend income of Rs. 26.79 Lacs from investments.

Your Directors are striving hard to increase the net worth of the Company in best interest of the members of the Company.

3. TRANSFER TO RESERVES:-

The Board of the company has proposed to carry Rs. 254.69 Lacs (being the profit for the current year) to reserves and surplus.

4. DIVIDEND:-

In view of the planned business growth, your directors deem it proper to conserve the resources of the Company for its activities/ expansion and therefore, do not propose any dividend for the Financial Year ended 31.03.2019 and carried forward the net profit balance to the next year.

5. SHARE CAPITAL

1) Authorised Capital

There is no change in the authorized share capital during the year.

2) Paid Up Share Capital

The Paid up share capital of the Company has remained unchanged to Rs. 5,74,35,000/- (Rupees Five Crore Seventy Four Lacs Thirty Five Thousand Only).

6. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS & COMPANY'S OPERATIONS IN FUTURE:-

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

7. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the company have occurred between the end of the financial year of the company to which the financial statements relate and the date of this report

8. SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANY:-

As on March 31, 2019, the Company does not have any subsidiary or joint venture or any associates Company.

9. STATUTORY AUDITOR & AUDIT REPORT:-

M/s C. P. Jaria & Co., Chartered Accountants (Firm registration No.104058W), is a Statutory Auditors of the Company to hold office of the Auditors of the Company from the conclusion of Annual General Meeting (5TH AGM) held on 28th September 2016 till conclusion of Annual general Meeting (10th AGM) of the Company to be held in the year 2021.

The Auditors Report for the year under review does not contain any reservations, qualifications or adverse remarks.

10. SECRETARIAL AUDIT:-

The Board had appointed Mrs. Richa Goyal, Practicing Company Secretaries, Surat as Secretarial Auditor pursuant to the provisions of Section 204 of the Companies Act, 2013. The Report of the Secretarial Auditor Form MR-3 is annexed to the Report as per "Annexure V"

11. CHANGE IN THE NATURE OF BUSINESS:-

There is no change in the nature of the business of the company.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL:-

Mr. Chinmay Methiwala has resigned from the post of Company Secretary W.e.f 19th July 2018 and Ms. Rekha Naraniwal was appointed W.e.f. 20th October, 2018 and the same was notified to the Bombay Stock Exchange.

Mr. Vijaykumar Mangtaram Khemani has completed the term of three years as Managing Director of the Company and again reappointed on 21.06.2019 for five years. Mr. Amit Vijaykumar Khemani has completed the term of three years as Whole-time Director and Chief financial Officer and again reappointed on 21.06.2019 for five years.

Details of Directors and KMPs are as follows:-

S.N.	Name od Directors/KMP	Designation
1.	Mr. Vijaykumar Khemani	Managing Director

2.	Mr. Amit Khemani	Whole-time Director and CFO
3.	Mrs. Anupa Khemani	Non Executive Director
4.	Mr. Mukesh Kabra	Independent Non-Executive Director
5.	Mr. Balkishan Agarwal	Independent Non-Executive Director
6.	Mr. Amit Jain	Independent Non-Executive Director
7.	Ms. Rekha Naraniwal	Company Secretary

13. MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEE THEREOF:-

The Board of Directors of the Company met 9 (Nine) times during the year, in respect of which proper notices were given and the proceedings were properly recorded, signed and maintained in the Minutes Book kept by Company for the purpose. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The details of the meetings of the Board held during the financial year are as follow:

Sr. No.	Date of the Board Meeting
1	08/05/2018
2	19/05/2018
3	29/05/2018
4	05/09/2018
5	06/09/2018
6	20/10/2018
7	01/11/2018
8	17/12/2018
9	20/03/2019

The names of members of the Board and their attendance at the Board Meetings are as under:

Sr. No.	Name of Director	No. of Meetings attended
1	Mr. Vijaykumar Khemani	7
2	Mr. Amit Khemani	9
3	Mrs. Anupa Khemani	9
4	Mr. Amit Jain	6
5	Mr. Balkishan Agarwal	7
6	Mr. Mukesh Kabra	9

EXTRA ORDINARY GENERAL MEETING

During the year under review, The Company Does not hold any extra ordinary general meeting of members.

COMMITTEES OF BOARD

Currently, the Board has four committees i.e. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and CSR Committee. All committees are constituted with proper composition of Independent Directors as mentioned in relevant provisions of Companies Act, 2013.

1. Audit Committee

Sr. No.	Name of Director	Designation	Category
1	Mr. Mukesh D. Kabra	Non executive Independent Director	Chairman
3	Mr. Balkishan R. Agarwal	Non executive Independent Director	Member
2	Mr. Amit Khemani	Whole-time Director	Member

2. Nomination and Remuneration Committee

Sr. No.	Name of Director	Designation	Category
1	Mr. Amit Jain	Non executive Independent Director	Chairman
2	Mr. Balkishan R. Agarwal	Non executive Independent Director	Member
3	Mr. Anupa Khemani	Non executive Director	Member

3. Stakeholders Relationship Committee

Sr. No.	Name of Director	Designation	Category
1	Mr. Mukesh D. Kabra	Non executive Independent Director	Chairman
2	Mr. Amit Jain	Non executive Independent Director	Member
3	Mr. Vijaykumar Khemani	Managing Director	Member

4. Corporate Social Responsibility Committee

Sr. No.	Name of Director	Designation	Category
1	Mr. Mukesh D. Kabra	Non executive Independent Director	Chairman
2	Mr. Vijaykumar Khemani	Managing Director	Member
3	Mr. Amit Khemani	Whole-time Director	Member

14. DEPOSITS:-

The Company has not invited / accepted any deposits within the meaning of section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014 from the public during the year ended March 31, 2019. There were no unclaimed or unpaid deposits as on March 31, 2019.

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

The details of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo are as under:

1. Conservation of Energy:

a) The Company is not in manufacturing sector, therefore company has not adopted proper criteria for conservation of energy although company is committed to optimum utilization and maximum possible savings of energy.

b) No specific investment has been made in reduction in energy consumption.

2. Technology Absorption

The Company has no activity relating to technology absorption.

3. Foreign Exchange Earnings/ Outgo:

Company is not in the activity of import and export of goods, therefore it does not have any foreign earning and outgo as on 31st March, 2019.

16. CORPORATE SOCIAL RESPONSIBILITY:-

The company has approved the CSR policy and the Company has contributed Rs. 10,84,700/- (Rupees Ten Lakhs Eighty four Thousand seven hundred only) which is more than the statutory requirement under the law. The main thrust of the company has been to contribute towards Safe Drinking Water, Tree Plantation,

Environmental Sustainability, Promoting Education, Eradicating Hunger Poverty & Social evils and promoting religious activities & Social welfare etc, which are in accordance with CSR Policy of the Company and Schedule VII of The Companies Act, 2013.

The CSR Committee is duly constituted and has contributed as per the provisions of section 135 of the Companies Act, 2013

The average net profits for the company for the last 3 financial years is Rs. 29090949

The prescribed CSR expenditure (2% of the average net profits)

Details of CSR spent during the financial year

- A. Total amount to be spent during the financial year- Rs. 581819
- B. Amount unspent, if any – NIL
- C. Manner in which CSR amount approved during the year – RS. 10,84,700
Rs 780300 in CSR Committee Meeting dated 20.04.2018
Rs 304400 in CSR Committee Meeting dated 01.10.2018

17. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:-

In pursuant to the section 177 (9) & (10) of the Companies Act, 2013, The Company has formulated a Whistle Blower Policy/vigil Mechanism with a view to providing a mechanism for director and employees to report violations and assure them of the process that will be followed to address the reported violation.

