KHEMANI

KHEMANI DISTRIBUTORS & MARKETING LIMITED

9TH

ANNUAL REPORT

2019-2020

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Vijay kumar Khemani

Chairman

Mr. Amitkumar Vijaykumarji Khemani

Whole Time Director

Mrs. Anupa Amitkumar Khemani

Non Executive Director

Mr. Amit Mahavirprasad Jain

Independent Director

Mr. Balkishan Ramsnehi Agrawal

Independent Director

Mr. Mukeshkumar Devidutt Kabra

Independent Director

AUDITORS

M/s C.P. Jaria & Co.

INTERNAL AUDITORS

Ravindra Dhakkar & Associates

COMPANY SECRETARY

Ms. Rekha Rani Naraniwal

CHIEF FINANCIAL OFFICER

Mr. Amit Vijaykumar Khemani

SECRETARIAL AUDITOR

Mr. Bhaveshkumar Rawal

REGISTRAR AND TRANSFER AGENT

Bigshare Services Private Limited

REGISTERED OFFICE

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

BRC Compound, Udhana, Bhestan, Surat-394210

Contact No.:- 09737747888

E-mail:- investors@khemanigroup.net

Website: - www.khemanigroup.net

CIN NUMBER

L74300GJ2011PLC063520

BANKER

Kotak Mahindra Bank

ICICI Bank

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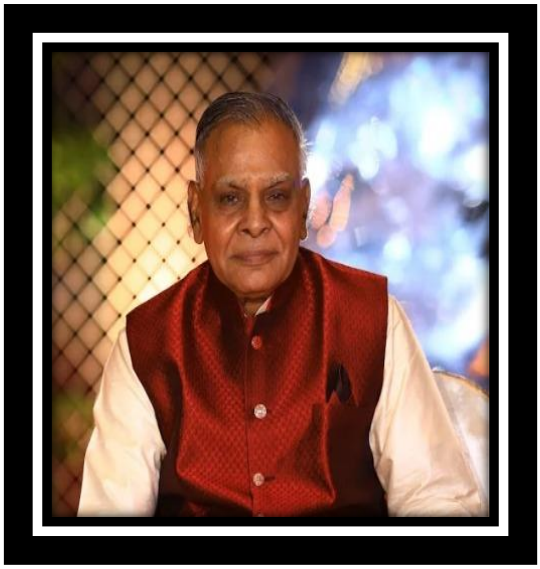
EXECUTIVE BOARD OF DIRECTORS



Mr. Vijay Kumar Khemani Managing Director of Khemani Distributors & Marketing Limited has over 50 years of rich experience in various businesses. He has been on board since incorporation and is pioneer of the company. He is guiding force behind the strategic decisions of the Company and has been instrumental in planning and formulating the overall business strategy and developing business relations for the Company. He also holds Directorship in BSAS Infotech Limited and Stepup Arogyam India Private Limited.

Mr. Amitkumar Vijaykumarji Khemani Whole-time Director and Chief Financial Officer of Khemani Distributors & Marketing Limited is marketing and sales wizard. His understanding of Market dynamic and consumer behavior has helped in growth of the Company. He looks after overall finance and accounts of the Company and engaged in planning & formulating the financial analysis and strategy for the Company. He is actively involved in the marketing of our products and the operational activities of the business. He has a vast experience of 11 years in the field of FMCG goods He also holds Directorship in BSAS Infotech Limited and Stepup Arogyam India Private Limited.

CHAIRMAN'S MESSAGE

Dear Shareholders,

On behalf of Board of Directors of your Company its great pleasure for us to extend a very warm welcome to each one of you at the 9th Annual General Meeting of your Company.

It gives me immense pleasure to present to you the 9th Annual Report for the Financial year 2019-20 of your Company. While every business has its own highs and lows, the success of the Company in longer run depends on its ability to innovate to meet the evolving needs of customers and remain competitive.

The Financial year 2019-20 was a challenging year for FMCG sector. COVID crisis has had a sever impact on the economy and our business. The impact of covid crisis will continue to be felt in FY 2020-21 also. It is very difficult to envisage its impact on the company. We are doing out best to come out this crisis with least impact on your company.

It gives me immense pleasure that during the COVID crisis, your company being in essential services, provided all the essential items like sanitizers, soaps, food items through out the crisis. Our employees did take risk to keep our operations going and supplied essential goods to consumers so that the impact of the crisis can be reduced.

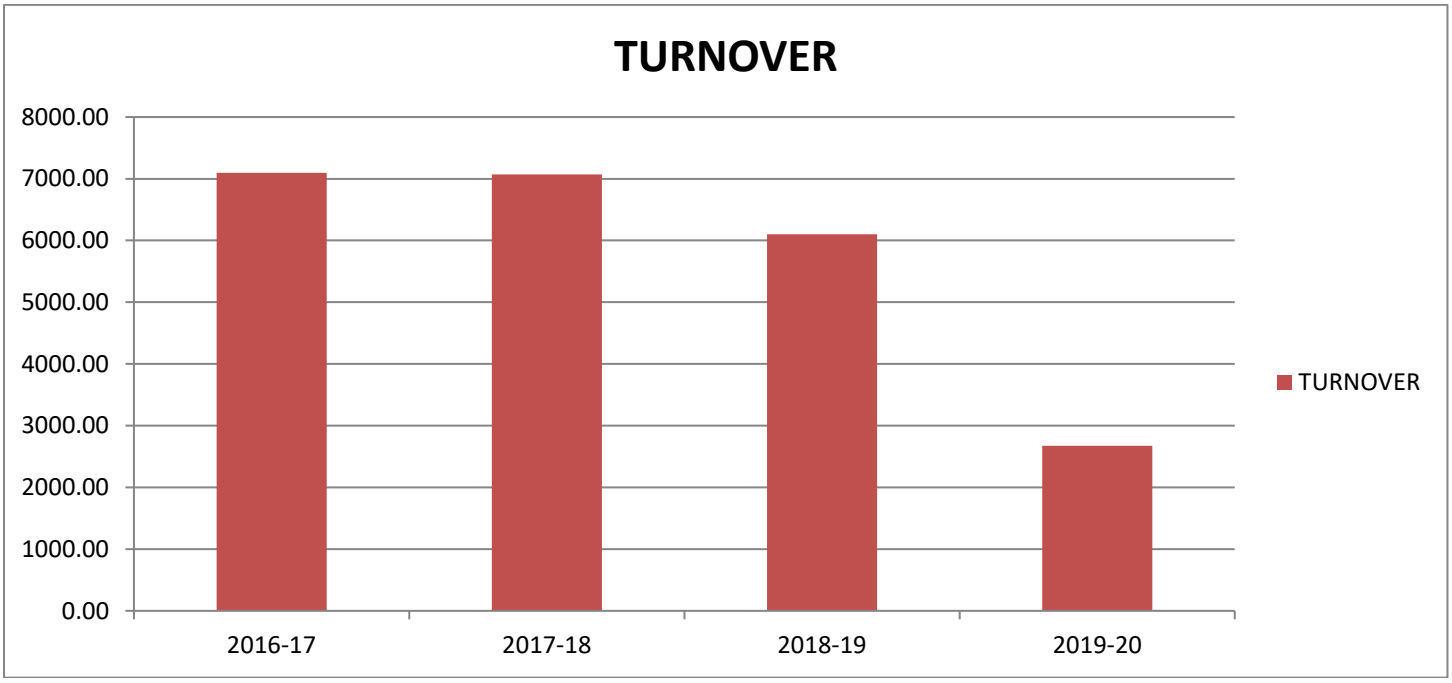
Our foundation, Khemani Welfare Foundation also did a fabulous job in terms meeting our social obligation. We were active through out the year in creating awareness and heling people.

The Board of Directors recommending issue of 1:1 Bonus equity shares to the shareholders subject to your approval in the AGM.

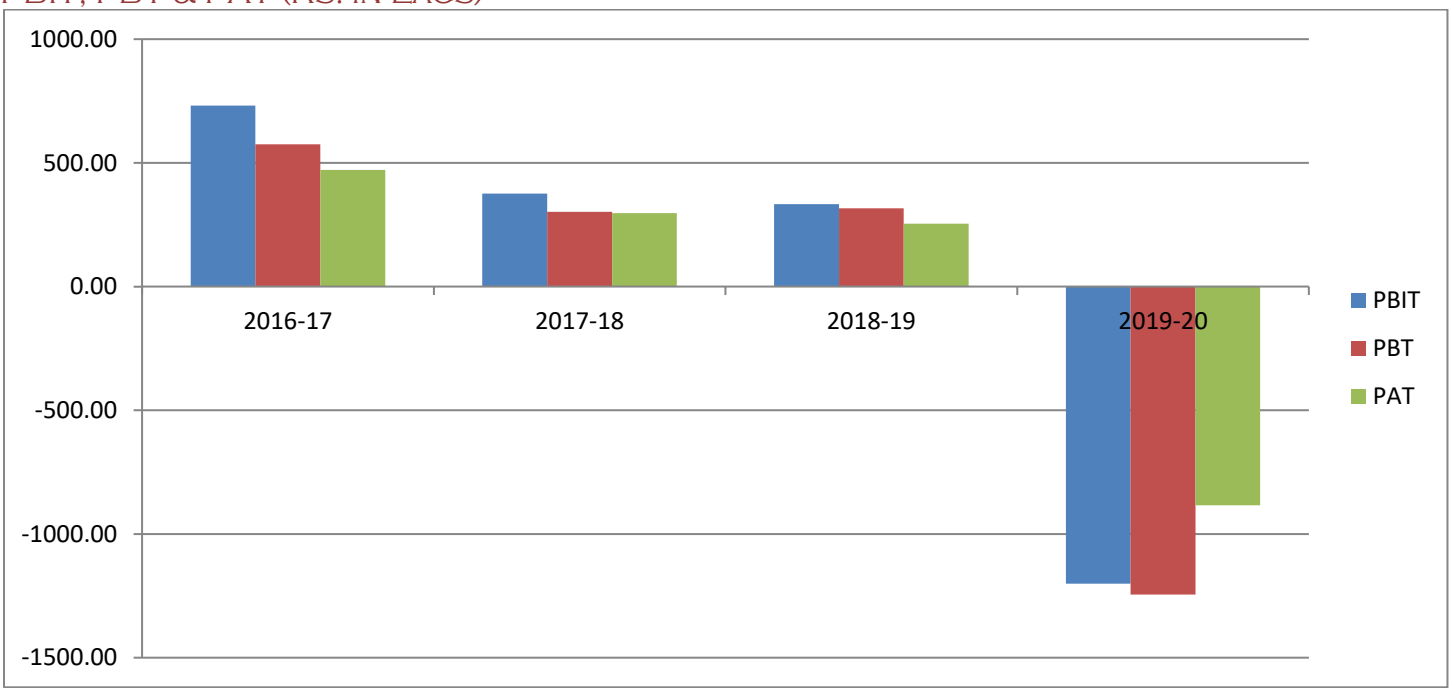
On behalf of Board of Directors we would like to sincerely thank our shareholders, our customers, our employees for their persistent support and confidence in us.

