



KEMISTAR CORPORATION LTD.

CIN No. : L24233GJ1994PLCO22845

604, Manas Complex, Jodhpur Cross Road, Satellite, Ahmedabad-380015,
Gujarat, India. **Ph** : 079-26923570 / 26923587 **Email** : kemistarbse@gmail.com

August 28, 2019

To,
BSE Limited,
Listing Dept. /Dept. of Corporate Services,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

SCRIP CODE: 531163

Dear Sir/ Madam,

Sub: Notice of 25th Annual General Meeting (“AGM”) alongwith Annual Report of the Company for the Financial Year 2018-19.

We would like to inform that, the 25th AGM of the members of the Company is scheduled to be held on Friday, September 20, 2019 at the registered office of the Company at 604, Manas Complex, Jodhpur Cross Road Satellite, Ahmedabad - 380 015 at 11:00 am.

In this regards, please find enclosed herewith the Notice convening 25th AGM alongwith Annual Report of the Company for the Financial Year 2018-19. The same is available on the website of the Company at www.kemistar.in.

Further, the information pertaining to remote e -voting for the purpose of the 25th AGM is as follows:

Cut - off date for e-voting	Friday, September 13, 2019
Commencement of e-voting	Tuesday, September 17, 2019 [IST: 09:00am]
End of e-voting	Thursday, September 19, 2019 [IST: 05:00pm]

Please acknowledge receipt.

Thanking You

Yours Faithfully

For, Kemistar Corporation Limited


Surya Menon
Company Secretary



Encl: As above

Website: www.kemistar.in

KEMISTAR CORPORATION LIMITED

CIN: L24233GJ1994PLC022845

ANNUAL REPORT

2018-19

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BOARD OF DIRECTORS

Mr. Ketankumar Patel	-	Managing director
Mr. Parshottambhai M. Patel	-	Non Executive Director
Mr. Maheshkumar Baldha	-	Independent Director
Mrs. Nayanaben Patel	-	Independent Director

COMPANY SECRETARY

Ms. Surya Menon

STATUTORY AUDITOR

M/s. S D Mehta & Co.,
Chartered Accountants

SECRETARIAL AUDITOR

Rohit Periwal & Associates
Practicing Company Secretaries
Ahmedabad

BANKERS

Punjab National Bank
Shastri Park Branch,
Nehrunagar, Ahmedabad

REGISTERED OFFICE

604, Manas Complex,
Jodhpur Cross Road,
Satellite, Ahmedabad-380 015

WEBSITE| MAIL ID

www.kemistar.in | kemistarbse@gmail.com

SHARE TRANSFER AGENT

Accurate Securities & Registry Pvt. Ltd.
203, Shngrila Arcade,
Shyamal Cross Road,
Satellite, Ahmedabad – 380015
Email: accurate.rta@gmail.com

NOTICE

NOTICE is hereby given that the **Twenty Fifth Annual General Meeting** of the Members of Kemistar Corporation Limited (the "Company") will be held on Friday, September 20, 2019 at 11.00 A.M at registered office of the company situated at 604, Manas Complex, Jodhpur Cross Road, Satellite, Ahmedabad- 380015 to transact the following business:

ORDINARY BUSINESS:-

1. To receive, consider and adopt the audited financial statements (including the consolidated Financial Statements) of the Company for the Financial year ended on March 31, 2019 and the reports of the Board of Directors ("the Board") and auditors thereon.
2. To appoint auditors and fix their remuneration and in this regard pass with or without modification(s), the following resolution as an ordinary resolution.

"RESOLVED THAT pursuant to provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. S. D. Mehta & Co., Chartered Accountants (FRN: 137193W.) be and are hereby appointed as the Statutory Auditor of the Company to hold office for a period of 4 years from the conclusion of this Annual General Meeting till the conclusion 29thAGM of the Company, on such terms and conditions as may be decided by the Board of Directors of the Company from time to time"

SPECIAL BUSINESS:-

3. Regularization of Mr. Parshottambhai Patel (DIN: 02458676) as Non-Executive Director of the Company.

To consider and if thought fit to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and all other applicable provisions of the Companies Act 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause of Articles of Association of the Company, Mr. Parshottambhai Patel, (DIN-02458676), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. February 06, 2019 and who holds office up to date of this Annual General Meeting in terms of Section 161 (1) of the Act and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation

RESOLVED FURTHER THAT the board of Directors and the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution"

4. Re-Appointment of Mr. Ketankumar Patel (DIN: 01157786) as Managing Director.

To consider and if thought fit to pass with or without modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and any other applicable provisions of the Companies Act, 2013 ("Act") and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Act, and the Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to re-appoint Mr. Ketankumar Patel (DIN: 01157786) as Managing Director of the Company for a period of 5 years w.e.f 11 January, 2019 upon the terms and conditions set out in the Explanatory Statement annexed to the notice convening this meeting.

RESOLVED FURTHER THAT the board of Directors and the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution"

5. The Company is desirous of Incorporating an Overseas Subsidiary in The United States of America (USA) in order to undertake and expand the business operations of the Company in the International Market.

To consider and if thought fit to pass with or without modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Articles of Association of the Company and any other laws and regulations for the time being in force, the consent of members be and is hereby accorded for the proposal to incorporate an Overseas Subsidiary Company in a foreign Country i.e. The United States of America (USA) in accordance with the provisions of Act prevailing in the United States of America (USA) and upon the terms and conditions and at any time as the board may deem fit

RESOLVED FURTHER THAT the Company shall subscribe to all or part of the shares in the said Company, as the board may deem fit for its Incorporation as Subsidiary of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to acts a Corporate Representative on behalf of the Company for all purposes of the USA Company and other papers and forms requisite for incorporation (on behalf of the Company)and to do all such acts, deeds and things in the regards including without limitation to the foregoing, the acceptance of shorter notice of any such meeting where necessary or appropriate; and to sign or approve members’ consents or members’ resolutions in writing under the Constitution of such Company”

Place: Ahmedabad
Date: August 12, 2019

by order of board of directors
for, Kemistar Corporation Limited

Sd/-
Ketankumar Patel
Managing Director
(DIN – 01157786)

Registered Office:
604, Manas Complex,
Jodhpur Cross Road,
Satellite, Ahmedabad - 380015

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such a proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting. A Proxy Form for the AGM is enclosed. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.
2. Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send at the registered office of the Company a certified true copy of the relevant Board Resolution or upload it on the e-voting portal together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the Meeting.
3. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), relating to the Special Business to be transacted at the Meeting is annexed hereto
4. The Company is providing facility for voting by electronic means (e-voting) through an electronic voting system which will include remote e-voting as prescribed by the Companies (Management and Administration) Rules, 2014 as presently in force and the business set out in the Notice will be transacted through such voting. Information and instructions including details of user id and password relating to e-voting are provided in the Notice.
5. Pursuant to Regulation 36 of SEBI LODR Regulations, 2015, additional information related to Directors recommended for appointment/re-appointment at the Annual General Meeting appears in the annexure to explanatory statement.
6. The register of Members and the share Transfer Books of the Company will remain closed from September 14, 2019 to September 20, 2019 (both days inclusive) for the purpose of 25th Annual General Meeting.
7. Members holding shares in electronic mode are requested to intimate any change in their address or bank mandates to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical mode are requested to advise any change in their address or bank mandates to the Company.
8. Members who have not registered / updated their e-mail addresses with Company/ Accurate Securities & Registry (I) Pvt. Ltd., if shares are held in physical mode or with their DPs, if shares are held in electronic mode, are requested to do so for receiving all future communications from the Company including Annual Reports, Notices, Circulars, etc., electronically.
9. Members holding shares in physical mode are required to submit their Permanent Account Number (PAN) to the Company / Accurate Securities & Registry (I) Pvt. Ltd as mandated by the Securities and Exchange Board of India (SEBI) for every participant in securities market.
10. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company or its RTA quoting their Folio number or their Client ID number with DP ID number, as the case may be.
11. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company or its RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. The share Certificates will be returned to the Members after making requisite changes thereon.
12. All documents referred to in the Notice will be available for inspection at the Company's registered office between 11:00 am and 1:00 pm upto September 20, 2019 on all days (except Saturdays, Sundays and public holidays).
13. In Compliance with provisions of section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The Facility of casting the votes by the members using an electronic voting system from a place other than venue off the AGM ("remote e-voting") will be provided by NSDL.
14. Members holding shares in electronic mode:
 - a) are requested to submit their PAN to their respective DPs with whom they are maintaining their demat accounts, as mandated by SEBI for every participant in securities market.
 - b) are advised to contact their respective DPs for availing the nomination facility.
15. Information and instructions relating to Remote e-voting are as under:
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and

Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services arranged by NSDL. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM) ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

- II. The facility for voting through electronic voting system or polling paper shall be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be able to exercise their right at the AGM
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on September 17, 2019 (9:00 am) and ends on September 19, 2019 (5:00 pm). During this period Members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 13, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

How to Log-into NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

1. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
2. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
- a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nSDL.com.
- b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nSDL.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nSDL.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
3. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
4. Now, you will have to click on "Login" button.
5. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to rassociates94@gmail.com with a copy marked to evoting@nSDL.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nSDL.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nSDL.com or call on toll free no.: 1800-222-990 or send a request at evoting@nSDL.co.in

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("THE ACT")

The following Statement sets out all material facts relating to the Special Businesses mentioned in the Notice

ITEM NO. 03

Pursuant to the provisions of Section 152 and all other applicable provisions, if any read with the rules framed there under, the Board of Director in their meeting held on February 06, 2019 on the recommendation of Nomination and Remuneration Committee had appointed Mr. Parshottambhai Patel as an Additional Director. Now, the Board recommends appointment of Mr. Parshottambhai Patel (DIN **02458676**) as a Non-Executive Director, liable to retire by rotation.

Mr. Parshottambhai Patel has more than 40 years of work experience in chemical Industry, dyes, pigments and such intermediary.

The Company has received a nomination for the candidature of Mr. Parshottamdas Patel (DIN: 02458676) to be appointed as Non-Executive Director, in writing from a member in accordance with Section 160 of the Act. Mr. Parshottambhai Patel is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has given his consent to act as Director.

Mr. Parshottambhai Patel is interested in the resolution set out at Item No. 05 of the notice. The relatives of Mr. Parshottambhai Patel may be deemed to be interested in the resolution set out at Item No. 3 of the Notice, to the extent of their shareholding interest, if any, in the company.

Save and except the above, None of remaining Directors and KMP of the Company and their Relatives are concerned or interested, financially or otherwise, in the resolution set out in Item No. 03.

Your Directors recommends the resolution as Set out in Item No. 03 of the Notice as Ordinary Resolution.

ITEM NO. 04

The Board of Directors of the Company at its meeting held on January 11, 2019 has subject to approval of members, re-appointed Mr. Ketankumar Patel (DIN:---**01157786**) as Managing Director for a period of 5(five) years from 11th January, 2019 on the terms and conditions as recommended by Nomination and Remuneration Committee of the Board.

It is proposed to seek members' approval for the re-appointment of and remuneration payable to Mr. Ketankumar Patel as a Managing Director of the Company in terms of the applicable provisions of the Companies Act, 2013.

The particulars of the terms of Re-appointment of and remuneration payable to Mr. Ketankumar Patel are as under:

- The tenure of appointment is valid for a period of 5(five) years
- The remuneration payable to Mr. Ketankumar Patel shall be decided by the board of Directors of the company as they may deem fit.

Mr. Ketankumar Patel is interested in the resolution set out at the Item No. 04 of the notice. The Relatives of Mr. Ketankumar Patel may be deemed to be interested in the resolution set out at Item No. 4 of the Notice, to the extent of their shareholding interest, if any, in the company.

Save and except the above, None of remaining Director and KMP of the Company and their Relatives is concerned or interested, financial or otherwise, in the resolution set out in Item No. 04.

Your Directors recommends the resolution as Set out in Item No. 04 of the Notice as Special Resolution.

ITEM NO. 05

The board of Directors in their meeting held on August 12, 2019 considered the proposal to incorporate a subsidiary company in USA. The board is of the opinion to expand the business operations of the Company to overseas market, considering the favorable market scenario, in such country. The board believes that the said proposal shall help the management move in direction of better growth and expansion to achieve the common objectives of management, members and other beneficiaries engaged with the Company.

None of Directors and KMP's of the Company and their Relatives is concerned or interested, financial or otherwise, in the resolution set out in Item No. 05.

Hence the board has approved the said proposal and now recommends the members of the Company to approve the resolution as a Special Resolution.

