KHEMANI DISTRIBUTORS & MARKETING LIMITED

7TH ANNUAL REPORT

2017 - 2018

CORPORATE INFORMATION

Board of Director

1)	Mr. Vijaykumar Mangturam Khemani	Managing Director
2)	Mr. Amit Vijaykumar Khemani	Whole Time Director
3)	Mrs. Anupa Amitkumar Khemani	Non Executive Director
4)	Mr. Amit Mahavirprasad Jain	Independent & Non Executive Director
5)	Mr. Balkishan R. Agrawal	Independent & Non Executive Director
6)	Mr. Mukesh D. Kabra	Independent & Non Executive Director

Chairman: - Mr. Vijaykumar Mangturam Khemani

Company Secretary & Compliance Officer: - Mr. Chinmay Methiwala. has resigned from the post of Company Secretary as on 19th July'2018.

Chief Financial Officer: - Mr. Amit Khemani

Statutory Auditor: - M/s C.P. Jaria & Co.

Secretarial Auditor :- Mrs. Richa Goyal

Banker: - Kotak Mahindra Bank, ICICI Bank

Registrar & Transfer Agent: -
BIGSHARE SERVICES PRIVATE LIMITED
E/2, Ansa Industril Estate, Sakivihar Road,
Sakinaka, Andheri East, Mumbai-400072
Contact No. 022-40430200

Registered Office:-
Survey No. 187, Plot No. 1 to 4, Opp. Saiffee Complex,
Nr. Baroda Rayon Corporation (BRC),
Udhana, Bhestan, Surat-394210

Contact No.:- 07818081234
E-mail:- investors@khemanigroup.net
Website:- www.khemanigroup.net

KHEMANI

NOTICE OF 7TH ANNUAL GENERAL MEETING

Notice is hereby given that the Seventh (7th) Annual General Meeting of the Members of KHEMANI DISTRIBUTORS & MARKETING LIMITED will be held on Saturday, 29thSeptember 2018, at 4:00p.m. at Survey No. 187, Plot No. 1 to 4, Opposite Saiffee Complex, Near Baroda Rayon Corporation (BRC), Udhana, Bhestan, Surat-394210 Gujarat, to transact the following business:

ORDINERY BUSINESS:

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

   To consider and adopt the audited financial statement of the Company for the financial year ended on 31st March, 2018, the reports of the Board of Directors and Auditors Report thereon.

2. **Re-appointment of Director Retiring by Rotation.**

   To appoint a Director in place of Mr. Vijaykumar Mangturam Khemani (DIN: 02227389), who retires by rotation and being eligible, offer himself for re-appointment.

SPECIAL BUSINESS:

3. **Appointment of Mr. Balkishan Ramsnehi Agarwal as an independent Director of the Company**.

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any of the Companies Act. 2013 (the Act) and the Rules made thereunder, amended from time to time read with Schedule IV to the Act., Mr. Balkishan Ramsnehi Agarwal (DIN 07403295), who was appointed as an Additional Non-Executive Independent w.e.f. November 13, 2017, and he has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an independent Director of the Company whose terms is shall not be subject to retirement by rotation, and to hold office for five consecutive year.'

   "**RESOLVED FURTHER THAT** any one of the Present Director of the Company he 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."

KHEMANI

4. Appointment of Mr. Mukeshkumar Devidutt Kabra as an Independent Director of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any of the Companies Act. 2013 (the Act) and the Rules made thereunder, amended from time to time read with Schedule IV to the Act., Mr. Mukeshkumar Devidutt Kabra (DIN 07987025), who was appointed as an Additional Non-Executive Independent w.e.f. November 13, 2017, has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an independent Director of the Company whose terms is shall not be subject to retirement by rotation, and to hold office for five consecutive year.'

"**RESOLVED FURTHER THAT** any one of the Present Director of the Company he 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 tiling *of* necessary forms with Registrar of Companies, Gujarat."

By Order of the Board of Directors

SD/-

AMIT VIJAYKUMAR KHEMANI
Wholetime Director
DIN: 02227413

Reg. Office:
Survey No. 187, Plot No. 1 to 4, Opp. Saiffee Complex,
Near Baroda Rayon Corporation,
Udhana, Bhestan, Surat-394210

Date: 06th September 2018
Place: Surat

KHEMANI

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** 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 than48 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.

2. The Statement pursuant to Section 102 (1) of the Companies Act, 2013 in respect of the Special Business is annexed hereto and forms part of the Notice.

3. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, 22nd September 2018 to Saturday, 29thSeptember 2018(both days inclusive) for Annual General Meeting.

4. The Board of Director of the Company did not recommend any dividend hence provision of dividend is not applicable.

5. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

6. 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 the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

7. Electronic copy of the Annual Report 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 hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for being sent in the permitted mode.

8. Electronic copy of the Notice of the 7th Annual General Meeting of the Company inter alia indicating the process and manner of voting through postal ballot along with Attendance Slip, Proxy Form and Route Map 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 hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 7th Annual General Meeting of the Company inter alia indicating the process and manner of postal ballot along with Attendance Slip, Proxy Form and Route Map is being sent in the permitted mode.

9. Members may also note that the Notice of the 7th Annual General Meeting, Attendance Slip, Proxy Form, Route Map, Ballot Paper 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.

10. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a Certified Copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.

11. Members are requested to bring attendance slip along with their copy of Annual Report to the meeting.

12. In case of joint holders attending the meeting, only such holder who is higher in the order of names will be entitled to vote.

13. **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 7th 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 22nd September, 2018.

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.

14. 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.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("ACT")

Item No. 3

The Board at its meeting held on November 13, 2017, appointed Mr. Balkishan Ramsnehi Agarwal as an Additional Director in the category of Non Executive Independent Director of the Company with effect from November 13, 2017, Mr. Balkishan Ramsnehi Agarwal holds office till this Annual General Meeting of the Company as per sub-section (1) of Section 161 of the Companies Act, 2013 ('the Act').

Mr. Balkishan Ramsnehi Agarwal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has provided his consent to act as a Director.

Mr. Balkishan Ramsnehi Agarwal is a member of the Institute of Charted Accountants of India.

Mr. Balkishan Ramsnehi Agarwal is not on the board of any other Company.

The Board of Directors commend passing of the resolution set out in Item No. 3 of the accompanying Notice.

Except Mr. Balkishan Ramsnehi Agarwal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4. This Explanatory Statement may also be regarded as a disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No. 4

The Board at its meeting held on November 13, 2017, appointed Mr. Mukeshkumar Devidutt Kabra as an Additional Director in the category of Non Executive Independent Director of the Company with effect from November 13, 2017, Mr. Mukeshkumar Devidutt Kabra holds office till this Annual General Meeting of the Company as per sub-section (1) of Section 161 of the Companies Act, 2013 ('the Act').

Mr. MukeshKumar Devidutt Kabra is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has provided his consent to act as a Director.