18. RISK MANAGEMENT POLICY:-

Risk Management is a key aspect of the “Corporate Governance Principles and Code of Conduct” which aims to improve the governance practices across the Company’s activities. The assessment of the risks covers Strategy, Technology, Financial, Operations & Systems, Legal & Regulatory and Human Resources Risks. There is appropriate assurance and monitoring mechanism in place to monitor the effectiveness of the risk management. Further company is in the process of developing risk management framework to implement and adhere to the policy to mitigate risk, avoid risk or take risk that cannot be mitigate or avoid for the benefit of the company’s business and growth.

COMMITTEE

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

19. DIRECTORS’ RESPONSIBILITY STATEMENT:-

Pursuant to the requirement under section 134(3)(C) of the Companies Act, 2013 with respect to Directors’ Responsibility Statement, it is hereby confirmed that:

- (i) In the preparation of the annual accounts for the financial year ended 31st March, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) The directors had 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 as at March 31, 2019 and of the profit and loss of the company for that period;
- (iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) The directors had prepared the annual accounts on a going concern basis;
- (v) The Directors had laid down Internal Financial Controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. DECLARATION BY INDEPENDENT DIRECTORS:-

The Company has received declaration from the Independent Directors of the Company under section 149 (7) of the Companies Act, 2013 that he meets the criteria of independence laid down in section 149 (6) of the Companies Act, 2013.

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:-

Details of loans, guarantees given and investments made by the Company during F.Y. 2018-19, pursuant to the provisions of Section 186 of the Companies Act, 2013 and Schedule V of the Listing Regulations are given in the note to the Financial Statements.

22. INTERNAL CONTROL SYSTEMS:-

The Company's internal control systems are adequate and commensurate with the nature and size of the Company and it ensures:

- Timely and accurate financial reporting in accordance with applicable accounting standards.
- Optimum utilization, efficient monitoring, timely maintenance and safety of its assets.
- Compliance with applicable laws, regulations and management policies.

23. HUMAN RESOURCES AND INDUSTRIAL RELATIONS:-

Your Company treats its human resources as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. Your company's trust is on the promotion of talent internally through job rotation and job enlargement.

24. PARTICULARS OF EMPLOYEE:-

Disclosure pertaining to remuneration and other details as required under section 197(12) of the Act, read with Rule 5(1) of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report as "Annexure I". Further, no employee of the Company was employed during the year drawing remuneration exceeding the limits as prescribed under Rule 5(2) of the (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Hence the information under Rule 5(2) is not applicable.

25. RELATED PARTY TRANSACTIONS:-

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in ordinary course of business and on an arm's length basis. Further, during the year, the Company had not entered into any contract / arrangement / transaction with related parties covered under sub-section (1) of section 188 of the Companies Act, 2013 which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Details of transactions at arm's length is as per AOC-2 which is attached as "Annexure-II". The details of the related party transactions as required under Accounting Standard-18 are set out in note to the financial statements forming part of this Annual Report.

26. EXTRACT OF ANNUAL RETURN:-

The extract of the annual return in form MGT-9 as "Annexure I" as required under section 134(3) (a) of the Companies Act 2013 is annexed with this report.

27. INVESTOR EDUCATION AND PROTECTION FUND

There were no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

28. LISTING OF EQUITY SHARE OF THE COMPANY:-

The equity shares of the company are listed on the SME platform of Bombay Stock Exchange Limited (BSE). The Company has paid the Annual Listing Fees to BSE for the financial year 2018-19.

29. BOARD EVALUATION:-

In compliance with the provision of Companies Act, 2013 and Listing Compliances, the Board carried out an annual evaluation of its own performance and Independent directors. It also evaluated the performance of its committees. The evaluation inter-alia covered different aspects viz. composition of board and its committees, qualification, performance, inter-personal skills, submission done by the director in varied disciplines related to the company's business etc.

30. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:-

In terms of the Regulation 34(e) of SEBI (LODR) Regulations, 2015, Management Discussion and Analysis Report is set out in the Annual Report as "Annexure III".

31. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:-

In order to prevent sexual harassment of women at work place a new act, The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on Prevention, Prohibition and Redressal of sexual harassment at workplace in line with the provision of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules there under for prevention and redressal of complaints of sexual harassment at workplace. The company is committed to providing equal opportunities without regard to their race, caste, sex, religion, color, nationality, disability, etc. All women associates (permanent, temporary, contractual and trainees) as well as any women visiting the company's office premises or women service providers are covered under this policy. All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological.

During the year under review, no complaints were received by the Company relating to sexual harassment at workplace. The Management of the Company endeavors to provide safe environment for the female employees of the Company.

32. CORPORATE GOVERNANCE:-

Your company is being SME Company and listed on SME exchange of BSE Limited. Therefore, pursuant to Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the compliance with corporate governance as specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation 2 of regulation 46 and Para C, D and E of Schedule V shall not apply.

33. ACKNOWLEDGEMENT:-

Yours Directors place on record their sincere appreciation for the assistance and support received to the Company from the Shareholders, Banks, Consultants, Auditors and Clients of the Company. Yours directors express their appreciation for dedicated and sincere services rendered by the employees of the Company.

34. COMPLIANCES OF SECRETARIAL STANDARDS: -

The Company has made all the compliance of Secretarial Standards as notified by the MCA.

Place : Surat
Date : 03.08.2019

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
Amit Khemani
Whole Time Director
DIN: 02227413

Sd/-
Vijaykumar Khemani
Managing Director
DIN: 02227389

ANNEXURE I
FORM NO. MGT 9
(EXTRACT OF ANNUAL RETURN)

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

As on financial year ended on 31.03.2019

1. REGISTRATION & OTHER DETAILS:

1. CIN	L74300GJ2011PLC063520
2. Registration Date	06.01.2011
3. Name of the Company	Khemani Distributors And Marketing Limited
4. Category of the Company	Company Limited by shares
5. Sub-category of the Company	Indian Non Government Company
6. Address of the Registered office & contact details	Plot No. D 91-92, Laxminarayan Industrial Park, BRC Compound,Udhana, Bhestan Surat GJ 394210 Contact No. 9825803214
7. Whether listed company	Listed
8. Name, Address & contact details of the Registrar & Transfer Agent, if any.	Bigshare Services Private Limited 1 st Floor, Bharat Tin Works Buildings Opposite Vasant Oasis, Makawana Road Marol, Andheri (East), Mumbai – 400059 (MH) Board No. : 022 62638200,Fax No : 022 62638299 Email Id : ipo@bigshareonline.com Website : www.bigshareonline.com
9. PAN	AAECK2123P

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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	FMCG	46909	99.33
2.	Other Financial Activities	64990	0.67

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

a) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1-April-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Demat	Physica l	Total	% of Total Shares	Demat	Physica l	Total	% of Total Shares	
A. Promoters	-	-	-	-	-	-	-	-	-
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/HUF	3,756,600	-	3,756,600	32.70	3,174,600	-	3,174,600	27.64	-5.06
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	960,000	-	960,000	8.36	-	-	-	-	-8.36
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	1,602,000	-	1,602,000	-	907,200	-	907,200	-	-6.05