Place: Ahmedabad
Date: August 12, 2019

by order of board of directors
for, Kemistar Corporation Limited

Registered Office:
604, Manas Complex,
Jodhpur Cross Road,
Satellite, Ahmedabad - 380015

Sd/-
Ketankumar Patel
Managing Director
(DIN – 01157786)

Annexure to the Explanatory Statement

Information pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings(SS-2) issued by Institute of Company Secretaries of India, in respect of Directors seeking appointment / re-appointment /continuation of appointment at the Annual General Meeting

Name of the Director	Mr. Ketankumar Patel	Mr. Parshottambhai Patel
DIN	0115786	02458676
Father/Husband Name	Mr. Parshottambhai M.Patel	Mr. Mohanlal V. Patel
Date of Birth	04.11.1974	01.06.1943
Date of Appointment	11.01.2019	06.02.2019
Qualification	B.E, MBA	BSc. Chemistry
Name of the Company(ies) in which he is a director	1. K P International Pvt. Ltd. 2. Agr-eh Technologies Pvt. Ltd. 3. Agro Chemicals Manufacturers Association Of India	1. K P International Pvt. Ltd.
Name of the company in which he is Member/ Chairman in the committees	N.A.	N.A.
Disclosure of Relationship with other Directors, Manager and Key Managerial Personnel of the Company.	Son of Mr. Parshottambhai Patel, Director	Father of Mr. Ketankumar Patel, Managing Director of the Company.
Specific functional Areas	Expertise in the Chemical Industry.	Expertise in the Chemical Industry, dyes, pigments and such intermediary.
Shareholding in the Company as on 31 st March, 2019.	11,13,014	1,88,33,990
Details of remuneration sought to be paid and Remuneration last drawn by such person, if any	NIL	NIL
No. of the Board Meeting attended during the year	10	2

BOARD REPORT

To
The Members,
KEMISTAR CORPORATION LIMITED

Your Directors have pleasure in submitting their *TWENTY FIFTH ANNUAL REPORT* of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2019.

1. FINANCIAL RESULTS:-

Summary of financial results of the company for the year under review is as under.

(Rs in Lacs except per share data)

Particulars	Standalone		Consolidated	
	2018-19	2017- 18	2018-19	2017- 18
Income from operations	310.64	286.40	1007.15	0.00
Income from other heads	13.13	4.43	19.29	0.00
Total Expenditure	309.46	282.08	1026.45	0.00
Profit Before Tax	14.31	8.76	36.62	0.00
Profit After Tax	10.70	7.05	27.21	0.00
Basic and diluted EPS	0.10	0.38	0.25	0.00

2. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

Your company sustained and achieved a total income of Rs. 323.77 Lakh as compared to previous year Rs. 290.83 Lakh.

(1) Domestic Sales: - The domestic sales Increased to Rs 310.64 Lakh as compared to previous year Rs. 286.40 Lakh

(2) Other Income:- Other income increased to Rs. 13.13 Lakh as compared to previous year Rs.4.43 Lakh

The Company is rapidly expanding due to favorable condition of Indian Environment in Specialty Chemical sectors. Company's Profitability increased by 65% from Previous Financial Year. The Directors assure the stakeholders of the company to continue their efforts and enhance the overall the performance of the company in the upcoming years.

3. SHARE CAPITAL

The paid up Equity Share capital of the Company is Rs. 10,75,94,080/- for the year under review.

During the year under review, the company has issued equity shares on preferential basis to promoters and person other than promoters in two tranches, on April 13, 2018 and October 19, 2018 for an Issue price of Rs 14.77 and Rs 12.32 respectively.

4. DIVIDEND

In absence of adequate profit, your Directors are unable to recommend any dividend for the year ended 31st March 2019.

Transfer of unclaimed dividend to Investor Education and Protection Fund

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

5. FINANCE:

Cash and Cash equivalent as at March 31, 2019 was Rs. 9.74 Lakh. The company continues to focus on adjusting management of its working capital, Receivable, purchases and other working capital parameters were kept under strict check through continuous monitoring.

6. DEPOSIT

The company has not invited, accepted or renewed any deposit within the meaning of Chapter V other than exempted deposit as prescribed under the provisions of the Company Act, 2013 and the rules framed thereunder, as amended from time to time. Hence there are no particulars to report about the deposit falling under Rule 8(5) (v) and (vi) of the Companies (Accounts) Rules, 2014.

7. SUBSIDIARIES, JVS OR ASSOCIATE COMPANIES

K P International Pvt. Ltd is the Wholly Owned Subsidiary of Company as on 31.03.2019.

In terms of the provisions contained in Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a report of performance and the financial of wholly owned subsidiary is provided as “Annexure- A ” to this report

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

During the year, the company has not provided any loan/guarantee/security which fall under the provisions of the section 186 of the Companies Act, 2013. However, the Company has made Investments in the securities of its Wholly Owned Subsidiary Company, K P International Pvt. Ltd. during the year under review.

9. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Your Company has established adequate internal financial control systems to ensure reliable financial reporting and compliance with laws and regulations. All resources are put to optimal use and adequately protected against any loss. Internal control systems commensurate with its size and operations to ensure orderly and efficient conduct of business while safeguarding the assets, quality, safety, procurements, finance and accounts and reducing and detecting error.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

1. Appointment/ Cessation:

- (i) Mr. Parshottambhai Patel : Appointed w.e.f. 06.02.2019
- (ii) Mr. Maheshkumar Kanani : Resigned w.e.f. 06.02.2019
- (iii) Mr. Vasantbhai Savalia : Resigned w.e.f. 06.02.2019

2. Key Managerial Personnel:

The Following are designated as Key Managerial Personnel as on 31.03.2019

- 1. Mr. Ketankumar Patel-Managing Director, Appointed w.e.f. 11.01.2019
- 2. Ms. Surya Menon-Company Secretary - Appointed w.e.f June 28, 2018
- 3. Mr. Vasantbhai Savalia-Chief Financial Officer

The company has complied with the requirements of having Key managerial Personnel as per provisions of section 203 of the companies Act, 2013.

All the independent Directors of your company have given their declarations, that they meet the criteria of independence as laid down under Section 149(6) of the Act and the SEBI (listing Obligations and Disclosure Requirements) Regulations, 2016.

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the details of Directors seeking re-appointment at the ensuing Annual General Meeting has been provided in the Notice of the Annual General Meeting, forming part of the Annual Report.

11. PERFORMANCE EVALUATION OF THE BOARD

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations,2016,the Board had adopted a formal mechanism for evaluating its own performance and as well as that of its committee and individual Directors, including the chairperson of the Board. The Exercise was carried out through a structured evaluation process covering the various aspects of the Board's functioning such as composition of board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc.

The evaluation of the independent Directors was carried out by Board, except the independent Director being evaluated and the chairperson and the non independent Directors were carried out by the independent Directors.

12. REMUNERATION AND NOMINATION POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of the board members. The Details of this policy is explained in the Corporate Governance Report.

13. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDERREVIEW

Ten Board Meetings were held during the 12 months accounting period ended March 31, 2019. The dates of such Board Meeting are as below:

Sr. No.	Date of Board Meeting	Sr. No.	Date of Board Meeting
1.	April 13, 2018	6.	October 19, 2018
2.	April 27, 2018	7.	November 07, 2018
3.	May 30, 2018	8.	January 11, 2019
4.	June 28, 2018	9.	February 06, 2019
5.	August 11, 2018	10.	March 30, 2019

14. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:—

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis; and
- e. 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.
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. AUDITORS AND AUDITOR'S REPORT:

M/s. Jignesh Domadiya & Co. Statutory Auditors of the Company have tender his resigned w.e.f 18th March, 2019, has shown his unavailability in conducting statutory Audit for the Financial Year 2018-19. In order to fill up the Casual Vacancy due to their resignation, M/s. S. D. Mehta & Co., Chartered Accountants was appointed in place of M/s. Jignesh Domadiya & Co. through Postal Ballot procedure to conduct the audit for the financial year 2018-19.

The company intends to appoint M/s S. D. Mehta & Co., Chartered Accountants, Ahmedabad as Statutory Auditor of the company in the Annual General Meeting for a period of 4 consecutive years, i.e. from the conclusion of this Annual General meeting till the conclusion 29thAGM of the Company. The Company has received a letter from M/s S. D. Mehta & Co., Chartered Accountants., stating that their appointment as auditors, if made, would be within the limits specified under Rule 4(1) of the Companies (Audit and Auditors) Rules, 2014 and as provided in section 141 of Companies Act 2013 and that they are not disqualified for appointment within the meaning of Section 139 of the said Act.

EXPLANATION ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS MADE BY THE AUDITORS

There were no qualifications, reservations or adverse remarks made by the Auditors and the practicing company secretary in their report.

16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:

Your Company has not consumed energy of the significant level and accordingly no measures were taken for energy conservation and no

additional investment was made for the reduction of energy conservation.

The particulars regarding technology absorption and foreign exchange earnings and outgo pursuant to section 134 (6) (m) of the companies Act, 2013 are NIL. - **Annexure B**

17. ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure MGT-9 and is attached to this Report. - **Annexure C** and also update on the website of the Company at www.kemistar.in

18. CORPORATE GOVERNANCE

The Corporate Governance Report together with the certificate received from the Auditor of the Company regarding compliance with the requirements of Corporate Governance as stipulated under Regulation 17 to 27, of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015, form an internal part of this report as **Annexure D**

19. MANAGEMENT DISCUSSION AND ANALYSIS

In terms of Clause 49 of the Listing Agreements with Stock Exchange, Management discussion and analysis on the business and operations of the company is attached herewith and forms part of this Annual Report.-**Annexure E**

20. SECRETARIAL AUDIT

As a measure of good corporate practice, the board of the directors of the Company has sought the professional services of M/s. Rohit Periwal & Associates, Practicing Company Secretaries to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report of the company for the financial year ended on 31.03.2019 is provided in the Annual Report. - **Annexure F**

The Secretarial Audit Report confirms that the Company and its Subsidiary has complied with all the applicable provisions of the Companies Act, 2013.

21. CORPORATE SOCIAL RESPONSIBILITY

In accordance with the provisions of section 135 of the Companies Act 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 made there under, The Company has not developed and implemented the following Corporate Social Responsibility initiatives as the said provisions are not applicable.

22. PARTICULARS OF EMPLOYEES

The particulars of employees required to be furnished pursuant to section 197(12) of the Companies Act, 2013 read with sub rules 2 and 3 of Rule 5 of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, are not applicable to the Company. However, there was no employee in receipt of remuneration under this section. The details required under section 197(12) and under rule 5 of Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the Companies Act 2013 2019 is provided in the Annual Report as **Annexure 'G'**

23. RELATED PARTY TRANSACTIONS

During the year 2018-19, The Company have contracts or arrangements with its related parties under Section 188(1) of the Companies Act, 2013. There was transaction with following parties, which were on arms' length basis or material in nature

Sr. No.	Name	Nature of Transaction	Amount(In Rs)
1	Agr-eh Technologies Pvt. Ltd	Purchase of Goods	56,081
		Sale of Goods	44,840
2	K P International Pvt. Ltd.	Investments	10,73,08,054

24. FOREIGN EXCHANGE EARNINGS AND OUT GO

Foreign exchange earnings and outgoings flow were **NIL**

25. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

In compliance of provisions of Section 177 of the Companies Act, 2013 ("the Act"), other applicable provisions of the Act, Companies

(Meetings of the Board and its Powers), Rules 2014, your Company has established a vigil mechanism for their directors and employees, so as to report their genuine concerns or grievances.

The vigil mechanism shall provide for adequate safeguards against victimization of person(s) who use such mechanism and make provision for direct access to the chairman of the Audit Committee or the director nominated by the Audit Committee, as the case may be, in exceptional cases.

The functioning of the Whistle Blower mechanism is reviewed by the Audit Committee on regular basis.

26. PREVENTION OF INSIDER TRADING:

Your company has adopted the "Code of Conduct on Prohibition of insider trading" and "Code of Conduct for Directors and Senior Management Personnel" for regulating the dissemination of Unpublished Price Sensitive Information and trading in security by insiders.

27. PREVENTION OF SEXUAL HARASSMENT OF WOMAN AT WORKPLACE:

The company has in place the "Policy on Prevention of Sexual Harassment at the workplace" in line the requirements of the sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. The Company had constituted Internal Complaints committee (ICC) to redress the complaints received regarding sexual harassment. During the year under review, no complaints were received by the Committee for Redressal.

28. COST AUDITORS

The section 148 read with Companies (Audit & Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 are not applicable to the Company Hence, the Board of Directors of your company had not been appointed Cost Auditor for obtaining Cost Compliance Report of the company for the financial year 2018-19.

29. CORPORATE SOCIAL RESPONSIBILITY

The Provisions of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility is not applicable to the Company. All the above policies have been displayed on the website of the Company viz www.kemistar.in.

30. POLICIES

In Accordance with the requirement of Companies Act, 2013 and SEBI (LODR) Regulation 2015, the Board of Directors of the Company has framed the following policies

1. Policy on related party transaction 2. Policy for determining material subsidiary 3. Policy on preservation of documents 4. Code of Conduct and ethics 5. Vigil mechanism and Whistle blower policy 6. Policy on making payments to Non Executive Directors. All the policies are updated at www.kemistar.in

31. SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards i.e. SS-1 and SS-2 relating to 'Meeting of the Board of Directors' and 'General Meeting' respectively, have been duly followed by the company

32. MATERIAL CHANGES AND COMMITMENTS IF ANY AFTER BALANCE SHEET DATE

There are no Material Changes and Commitments, which may have adverse effects on the operations of the Company.

33. RISK MANAGEMENT

The Company has in place a mechanism to inform the Board about the risk assessment and minimization procedure and review to ensure that risk is controlled. In the Board's view, there are no material risks.

34. INTERNAL AUDITORS

The Company has appointed Ms. Surya Menon as the Internal Auditor of the Company. The board along with the auditor independently ensures the execution of internal controls and proper implementation of the system of procedure as mutually decided by the board within the organization.

35. STATUS OF LISTING FEES

Your Company has been regularly paying listing fees to the BSE, Mumbai where its Equity Shares are listed.