Mr. Mukeshkumar Devidutt Kabra is a member of the Institute of Charted Accountants of India.

Mr. MukeshKumar Devidutt Kabra is not on the board of any other Company.

The Board of Directors commend passing of the resolution set out in Item No. 3 of the accompanying Notice.

Except Mr. Mukeshkumar Devidutt Kabra, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4. This Explanatory Statement may also be regarded as a disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

By Order of the Board of Directors

SD/-

AMIT VIJAYKUMAR KHEMANI
Wholetime Director
DIN: 02227413

Reg. Office:
Survey No. 187, Plot No. 1 to 4, Opp. Saiffee Complex,
Near Baroda Rayon Corporation,
Udhana, Bhestan, Surat-394210
Date:06th September 2018
Place: Surat

KHEMANI

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

Name of Director	VIJAYKUMAR MANGTURAM KHEMANI
DIN	02227389
Nationality	Indian
Date of Appointment in the Board	06/01/2011
Qualification	Higher Secondary
Age	70 Year
Experience	• Over 5 year of rich experience in the field oftrading 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 Managing Director of the Company w.e.f. 2nd January, 2016.
List of directorships held in other Companies	BSAS Infotech 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	31,32,600 (27.27 %)

DIRECTOR'S REPORT

Dear Member

Our Directors take pleasure in presenting the 7th Annual Report on the business and operations of your Company together with the Audited Accounts for the financial year ended on 31st March 2018.

FINANCIAL RESULT

(Rs. in Lakh)

Particular	**2017-2018**	**2016-2017**
Net sales	7070.28	7094.63
Other operating income	--	--
Total operating income	7070.38	7094.63
Other income (non operating)	143.59	583.01
Total income	7213.87	7677.64
Total expenditure	6837.50	6945.94
Profit/(loss) before, finance cost and exceptional item	376.37	731.70
Finance cost	74.32	156.80
Profit/(loss) before, exceptional items & tax	302.05	574.90
Add/(less) exceptional items	--	--
Profit/(loss) before tax expenses	302.05	574.90
Add/(less): tax expenses	5.78	103.58
Net profit	296.27	471.32

OPERATIONS

The total operating income of the company for the year under review is Rs. 7070.28 Lacs compared to the previous year's operating income of Rs 7094.63 Lacs. The company has incurred profit before tax of Rs. 302.05 Lacs compared to previous year's profit of Rs. 574.90 Lacs. The profit after tax of the Company is Rs. 296.27 Lacs compared to previous year's profit after tax of Rs. 471.32 lacs. In previous year, the company had received a dividend income of Rs. 268.20 Lacs from investments.

DIVIDEND

With a view to provide a cushion for any financial contingencies in the future and to strengthen the financial position of the Company, your Directors have decided not to recommend any dividend for the period under review.

AMOUNTS TRANSFERRED TO RESERVES

The Board of the company has proposed to carry Rs. 296.27 Lacs (being the profit for the current year) to reserves and surplus.

DEPOSITS

The Company has not accepted any deposits within the meaning of section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014.

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).

CHANGE IN NATURE OF BUSINESS, IF ANY

During the year there is no change in business carried on by the Company.

SUBSIDIARY COMPANIES

As on 31st March, 2018 the Company does not have any Subsidiary Company, Joint Venture Company and Associates Company.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS ORTRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

No significant and material orders were passed by the regulators or courts or tribunals which affect the going concern status and future operation of the Company.

DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act and Articles of Association, Mr. Mr. Vijaykumar Mangutam Khemani (DIN: 02227389) shall retire by rotation and being eligible offers himself for reappointment at the ensuing Annual General Meeting of the Company.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declaration from the Independent Directors of the Company under section149 (7) of the Companies Act, 2013 that he meets the criteria of independence laid down in section149 (6) of the Companies Act, 2013.

KEY MANAGERIAL PERSONNEL

Mr. Chinmay Methiwala has resigned from the post of Company Secretary w.e.f 19th July'2018 and the same was notifed to the Bombay exchange.

MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors of the Company was met 5 times during the year 2017-2018. 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	15/05/2017
2	15/07/2017
3	06/09/2017
4	13/11/2017
5	18/01/2018

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 Mangturam Khemani	4
2	Mr. Amit Vijaykumar Khemani	5
3	Mrs. Anupa Amit Khemani	3
4	Mr. Dhiraj Ashok Khandelwal	3
5	Mr. Amit Mahavirprasad Jain	1
6	Mr. Balkishan Ramsnehi Agarwal	1
7	Mr. Mukesh Devidutt Kabra	1

EXTRA ORDINARY GENERAL MEETING

During the year under review, The Company Does not held 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 Commitee. All committees constitute 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	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	Director	Member

PARTICUALRS OF EMPLOYEES

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 A”. 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.

EXTRACT OF ANNUAL RETURN

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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, 213 which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Details of transactions at arms length is as per AOC-2 which is attached as "Annexure-B". 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.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans, guarantees given and investments made by the Company during F.Y. 2017-18, 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.

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.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

No significant and material orders were passed by the regulators or courts or tribunals which affect the going concern status and future operation of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORTS

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

NOMINATION AND REMUNERATION POLICY

There is no changes in the Nomination and Remuneration policy which has been adopted by Board of Directors.

VIGIL MECHANISM

The Company has formulated Whistle Blower Policy with a view to providing a mechanism for employees to report violations and assure them of the process that will be followed to address the reported violation.

RISK MANAGEMENT POLICY

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.

CORPORATE SOCIAL RESPONSIBILITY

The company has approved the CSR policy and the Company has contributed Rs. 13,81,000/- (Rupees Thirteen Lakhs Eighty One Thousand only) which is more than the statutory requirement under the law. The main thrust of the company has been to contribute towards education, medical and social welfare. The CSR Committee is duly constituted and have contributed as per the provisions of section 135 of the Companies Act, 2013.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company is committed to provide a safe and conducive work environment to its employees during the year under review. Your Directors further state that during the year under review there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS

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.

CORPORATE GOVERNANCE

Your company is being SME Company and listed on SEM 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.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your directors confirm that:

a) In the preparation of the annual accounts for the financial year ended 31st March 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;
b) 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 31st March 2018 and of the profit /loss of the Company for that period;
c) 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;
d) The directors had prepared the annual accounts on a going concern basis;
e) The Directors have laid down internal financial controls, which are adequate and are operating effectively.
f) 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.

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, 2018.

BOARD EVALUATION
During the year under review Board of directors met five time and their performance were satisfactory.