				13.95				7.89	
Total shareholding of Promoter (A)	6,318,600		6,318,600	55.01	4,081,800	-	4,081,800	35.53	-19.48
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	3,959,600	-	3,953,600	34.47	5,454,600	-	5,454,600	47.48	13.06
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs. 1.00 Lacs	55,200	-	61,200	0.48	45,000	-	45,000	0.39	-0.14
ii) Individual shareholders holding nominal share capital in excess of Rs 1.00 Lacs	103,200	-	103,200	0.90	114,600	-	114,600	1.00	0.10
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	1,050,400	-	1,050,400	9.14	1,791,000	-	1,791,000	15.59	6.45
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	5,168,400	-	5,168,400	44.99	7,405,200	-	7,405,200	64.47	19.47
Total Public Shareholding (B)=(B)(1)+ (B)(2)	5,168,400	-	5,168,400	44.99	7,405,200	-	7,405,200	64.47	19.47
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	11,487,000	-	11,487,000	100	11,487,000	-	11,487,000	100.00	0.00

B) Shareholding of Promoter-

S N	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in
		No. of	% of total	%of Shares	No. of	% of total	%of	

S. No.	Name of Shareholder	Share	Shares of the company	Pledged / encumbered to total shares	Shares	Shares of the company	Shares Pledged / encumbered to total shares	share holding during the year
1	Vijaykumar M. Khemani	3132600	27.27	-	3132600	27.27	-	-
2	Amit Vijaykumar Khemani	13800	0.12	-	13800	0.12	-	-
3	Sushila Devi Khemani	5640	0.05	-	5640	0.05	5640	-
4	Dimple P. Mansinghka)	5640	0.05	-	5640	0.05	-	-
5	Anupa A. Khemani	5640	0.05	-	5640	0.05	-	-
6	Avinash V. Khemani	5640	0.05	-	5640	0.05	-	-
7	Sanju A. Khemani	5640	0.05	-	5640	0.05	-	-
8	Onyx Partners	1602000	13.95	-	907200	7.90	-	-6.05

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

S.N.	Name of Top 10 Shareholders	Shareholding at the Beginning of the year		Shareholding at the End of the year	
		No. of Shares	% of Total Share	No. of Shares	% of Total Share
			NIL		

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. N.	Name of Top 10 Shareholders	Shareholding at the Beginning of the year		Shareholding at the End of the year	
		No. of Shares	% of Total Share	No. of Shares	% of Total Share
1	Gryffin Advisory Services Pvt Ltd	2000400	17.41	2000400	17.41
2	Natural Suppliers Pvt Ltd	0	0	1138800	9.91
3	Orbis Financial Corporation Limited	0	0	1057600	9.20
4	Azura Projects Pvt Ltd	543600	4.73	959600	8.35
5	Choice Equity Broking P.L.	529600	4.61	733400	6.38
6	S & D Shares & Stock Pvt Ltd	408000	3.55	416400	3.62
7	Carron Investments Pvt Ltd	108000	0.94	258000	2.25
8	Clear Water Commodities Pvt Ltd	301200	2.62	302400	2.63
9	Blue Diamond Plastoware Pvt Ltd	122000	1.06	142200	1.24
10	Anil Anant Mahadik	38400	0.33	114600	1

E) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name of Director / KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Share	% of total Share	No. of Share	% of total share
1	Vijaykumar Mangturam Khemani (Md)	3132600	27.27	3132600	27.27
2	Amit Vijaykumar Khemani (Cfo & Wtd)	13800	0.12	13800	0.12
3	Anupa Amitkumar Khemani (Director)	5640	0.05	5640	0.05

4	Rekha Naraniwal (CS)	-	-	-	-
	Total	3152040	27.439	3152040	27.439

F) Indebtedness-**Indebtedness of the Company including interest outstanding/accrued but not due for payment. (In Rs.)**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	80,254,508	15,236,304	0	95,490,812
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	80,254,508	15,236,304	0	95,490,812
Change in Indebtedness during the financial year				
* Addition		25,520	0	25,520
* Reduction	(69,363,212)	(15,000,000)	0	(84,363,212)
Net Change	(69,363,212)	(14,974,480)	0	(84,337,692)
Indebtedness at the end of the financial year				
i) Principal Amount	10,891,296	261,824	0	11,153,120
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	10,891,296	261,824	0	11,153,120

4. Remuneration Of Directors And Key Managerial Personnel-**A. Remuneration to Managing Director, Whole-time Directors, Directors and/or Manager:****(In Rs.)**

S. No.	Particulars of Remuneration	Name of MD/WTD/Director/ Manager		Total Amount
		Vijaykumar Mangturam Khemani (MD)	Amit Vijaykumar Khemani (WTD)	
1	Gross salary	180,000	600,000	780,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit	-	-	-
	- others, specify...			
5	Others, please specify	-	-	-
	Total (A)	180,000	600,000	780,000

B. Remuneration to other directors (Independent & other Non Executive Directors) : NIL

C. Remuneration to KMP other than MD / Manager / WTD / Director:

(In Rs.)

S. No.	Particulars of Remuneration	Name of KMP (other than MD / Manager / WTD / Director) Ms. Rekha Naraniwal (CS)	Total Amount
1	Gross salary	168,000	168,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit	-	-
	- others, specify...	-	-
5	Others, please specify	-	-
	Total (C)	168,000	168,000

5. Penalties / Punishment/ Compounding Of Offences: Nil

Place : Surat
Date : 03.08.2019

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
Amit Khemani
Whole Time Director
DIN: 02227413

Sd/-
Vijaykumar Khemani
Managing Director
DIN: 02227389

ANNEXURE II
Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:N.A.

S.N	PARTICULARS	DETAILS
1	Name(s) of the related party and nature of relationship:	NA
2	Nature of contracts/arrangements/transactions:	NA
3	Duration of the contracts / arrangements/transactions	NA
4	Salient terms of the contracts or arrangements or transactions including the value, if any	NA
5	Justification for entering into such contracts or arrangements or transactions	NA
6	Date(s) of approval by the Board	NA
7	Amount paid as advances, if any	NA
8	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	NA

2. Details of material contracts or arrangement or transactions at arm's length basis

S.N.	PARTICULARS	DETAILS
A	Name(s) of the related party and nature of relationship	Sushila Devi Khemani, Wife of Vijay Khemani
B	Nature of contracts/arrangements/transactions	Written agreement
C	Duration of the contracts / arrangements/transactions	Rent agreement for the period of 10 years
D	Salient terms of the contracts or arrangements or transactions including the value, if any:	Rent agreement amounting Rs. 14000/- pm. * 12 = Rs 1,68,000/-
E	Date(s) of approval by the Board, if any	06.09.2017
F	Amount paid as advances, if any:	Nil

Place: Surat
Date: 03/08/2019

For and on behalf of the Board
Khemani Distributors & Marketing Limited

Sd/-
Amit Khemani
Whole Time Director
DIN: 02227413

Sd/-
Vijaykumar Khemani
Managing Director
DIN: 02227389

ANNEXURE III**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****INDUSTRY STRUCTURE AND DEVELOPMENTS**

Indian economy is going through difficult times. Growth in the economy has been slowing down and there has been clear slowdown in the consumption in India. Disposable income of Indian consumer is on decline and we have been witnessing this in our trade. While from structural point of view, FMCG sector is likely to do well over longer period of time but the challenges of short term are real and creating slow down.

The urban segment (accounts for a revenue share of around 55 per cent) is the largest contributor to the overall revenue generated by the FMCG sector in India. However, in the last few years, the FMCG market has grown at a faster pace in rural India compared with urban India. Due to government spending and schemes, Semi-urban and rural segments are growing at a faster pace than urban Indian. FMCG products account for 50 per cent of total rural spending.