36. DECLARATION OF INDEPENDENT DIRECTORS

The Company has received declarations from all the independent Directors of the Company conforming that they meet the criteria of independence as prescribed under section 149(6) of Companies Act, 2013 and revised clause 49 of the Listing Agreements with Stock Exchange.

37. HUMAN RESOURCE

The company considers its employees as its most valuable assets. The company focuses on building an organization through induction and development of talent to meet current and future needs.

38. STOCK EXCHANGES

The Company's equity shares are listed with the Bombay Stock Exchange.

39. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. They also record their appreciation of the devoted services rendered by the Executives, Staff Members and Workers of the Company. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

by order of board of directors
for, Kemistar Corporation Limited

Place: Ahmedabad

Date: August 12, 2019

<p>Sd/- Ketankumar Patel Managing Director (DIN: 01157786)</p>	<p>Sd/- Parshottambhai Patel Director (DIN: 02458676)</p>
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Registered Office Address:

604, Manas complex,
Jodhpur Cross Road,
Satellite, Ahmedabad - 380015

ANNEXURE- 'A'

FORM NO. AOC.1

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs)

1. Sl. No. 1
2. Name of the subsidiary: K P International Pvt. Ltd.
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.
5. Share capital : 3,55,400 equity shares of Rs 10/- each
6. Reserves & surplus: 96,83,222/-
7. Total assets: 2,63,37,009/-
8. Total Liabilities: 1,92,47,833/-
9. Investments: 14,29,551
10. Turnover: 6,85,08,710
11. Profit before taxation : 22,53,589
12. Provision for taxation : 6,46,412
13. Profit after taxation : 16,67,074
14. Proposed Dividend: 0.00
15. % of shareholding : 100%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.

Part "B": Associates and Joint Ventures- NIL

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Name 1	Name 2	Name 3
1. Latest audited Balance Sheet Date			
2. Shares of Associate/Joint Ventures held by the company on the year end			
No.			
Amount of Investment in Associates/Joint Venture			
Extend of Holding %			

Name of Associates/Joint Ventures	Name 1	Name 2	Name 3
3. Description of how there is significant influence			
4. Reason why the associate/joint venture is not consolidated			
5. Net worth attributable to Shareholding as per latest audited Balance Sheet			
6. Profit / Loss for the year			
i. Considered in Consolidation			
i. Not Considered in Consolidation			

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

ANNEXURE 'B'

Information pursuant to prescribe Section of the Companies Act, 2013 read with the Companies (Disclosure of particulars in the Report of Board of Director) Rules, 1988:

A. Conservation of Energy:

A.	Power & fuel Consumption	2018-19	2017-2018
1.	Electricity		
	A. Purchased	-	-
	Units	-	-
	Total amount Rs.	-	-
	Rate/units	-	-
	B. Own Generation:	-	-
	i. Through diesel generator	-	-
	Diesel Kl	-	-
	Unit	-	-
	Oil	-	-
	Cost/unit Rs.	-	-
	ii. Through steam turbine /generator	-	-
	Unit	-	-
	Unit per litre of fuel	-	-
	Oil/gas	-	-
	Cost per unit	-	-
2.	Coal(Specify quality & where used)	-	-
	Quantity (tones)	-	-
	Total cost avg. rates	-	-
3.	Furnace oil/SHS	-	-
	Quantity (KL)	-	-
	Total Cost	-	-
	Avg. rate Rs./KL	-	-
4.	Other/ internal generation	-	-

FORM B

<p>(Form for disclosure of particulars with respect to absorption)</p> <p>Research and Development (R & D):</p> <ol style="list-style-type: none"> Special areas in which R&D carried out by the Company. Benefits derived as a result of the above R&D. Future plan of action. Expenditure on R &D. <p>Technology absorption, adaptation and innovation:</p> <ol style="list-style-type: none"> Efforts, in brief, made towards technology absorption, adaptation and innovation. Benefits derived as a result of the above efforts. In case of imported technology: <ol style="list-style-type: none"> Technology imported Year of import Has technology been fully absorbed? (d)If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action 	<p>The production technology is indigenously developed and the company is carrying out its activities with its trained and experienced staff.</p> <p>There is no separate R &D</p> <p>The technology has been developed has fully absorbed the production indigenously and the Company has technology.</p> <p>The Company has not sued any imported technology.</p>
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ANNEXURE -'C'

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

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

I. REGISTRATION & OTHER DETAILS:		
1	CIN	L24233GJ1994PLC022845
2	Registration Date	24 August, 1994
3	Name of the Company	Kemistar Corporation Limited
4	Category/Sub-category of the Company	Company Limited by shares/ Non-Government Company
5	Address of the Registered office & contact details	604 Manas Complex, Jodhpur Cross Road Satellite, Ahmedabad-380015
6	Whether listed company	YES
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Accuarte Securities & Registry Pvt. Ltd. 203, Shangrila Arcade, Shyamal Cross Roads, Satellite, Ahmedabad - 380015 Contact: 079-48000319/ 6354814518

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
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(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	Trading Of Specialty Chemicals (Manufacture of pigments and other colouring matter of a kind used in the manufacture of paints or by artists or other painters)	24224	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
---	--	--	--	--	--

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	K P International Pvt. Ltd.	U24110GJ2007PTC050026	Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN					
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(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									

a) Individual/ HUF	211392	0.00	211392	11.33	8046368	0.00	8046368	74.78	63.46
b) Central Govt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) State Govt(s)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) Bodies Corp.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e) Banks / FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f) Any other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub Total (A) (1)	211392	0.00	211392	11.33	8046368	0.0	8046368	74.78	63.46
(2) Foreign									
a) NRI Individuals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Other Individuals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Bodies Corp.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) Any other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub Total (A) (2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL (A)	211392	0	211392	11.33	8046368	0.00	8046368	74.78	63.46
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Banks / FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Central Govt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) State Govt(s)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e) Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f) Insurance Companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
g) FIs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
h) Foreign Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
i) Others (specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total (B)(1):-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2256	22112	24368	1.31	848	1420	2268	0.00	1.31
ii) Overseas	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	45264	77368	122632	0.07	27072	78308	105380	0.01	-0.14
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1195000	312936	1507936	0.81	2456048	64344	2520392	2.34	1.53
c) Others (specify)									
Non Resident Indians	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

HUF	32	0.00	32	0.00	85000	0.00	85000	0.08	0.08
Overseas Corporate Bodies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Foreign Nationals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Clearing Members	32	0.00	32	0.00	0.00	0.00	0.00	0.00	0.00
Trusts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Foreign Bodies - D R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total (B)(2):-	1242584	412416	1655000	88.67	2568968	144072	2713040	25.22	-63.46
Total Public (B)	1242584	412416	1655000	88.67	2568968	144072	2713040	25.22	-63.46
C. Shares held by Custodian for GDRs & ADRs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total (A+B+C)	1453976	412416	1866392	100.00	10615336	144072	10759408	100	0

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	KETANKUMAR PARASHOTTAMDAS PATEL	28040	1.50	0.00	1113014	10.34	0.00	8.84
2	DIPAKKUMAR PARASHOTTAMDAS PATEL	0.00	0.00	0.00	18272	0.17	0.00	0.17
3	ANILKUMAR C. THAKER	3472	0.19	0.00	3472	0.03	0.00	-0.16
4	KANANI ANILKUMAR DEVRAJBHAI	14400	0.77	0.00	14400	0.13	0.00	-0.64
5	INDUBEN MAHESHKUMAR KANANI	40	0.00	0.00	40	0.00	0.00	0.00
6	MAHESHKUMAR POPATLAL KANANI	5040	0.27	0.00	5040	0.05	0.00	-0.22
7	DILIPKUMAR POPATLAL KANANI	5060	0.27	0.00	5060	0.05	0.00	-0.22
8	PARSHOTTAMBHAI MOHANLAL PATEL	63100	3.38	0.00	1833990	17.05	0.00	13.67
9	ANJANA KETANKUMAR PATEL	55800	2.99	0.00	1354300	12.59	0.00	9.60
10	HIRALBEN DIPAKKUMAR PATEL	0.00	0.00	0.00	612000	5.69	0.00	5.69
11	SHANTABEN PARASHOTTAMDAS PATEL	0.00	0.00	0.00	1213800	11.28	0.00	11.28
12	SAVALIA VASANTBHAI B	20040	1.07	0.00	20040	0.19	0.00	-0.88
13	MATHURBHAI MANJIBHAI JOGANI	16400	0.88	0.00	16400	0.15	0.00	-0.73
14	PATEL PARSHOTTAMDAS M (HUF)	0.00	0.00	0.00	836400	7.77	0.00	7.77
15	PATEL DIPAKKUMAR PARASHOTTAMDAS (HUF)	0.00	0.00	0.00	338640	3.15	0.00	3.15
16	PATEL KETANKUMAR PARASHOTTAMDAS HUF	0.00	0.00	0.00	661500	6.15	0.00	6.15

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

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	KETANKUMAR PARASHOTTAMDAS PATEL						
	At the beginning of the year	01-04-18		28,040	1.50%	28,040	1.50%
	Changes during the year	13-04-18	Allot	270,096	4.34%	298,136	4.80%
		29-05-18	Transfer	8	0.00%	298,144	4.80%
		19-10-18	Allot	814,870	7.57%	1,113,014	10.34%
At the end of the year	31-03-19		1,113,014	10.34%	1,113,014	10.34%	
2	DIPAKKUMAR PARASHOTTAMDAS PATEL						
	At the beginning of the year	01-04-18		1,952	0.10%	1,952	0.10%
	Changes during the year	13-04-18	Allot	16,320	0.26%	18,272	0.29%
	At the end of the year	31-03-19		18,272	0.17%	18,272	0.17%
3	PARASHOTTAMBHAI MOHANLAL PATEL						
	At the beginning of the year	01-04-18		63,100	3.38%	63,100	0.10%
	Changes during the year	13-04-18	Allot	1,062,840	17.10%	1,125,940	18.11%
		19-10-18	Allot	708,050	6.58%	1,833,990	17.05%
At the end of the year	31-03-19		1,833,990	17.05%	1,833,990	17.05%	
4	ANJANA KETANKUMAR PATEL						
	At the beginning of the year	01-04-18		55,800	2.99%	55,800	2.99%
	Changes during the year	19-10-18	Allot	1,298,500	12.07%	1,354,300	12.59%
At the end of the year	31-03-19		1,354,300	12.59%	1,354,300	12.59%	
5	HIRALBEN DIPAKKUMAR PATEL						
	At the beginning of the year	01-04-18		0.00	0.00%	0.00	0.00%
Changes during the year	13-04-18	Allot		9.84%	612,000	9.84%	

	year			612,000			
	At the end of the year	31-03-19		612,000	5.69%	612,000	5.69%

6	SHANTABEN PARASHOTTAMDAS PATEL						
	At the beginning of the year	01-04-18		0.00	0.00%	0.00	0.00%
	Changes during the year	13-04-18	Allot	1,213,800	19.53%	1,213,800	19.53%
	At the end of the year	31-03-19		1,213,800	11.28%	1,213,800	11.28%

7	PATEL PARASHOTTAMDAS M (HUF)						
	At the beginning of the year	01-04-18		0.00	0.00%	0.00	0.00%
	Changes during the year	13-04-18	Allot	836,400	13.45%	836,400	13.45%
	At the end of the year	31-03-19		836,400	7.77%	836,400	7.77%

8	PATEL DIPAKKUMAR PARASHOTTAMDAS (HUF)						
	At the beginning of the year	01-04-18		0.00	0.00%	0.00	0.00%
	Changes during the year	13-04-18	Allot	338,640	5.45%	338,640	5.45%
	At the end of the year	31-03-19		338,640	3.15%	338,640	3.15%

9	PATEL KETANKUMAR PARASHOTTAMDAS HUF						
	At the beginning of the year	01-04-18		0.00	0.00%	0.00	0.00%
	Changes during the year	19-10-18	Allot	661,500	6.15%	661,500	6.15%
	At the end of the year	31-03-19		661,500	6.15%	661,500	6.15%

(iv) Shareholding Pattern of top ten Shareholders

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

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	KIRIT JIVRAJBHAI PATEL						
	At the beginning of the year	01-04-18		60,000	0.97%	60,000	0.97%
	Changes during the year	19-10-18	Allot	85,000	0.79%	145,000	1.35%