FINANCIAL HIGHLIGHTS

TURNOVER (Rs. in Lacs)



PBIT, PBT & PAT (Rs. in Lacs)



NOTICE

Notice is hereby given that the Ninth (9th) Annual General Meeting of the Members of KHEMANI DISTRIBUTORS & MARKETING LIMITED will be held on Wednesday, 16th September 2020, at 2:00 p.m. at Plot No. D 91/92, Laxminarayan Industrial Park, BRC Compound, Udhana, Bhestan, Surat-394210 Gujarat, to consider and transact the following business:-

ORDINARY BUSINESS:-

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

To consider and adopt the Audited Financial Statement, Auditors Report and the reports of the Board of Directors of the Company for the financial year ended on 31st March, 2020 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary resolution:-

"RESOLVED THAT the audited financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

2. Re-appointment of Director Retiring by Rotation.

To appoint Mrs. Anupa Amit Kumar Khemani (DIN: 07360209), who retires by rotation and being eligible, offer herself for re-appointment be and is hereby re-appointed as a director of the Company, liable to retire by rotation and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary resolution:-

"**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mrs. Anupa Amit Kumar Khemani (DIN: 07360209), who retires by rotation at this meeting be and is hereby re-appointed as a Director of the Company."

SPECIAL BUSINESS:-

3. Increase in Authorise Share Capital of the Company and consequent alteration in Memorandum Of Association of the Company.

To consider and, if thought fit, with or without modification, if any, the following Resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of section 13 and 61(1)(a) read with section 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed thereunder, and in accordance with the provisions of the Article of Association and listing agreement entered into by the Company with stock exchange where the shares of the Company are listed, the consent of the members of the Company be and is hereby accorded to increase the authorised share capital of the company from existing Rs.6,20,00,000 (Rupees Six crores twenty lakhs only) divided into 1,24,00,000 (One crore twenty four lakhs only) Equity shares of Rs. 5 each to Rs.12,00,00,000(Rupees Twelve Crores) divided into 2,40,00,000 (Two crores fourty lakhs) Equity shares of Rs. 5 each by creation of additional Rs 5,80,00,00 (Five crores eighty lakhs) Equity share of Rs. 5 (Rupees five only) each ranking pari pasu in all respect with existing shares of the Company.

RESOLVED "**RESOLVED THAT** that the existing Clause V of the Memorandum of Association of the Company as to share capital be and is hereby deleted and in its place the following Clause V be substituted:

"The authorised share capital of the company is Rs. 12,00,00,000 (Rupees Twelve Crores only) divided into 2,40,00,000 (Two crores forty lakhs) shares of Rs. 5 (Rupees five only) each."

RESOLVED FURTHER THAT any director of the Company or the Company Secretary of the Company be and are severally authorized to file, sign, verify and execute all such e-forms, papers or documents as may be required and do all such acts, deeds, matters and things as may be necessary for giving effect to this Resolution**."**

4. Issue of Bonus Shares in 1:1 ratio by Capitalization of Security Premium Amount.

To consider and, if thought fit, with or without modification, if any, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 63 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed thereunder, the Securities And Exchange Board Of India (Issue Of Capital And Disclosure Requirements) Regulations, 2009 (SEBI ICDR), Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (SEBI LODR) the consent of the members of the Company be and is hereby accorded for capitalization of a sum of Rs.5,74,35000 (Rupees five crores seventy four lakhs thirty five thousands) out of Security Premium Amount of the Company, as per the Audited Financial Statement of the Company for the financial year ended 31st March,2020, as may be considered by the Board, for the purpose of issue and allotment of 1,14,87,000 Equity shares of Rs. 5 (Rupees five only) each as Bonus shares credited as fully paid up, to the eligible members of the Company holding fully paid Equity shares Rs. 5 (Rupees five only) each whose name appears in the Register of Members maintained by Company's Registrar and Transfer Agent (RTA), List of Beneficial Owners as received from National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL)on the record date (To be determined by the Board) in the proportion of 1 (One) new fully paid up equity share of Rs.5 each for every one existing fully paid up equity shares of Rs.5 each held by the said members and that the Bonus shares so issued shall for all purposes be treated as an increase in the paid-up share capital of the Company held by each such member and not an income;

RESOLVED FURTHER THAT the new fully paid up equity share of Rs.5 each to be issued and allotted as Bonus Shares shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari pasu in all respect with existing fully paid equity shares of the Company in all respect and shall carry the same right as the existing fully paid equity shares of the Company as attributable to the shares as on the Record date;

RESOLVED FURTHER THAT all shares of the Company are in dematerialized form so bonus shares will also be credited in demat account of existing shareholders within such time as prescribed by law and the relevant authorities;

RESOLVED FURTHER THAT the issue and allotment of the Bonus Equity shares to Non-Resident members, Foreign Institutional Investors and/or other foreign investors shall be subject to the approval, if any, of the Reserve Bank of India or any other regulatory authorities as may be necessary;

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the bonus equity shares so allotted on the stock exchange where the securities of the Company are listed as per SEBI Regulations and other applicable rules & guidelines;

RESOLVED FURTHER THAT any director of the Company or the Company Secretary of the Company be and are severally authorized to file, sign, verify and execute all such e-forms, papers or documents as may be required and do all such acts, deeds, matters and things as may be necessary for giving effect to this Resolution and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding."

Date: 22/08/2020
Place: Surat

By Order of the Board of Directors

SD/-
Vijaykumar Khemani
Managing Director
DIN: 02227389

Note:-

1. The Company is listed with BSE on SME platform.

2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/herself and proxy need not be a member. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

3. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.

4. Members/Proxies should fill Attendance Slip for attending the meeting.

5. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the Listing Regulation (Including any Statutory Modification or re-enactment thereof for the time being in force), the Company is not providing e-Voting facility as per Provisions of Companies Act, 2013, as SME listed Company is not Mandatory to provide E-voting Facility.

6. The Board of Director of the Company did not recommend any dividend hence provision of dividend is not applicable.
7. The register of the Members and share Transfer book of the company will remain closed from Thursday, 10th September 2020 to Wednesday, 16th September 2020 (both days inclusive) for Annual General Meeting.

8. Members seeking any information or clarification on Accounts are requested to send written queries to the Company, at least one week before the date of the meeting. Replies will be provided in respect of such written queries received only at the meeting.

9. Relevant documents referred to in the accompanying Notice and the Statement is open for inspection by the members at the Regd. office of the Company on all working days, during business hours up to the date of the Meeting.

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or its Share registrars and Transfer Agents.

11. Members holding shares in physical form and who have not registered their email IDs are requested to register their email IDs with the Company's Share Registrars and Transfer Agents.

12. Members are requested to notify the change in their address to the company and always quote their folio number in all correspondence with the company.

13. Members who are holding shares in identical names in more than one folio are requested to send to the Registrar and Share Transfer Agent ('RTA'), the details of such folios together with the share certificates for consolidating their holdings into one folio. The share certificates will be returned to the Members after making requisite changes thereon.

14. Securities and Exchange Board of India has mandated that the transfer of securities held in physical form, except in case of transmission or transposition, shall not be processed by the listed entities / Registrars and Share Transfer Agents with effect from 1st April 2019. Therefore, members holding share(s) in physical form are requested to immediately dematerialize their shareholding in the Company. Necessary prior intimation in this regard was provided to the shareholders.

15. Members may also note that the Notice of the 9th Annual General Meeting, Attendance Slip, Proxy Form, Route Map, and the Annual Report will also be available on the Company's website www.khemanigroup.net for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at Surat for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post. For any communication, the shareholders may also send requests to the Company's investor email id: investors@khemanigroup.net.

16. Electronic copy of the Annual Report for 2019-20 is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, a physical copy of the Annual Report for 2019-20 is being sent in the permitted mode and members are requested to bring their copy of the Annual Report with them at the meeting.

17. Route Map showing directions to reach to the venue of the AGM is given as per the requirement of the Secretarial Standards-2 on "General Meeting."

18. A statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is annexed hereto.

19. Voting through postal ballot.

i. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the 9th Annual General Meeting (AGM) by electronic means and the business may be transacted through postal ballot.

ii. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting shall cast their vote through postal ballot at the meeting through ballot paper.

iii. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.

iv. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 9th September, 2020.