The General election 2019 has again given unprecedented mandate to the current government. We are hoping to see a revival in the economic growth and consumption in the economy. We will continue to closely watch and try to capture every opportunity in the sector. We do not want to take undesirable risks at the same time.

Khemani Distributors & Marketing Limited are currently engaged in the business of trading in FMCG products of Hindustan Unilever Limited (“HUL”) as a ‘redistribution stockiest’ in Surat, Gujarat. Our product portfolio includes (a) personal care products; (b) home care products; and (c) food and drinks products.

We primarily cater to the retailers and wholesalers of Surat wherein we supply the above range of HUL FMCG products. Currently, we are catering to approximately 3,500 retailers and wholesalers located in Surat. We are also involved in the business of carrying on trading activities by dealing in stock market in all kinds of securities and other financial products.

OPPORTUNITIES

We will continue to explore new opportunities in the consumer space. Surat is developing and growing very rapidly. We are confident that we shall grow in the coming years.

THREATS

The FMCG industry includes various companies that cater to the needs of the consumers on a daily basis. On the basis of similarity of product offering, we consider FMCG companies other than HUL as our competitors. Competition within the distribution segment focuses primarily on the quality of product sold, brand value and quality of customer service.

SEGMENT WISE PERFORMANCE

Company currently engaged in the business of trading in FMCG products of Hindustan Unilever Limited (HUL) as a redistribution of stockiest for all existing and future products manufactured or marketed or distributed or supplied by HUL.

Khemani Distributors & Marketing Limited is also involved in the business of carrying on trading activities by dealing in stock market in all kinds of securities and other financial products.

Below given segment wise revenue generated.

Segment	2018-2019	2017-2018
FMCG	6,061.88	6,886.58
Dealing in Securities	41.07	183.70

Dividend income, which is included in to dealing in securities, was received during the year 2018-2019 of Rs. 26.79 lacs compare to previous year 2017-2018 of Rs.268.20 lacs.

RISKS AND CONCERNS

- Company considers FMCG companies other than HUL as our competitors. In particular, we compete with other traders operating in the markets in which we are present. Our competitors may have advantages over us.
- Company is currently engaged in the business of trading in FMCG products. Any slowdown in the rate of growth of the FMCG industry would seriously impact our own growth prospects and may result in decline in profit.
- Global economic and political factors that are beyond control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

There is an adequate internal control procedure commensurate with the size of the company and nature of the business for the purchase of inventory, fixed assets and for the sale of goods or services.

Company has constituted audit committee to overlook internal control system and their adequacy. Audit committee regularly review and give it recommendation on proper internal control system.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The total operating income of the company for the year under review is Rs. 6,102.96 Lakh compare to previous year's operating income of Rs 7,070.28 Lakh. The company incurred profit before tax of Rs. 315.68 Lakh compared to previous year's profit of Rs. 302.04 and profit after tax of the Company is Rs. 254.69 Lakh compare to previous year's profit after tax of Rs. 296.27 Lakh.

a) Revenue from operation

	In Rs.		
	FY 2018-2019	FY 2017-2018	% Change
Revenue from Operation	610,296,183	707,028,299	(13.68)
Other Income	24,277,867	14,359,072	376.96
Total Revenue	634,574,050	721,387,371	(12.03)

b) Purchase of stock in trade

	In Rs.		
	FY 2018-2019	FY 2017-2018	% Change
Purchase of stock in trade	576,146,105	657,393,649	(12.36)

c) Finance Cost

	In Rs.		
	FY 2018-2019	FY 2017-2018	% Change
Finance Cost	1,680,357	7,432,868	(77.39)

d) Employee benefit expense

	In Rs.		
	FY 2018-2019	FY 2017-2018	% Change
Employee benefit expenses	8,390,129.00	6,688,255	25.45

e) Net profit after

	In Rs.		
	FY 2018-2019	FY 2017-2018	% Change
Net profit	25,469,664	29,627,411	(14.03)

HUMAN RESOURCES

Company endeavor to hire most suitable and qualified persons and looking to most suitable person to specific task and area of work. Company is in the process of establishing most suitable policy to identify and recruit employee in organization. Company is in marketing and distribution of HUL product hence it required highly professional person in the marketing and sales.

ANNEXURE IV**C.E.O. & C.F.O. CERTIFICATION**

To,
Board of Directors,
Khemani Distributors & Marketing Limited
Surat.

CERTIFICATE

We, Vijay Mangtaram Khemani, Managing Director and Amit Vijaykumar Khemani, Chief Finance Officer heading the finance function of the Khemani Distributors & Marketing Limited certify that:

- A. We have reviewed the financial statements for the financial year ended 31st March, 2019 and to the best of our knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - 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. To the best of our knowledge and belief, no transaction entered into by the Company during the quarter and year ended 31st March, 2019 are fraudulent, illegal or in violation of the Company's code of conduct.
- C. We accept the responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps have been taken to rectify these deficiencies.
- D. We have indicated to the Auditors and to the Audit Committee:
- Significant change/s in the internal control over financial reporting during the year.
 - Significant change/s in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Surat
Date: 03/08/2019

For and on behalf of the Board
Khemani Distributors & Marketing Limited

Sd/-
Amit Khemani
Whole Time Director
DIN: 02227413

Sd/-
Vijaykumar Khemani
Managing Director
DIN: 02227389

ANNEXURE V

Form MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31.03.2019**

To,
The Members
KHEMANI DISTRIBUTORS & MARKETING LIMITED
S.No. 187, Pl. No. 1 to 4, Opp. Saiffee Comp.
Nr. Baroda Rayon Corporation (BRC), Udhana, Bhestan
Surat, Gujarat 394210

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s KHEMANI DISTRIBUTORS & MARKETING LIMITED (CIN L74300GJ2011PLC063520)**(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 expressing my opinion thereon.

Based on our verification , 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, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended 31st March, 2019, has broadly complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2018, according to the provisions of:

- a. The Companies Act, 2013 (the Act) and the rules made there under;
- b. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- c. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
- d. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings: (*NOT APPLICABLE AS THE COMPANY DOES NOT HAVE ANY FOREIGN EXCHANGE TRANSACTION*)
- e. 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 (Prohibition of Insider Trading) Regulations, 1992 (Upto 14th May 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015 (effective 15th May 2015)

- b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011:-
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009:(Not applicable as the Company has not issued any further share capital during the period under review.)
- d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: *(NOT APPLICABLE AS THE COMPANY HAS NOT DELISTED ITS EQUITY SHARES).*
- e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: *(NOT APPLICABLE AS THE COMPANY HAS NOT BOUGHT BACK/PROPOSED TO BUY BACK ANY OF ITS SECURITIES DURING THE FINANCIAL YEAR UNDER REVIEW)*
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993,regarding the Companies Act and dealing with client;*(NOT APPLICABLE AS THE COMPANY IS NOT REGISTERED AS REGISTRARS TO ISSUE OR SHARE TRANSFER AGENT DURING THE FINACIAL YEAR UNDER REVIEW).*
- g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- *(NOT APPLCABLE AS THE COMPANY HAS NOT ISSUED AND LISTED ANY DEBT SECURITIES DURING THE FINANCIAL YEAR UNDER REVIEW)*
- h) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - *(NOT APPLCABLE)*

i. f. Other specific laws applicable to the Company are:

- a) The Trade Mark Act, 1999
- b) The Employee State Insurance Act, 1948
- c) The Employee Provident Fund and Miscellaneous Act, 1952

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India and The Listing Agreements entered into by the Company with Stock Exchange(s).