2	At the end of the year	31-03-19		145,000	1.35%		0.00%
	ANITABEN ASHISHKUMAR GANDHI						
	At the beginning of the year	01-04-18		0.00	0.00	0.00	0.00
	Changes during the year	19-10-18	Allot	100000.00	0.93	100000.00	0.93
	At the end of the year	31-03-19		100000.00	0.93	100000.00	0.93
3	DHIREN KANUBHAI PATEL (HUF)						
	At the beginning of the year	01-04-18		0.00	0.00	0.00	0.00
	Changes during the year	19-10-18	Allot	85000.00	0.79	85000.00	0.79
	At the end of the year	31-03-19		85000.00	0.79	85000.00	0.79
4	CHANDRIKA RAMESHBHAI HARKHANI						
	At the beginning of the year	01-04-18		40000.00	0.64	40000.00	0.64
	Changes during the year	19-10-18	Allot	40000.00	0.37	80000.00	0.74
	At the end of the year	31-03-19		80000.00	0.74	80000.00	0.74
5	RAMESH JADAVBHAI HARKHANI						
	At the beginning of the year	01-04-18		40000.00	0.64	40000.00	0.64
	Changes during the year	19-10-18	Allot	40000.00	0.37	80000.00	0.74
	At the end of the year	31-03-19		80000.00	0.74	80000.00	0.74
6	AARTIBEN JAGDISHBHAI THAKKAR						
	At the beginning of the year	01-04-18		40000.00	0.64	40000.00	0.64
	Changes during the year	19-10-18	Allot	40000.00	0.37	80000.00	0.74
	At the end of the year	31-03-19		80000.00	0.74	80000.00	0.74
7	JAGDISHKUMAR AMRUTLAL AKHANI						
	At the beginning of the year	01-04-18		0.00	0.00	0.00	0.00
	Changes during the year	19-10-18	Allot	80000.00	0.74	80000.00	0.74
	At the end of the year	31-03-19		80000.00	0.74	80000.00	0.74

8	SMITABEN KIRITBHAI PATEL						
	At the beginning of the year	01-04-18		0.00	0.00	0.00	0.00
	Changes during the year	19-10-18	Allot	80000.00	0.74	80000.00	0.74
	At the end of the year	31-03-19		80000.00	0.74	80000.00	0.74
9	UPENDRA GORDHANBHAI RABADIA						
	At the beginning of the year	01-04-18		0.00	0.00	0.00	0.00
	Changes during the year	19-10-18	Allot	80000.00	0.74	80000.00	0.74
	At the end of the year	31-03-19		80000.00	0.74	80000.00	0.74
10	DARSHAN DHANPRASAD DAVE						
	At the beginning of the year	01-04-18		0.00	0.00	0.00	0.00
	Changes during the year	19-10-18	Allot	80000.00	0.74	80000.00	0.74
	At the end of the year	31-03-19		80000.00	0.74	80000.00	0.74

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		No. of shares	Cumulative Shareholding during the year
				No. of shares	% of total shares		
1	KETANKUMAR PARASHOTTAMDAS PATEL						
	At the beginning of the year	01-04-18		28,040	1.50%	28,040	1.50%
	Changes during the year	13-04-18	Allot	270,096	4.34%	298,136	4.80%
		29-05-18	Transfer	8	0.00%	298,144	4.80%
		19-10-18	Allot	814,870	7.57%	1,113,014	10.34%
At the end of the year	31-03-19		1,113,014	10.34%	1,113,014	10.34%	
2	PARASHOTTAMBHAI MOHANLAL PATEL						
	At the beginning of the year	01-04-18		63,100	3.38%	63,100	0.10%

Changes during the year	13-04-18	Allot	1,062,840	17.10%	1,125,940	18.11%
	19-10-18	Allot	708,050	6.58%	1,833,990	17.05%
At the end of the year	31-03-19		1,833,990	17.05%	1,833,990	17.05%

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

NIL

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rs/Lac)
		Name	Designation	
1	Gross salary			
	(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)			-
	Ceiling as per the Act			-

B. Remuneration to other Directors

NIL

SN.	Particulars of Remuneration	Name of Directors		Total Amount (Rs/Lac)
		Name	Designation	
1	Independent Directors			
	Fee for attending board committee meetings			-
	Commission			-
	Others, please specify			-
	Total (1)			-
2	Other Non-Executive Directors			-
	Fee for attending board committee meetings			-
	Commission			-
	Others, please specify			-
	Total (2)			-

		-		-	
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration				-
	Overall Ceiling as per the Act				

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel				Total Amount (Rs/Lac)
		Name	CEO	CFO	CS	
	Designation					Total
	Name		Vasantbhai Savalia	*Ms. Zehra Rajkotwala	*Ms. Surya Menon	
1	Gross salary	-	-	0.38	1.76	2.14
	(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	-	-	0.38	1.76	2.14

* Resigned w.e.f. 21.06.18

*** Appointed w.e.f. 28.06.19

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

NIL

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

ANNEXURE 'D'

CORPORATE GOVERNANCE

INTRODUCTION

The Directors present the company's Report on Corporate Governance as set out in Clause 49 of the Listing Agreement. This Report sets out the Compliance status of the company with the requirements of Corporate Governance for Financial Year 2018-19.

Corporate Governance pertains to systems by which Companies are directed and controlled by keeping in mind the long term interest of share holders and also balancing interest of employees, Government and the society at large.

1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

In India, The Securities Exchange Board of India ("SEBI") on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations") The corporate governance philosophy of the Company has been further strengthened with the adoption of the Code of Conduct

The Company has complied with the requirements of the Corporate Governance in terms of Clause 49 of the Listing Agreement executed with Indian Stock Exchanges.

It should maximize long term shareholder value, while preserving the interests of multiple stakeholders including the society at large.

The Directors of the Company are committed to maintain high standards of Corporate Governance in conducting its business and ensure that an effective self regulatory mechanism exists to protect the interest of our stakeholders (Investors, Customers, Suppliers, employees and Government)

The Board of Directors presents a composite Corporate Governance report on the compliance of the Indian Listing Requirements in the following paragraphs

2. BOARD OF DIRECTORS

The Directors of the Company are persons of eminence having vast and varied experience in manufacturing, marketing, finance, legal and corporate administration.

During the financial year 2018-19, the time gap between two Board Meetings did not exceed one hundred and twenty days. The Board of Directors periodically reviews compliance reports pertaining to all laws applicable to the Company. All Statutory and other matters of significance including information as mentioned in Part A of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company.

All the Directors have periodically and regularly informed the Company about their Directorship and Membership on the Board/Committees of the Board of other companies. As per the disclosure received, none of the Directors of your Company hold memberships/Chairmanships in other company.

The Board of the Company is a balanced board comprising Executive and Non Executive Directors. As on 31 March, 2019, the total strength of Board of Directors consists of 4 directors, comprising of:-

Category	No.	Percentage to total No. of Directors
Executive Directors	1	25%
Non Executive Non Independent	1	25%
Non Executive Independent	2	50%
Total	4	100%

A. The constitution of the Board as on 31.03.2019

Name of Director	Designation	Category	Directorship in Other Public Limited Companies	Committee Membership Of other Companies
Mr. Ketankumar Patel	Managing Director	Executive	NIL	NIL
Mr. Parshottambhai Patel	Director	Non Executive	NIL	NIL
Mr. Maheshkumar Baldha	Director	Non Executive-Independent	NIL	NIL
Mrs. Nayanaben Patel	Director	Non Executive Independent	NIL	NIL

B. Attendance of each director at the Board Meeting and the last Annual General Meeting

Sr no.	Name of Directors	No. of Board Meetings Attended	Last Annual General Meeting
1	Mr. Ketankumar Patel	10	Yes
2	*Mr. Parshottambhai Patel	02	Not applicable
3	Mr. Maheshkumar Baldha	09	Yes
4	Mrs. Nayanaben Patel	10	Yes

*Appointed w.e.f. 06.02.2019

C. Number of other board of directors or committees in which a directors is a member or chairperson : NIL

D. Number of Board Meeting held and the dates on which such meeting were held.

Ten Board Meetings were held during the 12 months accounting period ended 31-3-2019. The dates of such Board Meeting are as follows:

Sr. No.	Date of Board Meeting	Sr. No.	Date of Board Meeting
1.	April 13, 2018	6.	October 19, 2018
2.	April 27, 2018	7.	November 07, 2018
3.	May 30, 2018	8.	January 11, 2019
4.	June 28, 2018	9.	February 06, 2019
5.	August 11, 2018	10.	March 30, 2019

E. Disclosure of Relation between Directors Inter se:

Mr. Ketankumar Patel is the son of Mr. Parshottambhai Patel

F. Disclosure of Shares held by Non Executive Director:

Mr. Parshottambhai Patel – 1833990 equity shares

G. Familiarization program for Independent Directors:

The detailed information regarding familiarization programme for Independent Directors are provided on the website of the Company at www.kemistar.in

Board Procedure

The Board of Directors meets once in a quarter to review the performance and financial results of the Company. The detailed Agenda and the explanatory notes are circulated well in advance to the Directors in accordance with the Secretarial Standards.

The Chairman/Managing Director briefs the Directors at every Board Meeting on the overall performance of the Company. All major decisions/ approvals are taken at the Board Meeting.

Number of other Board of Directors or committees in which a director is a member or chairperson.

None of the board of directors are chairman or members on any other committees of any other companies.

Evaluation of Board

In terms of applicable provisions of the Companies Act, 2013 read with Rules framed there under and Part D of Schedule II of the Listing Regulations and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has put in place a process to formally evaluate the effectiveness of the Board, its Committees along with performance evaluation of each Director to be carried out on an annual basis.

Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2018-19.

Numbers of Shares and convertible instruments held by Non-Executive Director.

Sr. No.	Name of Directors	No. of Shares held
1	Mr. Parshottambhai Patel	18,33,990

Code of Conduct

The Board has formulated Code of Conduct for all Board members and senior level employees of the Company. Requisite annual affirmations of compliance with the Code have been made by the Board member and senior level employees for the financial year 2018-19. Annual Declaration by the Managing Director to this effect is annexed at the end of this report.

H. COMMITTEES OF THE BOARD

The Board Committees play a vital role in ensuring sound Corporate Governance practices. The Committees are constituted under the formal approval of the Board to carry out clearly defined roles under which are considered to be performed by members of the Board as a part of good corporate governance practice. The Board supervises these committees and minutes of the all the committees are placed before the board for review.

Currently there are Three (3) committees of the Board.

1. Audit Committee
2. Stakeholders Relationship Committee
3. Nomination and Remuneration Committee

- **AUDITCOMMITTEE:**

The Audit Committee is, inter alia, entrusted with the responsibility to monitor the financial reporting, audit process, determine the adequacy of internal controls, evaluate and approve transactions with related parties, disclosure of financial information and recommendation of the appointment of Statutory Auditors.

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The members of the Audit Committee are financially literate and have experience in financial management.

The Board of the company has constituted the audit committee comprising two independent directors.

Independent Director is chairman of the committee. The Company Secretary acts as secretary to the committee. The Audit Committee comprised as follows as on 31.03.2019

Sr. No.	Name of Director	Designation
1.	Maheshkumar Baldha	Chairperson
2.	Ketankumar Patel	Member
3.	Mrs. Nayanaben Patel	Member

Note:

1. Mr. Maheshkumar Kanani (Chairperson) and Mr. Vasantbhai Savalia (member) resigned w.e.f 06.02.2019
2. Ms. Zehra Rajkotwala, Secretary to the committee resigned w.e.f. 21.06.2018

The Audit Committee meetings were held on following dates during the the financial year 2018-19

Sr. No.	Date of meeting
1.	May 30, 2018
2.	August 11, 2018
3.	November 11, 2018
4.	February 06, 2019

They have considered the draft account and internal Audit Reports and quarterly results. Attendance during the accounting year ended 31.03.19 is as under:

Sr. No.	Name of Director	Designation	Meeting Attended
1.	Maheshkumar Baldha	Chairperson	04
2.	Ketankumar Patel*	Member	01
3.	Mrs. Nayanaben Patel*	Member	01

*Appointed w.e.f. 06.02.2019

The terms of reference of the Audit Committee are as set out in Clause 49 of the Listing Agreement with the Stock Exchanges, under the Companies Act and with any other applicable laws. The Audit Committee reviews the financial statements of Company and also performs the following functions:

- 1) To review the audit plan and Company's external auditors report;
- 2) To review the co-operation given by the Company's officers to the external auditors;
- 3) To review the financial statements of the Company before their submission to the Board;
- 4) To review the scope and results of internal audit procedures;
- 5) To nominate external auditors for re-appointment; and
- 6) To review interested person transaction
- 7) Evaluation of Whistle Blower mechanism and its functioning

• SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The constitution and terms of reference of Stakeholder Relationship Committee of the Company are in compliance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, 2015. The Committee comprises of following Directors as on 31.03.2019

Sr. No.	Name of Director	Designation
1	Mrs. Nayanaben Patel (Non Executive Director)	Chairperson
2	Maheshkumar Baldha	Member

1. Mr. Maheshkumar Kanani (Chairperson) resigned w.e.f 06.02.2019
2. Ms. Zehra Rajkotwala, Secretary to the committee resigned w.e.f. 21.06.2018

During the year under review the committee met once on May 30, 2018.

An investor's grievance committee specifically looks into the redressal of investor's complaints like transfer of shares, non-receipt of balance sheet etc. There is no shareholder grievance pending against the company.

The Committee approves the matters relating to:

- 1) Oversee and review all matters connected with the transfer of the Company's securities.
- 2) Monitor redressal of investors' / shareholders' / security holders' grievances.
- 3) Oversee the performance of the Company's Registrar and Transfer Agents.
- 4) Recommend methods to upgrade the standard of services to investors.
- 5) Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

The Compliance Officer is entrusted with the responsibility to specifically look into the redressal of the shareholders and investors complaints and report the same to the Stakeholders' Relationship Committee.

No transfers of shares were pending as on 31st March 2019.

Details of Shareholders' Complaints:-

Details of Complaints Received	Nos.
Number of Shareholders' Complaints received From 01.04.18-31.03.2019	0
Number of Complaints not solved to the satisfaction of the shareholder	0
Number of Pending Complaints on 31.03.2019	0

• **NOMINATION & REMUNERATION COMMITTEE**

The constitution and terms of reference of nomination and remuneration committee of the Company are in compliance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, 2015.