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. Mr. Bhaveshkumar Rawal, Practicing Company Secretary (FCS-8812, CP-10257) has been appointed as the Scrutinizer to scrutinize the voting in a fair and transparent manner.

vii. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM,

viii. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through postal ballot in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

ix. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.khemanigroup.net and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

20. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

Date: 22/08/2020
Place: Surat

By Order of the Board of Directors

SD/-
Vijaykumar Khemani
Managing Director
DIN: 02227389

EXPLANATORY STATEMENT UNDER SECTION 102 AND 110 OF THE COMPANIES ACT, 2013

Item No. 3:

At present the Authorised Share Capital of the Company is 6,20,00,000/- (Rupees Six crores twenty lakhs only) divided into 1,24,00,000 (One crore twenty four lakhs) Equity shares of Rs. 5/- each and paid up share capital of the Company is Rs. 5,74,35,000/- (Rupees five crores seventy four lakhs thirty five thousands) divided into 1,14,87,000 (One Crore Fourteen Lakhs and Eighty Seven Thousands) equity shares of Rs. 5/- each. The Board of directors at its meeting held on Saturday, 22nd Day of August, 2020 subject to the consent of the members of the Company, approved and recommended issue of Bonus equity shares Rs.5 (Rupees five) each credited as fully paid up equity share to eligible members of the Company in proportion of 1 (One) new fully paid up equity share of Rs.5 each for every one existing fully paid up equity shares of Rs.5 each held by the said members by capitalizing a sum of Rs. 5,74,35,000/- out of Security Premium Amount of the Company, as may be considered appropriate.

Presently the authorised share capital of the company is Rs.6,20,00,000/- (Rupees Six crores twenty lakhs) consisting of 1,24,00,000 (One crore twenty four lakhs) Equity shares of Rs. 5 each.

In order to facilitate issue of Bonus shares and for further requirement, if any, it is proposed to increase the Authorised share capital to Rs.12,00,00,000/- (Rupees Twelve Crores only) divided into 2,40,00,000 (Two crores fourty lakhs) Equity shares of Rs. 5 each by creation of additional Rs 5,80,00,000/- (Five crores eighty lakhs only) Equity share of Rs. 5 (Rupees five only) each ranking pari pasu in all respect with existing shares of the Company. The increase in the Authorize Share Capital as aforesaid would require consequential alteration to the existing Clause V of the Memorandum of Association of the Company.

The increase in the authorized share capital and consequential alteration to the existing Clause V of the Memorandum of Association of the Company and for the purpose of issue of Bonus equity share require member's approval in term of Section 13, 61 and 63 of the Companies Act, 2013 and other applicable statutory and regulatory approvals.

None of the Directors, Key Managerial Personnel or the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution set out in item Nos. 3 of this Postal Ballot Notice except to the extent of their shareholding in the Company

Item No. 4:

With a view to capitalize the Security Premium Account and to rationalize the capital structure, Board of Directors in its meeting held on Saturday, 22nd Day of August, 2020 have proposed to issue bonus shares at the ratio of 1:1. This bonus allotment will also rationalize the paid up capital of the company with the funds employed in the company. As per the provisions of Sections 63 of the Companies Act, 2013, approval of the shareholders is required to be accorded for issuance of Bonus Shares to the members of the Company by way of passing a Ordinary Resolution. Accordingly, the Directors recommend the matter and the resolution set out under Item no. 4 for the approval of the Members by way of passing a Special Resolution.

None of the Directors, Key Managerial Personnel or the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution set out in item No. 4 of this Postal Ballot Notice except to the extent of their shareholding in the Company.

The Board recommends the Ordinary Resolution set out in item Nos. 3 and 4 of this postal ballot notice for approval of members.

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

Name of Director	**Mrs. ANUPA AMIT KUMAR KHEMANI**
DIN	07360209
Nationality	Indian
Date of Appointment in the Board	10/12/2015
Qualification	MBA (Marketing)
Age	38 Years
Experience	• She has been appointed as Non Executive Non-Independent Director of the Company w.e.f. 10th December, 2015. • She has 5 years of experience in FMCG sector. • She is involved in decision making of the Company at Board level. • She is primarily responsible for identifying new target markets.
List of directorships held in other Companies	NIL
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	5640 (0.05 %)

BOARD REPORT

Dear Members,

Your Directors have pleasure in presenting Annual report on the affairs of the Company together with the Audited Statement of Accounts for the year ended on 31st March, 2020.

1. FINANCIAL SUMMARY OR PERFORMANCE OF THE COMPANY:-

(In Lacs)

Particulars	F.Y. 2019-20	F.Y. 2018-19
Revenue from operation	2672.17	6102.96
Other Income (Non Operating)	371.26	242.78
Total Income	3043.43	6345.74
Total Expenditure	4244.52	6013.26
Profit/(Loss) before finance cost and exceptional item	-1201.09	332.48
Finance cost	43.95	16.80
Profit/(Loss) before exceptional item and tax	-1245.04	315.68
Add/(Less): Exceptional item	--	--
Profit before Taxation	-1245.04	315.68
Add/(Less) : Tax Expenses	-360.69	-60.98
Profit after Taxation/Net profit	-884.35	254.70

2. OPERATIONS:-

The total operating income of the company for the year under review is Rs. 2672.17 Lacs compared to the previous year's operating income of Rs 6102.96 Lacs. The company has incurred loss of Rs.(1245.04) Lacs when we consider profit before tax as compared to previous year's profit of Rs. 315.68 Lacs. The profit after tax of the Company is negative i.e. Rs.(884.35) Lacs compared to previous year's profit after tax of Rs. 254.70 Lacs. In previous year, the company had received a dividend income of Rs. 26.79 Lacs from investments.

COVID crisis has severe impact on the global and Indian economy. Indian capital markets fell sharply, this led to significant drop in the value of stocks of company held. While consumer business made profits, our portfolio suffered and created huge losses. We hope to recover this in future.

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

3. TRANSFER TO RESERVES:-

The Board of the company has proposed to carry Rs. -884.35 Lacs (being the Loss for the current year) to reserves and surplus.

4. DIVIDEND:-

In view of the losses in the current year, your directors are unbale to recommend any cash dividend. However, to reward our shareholders, we are recommending a bonus share in the ratio of 1:1 our of our reserves.

5. CREDIT RATING

No credit rating has been done by the Company during the year.

6. 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).

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

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

8. 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

9. SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANY:-

As on March 31, 2020, the Company does not have any subsidiary or joint venture or any associates Company.

10. STATUTORY AUDITOR & AUDIT REPORT:-

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

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

11. SECRETARIAL AUDIT:-

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

12. CHANGE IN THE NATURE OF BUSINESS:-

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

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL:-

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

Details of Directors and KMPs are as follows:-

S.N.	Name od Directors/KMP	Designation
1.	Mr. Vijay Kumar Khemani	Managing Director
2.	Mr. Amitkumar Vijaykumarji Khemani	Whole-time Director and CFO
3.	Mrs. Anupa Amit Kumar Khemani	Non Executive Woman Director
4.	Mr. Mukesh Devidutt Kabra	Independent Non-Executive Director
5.	Mr. Balkishan Ramsnehi Agarwal	Independent Non-Executive Director
6.	Mr. Amit Mahavirprasad Jain	Independent Non-Executive Director
7.	Ms. Rekha Rani Naraniwal	Company Secretary

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

The Board of Directors of the Company met 6 (Six) times during the year, in respect of which proper notices were given and the proceedings were properly recorded, signed and maintained in the Minutes Book kept by Company for the purpose. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The details of the meetings of the Board held during the financial year are as follow:

Sr. No.	Date of the Board Meeting
1	13/05/2019
2	31/05/2019
3	21/06/2019
4	03/08/2019
5	14/11/2019
6	10/03/2020

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

Sr. No.	Name of Director	No. of Meetings attended
1	Mr. Vijaykumar Khemani	5
2	Mr. Amitkumar Vijaykumarji Khemani	6
3	Mrs. Anupa Amit Kumar Khemani	6
4	Mr. Amit Mahavirprasad Jain	4
5	Mr. Balkishan Ramsnehi Agarwal	4
6	Mr. Mukeshkumar Devidutt Kabra	5

EXTRA ORDINARY GENERAL MEETING

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

COMMITTEES OF BOARD

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

1. Audit Committee

Sr. No.	Name of Director	Designation	Category
1	Mr. Mukeshkumar Devidutt Kabra	Non executive Independent Director	Chairman
3	Mr. Balkishan Ramsnehi Agarwal	Non executive Independent Director	Member
2	Mr. Amitkumar Vijaykumarji Khemani	Whole-time Director	Member

2. Nomination and Remuneration Committee

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

3. Stakeholders Relationship Committee

Sr. No.	Name of Director	Designation	Category
1	Mr. Mukeshkumar Devidutt Kabra	Non executive Independent Director	Chairman
2	Mr. Amit Mahavirprasad Jain	Non executive Independent Director	Member
3	Mr. Vijay kumar Khemani	Managing Director	Member

4. Corporate Social Responsibility Committee

Sr. No.	Name of Director	Designation	Category
1	Mr. Mukeshkumar Devidutt Kabra	Non executive Independent Director	Chairman
2	Mr. Vijay Kumar Khemani	Managing Director	Member
3	Mr. Amitkumar Vijaykumarji Khemani	Whole-time Director	Member

Dates of Committee Meetings:

Sr. no.	Name of the Committee	Members of the Committee	Date of Meetings	Attendance (%)
1.	Audit Committee	1. Mr. Mukeshkumar Devidutt Kabra 2. Mr. Balkishan Ramsnehi Agarwal 3. Mr. Amitkumar Vijaykumarji Khemani	1. 13/05/2019 2. 03/08/2019 3. 14/11/2019 4. 18/03/2020	66.67% 100% 100% 100%
2.	Nomination and Remuneration Committee	1. Mr. Amit Mahavirprasad Jain 2. Mr. Balkishan Ramsnehi Agarwal 3. Mr. Anupa Amit Kumar Khemani	1. 21/06/2019	100%
3.	Stakeholders Relationship Committee	1. Mr. Mukeshkumar Devidutt Kabra 2. Mr. Amit Mahavirprasad Jain 3. Mr. Vijay kumar Khemani	1.21/06/2019	100%
4.	Corporate Social Responsibility Committee	1. Mr. Mukeshkumar Devidutt Kabra 2. Mr. Vijay Kumar Khemani 3. Mr. Amitkumar Vijaykumarji Khemani	1. 13/05/2019 2. 14/11/2019	100% 100%

15. MANAGERIAL REMUNERATION:-

The Company has paid Rs. 7,80,000/- as remuneration to the Directors:-

Sr. No.	DIRECTOR'S NAME	REMUNERATION
1.	Mr. Amitkumar Vijaykumarji Khemani	6,00,000
2.	Mr. Vijaykumar Khemani	1,80,000

16. DEPOSITS:-

The Company has not invited / accepted any deposits within the meaning of section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014 from the public during the year ended March 31, 2020. There were no unclaimed or unpaid deposits as on March 31, 2020.

17. 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, 2020.

18. CORPORATE SOCIAL RESPONSIBILITY:-

The company has approved the CSR policy and the Company has contributed Rs. 805100/-(Rupees Eight Lakhs five Thousand one hundred only) which is more than the statutory requirement under the law. The main thrust of the company has been to contribute towards Safe Drinking Water, Tree Plantation, Environmental Sustainability, Promoting Education, Eradicating Hunger Poverty & Social evils and promoting religious activities & Social welfare etc, which are in accordance with CSR Policy of the Company and Schedule VII of The Companies Act, 2013.
The CSR Committee is duly constituted and has contributed as per the provisions of section 135 of the Companies Act, 2013
The average net profits for the company for the last 3 financial years is Rs. 3,97,54,051
The prescribed CSR expenditure (2% of the average net profits)
Details of CSR spent during the financial year

A. Total amount to be spent during the financial year- Rs. 8,05,100
B. Amount unspent, if any – NIL
C. Manner in which CSR amount approved during the year – RS. 8,05,100
D. Rs 650000 in CSR Committee Meeting dated 13.05.2019
   Rs 155100 in CSR Committee Meeting dated 14.11.2019

19. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:-

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

20. RISK MANAGEMENT POLICY:-

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

COMMITTEE

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

21. DIRECTORS' RESPONSIBILITY STATEMENT:-

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

(i) In the preparation of the annual accounts for the financial year ended 31st March, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2020 and of the profit and loss of the company for that period;

(iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) The directors had prepared the annual accounts on a going concern basis;

(v) The Directors had laid down Internal Financial Controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

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

22. 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.

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

Details of loans, guarantees given and investments made by the Company during F.Y. 2019-20, 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.

24. INTERNAL CONTROL SYSTEMS:-

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

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

25. HUMAN RESOURCES AND INDUSTRIAL RELATIONS:-

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

26. PARTICULARS OF EMPLOYEE:-

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

27. RELATED PARTY TRANSACTIONS:-

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in ordinary course of business and on an arm's length basis. Further, during the year, the Company had not entered into any contract / arrangement /transaction with related parties covered under sub-section (1) of section 188 of the Companies Act, 213 which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Details of transactions at arm's length is as per AOC-2 which is attached as "Annexure-II". The details of the related party transactions as required under Accounting Standard-18 are set out in note to the financial statements forming part of this Annual Report.

28. EXTRACT OF ANNUAL RETURN:-

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

29. INVESTOR EDUCATION AND PROTECTION FUND

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

30. LISTING OF EQUITY SHARE OF THE COMPANY:-

The equity shares of the company are listed on the SME platform of Bombay Stock Exchange Limited (BSE). The Company has paid the Annual Listing Fees to BSE for the financial year 2019-20.

31. BOARD EVALUATION:-

In compliance with the provision of Companies Act, 2013 and Listing Compliances, the Board carried out at an annual evaluation of its own performance and Independent directors. It also evaluated the performance of its

committees. The evaluation inter-alia covered different aspects viz. composition of board and its committees, qualification, performance, inter-personal skills, submission done by the director in varied disciplines related to the company's business etc.

32. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:-

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

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

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

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

34. CORPORATE GOVERNANCE:-

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

35. ACKNOWLEDGEMENT:-

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

36. COMPLIANCES OF SECRETARIAL STANDARDS: -

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

Place : Surat
Date : 22/08/ 2020

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-	Sd/-
Amitkumar Vijaykumarji Khemani	Vijaykumar Khemani
Whole Time Director	Managing Director
DIN: 02227413	DIN: 02227389

ANNEXURE I

FORM NO. MGT 9
(EXTRACT OF ANNUAL RETURN)

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

As on financial year ended on 31.03.2020

1. REGISTRATION & OTHER DETAILS:

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

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	FMCG	46909	100
2.	Other Financial Activities	64990	NA

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

a) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1-April-2019]				No. of Shares held at the end of the year[As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters	-	-	-	-	-	-	-	-	-
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/HUF	31,74,600	-	31,74,600	27.64	31,74,600	-	31,74,600	27.64	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-		-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	9,07,200	-	9,07,200	7.89	4,05,600	-	4,05,600	3.53	-4.36

Total shareholding of Promoter (A)	**40,81,800**		**40,81,800**	**35.53**	**35,65,813**	**-**	**35,80,200**	**31.17**	**-4.36**
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	54,54,600	-	54,54,600	47.48	59,57,600	-	59,57,600	51.86	4.38
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs. 2.00 Lacs	45,000	-	45,000	0.39	2,07,000	-	2,07,000	1.80	1.41
ii) Individual shareholders holding nominal share capital in excess of Rs 2.00 Lacs	1,14,600	-	1,14,600	1.00	2,47,200	-	2,47,200	2.15	1.15
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	17,91,000	-	17,91,000	15.59	14,95,000	-	14,95,000	13.01	-2.58
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	74,05,200	-	74,05,200	64.47	79,06,800	-	79,06,800	68.83	4.36
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**74,05,200**	**-**	**74,05,200**	**64.47**	**79,06,800**	**-**	**79,06,800**	**68.83**	4.36
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**1,14,87,000**	**-**	**1,14,87,000**	**100**	**1,14,87,000**	**-**	**1,14,87,000**	**100.00**	**0.00**

B) Shareholding of Promoter-

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding
		No. of Share	% of total Shares of the	%of Shares Pledged / encumbere	No. of Shares	% of total Shares of the	%of Shares Pledged	

			company	d to total shares		company	/ encumbered to total shares	during the year
1	Vijaykumar Khemani	31,32,600	27.27	-	31,32,600	27.27	-	-
2	Amitkumar Vijaykumarji Khemani	13,800	0.12	-	13,800	0.12	-	-
3	Sushila Devi Khemani	5,640	0.05	-	5,640	0.05	-	-
4	Dimple P. Mansinghka)	5,640	0.05	-	5,640	0.05	-	-
5	Anupa A. Khemani	5,640	0.05	-	5,640	0.05	-	-
6	Avinash V. Khemani	5,640	0.05	-	5,640	0.05	-	-
7	Sanju A. Khemani	5,640	0.05	-	5,640	0.05	-	-
8	Onyx Partners	9,07,200	7.90	-	4,05,600	3.53	-	-4.37

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

S.N.	Name of Top 10 Shareholders	Shareholding at the Beginning of the year		Shareholding at the End of the year	
		No. of Shares	% of Total Share	No. of Shares	% of Total Share
1.	Onyx Partners	9,07,200	7.89	4,05,600	3.53

D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. N.	Name of Top 10 Shareholders	Shareholding at the Beginning of the year		Shareholding at the End of the year	
		No. of Shares	% of Total Share	No. of Shares	% of Total Share
1	Gryffin Advisory Services Pvt Ltd	20,00,400	17.41	19,78,800	17.23
2	Natural Suppliers Pvt Ltd	11,38,800	9.91	15,44,400	13.44
3	Orbis Financial Corporation Limited	10,57,600	9.20	13,32,400	11.60
4	Azura Projects Pvt Ltd	9,59,600	8.35	9,59,600	8.35
5	Carron Investments Pvt Ltd	2,58,000	2.25	3,65,000	3.18
6	Kahaiya Properties Private Limited	-	-	2,20,800	1.92
7	Clear Water Comodities Pvt Ltd	3,02,400	2.63	1,69,800	1.48
8	Choice Equity Broking P.L.	7,33,400	6.38	1,57,800	1.37
9	Saz Power Solutions LLP	-	-	1,32,600	1.15
10	Classic Filaments Limited	1,10,400	0.96	1,10,400	0.96

E) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name of Director / KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Share	% of total Share	No. of Share	% of total share
1	Vijaykumar Khemani (Md)	31,32,600	27.27	31,32,600	27.27
2	Amitkumar Vijaykumarji Khemani (Cfo & Wtd)	13,800	0.12	13,800	0.12
3	Anupa Amitkumar Khemani (Director)	5,640	0.05	5,640	0.05
4	Rekha Rani Naraniwal (CS)	-	-	-	-
	Total	**31,52,040**	**27.439**	**31,52,040**	**27.439**

F) Indebtedness-

Indebtedness of the Company including interest outstanding/accrued but not due for payment.				(In Rs.)
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,08,91,296	2,61,824	0	1,11,53,120
ii) Interest due but not paid	0	28,278	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	1,08,91,296	2,90,102	0	1,11,53,120
Change in Indebtedness during the financial year				
* Addition	2,11,58,433	0	0	2,11,58,433
* Reduction		0	0	0
Net Change	2,11,58,433	0	0	2,11,58,433
Indebtedness at the end of the financial year				
i) Principal Amount	3,20,49,729	2,90,102	0	3,23,39,831
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**3,20,49,729**	**2,90,102**	**0**	**3,23,39,831**

4. Remuneration Of Directors And Key Managerial Personnel-

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

(In Rs.)