SECRETARIAL AUDIT REPORT

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 D”

STATUTORY AUDITORS & AUDITOR’S REMARKS

M/s C. P. Jaria & Co., Chartered Accountants (Firm registration No.104058W), Surat were appointed as Statutory Auditors of the Company for the financial year ending 31st March 2018 to hold office of the Auditors of the Company till the conclusion of the ensuing Annual General Meeting. They being eligible

offer themselves for re-appointment. The auditor's report on the accounts for the period ended on 31st March 2018 is self-explanatory, therefore it does not require any further explanation/clarification.
The Auditors Report for the year under review does not contain any reservations, qualifications or adverse remarks.

ACKNOWLEDGMENT

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.

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

Sd/-	**Sd/-**
Amit Khemani	**Vijay Khemani**
Whole Time Director	**Managing Director**
DIN: 02227413	**DIN: 02227389**

Date: 06/09/2018
Place: Surat

Annexure-B

FORM MGT-9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1	**CIN**	L74300GJ2011PLC063520
2	**Registration Date**	06/01/2011
3	**Name of the Company**	KHEMANI DISTRIBUTORS & MARKETING LIMITED
4	**Category/Sub-category of the Company**	Company limited by shares
		Indian NonGovernment Company
5	**Address of the Registered office & contact details**	S.No. 187, Pl. No. 1 to 4, Opp. Saiffee Comp. Nr. Baroda Rayon Corporation (BRC),Udhana, Bhestan Surat Surat GJ 394210, Contact No. 0261-2905031
6	**Whether listed company**	LISTED
7	**Name, Address & contact details of the Registrar & Transfer Agent, if any.**	BIGSHARE SERVICES PVT LTD Address: E/2, Ansa Industril Estate, Sakivihar Road, Sakinaka, Andheri East, Mumbai-400072 Contact No. 022-40430200

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Wholesale of Other Goods	46909	97.40
2	Other Financial Activities	64990	2.60

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1		NIL			
2					

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	8319000	0	8319000	72.42%	3756600	0	3756600	32.70%	-39.72%
b) Central Govt	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) State Govt(s)	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) Bodies Corp.	0	0	0	0.00%	960000	0	960000	8.36%	8.36%
e) Banks / FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
f) Any other	0	0	0	0.00%	1602000	0	1602000	13.95%	13.95%
Sub Total (A) (1)	**8,319,000**	**-**	**8,319,000**	**72.42%**	**6,318,600**	0	**6,318,600**	**55.01%**	-17.41%
(2) **Foreign**									
a) NRI Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Other Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Bodies Corp.	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) Any other	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub Total (A) (2)	0	0	0	0.00%	0	0	0	0.00%	0.00%
TOTAL (A)	8319000	**-**	**8,319,000**	**72.42%**	**6,318,600**	**0**	**6,318,600**	**55.01%**	-17.41%

B. Public									
1. Institutions									
a) Mutual Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Banks / FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Central Govt	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) State Govt(s)	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
f) Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	0.00%
g) FIIs	0	0	0	0.00%	0	0	0	0.00%	0.00%
h) Foreign Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
i) Others (specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub-total (B)(1):-	0	0	0	0.00%	0	0	0	0.00%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2419200	0	2419200	21.06%	3953600	0	3953600	34.42%	13.36%
ii) Overseas	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	81600	0	81600	0.71%	61200	0	61200	0.53%	-0.18%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	158400	0	158400	1.38%	103200	0	103200	0.90%	-0.48%
c) Others i) CLEARING MEMBER	508800	0	508800	4.43%	1050400	0	1050400	9.14%	4.71%
Non Resident Indians	0	0	0	0.00%	0	0	0	0.00%	0.00%
Overseas Corporate Bodies	0	0	0	0.00%	0	0	0	0.00%	0.00%
Foreign Nationals	0	0	0	0.00%	0	0	0	0.00%	0.00%
Clearing Members		0	0	0.00%	0	0	0	0.00%	0.00%
Trusts	0	0	0	0.00%	0	0	0	0.00%	0.00%
Foreign Bodies - D R	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub-total (B)(2):-	3168000	-	3,168,000	27.58%	5168400	0	5,168,400	44.99%	17.41%
Total Public (B)	**3168000**	**-**	**3,168,000**	**27.58%**	**5168400**	**0**	**5,168,400**	**44.99%**	**17.41%**
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%	0.00%
Grand Total (A+B+C)	**11,487,000**	**-**	**11,487,000**	**100.00%**	**11,487,000**	**0**	**11,487,000**	**100.00%**	**0.00%**

Note:- Nominal value of share capital Rs. 5 per share.

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Vijaykumar M. Khemani	6,909,000	60.15%	0	3,132,600	27.27%	0	**-32.88%**
2	Amit Vijaykumar Khemani	1,381,800	12.03%	0	13,800	0.12%	0	**-11.91%**
3	Sushila Devi Khemani	5,640	0.05%	0	5,640	0.05%	0	**0.00%**
4	Dimple P. Mansinghka	5,640	0.05%	0	5,640	0.05%	0	**0.00%**
5	Anupa A. Khemani	5,640	0.05%	0	5,640	0.05%	0	**0.00%**
6	Avinash V. Khemani	5,640	0.05%	0	5,640	0.05%	0	**0.00%**
7	Sanju A. Khemani	5,640	0.05%	0	5,640	0.05%	0	**0.00%**
8	Vijaykumar M. Khemani HUF	-	0.00%	0	582,000	5.07%	0	**5.07%**
9	Onyx Partners	-	0.00%	0	1,602,000	13.95%	0	**13.95%**
10	Bsas Infotech Ltd	-	0.00%	0	960,000	8.36%	0	**8.36%**

Note:- Nominal value of share capital Rs. 5 per share.

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

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	AMIT VIJAYKUMAR KHEMANI						
	At the beginning of the year	01/04/2017		1,381,800	12.03%	1,381,800	12.03%
	Changes during the year	03/01/2018	Transfer	(1,368,000)	-11.91%	13,800	0.12%
	At the end of the year	31/03/2018		13,800	0.12%	13,800	0.12%
2	VIJAYKUMAR MANGTURAM KHEMANI						
	At the beginning of the year	01/04/2017		6,909,000	60.15%	6,909,000	60.15%
	Changes during the year	30/06/2017	Transfer	(2,000,400)	-17.41%	4,908,600	42.73%
	Changes during the year	03/01/2018	Transfer	(1,776,000)	-15.46%	3,132,600	27.27%
	At the end of the year	31/03/2018		3,132,600	27.27%	3,132,600	27.27%

(iv) Shareholding Pattern of top ten Shareholders

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

(For more details **Annexure AA**)