The terms of reference of the Nomination and Remuneration Committee are as per the governing provisions of Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II). The Nomination and Remuneration Committee is empowered with the following terms of reference and responsibilities in accordance with the provisions of law and the Nomination and Remuneration Policy:

- 1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- 2) Formulation of criteria for evaluation of Independent Director and the Board of Directors;
- 3) Devising a policy on Board Diversity;
- 4) Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal
- 5) Carry out the evaluation of every director's performance and formulate criteria for evaluation of Independent Directors, Board/Committees of Board and review the term of appointment of
- 6) Independent Directors on the basis of the report of performance evaluation of Independent Directors;
- 7) To extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of independent directors;
- 8) Reviewing and recommending to the Board, the remuneration, payable to Directors of your Company; and
- 9) Undertake any other matters as the Board may decide from time to time.

The Board has set up a Nomination & Remuneration committee for the Company which decides the Remuneration of all the directors and senior management members of the Company. The Committee comprises of following g Directors as on 31.03.2019.

SR NO.	Name of Director	Designation	Meeting Attended
1.	Maheshkumar Baldha	Chairperson	05
2.	Mrs. Nayanaben Patel	Member	05
3.	Parshottambhai Patel	Member	01

1. Mr. Maheshkumar Kanani (member) resigned w.e.f 06.02.2019
2. Ms. Zehra Rajkotwala, Secretary to the committee resigned w.e.f. 21.06.2018

The committee held meetings during the year on following dates:

Sr. No.	Date of meeting
1.	April 27, 2018
2.	May 30, 2018
3.	June 28, 2018
4.	January 11, 2019
5.	February 06, 2019

No remuneration was paid to the Managing Director or any director during the year under review and the same is in compliance with all the applicable provisions of the Companies Act, 2013 and the rules framed there under.

INDEPENDENT DIRECTORS MEETING**(A) Performance evolution criteria for independent Directors.**

- Evaluation of the performance of Non- independent Directors as a whole.
- Evaluation of performance of the chairman of the company, taking into account the views of Executive Directors;
- Evaluation of quality, content and timelines of flow information between the management and board that is necessary for the board to effectively and reasonably perform its duties.

(B) Composition: Meeting and attendance during the year

Name of independent Director	No. of meetings during the year	
	Held	Attended
Mr. Maheshkumar Baldha	01	01
Mrs. Nayanaben Patel	01	01

Note: Mr. Vasantbhai Savalia resigned w.e.f. 06.02.2019

3. GENERAL BODY MEETINGS**(A) Location and time where the last three AGM /EGM were held:**

Financial Year	Category-Date	Time	Venue
2017-18	Annual General Meeting 10/09/2018	11:00 AM	604, Manas Complex, Jodhpur Cross Road, Satellite, Ahmedabad – 380015.
2016-17	Annual General Meeting 01/09/2017	11.00 AM	604, Manas Complex, Jodhpur Cross Road, Satellite, Ahmedabad – 380015.
2015-16	Annual General Meeting 30/09/2016	11.00 AM	604, Manas Complex, Jodhpur Cross Road, Satellite, Ahmedabad – 380015.

(B) Special Resolution put through last 3 AGM's

AGM 15-16	NIL
AGM 16- 17	<ol style="list-style-type: none"> Adoption of new set of articles of association: To amend the title of incidental object clause of the memorandum of association Deletion of the other objects clause of the memorandum of association Amendment of the liability clause of the memorandum of association Issue of 11,95,000 equity shares on a preferential basis
AGM 17-18	<ol style="list-style-type: none"> To consider increase in authorised share capital of the company Issue of equity shares on preferential basis for consideration other than cash. Issue of equity shares on a preferential allotment / private placement basis Regularisation of additional director Mr. Maheshkumar baldha

(C) Special resolutions were put through last year, by way of Postal Ballot resolution during the month of April, 2019.**Resolution No. 01**

Appointment of Ms. S D Mehta & Co., Chartered Accountants as the Statutory Auditors of the Company to fill the Casual Vacancy caused due to resignation of previous Auditor.

	Remote e-voting		Voting by Postal Ballot		Total	% of assent
	No. of Members	No. of shares held	No. of Members	No. of shares held	Total no. of Votes	
Assent	22	7453388	-	-	7453388	100
Dissent	-	-	-	-	-	-
Invalid	-	-	-	-	-	-
Total	22	7453388	-	-	7453388	100

(D) The postal ballot voting was conducted by Mr. Gaurav Zinzuwadiya, the Scrutinizer appointed by the board of directors of the Company.

(E) The postal ballot notices were dispatched to the shareholders for by 23.04.2019 and the e voting for postal ballot was portal for e voting was active from April 24, 2019 to May 23, 2019. The results were declared on May 25, 2019.

MEANS OF COMMUNICATION

The Unaudited quarterly/half yearly financial statements are announced within 45 days of the end of the quarter. The aforesaid financial statements are taken on record by the Board of Directors and are communicated to the Bombay Stock Exchange where the Company's securities are listed. The financial results were declared on following dates

Sr. No	Quarter	Date
1	Quarter 1	11.08.2018
2	Quarter 2	07.11.2018
3	Quarter 3	06.02.2019
4	Quarter 4	30.05.2019

The financial results are declared in Lokmitra (Gujarati publication) and Free press Gujarat (English publication) also updated on the website at www.bseindia.com and www.kemistar.in

Once the stock exchange have been intimated these results are given by way of a press release to news agency and published within 48 hours in two leading daily news papers – one in English and one in Gujarati.

4. GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting

Date & Time

September 20, 2019 11.00A.M.

Venue

604, Manas Complex, Jodhpur Cross Road,
Satellite, Ahmedabad – 380015

Financial year

2018-19

Name & Address of Stock exchange

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

Stock code

531163

Registrar and Transfer Agent:

Accurate Securities & Registry Pvt. Ltd.
203, Shangrila Arcade,
Above Samsung Showroom,
Nr. Shyamal Cross Road,
Satellite, Ahmedabad - 380015
www accuratesecurities.com

Address for Correspondence

604, Manas Complex,
Jodhpur Cross Road,
Satellite, Ahmedabad – 380015
Ph: 079 2692 3570/87
Mail: kemistarbse@gmail.com

The Company in compliance with SEBI guidelines has appointed Accurate Securities & Registry (India) Pvt. Ltd. as a common share transfer agent for Physical and Electronic form of shareholding.

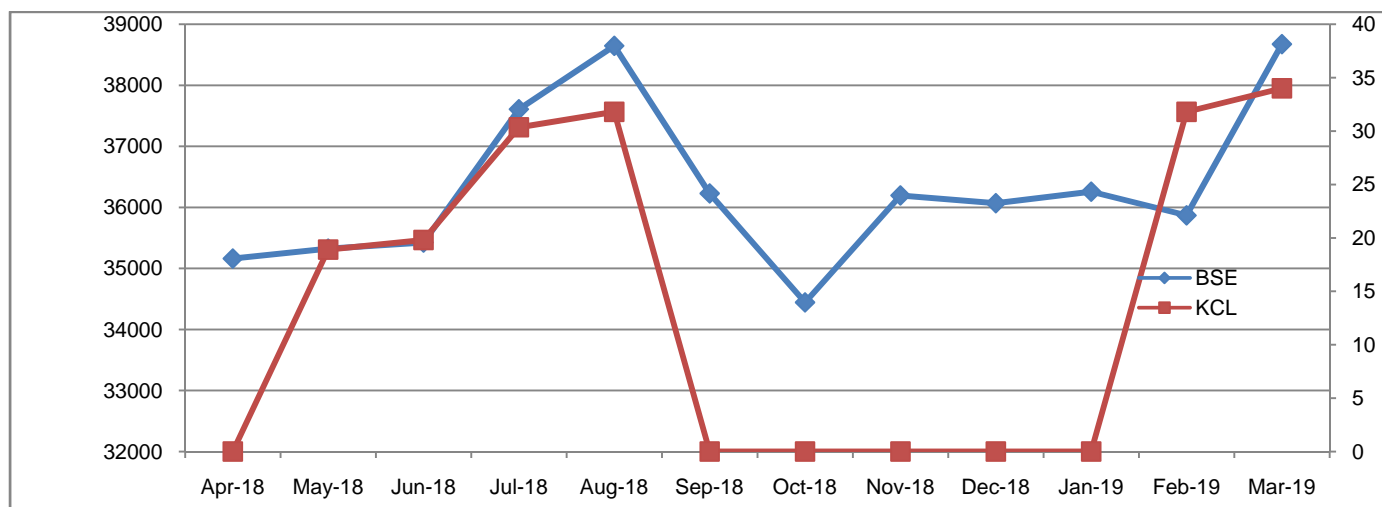
Share Market Price Data

The Monthly high and Low prices and volumes of share at and Bombay Stock Exchange Limited for the year ended on 31 March, 2019 are as under:-

Month	Kemistar Corporation Ltd			Nos. of Shares	Turn over Rs in thousands
	High Rs.	Low Rs.	Close Rs.		
April 18	-	-	-		
May 18	18.90	18.00	18.90	96	1750
June 18	19.80	18.90	19.80	133	2513

July 18	30.35	20.75	30.35	3300	87104
August 18	31.80	31.80	31.80	201	6391
September 18	-	-	-	-	-
October 18	-	-	-	-	-
November 18	-	-	-	-	-
December 18	-	-	-	-	-
January 19	-	-	-	-	-
February 19	33.35	31.80	31.80	45	1432
March 19	34	31.80	34	825	26639

Performance in comparison to BSE Sensex.



Distribution of shareholding as on 31.03.2019

Category of shareholder	No. of shareholders	No of fully paid up equity shares	% of shareholding	No of Locked in shares	% of locked in shares as total of shares held	No. of shares in dematerialized form	% of shares in dematerialized form as total of shares held
Promoter & Promoter group	16	80,46,368	74.78	47,26,218	58.74	8046368	100
Public	1,529	27,13,040	25.22	10,60,000	39.07	26,22,784	96.67
Total	1,545	1,07,59,408	100	57,86,218	53.78	1,06,69,152	99.16

OTHER DISCLOSURES

(A) Related Party Transactions

The Company has formulated Related Party Transaction Policy, which is in compliance with the provisions of the Companies Act, 2013 and Listing Regulations. Policy was revised during the year to incorporate amendments in Listing Regulations. The policy can be accessed on the website of the Company at the web link: <http://www.kemistar.in/wp-content/uploads/2017/04/cp-related-party.pdf>

During the year, the Company For During the year 2018-19, there were transactions with AGR-EH Technologies Pvt. Ltd. of Rs. 1,00,921/- and K P International Pvt. Ltd. of Rs. 10,73,08,054/- All the related party contracts / arrangements and transactions entered into by the Company were put forth for the prior approval of the Audit and Board and members, as applicable, in compliance with the said policy.

(B) Details of non-compliance by the listed entity on any matter related to capital markets, during the last three years: **NIL**

(C) Whistle blower policy

The Board has adopted a Whistle Blower Policy for the Company, under which the Company has institutionalized a mechanism for the stakeholders to disclose their concerns and grievances on unethical behavior and improper/ illegal practices and wrongful conduct taking place in the Company for

appropriate action. The policy is available on the website of the Company at <http://www.kemistar.in/wp-content/uploads/2017/04/cp-VIGIL-MECHANISM-WHISTLE-POLICY.pdf>. During the year, functioning of the Whistle Blower mechanism was reviewed by the Audit and Risk Management Committee on a quarterly basis.

(D) Compliance with all the mandatory requirements of Corporate Governance

The Company has complied with all the mandatory requirements of Corporate Governance applicable to the Company.

(E) Material Subsidiary Policy

The Company has formulated a Policy for determining "Material Subsidiary" and the same was revised during the year to give effect to the amendments in Listing Regulations. The revised policy is available on the Company's website at <http://www.kemistar.in/wp-content/uploads/2017/04/cp-MATERIAL-SUBSIDIARY.pdf>

(F) Certificate of Practicing Company Secretary

The Company has obtained a certificate from M/s Rohit Periwal & Associates, Practicing Company Secretaries, Ahmedabad stating that none of the Directors on the Board of the Company have been debarred/ disqualified from being appointed / continuing as Directors of any company, by the SEBI and Ministry of Corporate Affairs or any such Statutory authority.

(G) Protection of Women against Sexual Harassment at Work Place

Pursuant to the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder, the Company has adopted a "Policy on Protection of Women against Sexual Harassment at Work Place". During the year, no complaints were filed in the said matter.

(H) Compliance with Corporate Governance

The Company has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations.

CODE OF BUSINESS CONDUCT & ETHICS FOR DIRECTOR'S/MANAGEMENT PERSONNEL

The Code of Business Conduct & Ethics for Director's/Management Personnel ('the Code'), as recommended by the Corporate Governance and Stakeholders' Interface Committee and adopted by the Board, is a comprehensive Code applicable to all Directors and management personnel. The declaration regarding Compliance with the Code of Business Conduct and Ethics is annexed at the end of this report.