I report that, during the year under review, the company has broadly complied with the provisions of the Guidelines mentioned above.

We further report that compliance with the applicable financial laws including direct and indirect tax laws by the company has not been reviewed in this audit since the same has been subject to review by the statutory auditors and other designated professionals.

WE FURHTER REPORT THAT

- A) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act. The company has appointed Independent Directors.
- B) 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 clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

C) All the decisions of the board and committees thereof were carried out with requisite majority.

We further report that based on the documents produced before us, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period, the Company has not incurred any specific event/ action that can have a major bearing on the company's compliance responsibilities in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.,

As informed, the Company has responded appropriately to the notices received from various statutory/ regulatory authorities initiating actions for corrective measures, wherever found necessary.

I report further that, during the audit period there were no specific events/ actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Richa Goyal
Practising Company secretary
FCS NO 8265
CP.NO 4700

Place: Surat
Date: 03.08.2019

'Annexure A'

ANNEXURE TO SECRETARIAL REPORT

To,
The Members
KHEMANI DISTRIBUTORS & MARKETING LIMITED
S.No. 187, Pl. No. 1 to 4, Opp. Saiffee Comp.
Nr. Baroda Rayon Corporation (BRC), Udhana, Bhestan
Surat, Gujarat 394210

Our Secretarial Audit Report of even date, for the financial year 2018-19 is to be read along with this letter.

MANAGEMENT RESPONSIBILITY

1. Maintenance of secretarial records, devising of proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively is the responsibility of the management of the Company.

Auditors Responsibility

2. Our responsibility is to express an opinion on these secretarial records based on our audit;
3. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
4. Wherever required, we have obtained the managements representation about the compliance of laws, rules and regulation and happening of events etc.

Disclaimer

5. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices followed provide a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company or verified compliances of laws other than those mentioned above;
7. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
8. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Richa Goyal
Practicing Company secretary
FCS NO 8265
CP.NO 4700

Place: Surat
Date: 03.08.2019

INDEPENDENT AUDITOR'S REPORT

To the members of Khemani Distributors & Marketing Limited

Opinion

We have audited the standalone financial statements of **Khemani Distributors & Marketing Limited** ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, (statement of changes in equity) and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit, (changes in equity) and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity)ⁱ and cash flows of the Company in accordance withⁱⁱ the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in circumstances. 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 financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on financial Statements.

Report on Other Legal and regulatory Requirements

1. As required by required by the Companies (Auditor's Report) Order,2016 ("the Order") issued by Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in paragraph 3 & 4 of the Order.
2. As required by section 143(3) of the Act, we further report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss Account, Cash Flow Statement and Statement of changes in Equity dealt with this report are in agreement with the books of Accounts;
 - (d) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with relevant rules thereunder as amended;
 - (e) On the basis of written representation received from the directors as on March 31, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as the directors in terms of Section 164(2) of the Act;

- (f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”;
- (g) According to information and explanations given to us and based on our examination of the records of the Company, the Company had not paid/provided managerial remuneration hence requisite approvals mandated by the provisions of Sec 197 of the Act is not applicable;
- (h) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rules, 2014:
1. The Company have pending litigation which is pending before Appellant Authorities.
 2. The company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 3. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education & Protection Fund. The question of delay in transferring such sums does not arise.

FOR C.P.Jaria & Co
Chartered Accountants

(P.K.Jain)
M.No.112020
F.No.104058W

PLACE: Surat
DATE: 13.05.19

ANNEXURE "A" TO THE AUDITOR'S REPORT

Annexure referred to in paragraph 1 of our report of even date to the members of Khemani Distributors & Marketing Limited on the accounts of the company for the year ended 31.03.19.

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

S. No.	Particulars	Auditors Remark
(i)	(a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	Yes
	b) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	Yes
	(c) Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	NA
(ii)	Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account;	Yes
(iii)	Whether the company has 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. If so,	NA
	(a) whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest;	No
	(b) Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	NA
	(c) If the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	N.A.
(iv)	In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	Yes
(v)	In case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	No
(vi)	Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained.	No
(vii)	(a) Whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;	Yes

	(b) Where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).	Company has filed against Income Tax Department against pending litigation
(viii)	Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to banks, financial institutions, and Government, lender wise details to be provided).	No
(ix)	Whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;	N.A.
(x)	Whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;	No
(xi)	Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same;	Yes
(xii)	Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	N.A.
(xiii)	Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;	Yes
(xiv)	Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;	N.A.
(xv)	Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with	No
(xvi)	Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	N.A.

FOR C.P.Jaria & Co
Chartered Accountants

(P.K.Jain)
M.No.112020
F.No.104058W
PLACE : Surat
DATE : 13/05/19

ANNEXURE-B TO THE AUDITOR'S REPORT**Report on the Internal Financial Controls 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 **M/S Khemani Distributors & Marketing Limited** (“the Company”) as on 31st March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT 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 designs, 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 Controlling(the “Guidance Note”) and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls-both applicable to an audit o Internal Financial Controls and both issued by the Institute of Chartered Accountants of India .Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the Audit to obtain responsible 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, testing and evaluating and design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, 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 disposition 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 authorizations 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 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 31st March 2019, 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.

FOR C.P.Jaria & Co
Chartered Accountants

(P.K.Jain)
M.No.112020
F.No.104058W
PLACE: Surat
DATE: 13/05/19

BALANCE SHEET AS ON 31ST MARCH 2019

IN RS.

<u>Particulars</u>	Note No.	As at 31 March 2019 AUDITED	As at 31 March 2018 AUDITED
I. EQUITY AND LIABILITIES			
1.SHAREHOLDER'S FUNDS			
(a) Share Capital	1	57,435,000	57,435,000
(b) Reserve & Surplus	2	316,683,475	290,470,345
(c) Money Received against share warrant		0	0
		374,118,475	347,905,345
2.Share Application Money Pending Allotment		0	0
3.Non-Current Liabilities			
(a) Long-Term Borrowings	3	11,153,120	80,490,812
(b) Deferred Tax Liability (Net)		0	0
(c) Other Long Term Liabilities		0	0
(d) Long-Term Provisions	6	0	0
		11,153,120	80,490,812
4.Current Liabilities			
(a) Short-Term Borrowings	4	0	15,198,000
(b) Trade Payable -	5		
(A) total outstanding dues of micro enterprises and small enterprises; and		21,525	0
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises.		5,969,475	15,656,283
(c) Other Current Liabilities		0	0
(d) Short-Term Provisions	6	5,330,765	592,681
		11,321,765	31,446,964
TOTAL		396,593,360	459,843,121
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i)Tangible Assets			
Gross Fixed Assets	15	12,627,793	5,149,977
Less: Depreciation		4,125,532	3,411,433
Net Fixed Assets		8,502,261	1,738,544
(ii)Intangible Assets		0	0

(iii) Capital work in Progress		0	4,334,639
(iv) Intangible Assets Under development		0	0.00
Capital work in Progress			
		8,502,261	6,073,183
(b) Non Current Investments	7	163,265,057	283,382,474
(c) Deferred Tax Assets (Net)		981,553	2,079,911
(d) Long-Term Loans and Advances	8	3,320,208	295,500
(e) Other Non - Current Assets	9	0	0,
		176,069,079	291,831,068
2. Current Assets			
(a) Current Investments		0	0
(b) Inventories	10	76,089,158	106,505,789
(c) Trade Receivables	11	18,669,075	15,771,520
(d) Cash and Cash Equivalents	12	13,913,140	19,235,478
(e) Short Term Loans and Advances		0	0
(f) Other Current Assets	13	111,852,908	26,499,266
		220,524,281	168,012,053
	TOTAL	396,593,360	459,843,121