SN	For each of the Top 10 shareholders Name	Reason	Shareholding at the beginning of the year		Shareholding at the end of the year	
			No. of shares	% of total shares	No. of shares	% of total shares
1	GRYFFIN ADIVISORY SERVICES PVT LTD	Transfer	0	0.00%	2000400	17.41%
2	AZURA PROJECTS PVT LTD	Transfer	0	0.00%	543600	4.73%
3	CHOICE EQUITY BROKING PRIVATE LIMITED	Transfer	508800	4.43%	529600	4.61%
4	CHOICE MERCHANDISE BROKING PVT LTD	Transfer	0	0.00%	520800	4.53%
5	S & D SHARES & STOCK PVT LTD	Transfer	0	0.00%	408000	3.55%
6	CLEAR WATER COMODITIES PVT LTD	Transfer	52800	0.46%	248400	2.16%
7	CHARTERED CAPITAL RESEARCH PVT LTD	Transfer	50400	0.44%	258000	2.25%
8	BLE DIOMAND PLASTOWARE PVT LTD	Transfer	372,000	3.24%	122,000	1.06%
9	CLASSIC FILAMENT LIMITED	Transfer	110,400	0.96%	110,400	0.96%
10	CARRON INVESTMENTS PVT LTD	Transfer	-	0.00%	108,000	0.94%

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel Name	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	VIJAYKUMAR MANGTURAM	30/06/2017	Transfer	6909000	60.15%	3132600	27.27%
		03/01/2018	Transfer				
2	AMIT VIJAYKUMAR KHEMANI (CFO & WTD)	03/01/2018	Transfer	1381800	12.03%	13800	0.12%
3	ANUPA AMITKUMAR KHEMANI (DIRECTOR)			5640	0.05%	5640	0.05%
4	CHINMAY METHIWALA	NIL					

V. INDEBTEDNESS

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

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	16,068,573.00	30,506,976.00	0	46,575,549.00
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**16,068,573.00**	**30,506,976.00**	**0**	**46,575,549.00**
Change in Indebtedness during the financial year				
* Addition	64,185,935.00	-	0	64,185,935.00
* Reduction		15072672	0	15,072,672.00
Indebtedness at the end of the financial year				
i) Principal Amount	80,254,508.00	15,236,304.00	0	95,490,812.00
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**80,254,508.00**	**15,236,304.00**	**0**	**95,490,812.00**

***VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Vijay Khemani*	Amit Khemani	(Rs/Lac)
		MD	WTD & CFO	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	180,000.00	650,000.00	830,000.00
	(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)	180,000.00	650,000.00	830,000.00
	Ceiling as per the Act			3,322,504.00

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors						Total Amount
		Dhiraj Khandelwal*	Amit Jain	Anupa Khemani	Balkishan Agarwal**	Mukesh Kabra**		(Rs/Lac)
1	Independent Directors							
	Fee for attending board committee meetings	NIL	NIL	-	NIL	NIL		-
	Commission							-
	Others, please specify							-
	Total (1)	-	-	-	-	-		-
2	Other Directors (NON - Executive Director)							-
	Fee for attending board committee meetings	-	-	-		-		-
	Commission	-	-	-		-		-
	Others, (Gross Salary)	-	-	-		-		-
	Total (2)	-	-	-		-		-
	Total (B)=(1+2)	NIL	NIL	NIL		NIL		-
	Total Managerial Remuneration							-
	Overall Ceiling as per the Act							

* resigned w.e.f 13/11/2017 and not paid any remuneration or sitting fees

** appointed w.e.f. 13/11/2017 and not paid any remuneration or sitting fees

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
		Chinmay Methiwala*			(Rs/Lac)
		Company Secretary			
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	268,720.00			268,720.00
	(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	268,720.00			268,720.00

* appointed as Company Secretary w.e.f. 15/05/2017

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:					
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

NIL

Annexure AA

TOP TEN NON PROMOTERS MOVEMENT

Sr. No	NAME	No. of Shares at the begining/End of the year	Date	Increase/ Decrease in share-holding	Reason	Number of Shares	Percentage of total shares of the
1	GRYFFIN ADVISORY SERVICES PRIVATE LIMITED	0	31-Mar-17		Transfer	0	0.00
			01-Sep-17	2000000	Transfer	2,000,000	17.41
			15-Sep-17	400	Transfer	2,000,400	17.41
		2,000,400	31-Mar-18	0	Transfer	2,000,400	17.41
2	AZURA PROJECTS PRIVATE LIMITED	0	31-Mar-17		Transfer	0	0.00
			12-May-17	396000	Transfer	396,000	3.45
			30-Jun-17	-1200	Transfer	394,800	3.44
			29-Dec-17	148800	Transfer	543,600	4.73
		543,600	31-Mar-18	0	Transfer	543,600	4.73
3	CHOICE EQUITY BROKING PRIVATE LIMITED	508,800	31-Mar-17	0	Transfer	508,800	4.43
			19-May-17	1200	Transfer	510,000	4.44
			09-Jun-17	3600	Transfer	513,600	4.47
			30-Jun-17	1200	Transfer	514,800	4.48
			07-Jul-17	1999200	Transfer	2,514,000	21.89
			01-Sep-17	-2000000	Transfer	514,000	4.47
			08-Sep-17	7200	Transfer	521,200	4.54
			15-Sep-17	-400	Transfer	520,800	4.53
			06-Oct-17	1200	Transfer	522,000	4.54
			13-Oct-17	1200	Transfer	523,200	4.55
			10-Nov-17	-1200	Transfer	522,000	4.54
			24-Nov-17	-4800	Transfer	517,200	4.50
			22-Dec-17	-90000	Transfer	427,200	3.72
			29-Dec-17	-148800	Transfer	278,400	2.42
			05-Jan-18	1200	Transfer	279,600	2.43
			26-Jan-18	250000	Transfer	529,600	4.61
		529,600	31-Mar-18	0	Transfer	529,600	4.61
4	CHOICE MERCHANDISE BROKING PRIVATE LIMITED	0	31-Mar-17		Transfer	0	0.00
			22-Dec-17	430800	Transfer	430,800	3.75
			29-Dec-17	-430800	Transfer	0	0.00
			12-Jan-18	520800	Transfer	520,800	4.53
		520,800	31-Mar-18	0	Transfer	520,800	4.53
5	S & D SHARE & STOCK PVT LTD	0	31-Mar-17		Transfer	0	0.00
			09-Mar-18	408000	Transfer	408,000	3.55
		408,000	31-Mar-18	0	Transfer	408,000	3.55
6	CLEAR WATER COMMODITIES PRIVATE LIMITED	52,800	31-Mar-17	0	Transfer	52,800	0.46
			23-Feb-18	248400	Transfer	301,200	2.62
		301,200	31-Mar-18	0	Transfer	301,200	2.62
7	CHARTERED CAPITAL RESEARCH PRIVATE LIMITED	208,800	31-Mar-17	0	Transfer	208,800	1.82
			08-Dec-17	49200	Transfer	258,000	2.25
		258,000	31-Mar-18	0	Transfer	258,000	2.25
8	BLUE DIAMOND PLASTOWARE PRIVATE LIMITED	372,000	31-Mar-17	0	Transfer	372,000	3.24
			26-Jan-18	-250000	Transfer	122,000	1.06
		122,000	31-Mar-18	0	Transfer	122,000	1.06
9	CLASSIC FILAMENTS LIMITED	110,400	31-Mar-17	0	Transfer	110,400	0.96
		110,400	31-Mar-18	0	Transfer	110,400	0.96
10	CARRON INVESTMENTS PVT LTD	0	31-Mar-17	0	Transfer	0	0.88
			08-Dec-17	108000	Transfer	108000	0.94
		108000	31-Mar-18	0	Transfer	108000	0.94

ANNEXURE 1
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

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

Sd/-
AmitKhemani
Whole Time Director
DIN: 02227413

Sd/-
Vijay Khemani
Managing Director
DIN: 02227389

Date: 06/09/2018
Place: Surat

KHEMANI

Annexure C

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

The FMCG sector has grown at an annual average of about 11 per cent over the last decade. Growing awareness, easier access, and changing lifestyles have been the key growth drivers for the consumer market. FMCG is the fourth largest sector in the Indian economy.