COMPLIANCE CERTIFICATE OF THE AUDITORS

The Company has obtained a Certificate from the Practicing Company Secretary confirming compliance of Conditions of the Code of Corporate Governance requirements applicable to the company under Regulation 17 to 27, Clause (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**by order of board of directors
for, Kemistar Corporation Limited**

Place: Ahmedabad
Date: August 12, 2019

Sd/-
Ketankumar Patel
Managing Director
(DIN: 01157786)

Sd/-
Parshottambhai Patel
Director
(DIN: 02458676)

Registered Office:
604, Manas Complex,
Jodhpur Cross Road,
Satellite, Ahmedabad - 380015

DECLARATIONS**Compliance with the Code of Business Conduct and Ethics**

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with Kemistar Corporation Limited Code of Business Conduct and Ethics for the year ended March 31, 2019.

Date: **August 12, 2019**

Place: **Ahmedabad**

For, Kemistar Corporation Limited

Sd/-

Ketankumar Patel

Managing Director

(DIN: 0115786)

Registered Office:

604, Manas Complex,

Jodhpur Cross Road,

Satellite, Ahmedabad - 380015

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
KEMISTAR CORPORATION LIMITED
604, Manas Complex,
Jodhpur Cross Road,
Satellite, Ahmedabad-380 015

I have examined all the relevant records of **KEMISTAR CORPORATION LIMITED** for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year ended March 31, 2019. I have obtained all the information's and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedure and implementation process adopted by the company for ensuring the compliance of the conditions of the Corporate Governance.

In my opinion to the best of my information and according to the explanations and information furnished to me, I certify that the company has complied with all the Regulation 17 to 27, Clause (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I state that such compliance 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.

This Certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

Place: Ahmedabad
Date: August 12, 2019

For, Rohit Periwal & Associates
Company Secretaries

Sd/-

Rohit Periwal
Proprietor
(ACS No.: 52504)
(C.P. No.: 22021)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

To,
The Members of
 Kemistar Corporation Limited
 604, Manas Complex,
 Near Jodhpur Cross Road,
 Satellite, Ahmedabad-380015

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kemistar Corporation Limited having CIN: L24233GJ1994PLC022845 and having registered office at 604, Manas Complex, Near Jodhpur Cross Road, Satellite, Ahmedabad-380015 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal: www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Ketankumar Parashottamdas Patel	01157786	30/09/2011
2.	Parshottambhai Mohanlal Patel	02458676	06/02/2019
3.	Maheshkumar Dhanjibhai Baldha	06542441	27/04/2018
4.	Nayanaben Atulkumar Patel	07157817	27/04/2018

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad
 Date : August 12, 2019

For, Rohit Periwal & Associates
 Company Secretaries

Sd/-

Rohit Periwal

Proprietor
 (ACS No.: 52504)
 (C.P. No.: 22021)

ANNEXURE – ‘E’
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. INDUSTRY STRUCTURE AND DEVELOPEMENT:

The Company deals in Specialty Chemicals, which are characterized by vastly differentiated products with higher value addition. Added with improved policy support by the Government, thereby creating a growth driven economy, the manufacturing sector in the country has been benefitted at large. The Governments Initiative like 'Make in India' has helped revive the Chemical industries. In various ways major part of the population is inextricably linked to Chemicals. The chemicals cover an array of more than 70,000 commercial products. Specialty chemicals and agro-chemicals are the two fastest growing sectors among them. The Company deals in Specialty Chemicals.

2. OPPORTUNITIES AND OUTLOOK:

India is the third largest producer of chemicals in Asia. The growth is likely to be driven by rising demand in end-use segments for specialty chemicals. The domestic chemical sector attracted FDI investment of \$1.3 billion in FY18, which is about 3 per cent of the total FDI inflow. The Indian chemicals industry is projected to reach \$ 304 bn by 2025.100% FDI is allowed under the automatic route in the chemicals sector. GST's role in easing logistics and related processes has helped the industries invariably. The 'Make In India' initiative would also play a pivotal role in boosting the growth of the Indian chemical industry. India is an attractive hub for foreign investments in the manufacturing sector, considering the lower cost of labour and availability of key raw materials, large consumer markets, and adaptability to technology several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country.

3. RISK, CONCERNS AND THREATS:

All companies, regardless of its size, nature and activity possess diverse degree of risk at all times, among primary concerns of Indian exporters include sanitary and phytosanitary measures such as certifications, testing procedures; pre-shipment formalities such as customs procedures and pre-shipment inspection; and technical barriers such as quality requirements, labeling regulations and other specifications under the purview of technical measures from importing countries,. Among non-technical measures hindering exports to destination economies, price control measures (such as administrative measures affecting customs value, seasonal duties, custom surcharges), distribution restrictions (such as limiting sales of goods to certain areas within an importing country, or by designated retailers only) and rules of origin (including measures restricting origin of products or their inputs) are seen as major impediments. Escalation of crude oil Prices are responsible for increased price of inputs and the volatility in Indian Currency vis-à-vis US Dollar and EURO is a matter to be looked after and tackled.

4. INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY:

The Company ensures the safety and protection of its assets by having implemented well defined policies and their implementation in a well efficient manner The Company also has definite hierarchy of management put to practice, defining roles, responsibilities, and answerability among the top management and the employees of the company. The board of the Company is always well informed regarding the operations of the company. The company always ensures the dissemination of information through proper channels in a professional manner. The management takes regular recommendations and advises from the reliable professionals having experience in their fields, in order to efficiently discharge responsibilities by giving hands on facts, details and recommendations concerning the activities covered for audit and reviewed by it during the year.

The conclusions of internal audit reports and effectiveness of internal control measures is reviewed by top management and audit committee of the Company. The Committee also meets the Statutory Auditors of the company to ascertain, their views on the strengthening of internal control systems in the Company.

5. FINANCIAL PERFORMANCE:

A. Standalone Financial Performance:

(i) Net Sales and Other Income:

Net Sales and other income for the year under review Increase from Rs. 291.83 Lakhs to Rs. 323.77 Lakh

(ii) Expenditure:

The total expenditure increased from Rs. 282.08 Lakh - to Rs 309.46 Lakh for the financial year 2018-19

(iii) Profit before Tax:

For the year under review the Profit before Tax is Rs.14.31 Lakh as compared to Rs.8.76 Lakh during the immediate previous financial year.

(iv) Profit after tax:

For the year under review the Profit after-tax is Rs. 10.70 Lakh as compared to Rs.7.05 Lakh during the immediate previous financial year.

(v) Net Block:

The net block increased from Rs. 4.32 Lakh to Rs 4.45 Lakh for the year 2018-19.

6. DEVELOPMENT IN HUMAN RESOURCES:

The Company considers its employees as its main assets. The management believes in the philosophy of the development of the Company with the development of its employees. Proper environment of work, all necessities and their safety is looked after. The well being of its employees is always a priority to the company. The employees are given proper guidance and training to execute their tasks. Hence, higher degree of work satisfaction is enjoyed by the employees of the company.

7. ENVIRONMENT, HEALTH & SAFETY (EHS)

The Company commits to ethical and sustainable operation in all business activities. Company maintains and implements an Environmental Management System (EMS) for meeting the purpose of organization's policy and objectives regarding environment. The aims of the system is use of processes, practices, techniques, materials, products, services or energy to avoid, reduce or control the creation, emission or discharge of any type of pollutant or waste, in order to reduce adverse environmental impacts. Adequate Occupational Health & Safety Management System is adopted by the Company for ensuring the conformance to the Occupational Health & Safety Management System, legal & statutory requirements, continual improvement and satisfaction of interested parties (i.e. customers, suppliers, employees and public).

8. CAUTIONARY STATEMENT:

No reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions, predictions etc. may constitute "forward looking statements" contained herein. Certain statements contained in this document may be statements of future expectations, forecasts and other forward-looking statements that are based on management's current view and assumptions. Such statements are by their nature subject to significant uncertainties and contingencies and the actual results, performance or events may differ materially from those expressed or implied in such statements. Readers are cautioned not to place undue reliance on any forward looking statement.

For and on behalf of the Company

Place: Ahmedabad
Date: August 12, 2019

Sd/-
Ketankumar Patel
Managing Director
(DIN: 01157786)

Sd/-
Parshottambhai Patel
Director
(DIN: 02458676)

Registered Office:
604, Manas Complex,
Jodhpur Cross Road,
Satellite, Ahmedabad - 380015

ANNEXURE 'F'

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019**

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

To,
The Members,
Kemistar Corporation Limited,
604, Manas Complex,
Jodhpur Cross Road,
Satellite, Ahmedabad-380015

Sirs,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kemistar Corporation Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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'):-
 - (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, 2009 (upto 10th November, 2018) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (with effect from 11th November, 2018); **(Not Applicable to the Company during the Audit Period)**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit Period)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit Period)** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (upto 10th September 2018) and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (with effect from 11th September 2018); **(Not Applicable to the Company during the Audit Period)**

- (v) We have relied on the representation made by the Company, its Officers and on the reports given by designated professionals for systems and processes formed by the Company to monitor and ensure compliances under other applicable Acts, Laws and Regulations to the Company.
- (vi) As declared by the Management, at present there is no law which is specifically applicable to the Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

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, 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.

All decisions in the Board is carried through, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

We further report that during the Audit period the Company has no specific events/actions having a major bearing on the Companies Affairs in pursuant of the above referred Laws, Rules, Regulations, Guidelines, Standards etc.

Place: Ahmedabad
Date: August 12, 2019

For, Rohit Periwal & Associates
Company Secretaries

Sd/-
Rohit Periwal
Proprietor
(ACS No.: 52504)
(C.P. No.: 22021)

To,
The Members,
Kemistar Corporation Limited,
604, Manas Complex,
Jodhpur Cross Road,
Satellite, Ahmedabad-380015

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place: Ahmedabad
Date: August 12, 2019

For, Rohit Periwal & Associates
Company Secretaries

Sd/-

Rohit Periwal

Proprietor
(ACS No.: 52504)
(C.P. No.: 22021)

ANNEXURE –‘G’**Disclosure under Section 197(12) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) rules 2014**

1. Ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year ended 31 March, 2019.
NIL
2. The percentage increase in remuneration of each director CFO, CEO, Company Secretary or Manager, if any, in the financial year 2018-19: NIL
3. Percentage increase in median remuneration of employees in the financial year – NIL
4. The number of permanent employees on the rolls of the company as on 31 March, 2019 – 5
5. Affirmation that the remuneration is as per the remuneration policy of the company:

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of your Company.

For and on behalf the board of directors
Kemistar Corporation Limited

Place: Ahmedabad
Date: August 12, 2019

Sd/-
Ketankumar Patel
Managing Director
(DIN : 01157786)

Registered Office:
604, Manas Complex,
Jodhpur Cross Road,
Satellite, Ahmedabad - 380015

Independent Auditors' Report

To the Members of,
Kemistar Corporation Limited

1. Opinion

We have audited the accompanying Ind-AS standalone financial statements of **Kemistar Corporation Limited** which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the standalone financial statements")

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

2. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in the section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility for the Standalone Financial Statements

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

4. Report on Other Legal and Regulatory Requirements

i. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section (11) of section 143 of the Companies Act, 2015 we give in the "Annexure-A" a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and accordance to the explanation given to us:
 - i. The company does not have any pending litigations which would impact its financial position.
 - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Date: 30th May, 2019
Place: Ahmedabad

For, **S. D. Mehta & Co.**
Chartered Accountants
(Registration No. 137193W)

Sd/-
Shaishav D. Mehta
Partner
M.No: 032891

Annexure-A to Independent Auditors' Report

Referred to in Paragraph 5(i) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.

1. In respect of Fixed Assets(Including Capital work in progress)
 - a. The Company is maintained proper records showing full particulars, including quantitative details and situations of its Fixed Assets.
 - b. The fixed assets are physically verified by the management at regular intervals and in our opinion is reasonable having regard to the size of Company and the nature of its assets. Pursuant to the verification a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

2. In respect of its inventories:-
 - (a) Inventories have been physically verified by the management at reasonably regular intervals during the year.
 - (b) In my opinion and according to the information and explanation given to me, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company has maintained proper records of inventories. As explained to me, there were no material discrepancies noticed on physical verification of inventory as compared to the book.

3. The Company has not granted loans to parties covered in the Register maintained under Section 189 of the Companies Act, 2013. As such reporting requirements under this para are not applicable for the reporting period.

4. In respect of loan, the provisions of section 185 and 186 have been complied with. There are no loans to directors; there are no investments, guarantees and securities requiring compliance u/s 186 of the Companies Act, 2013.

5. During the year, the company has not accepted any deposits from public.

6. Company is not required to maintain cost records pursuant to section 148 (1) of the Companies Act, 2013.
7. In respect of Statutory Dues:
 - a. According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Income Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no undisputed dues, payable in respect of above as at 31st March, 2019 for a period of more than six months from the date on which they became payable.
 - b. According to the information and explanations given to us and on the basis of our examination of books of account and record, No disputed dues were outstanding as on 31/03/2019.

8. As the Company has not availed any term loan the question of purpose and application does not arise.

9. To the best of our knowledge and according to the information and explanations given to us money raised by preferential allotment where applied for the purpose for which those were raised.

10. To the best of our knowledge and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

11. The Company has not paid or provided managerial remuneration under section 197 of the Companies Act, 2013 and hence, the provision of paragraph 3(xi) of the Order is not applicable to the Company.