The accompanying notes are an Integral part of the Financial Statements

As per our Report of even date annexed

FOR C.P.Jaria & Co
Chartered Accountants

KHEMANI DISTRIBUTORS AND MARKETING LIMITED

SD/-
(C.P.Jaria)
M.No.030817
F.No.104058W

SD/-
Amit Khemani
Whole Time Director
DIN: 02227413

SD/-
Vijaykumar Khemani
Managing Director
DIN: 02227389

Date: 13/05/2019
Place : Surat

STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31.03.2019

(Rs. In Lakhs)

Particulars	Note No.	Current Year ended on 31.03.2019 (AUDITED)	Previous Year ended on 31.03.2018 (AUDITED)
I. Revenue from Operations	14	6102.96	7070.28
II. Other Income	16	242.78	143.59
III. TOTAL REVENUE (I+II)		6,345.74	7213.87
IV. Operating Expenditure			
(a) Cost of Materials Consumed		0	0
(b) Purchase of stock-in-trade	17	5761.46	6573.94
(c) Changes in Inventories of Finished Goods, Work-in-progress and stock-in-trade	18	13.31	19.59
(d) Employee Benefits Expenses	19	83.90	66.88
(e) Finance Cost	20	16.80	74.33
(f) Depreciation & Amortization Expenses		7.14	7.04
(g) Other Expenses	21	147.45	170.04
TOTAL EXPENSES		6030.06	6911.82
V. Profit before Exceptional Items & Tax		315.68	302.05
VI. Exceptional Items		0	0
VII. Profit/(Loss) Before extraordinary items & Tax (V-VI)		315.68	302.05
VIII. Extraordinary Items(Income)		0	0
IX. Profit/(Loss) Before Tax (VII-VIII)		315.68	302.05
X. Tax Expenses			
1. CURRENT TAX (MAT Tax)		(50.00)	(15.00)
2. Deferred Tax Liability		(10.98)	9.22
XI. Profit/(Loss) for the period from continuing operation (IX-X)		254.70	296.27
XII. Profit/(Loss) for the period from Discontinuing operation		0	0
XIII. Tax expenses of Discontinuing operation		0	0

XIV. Profit/(Loss) from Discontinuing operation after tax (XII-XIII)		0	0
XV. Profit/(Loss) for the period (XI-XIV)		254.70	296.27
XVI. Basic & Diluted Earning Per Share (Rupees)		2.21	2.58
XVII. Paid-up Equity share capital (face value of Rs. 5/- each)		574.35	574.35

As per our Report of even date annexed

FOR C.P.Jaria & Co
Chartered Accountants

KHEMANI DISTRIBUTORS AND MARKETING LIMITED

SD/-
(C.P.Jaria)
M.No.030817
F.No.104058W

SD/-
Amit Khemani
Whole Time Director
DIN: 02227413

SD/-
Vijaykumar Khemani
Managing Director
DIN: 02227389

Date: 13/05/2019
Place : Surat

KHEMANI DISTRIBUTORS AND MARKETING LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2019**

Particulars	Current Year ended on 31.03.2019 (AUDITED)	Previous Year ended on 31.03.2018 (AUDITED)
A. CASH FLOW FROM OPERATING ACTIVITY		
Profit before Taxation	31,568,021	30,204,586
Adjustment for:		
Profit on sale of Assets	0	0
Depreciation	714,097	703,946
Operating Profit before working capital changes	32,282,118	30,908,532
Changes in working capital :-		
Increase/(Decrease) in trade payables	(9,665,282)	2,454,653
Increase/(Decrease) in other current liabilities	0	0
Increase/(Decrease) in short term provision	4,738,084	(3,680,787)
Increase/(Decrease) in other Long-term borrowings	0	0
Increase/(Decrease) in short-term borrowings	(15,198,000)	(8,742,738)
(Increase)/Decrease in trade receivables	(2,897,555)	8,940,223
(Increase)/Decrease in inventories	30,416,631	(30,413,814)
(Increase)/Decrease in other Assets	(85,353,642)	42,928,828
(Increase)/Decrease in Long Term loans and advances	(3,024,708)	(65,000)
(Increase)/Decrease in Short Term loans and advances	0	0
(Increase)/Decrease in Non-current Assets	0	0
Increase/(Decrease) in last year provision	0	0
	(80,984,472)	11,421,365
Cash generated from Operations	(48,702,354)	42,329,897
Less:- Taxes paid (For previous year)	5,000,000	1,500,000
Add: Earlier provision added back	743,469	(65,628)
Net Cash generated from operations before extraordinary items	(52,958,885)	40,764,269
Extraordinary items	0	0
Net Cash generated from operating activities	(A) (52,958,885)	40,764,269
B. CASH FLOW FROM INVESTING ACTIVITY		
(Increase)/Decrease in Fixed Asset	(3,143,178)	(5,051,418)
Net Cash generated from Investing activities	(B) (3,143,178)	(5,051,418)
C. CASH FLOW FROM FINANCING ACTIVITY		
Increase/(decrease) in Long Term Borrowing	(69,337,692)	57,856,001
Expenses in relation to share capital	0	0
Increase in Share Capital & Premium	0	0
(Increase)/decrease in Investments	120,117,417	(99,404,932)

Net Cash generated from Financing activities	(C)	50,779,725	(41,548,931)
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)		(5,322,338)	(5,836,080)
CASH & CASH EQUIVALENTS, AT THE BEGINNING OF YEAR		19,235,478	25,071,558
CASH & CASH EQUIVALENTS, AT THE END OF YEAR		13,913,140	19,235,478

Note:

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

As per out report of even date attached

FOR C.P.Jaria & Co
Chartered Accountants

KHEMANI DISTRIBUTORS AND MARKETING LIMITED

SD/-
(C.P.Jaria)
M.No.030817
F.No.104058W

SD/-
Amit Khemani
Whole Time Director
DIN: 02227413

SD/-
Vijaykumar Khemani
Managing Director
DIN: 02227389

Date: 13/05/2019
Place : Surat

KHEMANI DISTRIBUTORS AND MARKETING LIMITED
Notes on Financial Statements for the year ended 31.03.2019

The previous year figures have been regrouped, rearranged and reclassified wherever necessary. Accordingly, amounts and other disclosure for the preceding year are included as an integral part of the current financial statements and are to be read in relation to amounts and other disclosures relating to the current year.