The government has also enabled 51 per cent FDI in multi-brand retail and 100 per cent in food processing and single-brand retail. This would bolster employment and supply chains, and also provide high visibility for FMCG brands in organized retail markets, bolstering consumer spending and encouraging more product launches.

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.

Khemani Distributors & Marketing Limited primarily caters 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.

Khemani Distributors & Marketing Limited has been awarded a 'Certificate of Appreciation' for best performance in terms of 'Growth' and 'Channel width of Achievement' 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.

Our Company also intends to foray into the business of distributing agro products to the retailers and wholesalers within the district of Surat, Gujarat.

OPPORTUNITIES

Company believes that the agriculture sector in India is expected to generate better momentum in the next few years due to increased investment in agricultural infrastructure. The government of India has also introduced several projects to assist the agricultural sector which is ensuring better growth prospectus in the said industry. Forecasting the growth in the agricultural sector, company intends to tap the growth opportunity by commencing the trading of agro products. Hence Company intends to foray into the trading of agro products.

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.

Amt in Lacs

Segment	2017-2018	2016-2017
FMCG Product	6886.58	6999.10
Dealing in Securities	183.70	95.52

Dividend income, which is included in to dealing in securities, was received during the year 2017-2018 of Rs. 268.20 lacs compare to previous year 2016-2017 of Rs.105.10 lacs.

RISKS AND CONCERNS

a) 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.
b) 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.
c) 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. 7070.28 Lakh compare to previous year's operating income of Rs 7094.46 Lakh. The company incurred profit before tax of Rs. 302.04 Lakh compared to previous year's loss of Rs. 574.90 and profit after tax of the Company is Rs. 296.27 Lakh compare to previous year's profit after tax of Rs. 471.32 Lakh.

a) **Revenue from operation**

In Rs.

	FY 2017-2018	FY 2016-2017	% Chang
Revenue from Operation	707,028,299.00	709,462,692.00	(0.34)
Other Income	14,359,072.00	58,300,558.00	(75.37)
Total Revenue	721,387371.00	767,763,250.00	(6.04)

b) Purchase of stock in trade

In Rs.

	FY 2017-2018	FY 2016-2017	% Chang
Purchase of stock in trade	657,393,649.00	667,485,130.00	(1.51)

c) Finance Cost

In Rs.

	FY 2017-2018	FY 2016-2017	% Chang
Finance Cost	7,432,868.00	15,679,660.00	(52.60)

d) Employee benefit expense

In Rs.

	FY 2017-2018	FY 2016-2017	% Chang
Employee benefit expenses	6,688,255.00	6,352,413.00	5.29

e) Net profit after

In Rs.

	FY 2017-2018	FY 2016-2017	% Chang
Net profit	29,627,411.00	47,131,313.00	(37.14)

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 E

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 31.03.2018

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, 2018, 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 on31st March, 2018, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made there under;
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under.
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
iv. Foreign Exchange Management Act, 1999 and the Rules and 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)*
v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') -:
a. The Securities and Exchange Board of India (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:

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 LSITED 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)*

vi. 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.

MANAGEMENT RESPONSIBILITY

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;

2. 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. 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.

3. 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;

4. 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;

5. 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.

WE FURHTER REPORT THAT

I. 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.

II. 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.

III. Resolutions have been approved by majority while the dissenting members', if any, views are captured and recorded as part of the minutes.

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

V. 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.,

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 * COMPANY SECRETARY, SURAT * FCS No. 8265 CP No. 4700

Richa Goyal
Practising Company secretary

Place: Surat
Date:06.09.2018
FCS NO 8265
CP.NO 4700

C.E.O. & C.F.O. CERTIFICATION

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

CERTIFICATE

We, Vijay Mangturam 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 and cash flow statement for the financial year ended 31st March, 2018 and to the best of our knowledge and belief:
   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
   ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting standards, applicable laws and regulations.

B. To the best of our knowledge and belief, no transaction entered into by the Company during the quarter and year ended 31st March, 2018 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:
   i. Significant change/s in the internal control over financial reporting during the year.
   ii. 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
   iii. 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.

Sd/-	Sd/-
Vijay M. Khemani	Amit V. Khemani
(Managing Director)	(CFO)
DIN: 02227389	DIN:

Place: Surat
Date:- 6th September, 2018

C.P. JARIA & CO.

CHARTERED ACCOUNTANTS

M-28, SUPERTEXTOWER,
OPP. KINNARY CINEMA,
RING ROAD, SURAT-395002.
PH: 2343289, 2343288
Email:cpjaria@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the members of Khemani Distributors & Marketing Ltd

Report on the Financial Statement

We have audited the accompanying financial statements of **Khemani Distributors & Marketing Ltd("the Company"),** which comprise the Balance Sheet as at March 31, 2018, and the statement of Profit & Loss, theCash Flow Statement and the statement of changes in Equity for the year then ended, and the summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

The Management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including cash flows and the statement of changes in equityof the Company in accordance with the Accounting principles generally accepted in India, including Accounting Standards specified under section 133 of the Act, read with the of Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken intoaccount the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder. We conducted our audit in accordance with the standards on Auditing, issued by ICAI, asspecified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in circumstances. An audit also includes evaluating theappropriateness 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fare view in conformity with the accounting principles generally accepted in India, of the of the state of affairs of the Company as at March 31, 2018, itsprofit, its Cash Flows and statement of changes in Equity for the year ended on that date.

Report on Other Legal and regulatory Requirements

C.P. JARIA & CO.