- 12 The company is not a Nidhi company. As such The Nidhi rules, 2014 are not applicable.
- 13 All transactions with the related parties are in compliance with the sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Standalone financial statements as required by applicable accounting standards.
- 14 The company has not made any preferential allotment or Private placement of shares of fully or partly convertible debentures during the year under review.
- 15 The company has not entered into any non cash transactions with directors or persons connected with it.
- 16 Company is not required to be registered u/s. 45-IA of the Reserve Bank of India Act, 1934.

Date: 30th May, 2019
Place: Ahmedabad

For, **S. D. Mehta & Co.**
Chartered Accountants
(Registration No. 137193W)

Sd/-
Shaishav D. Mehta
Partner M.No.: 032891

Annexure-B to Independent Auditors' 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 **Kemistar Corporation Limited** ("the Company") as of 31 March 2019 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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 of 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 reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone 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 Standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone 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 unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Date: 30th May, 2019
Place: Ahmedabad

For, **S. D. Mehta & Co.**
Chartered Accountants
(Registration No. 137193W)

Sd/-
Shaishav D. Mehta
Partner M.No.: 032891

KEMISTAR CORPORATION LIMITED					
Balance Sheet as at 31st March, 2019					
Particulars	Note no.	Figures as at the end of current reporting period (2018-19)		Figures as at the end of current reporting period (2017-18)	
A. ASSETS					
(1) Non-current assets					
(a) Property, Plant & Equipment	1	445,084		432,192	
(b) Financial Assets:					
(i) Investments	2	107,308,054		-	
(ii) Loans		-		-	
(c) Other Non-current assets	3	1,677,344		511,180	
			109,430,482		943,372
(2) Current assets					
(a) Inventories	4	10,751,540		-	
(b) Financial Assets :					
(i) Investments	5	32,001,769		22,447,809	
(ii) Trade receivables	6	5,057,431		4,977,707	
(iii) Cash and cash equivalents	7	974,187		363,928	
(iv) Loans	8	9,000		438,003	
(c) Other current assets	9	2,161,708		500,379	
			50,955,635		28,727,826
Total Assets			160,386,117		29,671,198
B. EQUITY AND LIABILITIES					
(1) Equity					
(a) Equity Share capital	10	107,594,080		18,663,920	
(b) Other Equity	11	41,129,310		9,094,710	
Sub-Total Equity			148,723,390		27,758,630
(2) Non Current Liabilities					
(a) Financial Liabilities		-		-	
(b) Provisions		-		-	
(c) Deffered Tax Liabilities		33359		30204	
			33359		30204
(3) Current Liabilities					
(a) Financial Liabilities :					
(i) Trade payables	12	11,137,665		1,599,139	
(b) Other current liabilities	13	6,010		11,053	
(c) Provisions	14	485,692		272,172	
Sub-Total Current Liabilities			11,629,367		1,882,364
Total Equity and Liabilities			160,386,117		29,671,198
Significant Accounting Policies					
Notes to Financial Statements	1 to 21				

As per our report of even date attached herewith.

For, S. D. Mehta & Co.
Chartered Accountants
FRN: 137193W
Sd/-
Shaishav D. Mehta
Partner
M.No. 032891
Place: Ahmedabad
Date: 30th May, 2019

Sd/-
Ketankumar Patel (Managing Director)
DIN : 01157786
Sd/-
Vasantbhai Savalia (CFO)

For and on behalf of the board of
Kemistar Corporation Limited
Sd/-
Parshottambhai Patel (Director)
DIN: 02458676
Sd/-
Surya Menon
CS (A52378)

KEMISTAR CORPORATION LIMITED			
Statement of Profit and Loss for the year ended on 31st March, 2019			
Particulars	Note no.	Figures for the current reporting period (2018-19)	Figures for the current reporting period (2017-18)
(I) Revenue from operations	15	31,064,236	28,640,228
(II) Other Income	16	1,312,501	443,214
(III) Total Income (I+II)		32,376,737	29,083,442
<u>(IV) EXPENSES</u>			
Cost of Materials Consumed		-	-
Purchase of Stock -in-Trade		39,094,640	26,008,371
Changes in Inventories of Finished goods, Work-in-Progress and by products	17	(10,751,540)	40,000
Employee Benefits Expense	18	627,707	687,147
Finance Costs	19	2,119	2,029
Depreciation and Amortization Expense	1	16,346	15,078
Other Expenses	20	1,956,698	1,455,126
Total Expenses (IV)		30,945,970	28,207,751
(V) Profit Before Tax (III-IV)		1,430,767	875,691
(VI) Tax Expenses :			
(1) Current tax		357,692	167,253
(2) Deferred tax		3,155	3,152
(VII) Profit for the year (V-VI)		1,069,920	705,286
Earning per equity share of face value of Rs. 10 each Basic & Diluted (In Rs.)	21	0.10	0.38
Significant Accounting Policies Notes to Financial Statements	1 to 22		

As per our report of even date attached herewith.

For, S. D. Mehta & Co.

Chartered Accountants

FRN: 137193W

Sd/-

Shaishav D. Mehta

Partner

M.No. 032891

For and on behalf of the board of
Kemistar Corporation Limited

Sd/-

Ketankumar Patel

Managing Director

(DIN : 01157786)

Sd/-

Parshottambhai Patel

Director

(DIN: 02458676)

Place: Ahmedabad

Date: 30th May, 2019

Sd/-

Vasantbhai Savalia (CFO)

Sd/-

Surya Menon

CS (A52378)

KEMISTAR CORPORATION LIMITED

Notes on Financial Statements for the year ended 31st March 2019

NOTE :2 NON-CURRENT INVESTMENTS	As at 31/03/2019	As at 31/03/2018
Investment in Shares (Unquoted)		
Shares of K. P. International Pvt Ltd	107,308,054	-
TOTAL	107,308,054	-

During the year under review, the company had entered into a SWAP agreement with K. P. International Pvt. Ltd. **And** Promoters Group. Accordingly the company acquired 35,54,000/- shares pursuant to SWAP agreements executed in two tranches dt. 23rd February, 2018 and 18th August, 2018 respectively.

NOTE :3 OTHER NON-CURRENT ASSETS	As at 31/03/2019	As at 31/03/2018
Deferred Expenditure (Preliminary and Pre-operative expense etc)	1,677,344	511,180
TOTAL	1,677,344	511,180

NOTE : 4 INVENTORIES	As at 31/03/2019	As at 31/03/2018
Finished Goods	10,751,540	-
TOTAL	10,751,540	-

NOTE : 5 INVESTMENTS	As at 31/03/2019	As at 31/03/2018
Investment in Mutual Funds, Liquid Funds etc.	32,001,769	22,447,809
TOTAL	32,001,769	22,447,809

The above investment, during F.Y. 2018-19, is exclusively made in Reliance Liquid Fund. In the opinion of company such investment is purely on short-term basis and hence, is treated as a current investment.

NOTE : 6 TRADE RECEIVABLES	As at 31/03/2019	As at 31/03/2018
(Unsecured and considered good)		
Over six Months	40,425	119,595
Others	5,017,006	4,858,112
TOTAL	5,057,431	4,977,707

NOTE: 7 CASH & CASH EQUIVALENTS	As at 31/03/2019	As at 31/03/2018
Cash on hand	558,853	110,310
Bank Balance	415,334	253,618
TOTAL	974,187	363,928

NOTE : 8 LOANS- CURRENT ASSETS	As at 31/03/2019	As at 31/03/2018
Unsecured Advances		
Other Advances	9,000	438,003
TOTAL	<u><u>9,000</u></u>	<u><u>438,003</u></u>

The above *other advances*, during F.Y. 2018-19, are in nature of Annual Custodial Fees paid in advance by the company.

NOTE : 9 OTHER CURENT ASSETS	As at 31/03/2019	As at 31/03/2018
Balance with Revenue Authoroties	2161708	500379
TOTAL	<u><u>2,161,708</u></u>	<u><u>500,379</u></u>

The balance with revenue authorities consists of Advance Incometax paid to the extent of Rs. 2,50,500/-, TDS receivable by the company Rs. 8,541/- and GST Input Credit to the extent of Rs. 19,02,667/-.

NOTE : 10 SHARE CAPITAL	As at 31/03/2019	As at 31/03/2018
AUTHORISED SHARE CAPITAL :		
1,20,00,000 Equity Shares of Rs. 10/- each	<u>120,000,000</u>	<u>85,000,000</u>
	120,000,000	85,000,000
ISSUED ,SUBSCRIBED & PAID UP CAPITAL :		
1,07,59,408 Equity Shares of Rs. 10 each fully paid up	<u>107,594,080</u>	<u>18,663,920</u>
TOTAL	<u><u>107,594,080</u></u>	<u><u>18,663,920</u></u>

During the year under review, the company had entered into a SWAP agreement with K. P. International Pvt. Ltd. and Promoter group. Accordingly the company acquired 35,54,000/- shares pursuant to SWAP agreements executed in two tranches dt. 23rd February, 2018 and 18th August, 2018 respectively. Against the shares of K P International, the company has issued 78,33,016 no. of shares having face value of Rs. 10/- per share and having premium of Rs 4.77/- (First Tranch) and Rs 2.32/- (Second tranch) per share under the SWAP agreement.

Further, the company has allotted 10,60,000 no. of shares on preferential basis to persons other than promoters for consideration in cash.

As a result of the above, the company has issued equity to the extent of 88,93,016 no. of equity shares during the year 2018-19.

10.1 The details of shareholders holding more than 5% of Equity shares

Sr. No.	Name of Shareholder	As at 31/03/2019		As at 31/03/2018	
		No. of Share	% Held	No. of Share	% Held
	Parshottambhai Mohanlal Patel	1833990	17.50%	Below 5%	
	Anjana Ketankumar Patel	1354300	12.59%	Below 5%	
	Shantaben Parshottamdas Patel	1213800	11.28%	Below 5%	
	Ketankumar Parshottamdas Patel	1084974	10.08%	Below 5%	
	Patel Parshottamdas M. (HUF)	836400	7.77%	Below 5%	
	Patel Ketankumar Parshottamdas HUF	661500	6.15%	Below 5%	
	Hiralben Dipakkumar Patel	612000	5.69%	Below 5%	

10.2 The reconciliation of the number of shares outstanding is set out below.

Particulars	As at 31/03/2019 No. of Shares	As at 31/03/2018 No. of Shares
Equity shares at the beginning of the year	1866392	671392
Add: Shares issued during the year	8893016	1195000
Equity shares Outstanding at the end of the year	10759408	1866392

10.3 Terms /rights attached to equity shares

(i) **Equity:** The company has equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to have one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of shares held by the shareholders.

NOTE : 11 RESERVES AND SURPLUS	As at 31/03/2019	As at 31/03/2018
Profit & Loss Account		
As per last Balance Sheet	9,094,710	621,924
Less:		
Short / Excess Provision for I. Tax	324,852	-
Add: Profit during the year	1,069,920	705,286
Securities Premium Account	31,289,532	7,767,500
TOTAL	41,129,310	9,094,710

During the year under review, the company had entered into a SWAP agreement with K. P. International Pvt. Ltd. **And** the Promoters group. Accordingly the company acquired 35,54,000/- shares pursuant to SWAP agreements executed in two tranches dt. 23rd February, 2018 and 18th August, 2018 respectively. Against the shares of K P International, the company has issued 78,33,016 no. of shares having face value of Rs. 10/- per share and having premium of Rs 4.77/- (First Tranch) and Rs 2.32/- (Second Tranch) per share under the SWAP agreement.

Further, the company has allotted 10,60,000 no. of shares on preferential basis to persons other than promoters for consideration in cash during the financial year 2018-19.