S. No.	Particulars of Remuneration	Name of MD/WTD/Director/ Manager		Total Amount
		Vijaykumar Mangturam Khemani (MD)	Amit Vijaykumar Khemani (WTD)	
1	Gross salary	1,80,000	6,00,000	7,80,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit	-	-	-
	- others, specify…			
5	Others, please specify	-	-	-
	Total (A)	**1,80,000**	**6,00,000**	**7,80,000**

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

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

(In Rs.)

S. No.	Particulars of Remuneration	Name of KMP (other than MD / Manager / WTD / Director) Ms. Rekha Naraniwal (CS)	Total Amount
1	Gross salary	3,94,733	3,94,733
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit	-	-
	- others, specify…		
5	Others, please specify	-	-
	Total (C)	**3,94,733**	**3,94,733**

5. Penalties / Punishment/ Compounding Of Offences: Nil

Place: Surat
Date: 22/08/2020

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

Sd/-
Amitkumar Vijaykumarji Khemani
Whole Time Director
DIN: 02227413

Sd/-
Vijaykumar Khemani
Managing Director
DIN: 02227389

ANNEXURE II
Form No. AOC-2

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

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

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

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

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

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

S.N.	PARTICULARS	DETAILS
A	Name(s) of the related party and nature of relationship	Sanjoo Khemani, Daughter in law 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. 12000/- pm. * 12 = Rs 1,44,000/-
E	Date(s) of approval by the Board, if any	28.07.2016
F	Amount paid as advances, if any:	Nil

Place: Surat
Date: 22/08/2020

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

Sd/-
Amitkumar Vijaykumarji Khemani
Whole Time Director
DIN: 02227413

Sd/-
Vijaykumar Khemani
Managing Director
DIN: 02227389

ANNEXURE III

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

COVID pandemic has changed the world in a material way. Indian economy was already going through difficult times and COVID has added to the woes of economy and citizens of India Millions of people have lost jobs and thousands of SMEs have lost business. Disposable income of Indian consumer has significantly declined. and we have been witnessing this in our trade. While from structural point of view, FMCG sector is likely to do well over longer period of time but the challenges of short term are real and creating slow down.

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

Current government is working hard on reviving the economy. We are hoping to see a revival in the economic growth and consumption in the economy in the next year We will continue to closely watch and try to capture every opportunity in the sector. We do not want to take undesirable risks at the same time.

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

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

OPPORTUNITIES

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

THREATS

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

SEGMENT WISE PERFORMANCE

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

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

Below given segment wise revenue generated.

(Rs. in Lacs)

Segment	2019-2020	2018-2019
FMCG	4,245.50	6,061.88
Dealing in Securities	-1,573.32	41.07

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. 2,672.17 Lacs compare to previous year's operating income of Rs 6,102.96 Lacs. The company incurred profit before tax of Rs. -1245.04 Lacs (Loss) compared to previous year's profit of Rs. 315.68 and profit after tax of the Company is Rs. -884.35 Lacs (Loss) compare to previous year's profit after tax of Rs 254.70 Lacs.

a) **Revenue from operation**

In Rs.

	FY 2019-2020	FY 2018-2019	% Change
Revenue from Operation	26,72,17,218	61,02,96,183	(56.22)
Other Income	3,71,26,321	2,42,77,867	53.92
Total Revenue	30,43,43,539	63,45,74,050	(52.04)

b) Purchase of stock in trade

In Rs.

	FY 2019-2020	FY 2018-2019	% Change
Purchase of stock in trade	39,96,96,449	57,61,46,105	(30.63)

c) Finance Cost

In Rs.

	FY 2019-2020	FY 2018-2019	% Change
Finance Cost	43,95,722	16,80,357	161.59

d) Employee benefit expense

In Rs.

	FY 2019-2020	FY 2018-2019	% Change
Employee benefit expenses	74,05,689	83,90,129.00	(11.73)

e) Net profit after

In Rs.

	FY 2019-2020	FY 2018-2019	% Change
Net profit	-8,84,34,643	2,54,69,664	(447.22)

HUMAN RESOURCES

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

ANNEXURE IV

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

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

CERTIFICATE

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

A. We have reviewed the financial statements for the financial year ended 31st March, 2020 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, 2020 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.

Place: Surat
Date: 22/08/2020

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

Sd/-	Sd/-
Amitkumar Vijaykumarji Khemani	**Vijaykumar Khemani**
Whole Time Director	**Managing Director**
DIN: 02227413	**DIN: 02227389**

ANNEXURE V

FORM No. MR-3

Secretarial Audit Report for the Financial Year Ended on 31st March 2020

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

To,

The Members,
KHEMANI DISTRIBUTORS & MARKETING LIMITED,
Plot No.-D/91-92, Laxminarayan Industrial Park, BRC Compound,
Udhna, Bhestan, Surat-394210 (Gujarat)

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KHEMANI DISTRIBUTORS & MARKETING LIMITED (CIN:-L74300GJ2011PLC063520) (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the KHEMANI DISTRIBUTORS & MARKETING LIMITED books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit and the representations made by the Company, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2020 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records made available to me and maintained by the Company for the Financial Year ended on 31st March, 2020 according to the applicable 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, Overseas Direct Investment and External Commercial Borrowings;
V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company during the year;
   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; the regulation is not applicable during the Financial Year 2019-20.

e. The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008; the regulation is not applicable during the Financial Year 2019-20.
f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 & (Amendment) Regulations, 2016; the regulation is not applicable during the Financial Year 2019-20; and
h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (effective 11th September, 2018); the regulation is not applicable during the Financial Year 2019-20.

VI. Other laws specifically applicable to the Company, as listed below, as per the representations made by representative of the Company:-

a) Income Tax Act, 1961

REPORTING COMMENT:- As reported by Statutory Auditor in its Audit Report *"Company has filed appeal against Income Tax Department against which Pending Litigation"*.

b) Goods & Services Tax and Indirect Taxes
c) The Trade Mark Act, 1999
d) The Employee State Insurance Act, 1948
e) The Employee Provident Fund and Miscellaneous Act, 1952
f) Food Safety and Standards Act, 2006

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board Meetings (SS-1) and General Meetings (SS-2).
ii. The Listing Agreements entered into by the Company with BSE-SME Stock Exchange read with the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

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

I further report that based on the information provided by the company, its officers and authorised representative during the conduct of the audit, in my opinion, adequate systems and processes and control mechanism exist in the company to monitor and ensure compliance with applicable general laws.

I further report that the compliance by the company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

I further report that, 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 period under review were carried out in compliance with the provisions of the Act.

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 other than those held at shorter notice, 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.

As per the minutes of the meetings duly recorded and signed by the chairman, the decisions at the Board Meetings were taken unanimously.

I 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.

I 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. My examination was limited to the verification of procedures on test basis and the report provides not absolute but, reasonable assurance.

I further report that during the audit period, the Board of Directors has not recommended/declared any dividend, hence there has been no delay in transferring amounts, required to be transferred, to Investor Education and Protection fund by the Company.

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

SD/-
BHAVESHKUMAR RAWAL
COMPANY SECRETARY
M.No.:- F-8812, CP No.:- 10257
UDIN:- F008812B000584981

Place:- Surat
Date:-17/08/2020

This report is to be read with my letter which is annexed as "Annexure A" and forms an integral part of this report.

"Annexure A"

To

The Members,
KHEMANI DISTRIBUTORS & MARKETING LIMITED,
Plot No.-D/91-92, Laxminarayan Industrial Park, BRC Compound,
Udhna, Bhestan, Surat-394210 (Gujarat)

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.

2. I have followed the audit practices and 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. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. 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.

Sd/-
BHAVESHKUMAR RAWAL
COMPANY SECRETARY
M.No.:- F-8812, CP No.:- 10257
UDIN:- F008812B000584981

Place:- Surat
Date:- 17/08/2020

UDIN:20112020AAAABZ2824

INDEPENDENT AUDITOR'S REPORT

To the members of Khemani Distributors & Marketing Limited

Opinion

We have audited the standalone financial statements of Khemani Distributors & Marketing Limited ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss, (statement of changes in equity) and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit, (changes in equity) and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Management's Responsibility for the Standalone Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Report on Other Legal and regulatory Requirements

1. As required by required by the Companies (Auditor's Report) Order,2016 ("the Order") issued by Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in paragraph 3 & 4 of the Order.

2. As required by section 143(3) of the Act, we further report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   (c) The Balance Sheet, Statement of Profit and Loss Account, Cash Flow Statement and Statement of changes in Equity dealt with this report are in agreement with the books of Accounts;

   (d) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with relevant rules thereunder as amended;

   (e) On the basis of written representation received from the directors as on March 31, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as the directors in terms of Section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";

(g) According to information and explanations given to us and based on our examination of the records of the Company, the Company had not paid/provided managerial remuneration hence requisite approvals mandated by the provisions of Sec 197 of the Act is not applicable;

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

1. The Company has pending litigation which is pending before Appellant Authorities.
2. The company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
3. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education & Protection Fund. The question of delay in transferring such sums does not arise.