CHARTERED ACCOUNTANTS

M-28, SUPERTEXTOWER, OPP. KINNARY CINEMA, RING ROAD, SURAT-395002. PH: 2343289, 2343288 Email:cpjaria@gmail.com

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 Rule 7 of the Companies (Accounts) Rules 2015 as amended;

   (e) On the basis of written representation received from the directors as on March 31, 2018and taken on record by the Board of Directors, none of the directors is disqualified as onMarch 31, 2018from 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" and

   (g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rules, 2014:

      1. The Company does have any pending litigation which is pending before Appellant Authorities, but have will not impact its financial position.
      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

(C.P.Jaria)
M.No.030817
F.No.104058W
PLACE :Surat
DATE :29/05/2018

C.P. JARIA & CO.
CHARTERED ACCOUNTANTS
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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 Ltd on the accounts of the company for the year ended 31.03.18

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,	Yes
	(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;	Yes
	(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	The disputed income

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	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).	tax liability is pending before Appellate Authorities;
(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

(C.P.Jaria)
M.No.030817
FRN 104058W
PLACE :Surat
DATE :29/05/18

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CHARTERED ACCOUNTANTS
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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 Khemni Distributors &Marketing Limited**("the Company") as on 31st March 2018 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 transaction 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

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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 2018, 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

(C.P.Jaria)
M.No.030817
FRN 104058W
PLACE : Surat
DATE : 29/05/18

KHEMANI DISTRIBUTORS & MARKETING LTD
BALANCE SHEET AS AT 31/03/18

PARTICULRAS	NOTE	CURRENT YEAR	PREVIOUS YEAR
I. EQUITY AND LIABILITIES			
(1) Shareholder's Fund			
(a) Share Capital	1	57,435,000	57,435,000
(b) Reserves and Surplus	2	290,470,345	260,908,532
(c) Money received against share warrants		0	0
(2) Share Application money pending allotment		0	0
(3) Non-current Liabilities			
(a) Long-Term Borrowings	3	80,490,812	22,634,811
(b) Defered tax liabilities (Net)		0	0
(c) Other Long term liabilities		0	0
(d) Long term provisions		0	0
(4) Current Liabilities			
(a) Short Term borrowings	4	15,198,000	23,940,738
(b) Trade Payables	5	15,656,283	13,201,630
(c) Other current Borrowings		0	0
(d) Short-term Provisions	6	592,681	4,273,468
	Total	459,843,121	382,394,179
II.ASSETS			
(1) Non-Current Assets			
(a) Fixed Asssets			
(i) Tangible Assets	6	1,738,544	1,725,711
(ii) Intangible Assets		0	0
(iii) Capital work-in-progress		4,334,639	0
(iv) Intangible assets under development		0	0
(b) Non-Current Investments	7	283,382,474	183,977,542
(c) Deferred tax Assets (Net)		2,079,911	1,157,056
(d) Long Term loans and advances	8	295,500	230,500
(e) Other non-current assets	9	0	0
(2) Current Assets			
(a) Current Investments		0	0
(b) Inventories	10	106,505,789	76,091,975
(c) Trade receivables	11	15,771,520	24,711,743
(d) Cash & Cash equivalents	12	19,235,478	25,071,558
(e) Short term loans & advances		0	0
(f) Other Current Assets	13	26,499,266	69,428,094
	Total	459,843,121	382,394,179

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

SD/-
(C.P.JARIA)
PARTNER
M.NO 030817
FRN: 104058W
PLACE : SURAT
DATE : 29/05/18

FOR KHEMANI DISTRIBUTORS & MARKETING LTD

SD/-
WTD/CFO-Amit Khemani
DIN: 02227413

SD/-
M.DIRECTOR-Vijay Khemani
DIN: 02227389

KHEMANI DISTRIBUTORS & MARKETING LTD

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31/03/2018

PARTICULRAS	NOTE	CURRENT YEAR	PREVIOUS YEAR
I. Revenue from operations	14	707,028,299	709,462,692
II. Other Income	15	14,359,072	58,300,558
III. Total Revenue (I + II)		721,387,371	767,763,250
IV. Expenses			
Cost of Material Consumed		0	0
Purchase of Stock-in-trade	16	657,393,649	667,485,130
Changes in inventories of finshed goods, work-in progress and stock-in trade	17	1,959,557	5,519,480
Employee benefit Expenses	18	6,688,255	6,352,413
Finance costs	19	7,432,868	15,679,660
Depriciation		703,946	737,822
Other expenses	20	17,004,510	14,499,178
IV.Total Expenses		691,182,785	710,273,683
V. Profit before exceptional and extraordinary items & Tax	(III-IV)	30,204,586	57,489,567
VI. Exceptional Items		0	0
VII. Profit before extraordinary items & Tax	(V-VI)	30,204,586	57,489,567
VIII. Extraordinary items		0	
IX. Profit before tax	(VII_VIII)	30,204,586	57,489,567
X. Tax Expenses			
(1) Current Tax		1,500,000	10,100,000
(2) Deferred Tax		(922,855)	258,254
XI. Profit(loss) from the period from continuing operations after tax	(VII-VIII)	29,627,441	47,131,313
XII. Profit(loss) from discontinuing operations		0	0
XIII. Tax expenses of discontinuing operations		0	0
XIV. Profit(loss) from discontinuing operations after tax	(XII-XIII)	0	0
XV. Profit(loss) for the period	(XI+XIV)	29,627,441	47,131,313
XVI. Earning per equity share			
(1) Basic		2.58	4.10
(2) Diluted		2.58	4.10

AS PER OUR REPORT OF EVEN DATE

FOR C.P.JARIA & CO

CHARTERED ACCOUNTANTS

SD/-

(C.P.JARIA)

PARTNER

M.NO 030817

FRN: 104058W

PLACE : SURAT

DATE : 29/05/18

FOR KHEMANI DISTRIBUTORS & MARKETING LTD

SD/-

WTD/CFO-Amit Khemani

DIN: 02227413

SD/-

M.DIRECTOR-Vijay Khemani

DIN: 02227389

NOTES TO BALANCE SHEET & PROFIT & LOSS STATEMENT

PARTICULRAS		CURRENT YEAR	PREVIOUS YEAR
NOTE-1			
SHARE CAPITAL			
AUTHORISED SHARE CAPITAL			
12400000 EQUITY SHARES OF RS.5/-EACH		62,000,000	62,000,000
		62,000,000	62,000,000
ISSUED, SUBSCRIBED AND FULLY PAID UP			
11487000 EQUITY SHARES OF RS 5/- EACH		57,435,000	57,435,000
		57,435,000	57,435,000
NOTE-1A		EQUITY	EQUITY
RECONCILAITION OF SHARES OUTSTANDING OF RS.10/-		(NUMBER)	(NUMBER)
SHARES OUTSTANDING		11,487,000	
SHARES SPLITTED FROM RS 10/- TO 5/-		0	
SHARES OF FACE VALUE OF 10/- DIMINISHED		0	
SHARES ISSUSED DRING THE YEAR		0	
SHARES BOUGHT BACK DURING THE YEAR		0	
SHARES OUTSTANDING AT THE END OF YEAR		11,487,000	
NOTE-1B			
SHAREHOLDER HOLDING FOR THAN 5% SHARES	%	SHARES @ 5/-	SHARES @ 5/-
VIJAY KUMAR KHEMANI	27.27	3,132,600	6,909,000
AMIT KHEMANI	0.12	13,800	1,381,800