Note: 1 SHARE CAPITAL

1.1 Authorised Share Capital		In Rs.			
Particulars	As at 31 March 2019		As at 31 March 2018		
	Number	Amount	Number	Amount	
Authorised Share Capital (Equity Shares of Rs. 5 each)	12,400,000	62,000,000	12,400,000	62,000,000	

1.2 Issued, Subscribed and fully paid up Share Capital		In Rs.			
Particulars	As at 31 March 2019		As at 31 March 2018		
	Number	Amount	Number	Amount	
Equity Shares of Rs. 5 each Issued, Subscribed and Paid Up	11,487,000	57,435,000	12,400,000	57,435,000	

1.3 The reconciliations of the number of shares outstanding of RS 5 are set out as below:		In Rs.			
Particulars	As at 31 March 2019		As at 31 March 2018		
	Number	Amount	Number	Amount	
Equity Shares outstanding at the beginning of the year	11,487,000	57,435,000	11,487,000	57,435,000	
Add: Bonus Shares issued during the year	0.00	0.00	0.00	0.00	
Add: Shares issued during the year	0.00	0.00	0.00	0.00	
Less: Shares bought back during the year	0.00	0.00	0.00	0.00	
Shares outstanding at the end of the year	11,487,000	57,435,000	11,487,000	57,435,000	

1.4 The details of shareholders holding more than 5% shares are as below		In Rs.			
S. No.	Particulars	As at 31 March 2019		As at 31 March 2018	
		Number	%	Number	%
1	Vijaykumar Khemani	3,132,600	27.27	3,132,600	27.27
2	Graffin Advisory Services Pvt Ltd	2,000,400	17.41	2,000,400	17.41
3	Natural Suppliers Pvt Ltd	1,138,800	9.91	0	0
4	Orbis Financial Corp Ltd	1,057,600	9.21	0	0
5	Azura Projects Pvt Ltd	959,600	8.35	0	0
6	Onyx Partner	907,200	7.90	1,602,000	13.95

At the year end company has one class of equity shares having a par value of Rs.5/- per share. Shareholder is eligible for one vote per share held

no shares were bought back for last five years

there is no unpaid call on shares from directors and officers

Note 2: Reserve and Surplus		As At 31.03.2019	As At 31.03.2018
a. Securities Premium Account			
Opening Balance		161,560,000	161,560,000
Add: Premium Credited during the year		0	0
Less: Deductions during the year		0	0
Closing Balance		161,560,000	161,560,000
b. Profit & Loss Account			

Opening Balance	128,910,345	99,348,532
Current Year Profit or Loss	25,469,664	29,627,441
Net of Excess provision of Tax/Tax paid	743,466	(65,628)
Closing Balance	155,123,475	128,910,345
Total	316,683,475	290,470,345

Note 3: Long Term Borrowing	As At 31.03.2019	As At 31.03.2018
Unsecured Loans From Directors, Relatives, Corporate	261,824	236,304
Loan Against Shares & Securities	10,891,296	79,910,334
Car Loan	0	344,174
Total	11,153,120	80,490,812

Note : 4 Short Term Borrowing	As At 31.03.2019	As At 31.03.2018
Installment Due Within A Year-Car Loan	0	198,000
Unsecured Loans From Corporate	0	15,000,000
Total	0	15,198,000

Note : 5 Trade Payable	As At 31.03.2019	As At 31.03.2018
Trade Payable to Micro & Small enterprises	21525	
Others	5,969,475	15,656,283
Total	5,991,001	15,656,283

Note : 6 Short Term Provisions	As At 31.03.2019	As At 31.03.2018
Provision for Tax	4,238,448	0
ESIC & Provident Fund Payable	44,534	52,747
GST Payable	138,592	0
Professional Tax Payable	4,740	165,087
TDS Payable	53,964	127,373
Provisions for Expenses	850,486	247,474
Total	5,330,765	592,681

Note : 7 Non-Current Investments	As At 31.03.2019	As At 31.03.2018
IPO Application	0	4,994,080
Investment In Mf	0	20,000,000
Investments In Unquoted Bonds	31,500,000	31,500,000
Investments In Quoted Shares	121,123,894	186,072,712
Investment In Unquoted Shares	1,699,824	37,309,078
Interest Accrued On Bonds	1,293,226	1,893,857
Investment In Partnership Firm Onyx Partners	7,648,113	1,612,747
Total	163,265,057	283,382,474

Detail Of Partnership Firm In ONYX Partners

Name of Partner	Profit Sharing Ratio	As At 31.03.2019	As At 31.03.2018
Vijaykumar Khemani	50%	(40,889,628)	112,692,488
Avinash Khemani	35%	17,812,360	3,729,841
Khemani Distributors and Marketing Limited	15%	7,648,113	1,612,747

Note : 8 Long Term Loans & Advances	As At 31.03.2019	As At 31.03.2018
Other Advances	3,000,000	0
Security Deposit	320,208	295,500
Amount Paid Against Margin of Shares	0	0
Total	3,320,208	295,500

Note : 9 Other Non-Current Assets	As At 31.03.2019	As At 31.03.2018
Preliminary Exps Not Written Off	0	0
IPO Expenses	0	0
Total	0	0

Note : 10 Inventory	As At 31.03.2019	As At 31.03.2018
Closing Stock-Goods	15,204,479	16,535,199
Closing Stock-Bonds/Shares	60,884,680	89,970,590
Total	76,089,158	106,505,789

Note : 11 Trade Receivables	As At 31.03.2019	As At 31.03.2018
Sundry Debtors Unsecured Considerd Good	18,669,075	15,771,520

Note : 12 Cash & Cash Equivalents	As At 31.03.2019	As At 31.03.2018
Cash In Hand	3,450,214	2,968,000
Cheques In Hand	2,419,427	5,412,147
Bank Balance In Current A/C With Banks	8,043,499	10,855,331
Total	13,913,140	19,235,478

Note : 13 Other Current Assets	As At 31.03.2019	As At 31.03.2018
Vat Balance	0	0
Gst Balance	0	308,271
Claim Receivable-Net	2,944,575	8,059,942
Current Account With Onyx Partners	99,337,627	14,000,000
Income Tax Paid For A.Y. 2012-13 (Under Dispute)	8,614,012	2,659,300
Income Tax Paid For A.Y. 2016-17	469,930	0
TDS 2018-19	0	1,244,655
Vat Refundable	0	4,736
Pre-Paid Insurance	12,219	11,339
Advance To Creditors	474,545	211,023
Total	111,852,908	26,499,266

Note : 14 Revenue From Operations	As At 31.03.2019	As At 31.03.2018
Sales Of Traded Goods	584,636,475	672,633,893
Scheme Discount	21,552,099	16,024,484
Profit/(Loss) On Securities	1,427,721	(8,450,417)
Dividend	2,679,888	26,820,339
Total	610,296,183	707,028,299

Note : 15 Fixed Assets**Statement Of Depreciation For The Year Ended On 31.03.2019 (As Per The Companies Act)**

S R . N o .	Particulars	Gross Block			Depreciation			Net Block	
		As on 01.04.18	Addition/ Deletion during the year	Total as on 31.03.19	As on 01.04.18	During the year	Total as on 31.03.19	As on 31.03.19	As on 01.04.18
	A. Tangible Assets								
1	Office Equipments	1,316,797	67,041	1,383,838	902,038	183,484	1,085,522	298,316	414,760
2	Furniture	743,222	18,798	762,020	443,365	79,514	522,879	239,140	299,856
3	Computer	571,787	143,490	715,277	476,063	113,962	590,025	125,251	95,725
4	Computer Server	95,677	0	95,677	81,125	5,720	8,832	8,832	14,552
5	Vehicle	2,176,247	0	2,176,247	1,465,857	221,985	1,687,842	488,405	710,391
6	Plant & Machinery	246,247	(175,724)	70,523	42,987	27,536	70,523	0	203,260
7	Building	4,334,639	3,089,573	7,424,212	0	81,896	81,896	7,342,316	0
	Total	9,484,616	3,143,178	12,627,724	3,411,436	714,097	4,125,533	8,502,261	1,738,544

No Assets Were Impaired/Revalued During Last Five Years

Note : 16 Other Income	As At 31.03.2019	As At 31.03.2018
Misc Income	2,756,956	2,629,678
Share Of Profit From Onyx Partners	6,175,973	1,558,113
Capital Gain on Securities	9,913,387	986,558
Interest Income	5,431,550	9,184,723
Total	24,277,867	14,359,072

Note : 17 Purchase Of Stock-In Trade	As At 31.03.2019	As At 31.03.2018
Purchases Of Traded Goods	576,146,105	657,393,649