IMPACT OF COVID-19 ON FINANCIAL STATEMENTS

Due to outbreak of Covid-19 globally and in India, the Company had to partially slow down its operations from March, 2020 to May 31, 2020. The operations of the Company were impacted in the second half of March, April, 2020 and May, 2020. Company is dealing in FMCG consumer goods, hence due Covid-19, consumer's demand was expected to be lower in the short term, though we are unable to ascertain the overall impact of it on a long term. Further, the Management believes that there may be negative impact of Covid-19 pandemic on the financial position and performance of the Company, in the short term.

FOR C.P.Jaria& Co
Chartered Accountants

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

PLACE: Surat
DATE: 29/07/2020

ANNEXURE "A" TO THE AUDITOR'S REPORT

Annexure referred to in paragraph 1 of our report of even date to the members of Khemani Distributors & Marketing Limited on the accounts of the company for the year ended 31.03.20**.**

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

S. No.	Particulars	Auditors Remark
(i)	(a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	Yes
	b) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	Yes
	(c) Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	NA
(ii)	Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account;	Yes
(iii)	Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so,	NA
	(a) whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest;	No
	(b) Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	NA
	(c) If the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	N.A.
(iv)	In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	Yes
(v)	In case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	No
(vi)	Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained.	No
(vii)	(a) Whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;	Yes

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

FOR C.P.Jaria& Co
Chartered Accountants
(P.K.Jain)
M.No.112020
F.No.104058W
PLACE :Surat
DATE :29/07/2020

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 **Khemani Distributors & Marketing Limited**("the Company") as on 31st March 2020 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 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 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR C.P.Jaria& Co
Chartered Accountants

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

PLACE:Surat
DATE: 29/07/2020

KHEMANI

BALANCE SHEET AS ON 31ST MARCH 2020

IN RS.

Particulars	Note No.	As at 31 March 2020 AUDITED	As at 31 March 2019 AUDITED
I. EQUITY AND LIABILITIES			
1.SHAREHOLDER'S FUNDS			
(a) Share Capital	**1**	5,74,35,000	5,74,35,000
(b) Reserve & Surplus	**2**	22,83,90,266	31,66,83,475
(c) Money Received against share warrant		0	0
		28,58,25,266	**37,41,18,475**
2.Share Application Money Pending Allotment		0	0
3.Non-Current Liabilities			
(a) Long-Term Borrowings	**3**	3,23,39,831	1,11,53,120
(b) Deferred Tax Liability (Net)		0	0
(c) Other Long Term Liabilities		0	0
(d) Long-Term Provisions		0	0
		3,23,39,831	**1,11,53,120**
4.Current Liabilities			
(a) Short-Term Borrowings		0	0
(b) Trade Payable -	**4**		
(A) total outstanding dues of micro enterprises and small enterprises; and		21,586	21,525
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises.		2,97,34,933	59,69,475
(c) Other Current Liabilities		52,27,561	0
(d) Short-Term Provisions	**5**	6,31,741	53,30,765
		3,56,15,821	**1,13,21,765**
TOTAL		**35,37,80,918**	**39,65,93,360**
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i)Tangible Assets			
Gross Fixed Assets	**16**	1,62,69,404	1,26,27,793
Less: Depreciation		54,55,614	41,25,532
Net Fixed Assets		**1,08,13,790**	**85,02,261**

(ii)Intangible Assets		0	0
(iii) Capital work in Progress		0	0
(iv) Intangible Assets Under development		0	0.00
Capital work in Progress			
		1,08,13,790	**8502,261**
(b) Non Current Investments	**6**	16 22,25,413	16 3265,057
(c) Deferred Tax Assets (Net)		3,70,50,867	9,81,553
(d) Long-Term Loans and Advances	**7**	1,60,21,854	3,320,208
(e) Other Non - Current Assets	**8**	0	0
		21,52,98,134	**176,069,079**
2.Current Assets			
(a) Current Investments		0	0
(b) Inventories	**9**	8,31,19,466	7,60,89,158
(c) Trade Receivables	**10**	2,21,00,173	1,86,69,075
(d) Cash and Cash Equivalents	**11**	35,88,112	1,39,13,140
(e) Short Term Loans and Advances		0	0
(f) Other Current Assets	**12**	1,88,61,243	11,18,52,908
		12,76,68,994	**22,05,24,281**
TOTAL		**35,37,80,918**	**39,65,93,360**

The accompanying notes are an Integral part of the Financial Statements

As per our Report of even date annexed

FOR C.P.Jaria& Co
Chartered Accountants

KHEMANI DISTRIBUTORS AND MARKETING LIMITED

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

SD/-
Amitkumar Vijaykumarji Khemani
Whole Time Director
DIN: 02227413

SD/-
Vijaykumar Khemani
Managing Director
DIN: 02227389

Date: 29/07/2020
Place :Surat

KHEMANI

STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31.03.2020

(Rs. In Lakhs)

Particulars	Note No.	Current Year ended on 31.03.2020 (AUDITED)	Previous Year ended on 31.03.2019 (AUDITED)
I. Revenue from Operations	**13**	2,672.17	6,102.96
II. Other Income	**14**	371.26	242.78
III. TOTAL REVENUE (I+II)		**3,043.43**	**6,345.74**
IV. Operating Expenditure			
(a) Cost of Materials Consumed		0	0
(b) Purchase of stock-in-trade	**15**	3,996.96	5,761.46
(c) Changes in Inventories of Finished Goods, Work-in-progress and stock-in-trade	**17**	29.78	13.31
(d) Employee Benefits Expenses	**18**	74.05	83.90
(e) Finance Cost	**19**	43.95	16.80
(f) Depreciation & Amortization Expenses		13.30	7.14
(g) Other Expenses	**20**	130.42	147.45
TOTAL EXPENSES		**4,288.47**	**6,030.06**
V. Profit before Exceptional Items & Tax		-1245.04	315.68
VI. Exceptional Items		0	0
VII. Profit/(Loss) Before extraordinary items & Tax (V-VI)		-1245.04	315.68
VIII. Extraordinary Items(Income)			0
IX. Profit/(Loss) Before Tax (VII-VIII)		-1245.04	315.68
X. Tax Expenses			
1. CURRENT TAX (MAT Tax)		0	(50.00)
2. Deferred Tax Liability		-360.69	(10.98)
XI. Profit/(Loss) for the period from continuing operation (IX-X)		**-884.34**	**254.70**
XII. Profit/(Loss) for the period from Discontinuing operation		0	0
XIII. Tax expenses of Discontinuing operation		0	0

XIV. Profit/(Loss) from Discontinuing operation after tax (XII-XIII)		**0**	**0**
XV. Profit/(Loss) for the period (XI-XIV)		**-884.34**	**254.70**
XVI. Basic & Diluted Earning Per Share (Rupees)		-7.70	2.21
XVII. Paid-up Equity share capital (face value of Rs. 5/- each)		**574.35**	**574.35**

As per our Report of even date annexed

FOR C.P.Jaria& Co
Chartered Accountants

KHEMANI DISTRIBUTORS AND MARKETING LIMITED

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

SD/-
Amitkumar Vijaykumarji Khemani
Whole Time Director
DIN: 02227413

SD/-
Vijaykumar Khemani
Managing Director
DIN: 02227389

Date: 29/07/2020
Place :Surat

KHEMANI

KHEMANI DISTRIBUTORS AND MARKETING LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2020

Particulars		Current Year ended on 31.03.2020 (AUDITED)	Previous Year ended on 31.03.2019 (AUDITED)
A. CASH FLOW FRON OPERATING ACTIVITY			
Profit before Taxation		(12,45,03,957)	3,15,68,021
Adjustment for:			
Profit on sale of Assets			0
Depreciation		1330081	7,14,097
Operating Profit before working capital changes		(12,31,73,876)	3,22,82,118
Changes in working capital :-			
Increase/(Decrease) in trade payables		2,37,65,518	(96,65,282)
Increase/(Decrease) in other current liabilities		52,27,561	0
Increase/(Decrease) in short term provision		(46,99,024)	4,738,084
Increase/(Decrease) in other Long-term borrowings		0	0
Increase/(Decrease) in short-term borrowings		0	(1,51,98,000)
(Increase)/Decrease in trade receivables		(34,31,098)	(28,97,555)
(Increase)/Decrease in inventories		(70,30,308)	3,04,16,631
(Increase)/Decrease in other Assets		9,29,91,664	(8,53,53,642)
(Increase)/Decrease in Long Term loans and advances		(1,27,01,646)	(3,024,708)
(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
		9,41,22,667	(8,09,84,472)
Cash generated from Operations		(2,90,51,209)	(4,87,02,354)
Less:- Taxes paid (For previous year)		0	50,00,000
Add: Earlier provision added back		1,41,436	7,43,469
Net Cash generated from operations before extraordinary items		(2,89,09,773)	(5,29,58,885)
Extraordinary items		0	0
Net Cash generated from operating activities	**(A)**	**(2,89,09,773)**	**(5,29,58,885)**
B. CASH FLOW FROM INVESTING ACTIVITY			
(Increase)/Decrease in Fixed Asset		(36,41,610)	(31,43,178)
Net Cash generated from Investing activities	**(B)**	**(36,41,610)**	**(31,43,178)**
C. CASH FLOW FROM FINANCING ACTIVITY			
Increase/(decrease) in Long Term Borrowing		2,11,86,711	(6,93,37,692)
Expenses in relation to share capital		0	0
Increase in Share Capital & Premium		0	0
(Increase)/decrease in Investments		10,39,644	12,01,17,417
Net Cash generated from Financing activities	**(C)**	**2,22,26,355**	**5,07,79,725**
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)		**(1,03,25,028)**	**(53,22,338)**