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
DURING THE YEAR SHARES OF FACE VALUE OF RS.10/- WERE SPLITTED INTO RS.5/-

NOTE-2		
RESERVES & SURPLUS		
A. SHARES PREMIUM ACCOUNT		
OPENING BALANCE	161,560,000	161,560,000
ADD:PREMIUM CREDITED	0	0
CLOSING BALANCE	161,560,000	161,560,000
B. PROFIT & LOSS A/C		
OPENING BALANCE	99,348,532	52,221,109
LESS: UTILIZED FOR BONUS SHARES	0	0
LESS: EXPS IN RELATION TO INCREASE IN CAPITAL	0	(158,400)
ADD:CURRENT YEAR PROFIT/(LOSS)	29,627,441	47,131,313
ADD: EXCESS PROVISION OF TAX ADDED BACK	(65,628)	154,510
CLOSING BALANCE	128,910,345	99,348,532
TOTAL	290,470,345	260,908,532
NOTE-3		
LONG TERM BORROWINGS		
UNSECURED LOANS FROM DIRECTORS, RELATIVES,CORPRATE	236,304	15,208,404
LOAN AGAINST SHARES & SECURITIES-ECL	79,910,334	6,941,195
CAR LOAN-SBI	344,174	485,212
	80,490,812	22,634,811
NOTE-4		
SHORT TERM BORROWING		
INSTALLMENT DUE WITHIN A YEAR-CAR LOAN	198,000	198,000
UNSECURED LOANS FROM CORPORATE	15,000,000	15,100,572
CHANNEL FINANCE FROM STATE BANK OF INDIA	0	8,642,166
	15,198,000	23,940,738

NOTE-4

TRADE PAYABLES

SUNDRY CREDITORS	15,656,283	13,201,630
	15,656,283	13,201,630

NOTE-5

SHORT TERM PROVISIONS

PROVISION FOR TAX	0	2,875,637
ESIC PF PAYABLE	52,747	57,862
PROFESSIONAL TAX PAYABLE	165,087	165,369
TDS PAYABLE	127,373	770,451
PROVISIONS FOR EXPENSES	247,474	404,149
	592,681	4,273,468

NOTE-7

NON-CURRENT INVESTMENTS

IPO APPLICATION	4,994,080	0
INVESTMENT IN MF	20,000,000	0
INVESTMENTS IN UNQUOTED BONDS	31,500,000	50,000,000
INVESTMETS IN QUOTED SHARES	186,072,712	115,269,890
INVESTMENT IN UNQUOTED SHARES	37,309,078	16,600,278
INTEREST ACCRUED ON BONDS	1,893,857	2,052,740
INVESSTMENT IN PARTNESHIP FIRM ONYX PARTNERS	1,612,747	54,634
	283,382,474	183,977,542

DETAIL OF PARTNERSHIP FIRM

ONYX PARTNERS

PARTNERS		%		C. BALANCE	C. BALANCE
VIJAY KHEMANI		50		148,779	148,779
AVINASH KHEMANI		35		94,144	94,144
KHEMANI DISTRIBUTORS & MARKETING LTD		15		1,612,747	54,634

NOTE-8

LONG TERM LOANS & ADVANCES

OTHER ADVANCES

SECURITY DEPOSITS	295,500	230,500
AMOUNT PAID AGAINST MARGIN OF SHARES	0	0
	295,500	230,500

NOTE-9

OTHER NON-CURRENT ASSETS

PRELIMINARY EXPS NOT WRITTEN OFF	0	0
IPO EXPENSES	0	0
	0	0

NOTE-10

INVENTORY

CLOSING STOCK-GOODS	16,535,199	18,494,756
CLOSING STOCK-BONDS/SHARES	89,970,590	57,597,219
	106,505,789	76,091,975

NOTE-11

TRADE RECEIVABLES

SUNDRY DEBTORS UNSECURED CONSIDERD GOOD	15,771,520	24,711,743
	15,771,520	24,711,743

NOTE-12

CASH & CASH EQUIVALENTS

CASH IN HAND	2,968,000	4,142,204
FIXED DEPOSIT WITH BANK WITH INTEREST	0	7,419,078
CHEQUES IN HAND	5,412,147	10,053,999
BANK BALANCE IN CURRENT A/C WITH BANKS	10,855,331	3,456,277
	19,235,478	25,071,558

NOTE-13

OTHER CURRENT ASSETS

VAT BALANCE	0	830,546
GST BALANCE	308,271	0
CLAIM RECEIVABLE-NET	8,059,942	4,394,302
CURRENT ACCOUNT WITH ONYX PARTNERS	14,000,000	0
INCOME TAX PAID FOR A.Y. 2012-13	2,659,300	2,659,300
TDS 2017-18	1,244,655	0
VAT REFUNDABLE	4,736	4,736
PRE-PAID INSURANCE	11,339	9,117

ADVANCE TO CREDITORS	211,023	61,530,093
	26,499,266	69,428,094

NOTE-14

REVENUE FROM OPERATIONS		
SALES OF TRADED GOODS	688,658,377	699,910,460
PROFIT/(LOSS) ON SALE OF BONDS/SHARES IN. DERIVATIVES	(8,450,417)	(957,507)
DIVIDEND	26,820,339	10,509,739
	707,028,299	709,462,692

NOTE-15

OTHER INCOME		
MISC INCOME	2,629,678	1,931,348
SHARE OF PROFIT FROM ONYX PARTNERS	1,558,113	29,634
LONG TERM GAIN ON SHARES	940,624	0
SHORT TERM GAIN ON SHARES/MF	45,934	46,506,161
INTEREST INCOME	9,184,723	9,833,415
	14,359,072	58,300,558

NOTE-16

PURCHASE OF STOCK-IN TRADE		
PURCHASES OF TRADED GOODS	657,393,649	667,485,130
	657,393,649	667,485,130

NOTE-17

CHANGES IN INVENTORY		
OPENING STOCK-GOODS	18,494,756	24,014,236
LESS: CLOSING STOCK-GOODS	16,535,199	18,494,756
	1,959,557	5,519,480

NOTE-18

EMPLOYEE BENEFIT EXPENSES		
SALARY	4,485,358	4,541,778
SALARY-DIRECTOR	780,000	780,000
BONUS	1,031,020	800,000
ESI & PF EXPS	391,877	230,635
	6,688,255	6,352,413