Note :18 Changes In Inventory	As At 31.03.2019	As At 31.03.2018
Opening Stock-Goods	16,535,199	18,494,756
Less: Closing Stock-Goods	15,204,479	16,535,199
Total	1,330,721	1,959,557

Note : 19 Employee Benefit Expenses	As At 31.03.2019	As At 31.03.2018
Salary	6,170,164	4,485,358
Salary-Director	780,000	780,000
Bonus	1,108,000	1,031,020
Esi & Pf Exps	331,965	391,877
Total	8,390,129	6,688,255

Note : 20 Financial Cost	As At 31.03.2019	As At 31.03.2018
Bank Charges	27,603	79,027
Interest	1,652,754	7,353,841
Total	1,680,357	7,432,868

Note : 21 Other Expenses	As At 31.03.2019	As At 31.03.2018
Advertisement	12,789	19,788
Audit Fees	37,500	35,000
Brokerage	0	15,968
Shogun Charges	44,403	0
Computer & Software Exps	117,968	130,843
Conveyance	152,340	347,482
Delievery Charges	5,620,222	7,348,328
Discount	2,040	458,144
CSR Exps	1,084,700	1,381,000
Electricity Exps	481,526	322,224
Godown Exps	118,619	61,178
Insurance	142,380	108,948
Legal And Professional Fees	359,070	843,744
Loading/Unloading Exps	2,947,141	3,064,180
Officee & Misc Exps	121,599	79,885
Packing Exps	306,503	370,317
Bad Debts	946,597	31,581
Printing & Stationary	375,039	323,882
Professional/SMC Tax	202,978	4,570
Registrar & Web Service	42,243	52,242
Rent	820,480	1,052,862
Repairs & Maintenance	69,073	57,276
Sales Promotion Exps	4,200	273,930
Security Exps	55,582	110,555
Staff Welfare	285,998	264,219
Telephone & Internet Exps	129,008	55,281
Travelling Exps	116,278	46,026
Loss On Sale Of Ice Chamber	6,233	0
VAT Exps	5,911	0
Vehicle Exps	136,198	145,057
Total	14,744,619	17,004,510

FOR C.P.Jaria & Co
Chartered Accountants

KHEMANI DISTRIBUTORS AND MARKETING LIMITED

SD/-
(C.P.Jaria)
M.No.030817
F.No.104058W

SD/-
Amit Khemani
Whole Time Director
DIN: 02227413

SD/-
Vijaykumar Khemani
Managing Director
DIN: 02227389

Date: 13/05/2019
Place : Surat

SCHEDULE “V” SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS
A. SIGNIFICANT ACCOUNTING POLICIES:
1. General

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

2. Basis Of Accounting

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

3. Fixed Assets

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

4. Investments

Investments are stated at cost.

5. Inventories

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

6. Revenue And Expenditure Recognition

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

7. Miscellaneous Expenditure

Miscellaneous Expenditure such as preliminary expenditure are amortized in a year.

8. Defer Tax

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

9. Foreign Currency Transaction

There is no such transaction during the year.

10. Contingent Liabilities

Contingent liabilities are recognized only when there is a possible obligation arising from past events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources of, or where reliable estimate cannot be made. Obligations are assessed on going concern basis and only those having a largely probable outflow of resources are provided for. Contingent liabilities, if any, are not provided for in the financial statements but are separately shown by way of note. Contingent assets are neither recognized nor disclosed in the financial statements. Except the following there are no contingent liabilities which are to be recognized material:

S.no	Particular	Remark
1	Demand of Rs. 86,82,660/- against the Company in regard of Assessment order under Section 143(3) of A.Y. 2012-13 dated 23.03.15.	Full Liabilities paid by the Company

11. Trade Receivable and Payable

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

12. Employees Benefit Expenses

Particulars	Current Year	Previous Year
Director Salary	780,000	780,000
Salary Paid	6,170,164	4,485,358
Bonus	1,108,000	1,031,020
ESI & PF	331,965	391,877

13. Details of Payment to Auditors

Particulars	Current Year	Previous Year
As Auditor	37,500	35,000

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

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

16. Related Party Transaction:

List of related parties and transactions as per requirements of Accounting Standard – 18, “Related Party Disclosures”

Key Management Personnel and Relatives and Related Concern

Mr. Amit Khemani	- Director
Mr. Vijay Khemani	- Director
Mr. Avinash Khemani	- Relative of Director
Mrs Sanju Khemani	-Relative of Director
Mrs. Dimple Mansingaka	-Relative of Director
Mrs. Sushila devi Khemani	-Relative of Director
Enterprise over which key management personnel are able to exercise significant influence	
M/s ONYX Partners	

Name	Nature	Amount
Mr. Amit Khemani	Director Remuneration	600,000
	Interest Paid	28,356
Mr. Vijay Khemani	Director Remuneration	180,000
	Loan Accepted	1,650,000
	Loan Repaid	1,650,000
Mr. Avinash Khemani	Salary	600,000
Mr. Dimple Mansinga	Salary	360,000
Mr. Sanju Khemani	Rent	144,000
Mr. Sushila Khemani	Rent	168,000

**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]

CIN: L74300GJ2011PLC063520

Name of the company: M/s KHEMANI DISTRIBUTORS & MARKETING LIMITED

Registered office: Plot No. D 91-92, Laxminarayan Industrial Park, Nr. BRC Compound, Udhana, Bhestan Surat GJ 394210 IN

Name of the member (s) :

Registered address :

E-mail Id:

Folio No/ Client Id :

I/We, being the member (s) holding..... shares of the above named company, hereby appoint

Name:

Address:

E-mail Id:

Signature:....., or failing him

Name:

Address:

E-mail Id :

Signature:.....,

as my/our proxy to attend and vote (on a poll) on my/our behalf at the Annual General Meeting of the company, to be held on Monday 16.09.2019 at 2:00 A.M. at Plot No. D 91-92, Laxminarayan Industrial Park, Nr. BRC Compound, Udhana, Bhestan Surat GJ 394210 IN and at any adjournment thereof.

Signed this..... day of..... 20....

Affix Revenue Stamp

Signature of shareholder

Signature of Proxy holder(s)

Note: 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.

KHEMANI DISTRIBUTORS & MARKETING LIMITED**CIN: L74300GJ2011PLC063520****Registered Office: Plot No. D 91-92, Laxminarayan Industrial Park, Nr. BRC Compound, Udhana
Bhestan Surat GJ 394210 IN****Tel. 9737747888, Email - investors@khemanigroup.net, Website: www.khemanigroup.net****ATTENDANCE SLIP**

(To be presented at the entrance)

Annual General Meeting of the Company held on Monday, 16th September 2019 at 02.00 p.m. at Plot No.D
91-92, Laxminarayan Industrial Park. Nr. BRC Compound, Udhana, Bhestan Surat Surat GJ 394210 IN

1	Name of The Attending Member (In Block Letter)	
2.	Registered folio no./DP ID No./Client ID	
3.	Name of proxy (in block letters) (to be filled if the proxy attends instead of the member)	
4	No. of Shares held	

I hereby record my presence at 8th Annual General Meeting of the Company Plot No. D 91-92, Laxminarayan Industrial Park. Nr. BRC Compound, Udhana, Bhestan Surat Surat GJ 394210

Member's/Proxy's Signature

1. Only Member/Proxyholder can attend the Meeting
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting
3. Please fill up this attendance slip and hand it over at the entrance of the meeting hall

Route Map to the venue of the AGM