CASH & CASH EQUIVALENTS, AT THE BEGINNING OF YEAR		**1,39,13,140**	**1,92,35,478**
CASH & CASH EQUIVALENTS, AT THE END OF YEAR		**35,88,112**	**1,39,13,140**

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

As per out report of even date attached

FOR C.P.Jaria& Co
Chartered Accountants

KHEMANI DISTRIBUTORS AND MARKETING LIMITED

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

SD/-
Amitkumar Vijaykumarji Khemani
Whole Time Director
DIN: 02227413

SD/-
Vijaykumar Khemani
Managing Director
DIN: 02227389

Date: 29/07/2020
Place :Surat

KHEMANI DISTRIBUTORS AND MARKETING LIMITED
Notes on Financial Statements for the year ended 31.03.2020

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

Note: 1 SHARE CAPITAL

1.1 Authorised Share Capital				In Rs.
Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Authorised Share Capital (Equity Shares of Rs. 5 each)	1,24,00,000	6,20,00,000	1,24,00,000	6,20,00,000

1.2 Issued,Subcribed and fully paid up Share Capital In Rs.				
Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Equity Shares of Rs. 5 each Issued, Subscribed and Paid Up	1,14,87,000	5,74,35,000	1,14,87,000	5,74,35,000

1.3 The reconciliations of the number of shares outstanding of RS 5 are set out as below: In Rs.				
Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Equity Shares outstanding at the beginning of the year	1,14,87,000	5,74,35,000	1,14,87,000	5,74,35,000
Add: Bonus Shares issued during the year	0.00	0.00	0.00	0.00
Add: Shares issued during the year	0.00	0.00	0.00	0.00
Less: Shares bought back during the ear	0.00	0.00	0.00	0.00
Shares outstanding at the end of the year	1,14,87,000	5,74,35,000	1,14,87,000	5,74,35,000

1.4 The details of shareholders holding more than 5% shares are as below In Rs.					
S. No.	Particulars	As at 31 March 2020		As at 31 March 2019	
		Number	%	Number	%
1	VijaykumarKhemani	31,32,600	27.27	31,32,600	27.27
2	Graffin Advisory ServicesPvtLtd	19,78,800	17.23	20,00,400	17.41
3	Natural SuppliersPvtLtd	15,44,400	13.44	11,38,800	9.91
4	Orbis FinancialCorpLtd	13,32,400	11.60	10,57,600	9.21
5	Azura ProjectsPvtLtd	9,59,600	8.35	9,59,600	8.35

At the year end company has one class of equity shares having a par value of Rs.5/- per share. Shareholder is eligible for one vote per share held
no shares were bought back for last five years
there is no unpaid call on shares from directors and officers

Note 2: Reserve and Surplus	As At 31.03. 2020	As At 31.03. 2019
a. Securities Premium Account		
Opening Balance	161,560,000	161,560,000
Add: Premium Credited during the year	0	0
Less: Deductions during the year	0	0
Closing Balance	161,560,000	161,560,000
b. Profit & Loss Account		

Opening Balance	155,123,474	128,910,345
Current Year Profit or Loss	(88,434,643)	25,469,664
Net of Excess provision of Tax/Tax paid	141,435	743,466
Closing Balance	66,830,267	155,123,475
Total	**228,390,267**	**316,683,475**

Note 3: Long Term Borrowing	As At 31.03. 2020	As At 31.03. 2019
Unsecured Loans From Directors, Relatives,Corporate	2,90,102	261,824
Loan Against Shares & Securities	3,20,49,729	10,891,296
Total	**3,23,39,831**	**11,153,120**

Note : 4 Trade Payable	As At 31.03. 2020	As At 31.03. 2019
Trade Payable to Micro & Small enterprises	21,586	21525
Others	29,734,933	5,969,475
Total	**2,97,56,519**	**5,991,001**

Note : 5 Short Term Provisions	As At 31.03. 2020	As At 31.03. 2019
Provision for Tax	0	4,238,448
ESIC & Provident Fund Payable	30,355	44,534
GST Payable	0	138,592
Professional Tax Payable	4,339	4,740
TDS Payable	1,01,228	53,964
Provisions for Expenses	4,95,819	850,486
Total	**6,31,741**	**5,330,765**

Note : 6 Non-Current Investments	As At 31.03. 2020	As At 31.03. 2019
IPO Application	0	0
Investment In Mf	0	0
Investments In Unquoted Bonds	2,14,40,000	31,500,000
Investmets In Quoted Shares	12,84,85,032	121,123,894
Investment In Unquoted Shares	16,99,824	1,699,824
Interest Accrued On Bonds	34,67,487	1,293,226
Invesstment In Partneship Firm Onyx Partners	71,33,070	7,648,113
Total	**16,22,25,413**	**163,265,057**

Detail Of Partnership Firm In ONYX Partners

Name of Partner	Profit Sharing Ratio	As At 31.03. 2020	As At 31.03. 2019
VijaykumarKhemani	50%	1,52,93,561	(40,889,628)
AvinashKhemani	35%	1,63,10,592	17,812,360
Khemani Distributors and Marketing Limited	15%	71,33,070	7,648,113

Note : 7 Long Term Loans & Advances	As At 31.03. 2020	As At 31.03. 2019
Other Advances	1,59,01,646	3,000,000
Security Deposit	1,20,208	320,208
Total	**1,60,21,854**	**3,320,208**

Note : 8 Other Non-Current Assets	As At 31.03. 2020	As At 31.03. 2019
Preliminary Exps Not Written Off	0	0
IPO Expenses	0	0
Total	**0**	**0**

Note : 9 Inventory	As At 31.03. 2020	As At 31.03. 2019
Closing Stock-Goods	1,22,26,594	15,204,479
Closing Stock-Bonds/Shares	7,08,92,872	60,884,680
Total	**8,31,19,466**	**76,089,158**

Note :10 Trade Receivables	As At 31.03. 2020	As At 31.03. 2019
Sundry Debtors Unsecured Considerd Good	2,21,00,173	18,669,075

Note : 11 Cash & Cash Equivalents	As At 31.03. 2020	As At 31.03. 2019
Cash In Hand	29,59,213	3,450,214
Cheques In Hand	13,961	2,419,427
Bank Balance In Current A/C With Banks	6,14,938	8,043,499
Total	**35,88,112**	**13,913,140**

Note : 12 Other Current Assets	As At 31.03. 2020	As At 31.03. 2019
Gst Balance	2,19,577	0
Claim Receivable-Net	62,01,399	29,44,575
Current Account With Onyx Partners	0	9,93,37,627
Income Tax Paid For A.Y. 2012-13 (Under Dispute)	86,14,012	86,14,012
Income Tax Paid For A.Y. 2016-17	4,69,930	4,69,930
Income Tax Paid For A.Y. 2017-18	10,00,000	0
Refund A.Y. 2019-20	7,81,620	0
TDS receivable	7,31,205	0
Pre-Paid Insurance	11,144	12,219
Advance To Creditors	8,32,357	4,74,545
Total	**1,88,61,244**	**11,18,52,908**

Note : 13 Revenue From Operations	As At 31.03. 2020	As At 31.03. 2019
Sales Of Traded Goods	42,45,49,629	584,636,475
Scheme Discount	0	21,552,099
Profit/(Loss) On Securities	-16,29,96,895	1,427,721
Dividend	56,64,484	2,679,888
Total	**26,72,17,218**	**610,296,183**

Note : 14 Other Income	As At 31.03. 2020	As At 31.03. 2019
Misc Income	24,58,295	2,756,956
Share Of Profit From Onyx Partners	-4,92,718	6,175,973
Long term gain on Securities	2,98,55,098	9,913,387
Interest Income	53,05,646	5,431,550
Total	**3,71,26,321**	**24,277,867**

Note : 15 Purchase Of Stock-In Trade	As At 31.03. 2020	As At 31.03. 2019
Purchases Of Traded Goods	**39,96,96,449**	**576,146,105**

Note :16 Fixed Assets

Statement Of Depreciation For The Year Ended On 31.03. 2020(As Per The Companies Act)

SR. No.	Particulars	Gross Block			Depreciation			Net Block	
		As on 01.04.19	Addition/ Deletion during the year	Total as on 31.03.20	As on 01.04.19	During the year	Total as on 31.03.20	As on 31.03.20	As on 01.04.19
	A. Tangible Assets								
1	Office Equipments	13,83,838	883028	2266866	1,085,522	358251	1443773	823093	298,316
2	Furniture	7,62,020	787906	1549926	522,879	159782	682661	867264	239,140
3	Computer	715,277	0	715,277	590,025	64080	654105	61171	125,251
4	Computer Server	95,677	0	95,677	86845	3472	90317	5360	8,832
5	Vehicle	21,76,247	1265875	3442122	1,687,842	354102	2041944	1400178	488,405
6	Plant &Machinary	70,523	590000	660523	70,523	28735	99258	561265	**0**
7	Building	7,424,212	114801	7539013	81,896	361659	443555	7095458	7,342,316
	Total	**12627724**	**3641610**	**16269404**	**4,125,533**	**1330081**	**5455614**	**10813790**	**8,502,261**

No Assets Were Impaired/Revalued During Last Five Years

Note :17 Changes In Inventory	As At 31.03. 2020	As At 31.03. 2019
Opening Stock-Goods	1,52,04,479	16,535,199
Less: Closing Stock-Goods	1,22,26,594	15,204,479
Total	**29,77,885**	**1,330,721**