NOTE-19

FINANCIAL COST		
BANK CHARGES	79,027	72,672
INTEREST	7,353,841	15,606,988
	7,432,868	15,679,660

NOTE-20

OTHER EXPENSES

ADVERTISMENT	19,788	25,358
AUDIT FEES	35,000	35,000
BROKERAGE	15,968	223,378
COMPUTER & SOFTWARE EXPS	130,843	81,897
CONVEYANCE	347,482	335,522
DELIEVERY CHARGES	7,348,328	7,097,206
DISCOUNT	458,144	0
CSR EXPS	1,381,000	0
ELECTRCITY EXPS	322,224	233,716
GODOWN EXPS	61,178	178,225
INSURANCE	108,948	124,277
LEGAL AND PROFESSIONAL FEES	843,744	294,108
LOADING/UNLOADING EXPS	3,064,180	2,890,069
MERCANDISER EXPS	0	319,409
OFFICEE & MISC EXPS	79,885	242,026
PACKING EXPS	370,317	284,052
BAD DEBTS	31,581	0
PRINTING & STATIONARY	323,882	200,251
PROFESSIONAL TAX	4,570	2,400
REGISTRAR & WEB SERVICE	52,242	56,545
RENT	1,052,862	845,712
REPAIRS & MAINTENANCE	57,276	48,973
SALES PROMOTION EXPS	273,930	197,959
SECURITY EXPS	110,555	121,262
SELLING EXPS	0	234,236
STAFF WELFARE	264,219	175,800
TELEPHONE & INTERNET EXPS	55,281	41,740
TRAVELLING EXPS	46,026	91,649
VAT EXPS	0	0
VEHICLE EXPS	145,057	118,408
	17,004,510	14,499,178

KHEMANI DISTRIBUTORS & MARKETING LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31 MARCH 2018

Particulars		Year Ended	
		31-Mar-18	31-Mar-17
A. CASH FLOW FROM OPERATING ACTIVITY			
Profit before Taxation		30204586	57489567
Adjustment for:			
Profit on sale of Assets		0	0
Depreciation		703946	737822
Operating Profit before working capital changes		**30908532**	**58227389**
Changes in working capital :-			
Increase/(Decrease) in trade payables		2454653	(4643067)
Increase/(Decrease) in other current liabilities		0	0
Increase/(Decrease) in short term provision		(3680787)	1441011
Increase/(Decrease) in other Long-term borrowings		0	0
Increase/(Decrease) in short-term borrowings		(8742738)	(3645826)
(Increase)/Decrease in trade receivables		8940223	6155217
(Increase)/Decrease in inventories		(30413814)	69307086
(Increase)/Decrease in other Assets		42928828	2684970
(Increase)/Decrease in Long Term loans and advances		(65000)	6009000
(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
		11421365	**77308391**
Cash generated from Operations		**42329897**	**135535780**
Less:- Taxes paid (For previous year)		1500000	10100000
Add: Earlier provision added back		(65628)	154510
Net Cash generated from operations before extraordinary items		40764269	125590290
Extraordinary items		0	0
Net Cash generated from operating activities	**(A)**	**40764269**	**125590290**
B. CASH FLOW FROM INVESTING ACTIVITY			
(Increse)/Decrease in Fixed Asset		(5051418)	(485896)
Net Cash generated from Investing activities	**(B)**	**(5051418)**	**(485896)**
C. CASH FLOW FROM FINANCING ACTIVITY			
Increase/(decrease) in Long Term Borrowing		57856001	(64022021)
Expenses in relation to share capital		0	(158400)
Increase in Share Capital & Premium		0	0
(Increase)/decrease in Investments		(99404932)	(68181604)
Net Cash generated from Financing activities	**(C)**	**(41548931)**	**(132362025)**
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)		**(5836080)**	**(7257631)**
CASH & CASH EQUIVALENTS, AT THE BEGINNING OF YEAR		25071558	32329189
CASH & CASH EQUIVALENTS, AT THE END OF YEAR		**19235478**	**25071558**

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".

For Khemani Distributors & Marketing Ltd

As per out report of even date attached
For C.P.Jaria & C0
Chartered Accountants

SD/-
Director/CFO/WTD
Amit Khemani
DIN:02227413

SD/-
C.P.Jaria
Partner
M.No 030817
FRN:104058W
Place:Surat
Date: 29/05/2018

SD/-
Director/MD
Vijay Khemani
DIN: 02227389

NOTE-6 - FIXED ASSETS:

STATEMENT OF DEPRECIATION FOR THE YEAR ENDED ON 31.03.2018 (AS PER THE COMPANIES ACT)

		GROSS BLOCK			DEPRICIATION			NET BLOCK	
SR. NO.	PARTICULARS	AS ON 01.04.17	ADD/DEL DURING THE YEAR	TOTAL AS ON 31.3.18	AS ON 01.04.17	DURING THE YEAR	TOTAL AS ON 31.3.18	AS ON 31.3.18	AS ON 01.04.17
	A.TANGIBLE ASSETS								
1	OFFICE EQUIPMENTS	1049308	267489	1316797	716725	185312	902037	414760	332583
2	FURNITURE	634739	108483	743222	359060	84306	443366	299856	275679
3	COMPUTER	477227	94560	571787	417024	59038	476062	95725	60203
4	COMPUTER SERVER	95677	0	95677	71702	9423	81125	14552	23975
5	VEHICLE	2176247	0	2176247	1142976	322880	1465856	710391	1033271
6	PLANT AND MACHINERY	0	246247	246247	0	42987	42987	203260	0
	TOTAL	4433198	716779	5149977	2707487	703946	3411433	1738544	1725711
	PREVIOUS YEAR	3947302	485896	4433198	1969665	737822	2707487	1725711	1977637

NO ASSETS WERE IMPAIRED/REVALUED DURING LAST FIVE YEARS

KHEMANI DISTRIBUTORS & MARKETING LTD

Note-21. SIGNIFICANT ACCOUNTING POLICIES :

1. GENERAL

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

2. BASIS OF ACCOUNTING

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

3. FIXED ASSETS

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

4. INVESTMENTS

Investments are stated at cost.

5. INVENTORIES

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

6. REVENUE AND EXPENDITURE RECOGNITION

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

7. MISCELLANEOUS EXPENDITURE

Miscellaneous Expenditure such as preliminary expenditure are amortized 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 CURRENY 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.	Company had filed Appeal before Honorable CIT(A), Surat.

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	780000	780000
Salary Paid	4485358	4541778
Bonus	1031020	800000
ESI & PF	391877	230635

13. Details of Payment to Auditors

Particulars	Current Year	Previous Year
As Auditor	35000	35000

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

KHEMANI DISTRIBUTORS & MARKETING LTD

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

17. 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. AvinashKhemani	- Relative of Director
Mrs Sanjoo Khemani	-Relative of Director
Dimple Mansingaka	-Relative of Director
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**
Amit Khemani	Director Remuneration Loan Accepted Loan Repaid Interest Paid	650000 4500000 4500000 31000
Vijay Khemani	Director Remuneration	180000
Avinash Khemani	Salary	650000
Dimple Mansinga	Salary	360000
Sanjoo Khemani	Rent	144000
Sushila Khemani	Rent	70000