Note : 18 Employee Benefit Expenses	As At 31.03. 2020	As At 31.03. 2019
Salary	59,06,312	6,170,164
Salary-Director	7,80,000	780,000
Bonus	4,71,100	1,108,000
Esi& Pf Exps	2,48,277	331,965
Total	**74,05,689**	**8,390,129**

Note : 19 Financial Cost	As At 31.03. 2020	As At 31.03. 2019
Bank Charges	54,291	27,603
Interest	43,41,431	1,652,754
Total	**43,95,722**	**1,680,357**

Note : 20 Other Expenses	As At 31.03. 2020	As At 31.03. 2019
Advertisement	5,525	12,789
Audit Fees	35,000	37,500
Shogun Charges	21,440	44,403
Computer & Software Exps	80,496	117,968
Conveyance	1,36,765	152,340
Delievery Charges	54,37,752	5,620,222
Discount	3,74,366	2,040
CSRExps	8,05,100	1,084,700
Electricity Exps	2,28,457	481,526

GodownExps	1,19,935	118,619
Insurance	1,43,322	142,380
Legal And Professional Fees	4,71,505	359,070
Loading/Unloading Exps	20,37,930	2,947,141
Officee&MiscExps	57,211	121,599
Packing Exps	2,88,339	306,503
Bad Debts	81,780	946,597
Printing & Stationary	3,34,868	375,039
Professional/SMC Tax	1,86,912	202,978
Registrar & Web Service	42,500	42,243
Rent	1,68,000	820,480
Repairs & Maintenance	4,33,605	69,073
Sales Promotion Exps	6,08,451	4,200
Security Exps	0	55,582
Incentive	3,17,100	0
Staff Welfare	2,39,473	285,998
Telephone & Internet Exps	93,969	129,008
Travelling Exps	26,918	116,278
Loss On Sale Of Ice Chamber	0	6,233
VAT Exps	84,835	5,911
Vehicle Exps	1,80,116	136,198
Total	**1,30,41,670**	**14,744,619**

FOR C.P.Jaria& Co
Chartered Accountants

KHEMANI DISTRIBUTORS AND MARKETING LIMITED

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DIN: 02227413

SD/-
VijaykumarKhemani
Managing Director
DIN: 02227389

Date: 29/07/2020
Place :Surat

SCHEDULE "V" SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

1. General

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

2. Basis Of Accounting

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

3. Fixed Assets

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

4. Investments

Investments are stated at cost.

5. Inventories

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

6. Revenue And Expenditure Recognition

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

7. Miscellaneous Expenditure

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

8. Defer Tax

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

9. Foreign Currency Transaction

There is no such transaction during the year.

10. Contingent Liabilities

Contingent liabilities are recognized only when there is a possible obligation arising from past events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources of, or where reliable estimate cannot be made. Obligations are assessed on going concern basis and only those having a largely probable outflow of resources are provided for. Contingent liabilities, if any, are not provided for in the financial statements but are separately shown by way of note. Contingent assets are neither recognized nor disclosed in the financial statements.

11. Trade Receivable and Payable

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

12. Employees Benefit Expenses

Particulars	Current Year	Previous Year
Director Salary	780,000	780,000
Salary Paid	5906312	6,170,164
Bonus	471100	1,108,000

ESI & PF	248277	331,965

13. Details of Payment to Auditors

Particulars	Current Year	Previous Year
As Auditor	35000	37,500

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

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

16. Related Party Transaction:

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

Key Management Personnel and Relatives and Related Concern	
Mr. Amit Khemani	- Director
Mr.VijayKhemani	- Director
Mr.AvinashKhemani	- Relative of Director
Mrs SanjuKhemani	-Relative of Director
Mrs.Dimple Mansingaka	-Relative of Director
Mrs.SushiladeviKhemani	-Relative of Director
Enterprise over which key management personnel are able to exercise significant influence	
M/s ONYX Partners	

Name	Nature	Amount
Mr. Amit Khemani	Director Remuneration Interest Paid	600,000 31420
Mr. Vijay Khemani	Director Remuneration	180,000
Mr. AvinashKhemani	Salary	600,000
Mr. Dimple Mansinga	Salary	360,000
Mr. SanjuKhemani	Rent	144,000
Mr. SushilaKhemani	Rent	168,000

Form No. MGT-11
Proxy form
[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L74300GJ2011PLC063520
Name of the company: M/s KHEMANI DISTRIBUTORS & MARKETING LIMITED
Registered office: Plot No. D 91-92, Laxminarayan Industrial Park, Nr. BRC Compound,Udhana, BhestanSurat GJ 394210 IN

Name of the member (s) : Registered address : E-mail Id: Folio No/ Client Id :

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

Name: ……
Address:
E-mail Id:
Signature:……., or failing him

Name: ……
Address:
E-mail Id :
Signature:……..,

as my/our proxy to attend and vote (on a poll) on my/our behalf at the Annual General Meeting of the company, to be held on Wednesday 16.09.2020 at 2:00 A.M. at Plot No. D 91-92, Laxminarayan Industrial Park, Nr. BRC Compound,Udhana, BhestanSurat GJ 394210 IN and at any adjournment thereof.

Signed this…… day of…… 20….

Affix Revenue Stamp

Signature of shareholder

Signature of Proxy holder(s)

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

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

ATTENDANCE SLIP

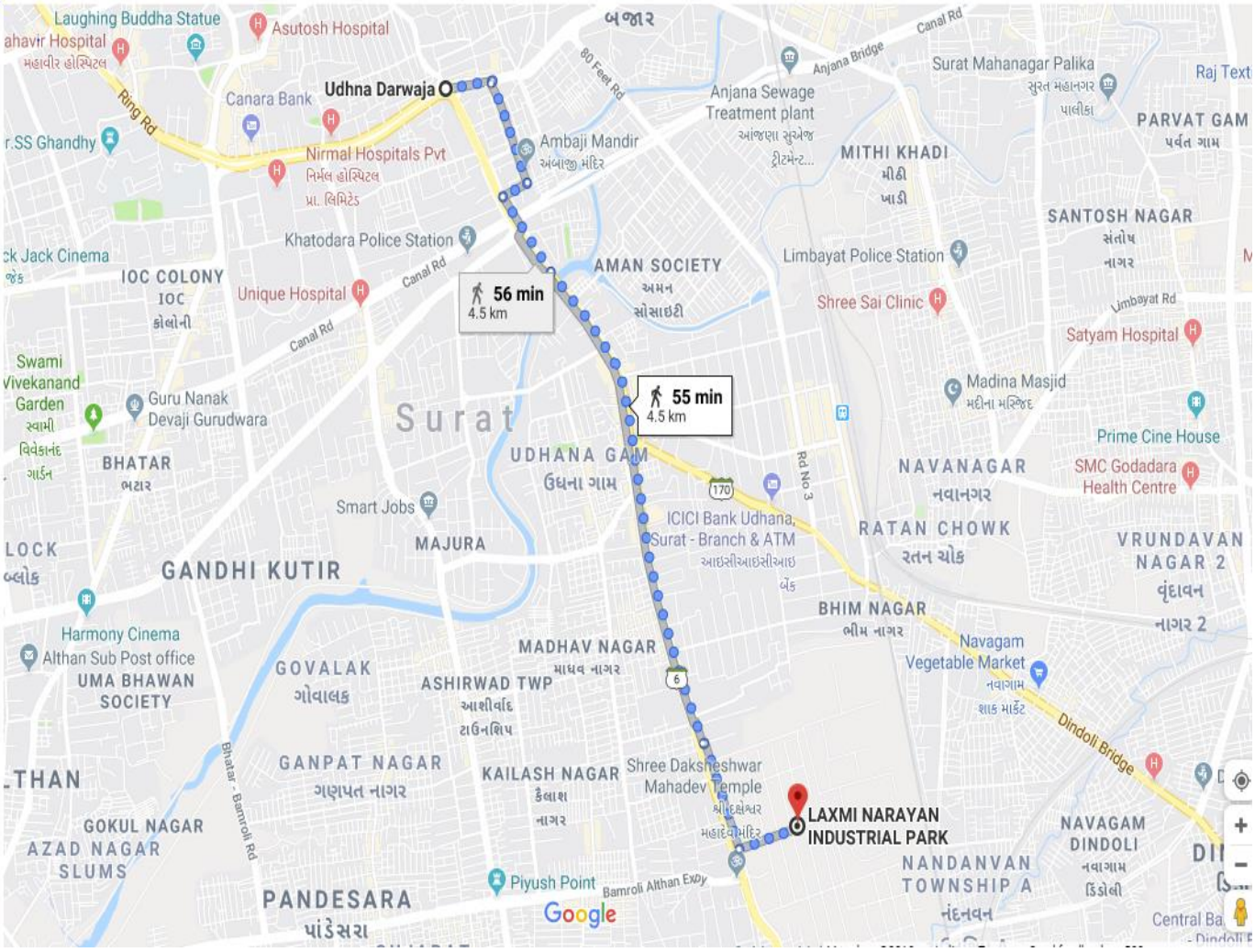
(To be presented at the entrance)

Annual General Meeting of the Company held on Wednesday, 16th September 2020 at 02.00 p.m.at Plot No.D 91-92,Laxminarayan Industrial Park, BRC Compound, Udhana, Bhestan Surat GJ 394210 IN

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

I hereby record my presence at 9th Annual General Meeting of the Company at Plot No. D 91-92, Laxminarayan Industrial Park. BRC Compound, Udhana, Bhestan Surat GJ 394210

Member's/Proxy's Signature

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

Route Map to the venue of the AGM