NOTE :12 TRADE PAYABLES	As at 31/03/2019	As at 31/03/2018
Trade payables	11137665	1599139
TOTAL	11,137,665	1,599,139

NOTE : 13 OTHER CURRENT LIABILITIES	As at 31/03/2019	As at 31/03/2018
Other payables	6,010	11,053
TOTAL	6,010	11,053

Other payables for F.Y. 2018-19, consists of TDS and GST payable as on 31st March, 2019

NOTE : 14 SHORT TERM PROVISIONS	As at 31/03/2019	As at 31/03/2018
For Expenses	128,000	104,919
For Tax	357,692	167,253
TOTAL	<u>485,692</u>	<u>272,172</u>
NOTE : 15 REVENUE FROM OPERATIONS	As at 31/03/2019	As at 31/03/2018
Sale of Products	31,024,460	28,265,560
Other Operating Revenues	<u>39,776</u>	<u>374,668</u>
TOTAL	<u>31,064,236</u>	<u>28,640,228</u>
NOTE : 16 OTHER INCOME	As at 31/03/2019	As at 31/03/2018
Mis.Income	8,541	-
Short Term Capital Gain	1,303,960	443,214
TOTAL	<u>1,312,501</u>	<u>443,214</u>
NOTE : 17 CHANGE IN INVENTORIES OF FINISHED GOODS	As at 31/03/2019	As at 31/03/2018
Inventories (at close)		
Finished Goods	10,751,540	-
Inventories (at commencement)		
Finished Goods	-	40,000
TOTAL	<u>(10,751,540)</u>	<u>40,000</u>
NOTE : 18 EMPLOYEE BENEFITS EXPENSE	As at 31/03/2019	As at 31/03/2018
Salaries & Wages	617,707	678,397
Staff Welfare Expense	10,000	8,750
TOTAL	<u>627,707</u>	<u>687,147</u>
NOTE : 19 FINANCE COST	As at 31/03/2019	As at 31/03/2018
Bank and other Financial Charges	2,119	2,029
TOTAL	<u>2,119</u>	<u>2,029</u>
NOTE : 20 OTHER EXPENSES	As at 31/03/2019	As at 31/03/2018
Power & Fuel	-	5,000
<u>Administrative Expenses</u>		
Payment to Auditor		
As Auditor :		
Statutory Audit Fees	50,000	35,000
Advertisement Expense	148,640	202,725
Legal , Professional & Consultancy Exp.	263,500	400,703

Office & Godown Rents	5,042	126,864
Office Expenses	5,380	4,350
Conveyance expense	4,220	7,272
Repairing and Maintenance Expense	-	2,475
ROC Filing Fees	9,800	14,400
Complaine Fees in BSE, NSDL and CDSL	291,182	354,030
Kasar & Vataav expense	244	-
Petrol & Diesel	2,576	8,329
Postage and Courier expense	7,331	710
Printing and Stationery expense	14,537	2,476
Telephone expense	-	-
Preliminary Expense Written Off	606,836	-
Custom Duty	309,848	-
VAT, TDS, GST, Incometax Expense	9,416	8,348
Other Administrative Expenses	38,707	15,342
<u>Selling & Distribution Expenses</u>		
Loading & Unloading Charges	10,015	750
Discount	-	163,118
Clearing and forwarding Expense	85,549	-
Freight & Octroi expenses	93,875	39,734
Commission Expense	-	63,500
TOTAL	<u>1,956,698</u>	<u>1,455,126</u>

NOTE : 21 EARNING PER SHARE

	As at 31/03/2019	As at 31/03/2018
i) Net profit after tax as per statement of profit and loss attributable to Equity Shareholders (Rs. in Lakhs)	1,069,920	705,286
ii) Weighted Average number of equity shares used as denominator for calculating EPS	10,759,408	1,866,392
iii) Basic & Diluted Earnings per share (Rs.)	0.10	0.38
iv) Face value per equity share (Rs.)	10	10

KEMISTAR CORPORATION LIMITED

NOTES TO FINANCIAL STATEMENTS

NOTE - 1 : FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.2018	Additions	Sales/ Transfers	As at 31.3.2019	As at 31.3.2018	For the Year	Adjustment Sales/ Transfers	As at 31.3.2019	As at 31.3.2019	As at 31.3.2018
Land	111,125	-	-	111,125	-	-	-	-	111,125	111,125
Building	441,742	-	-	441,742	120,675	15,636	-	136,311	305,431	321,067
Computer System	80,941	29,238	-	110,179	80,941	710	-	81,651	28,528	-
TOTAL	111,125	-	-	111,125	120,675	16,346	-	-	445,084	432,192

Kemistar Corporation Ltd.
Cash flow statement for the year ended 31st March' 2019

(Amount in Rupees)

Particulars	For the year ended 31st March,2019		For the year ended 31st March,2018	
	Amount	Amount	Amount	Amount
(A) Cash flow from operating activities				
(1) Net profit after tax and extraordinary items		1,069,920		705,286
ADD:(I) Depreciation Written off	16,346		15,078	
(ii) Provision for income tax	357,692		167,253	
(iii) Preliminary Expense				
(iv) Loss from partnership firm	-			
LESS: (i) Deferred tax Asset	(3,155)		(3,152)	
(ii) Kasar and vatav (Income Tax Provision of earlier Year W/o)	324,851			
		52,342		185,483
(2) Operating profit before working capital changes		1,122,262		890,769
Working capital changes				
Add: (i) Decrease in Current Assets (Except Cash & Cash	429,003		40,000	
(ii) Increase in Current Liabilities	9,561,607		-	
Less: (i) Decrease in Current Liabilities	5,043		1,237,824	
(ii) Increase in Current assets (Except Cash & Cash	22,046,553	(12,060,986)	20,530,891	(21,728,715)
(3) Cash generated from operating before tax		(10,938,724)		(20,837,946)
Less: Income Tax Paid		167,253		97,894
				97,894
(4) Cash flow before extraordinary items		(11,105,977)		(20,935,840)
Add/ (less) extraordinary items				
Net cash inflow / outflow from operating activities After tax & extraordinary items		(11,105,977)		(20,935,840)
(B) Cash flow from investing activities				
Add : Proceeds on account of changes in Investments	(107,308,054)		-	
Less : Purchase of Fixed assets & Investments	29,238		-	
Net Cash inflow / outflow from investing activities		(107,337,292)		-
(C) Cash flow from financing activities				
Add : Changes in Long term Loans & Advances				
Proceeds of Share Capital	88,930,160		11,950,000	
Increase In securities premium	31,289,532		7,767,500	
Less : Advances given	1,166,164		511,180	
Less : Repayment of Loans	-			
Net cash inflow / outflow from financing activities		119,053,528		19,206,320
(D) net increase / decrease in cash & cash equivalent		610,259		(1,729,520)
(E) Add: Cash & Cash Equivalents in the beginning of the year		363,928		2,093,448
(F) Cash & Cash Equivalents at the end of the year		974,187		363,928

For, S. D. Mehta & Co.
Chartered Accountants
FRN: 137193W
Sd/-

Shaishav D. Mehta
Partner
M.No. 032891
Place: Ahmedabad
Date: 30th May, 2019

For and on behalf of the board of
Kemistar Corporations Limited

Sd/-
Ketankumar Patel (Managing Director)
DIN : 01157786

Sd/-
Parshottambhai Patel (Director)
DIN: 02458676

Sd/-
Vasantbhai Savalia (CFO)

Sd/-
Surya Menon
CS (A52378)

Note 22: Notes to the financial statements

1. Basis of preparation of financial statements

(i) Statement of compliance and basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ("the Companies Act"), as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The financial statements correspond to the classification provisions contained in Ind AS 1, "Presentation of Financial Statements". For clarity, various items are aggregated in the statements of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable. All amounts included in the financial statements are reported in Indian rupees. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

(ii) Basis of measurement

These financial statements have been prepared on a historical cost convention and on an accrual basis.

(iii) Use of estimates and judgment

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

- (a) **Revenue recognition:** The Company uses the accrual method for income earned for sale of goods.
- (b) **Impairment testing:** Investments in subsidiaries are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value.
- (c) **Income taxes:** Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.
- (d) **Deferred taxes:** Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

2. Significant accounting policies

(i) Functional and presentation currency

These financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Company.

(ii) Foreign currency transactions and translation

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the exchange rates prevailing at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains/(losses), net within results of operating activities.

(iii) Financial instruments

(a) *Non-derivative financial instruments:*

Non derivative financial instruments consist of:

- Financial assets, which include cash and cash equivalents, trade receivables, employee and other advances, investments in equity and debt securities and eligible current and noncurrent assets;
- financial liabilities, which include long and short term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.

Non derivative financial instruments are recognized initially at fair value. Financial assets are re-recognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset. Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

A. Cash and cash equivalents

The Company's cash and cash equivalents consist of cash on hand and in banks.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in banks.

B. Investments

Investments in equity instruments:

The Company carries certain Liquid funds which are registered under SEBI and traded on Stock Market, the said funds are not held for trading. The company has recorded its investment in equity instruments at its acquisition cost.

Investments in subsidiaries:

Investment in subsidiaries is measured at cost less impairment.

C. Other financial assets:

Other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. The company has not opted for measuring such assets at amortized cost as there is no fixed expectation of that asset being recovered in future.

These comprise trade receivables, unbilled revenues, cash and cash equivalents and other assets.

D. Trade and other payables

Trade and other payables are initially recognized at fair value. For these financial instruments, the carrying amounts approximate fair value due to the short term maturity of these instruments.

(b) Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition. If the Company retains substantially all the risks and rewards of a transferred financial asset, the Company continues to recognise the financial asset and also recognizes a borrowing for the proceeds received. Certain financial instruments have been derecognized in event of non-holding of control over such asset and such assets were not reasonably expected to fetch any future cash inflows, and the same have been written off.

A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

(iv) Equity

(a) Share capital and share premium

The Authorized share capital of the Company as of March 31, 2019, is Rs. 12,00,00,000/- divided into 1,20,00,000 equity shares of Rs. 10 each. The Paid Up share capital of the company as of March 31, 2019 is Rs. 10,75,94,080/- divided into 1,07,59,408 equity shares of Rs. 10 each. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as share premium. Every holder of the equity shares, as reflected in the records of the Company as of the date of the shareholder meeting shall have one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

(b) Retained earnings

Retained earnings comprises of the Company's undistributed earnings after taxes including earlier years' carried forward retained earnings.

(v) Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

(b) Depreciation

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are available for use. Freehold land is not depreciated. The estimated useful life of assets are reviewed and where appropriate are adjusted, annually. The estimated useful lives of assets are as follows:

Category	Useful life
Buildings	28 to 40 years
Computer equipment and software	2 to 7 years

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. The cost of property, plant and equipment not available for use as at each reporting date is disclosed under capital work-in-progress.

(vi) Impairment

(A) Financial assets

The Company applies the expected credit loss model for recognizing trade receivables and other financial assets. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using effective interest rate.

Loss allowances for trade receivables and lease receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix which takes in to the account historical credit loss experience adjusted for forward looking information.

(vii) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

(viii) Revenue

The Company derives revenue primarily from trading of chemical products Activity.

(a) Products

Revenue from products are recognized when the significant risks and rewards of ownership have been transferred to the buyer, continuing managerial involvement usually associated with ownership and effective control have ceased, the amount of revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(b) Others

- Revenues are shown net of Goods and Service Tax and applicable discounts and allowances.
- The company has made investment in certain liquid funds which are held for investment for a period shorter than 12 months. During the year company has made gains out of sale of such investments and the same has been considered under the head Other Income.

(ix) Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss.

a. Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

b. Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and foreign branches where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

(x) Earnings per share

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period.

3. Notes on Transition to Ind AS

These financial statements are prepared in accordance with Ind AS. For years up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with Indian GAAP (i.e. Previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS for periods ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018.

4. Related Party Disclosures As Per Ind AS 24

Names of related parties and description of relationship from/ to which following transactions were entered during the year:

a) The related parties are :

Sr. No.	Names of related parties	Nature of relationship
1	AGR-EH Technologies Pvt. Ltd.	Associate Enterprise
2	K P International Pvt. Ltd.	Wholly owned Subsidiary Co.

b) The Company has entered into the following transactions with the related parties for the year ended March 31, 2019 and 2018:

Sr. No.	Nature of Transaction	Name of person / entity	Amount (Rs.)	
			2019	2018
1	Purchase	AGR-EH Technologies Pvt. Ltd.	56,081/-	43,738/-
2	Sales	AGR-EH Technologies Pvt. Ltd.	44,840/-	-
3	Investment in Shares (Through Swap agreement)	K P International Pvt. Ltd.	10,73,08,054/-	-

The Company has the following balances outstanding as of March 31, 2019 and March 31, 2018

Balances at the year end	Name of individual / entity	Amount (In Rs.)	
		2019	2018
Under the Head Investment	K P International Pvt. Ltd.	10,73,08,054/-	-

For, S. D. Mehta & Co.
Chartered Accountants
FRN: 137193W

Shaishav D. Mehta
Partner
M.No. 032891
Place: Ahmedabad
Date: 30th May, 2019

For and on behalf of the board of
Kemistar Corporations Limited

Sd/-
Ketankumar Patel (Managing Director)
DIN : 01157786

Sd/-
Vasantbhai Savalia (CFO)

Sd/-
Parshottambhai Patel (Director)
DIN: 02458676

Sd/-
Surya Menon
CS (A52378)

Independent Auditors' Report

To the Members of,
Kemistar Corporation Limited

1. Opinion

We have audited the accompanying Ind-AS Consolidated financial statements of **Kemistar Corporation Limited** which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated 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 (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

2. Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in the section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility for the Consolidated Financial Statements

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentations 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 the consolidated financial statements.

4. Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section (11) of section 143 of the Companies Act, 2015 we give in the "**Annexure-A**" a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
- ii. As required by section 143(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and accordance to the explanation given to us:
 - i. The company does not have any pending litigations which would impact its financial position.
 - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For, **S. D. Mehta & Co.**,
Chartered Accountants
(Registration No. 137193W)

Date: 30th May, 2019
Place: Ahmedabad

Sd/-
Shaishav D. Mehta
Partner
M.No. 032891

Annexure-A to Independent Auditors' Report

Referred to in Paragraph 5(i) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.

1. In respect of Fixed Assets (Including Capital work in progress)

- a. The Company is maintained proper records showing full particulars, including quantitative details and situations of its Fixed Assets.
- b. The fixed assets are physically verified by the management at regular intervals and in our opinion is reasonable having regard to the size of Company and the nature of its assets. Pursuant to the verification a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

2. In respect of its inventories: -

- (a) Inventories have been physically verified by the management at reasonably regular intervals during the year.
- (b) In my opinion and according to the information and explanation given to me, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventories. As explained to me, there were no material discrepancies noticed on physical verification of inventory as compared to the book.

3. The Company has not granted loans to parties covered in the Register maintained under Section 189 of the Companies Act, 2013. As such reporting requirements under this para are not applicable for the reporting period.

4. In respect of loan, the provisions of section 185 and 186 have been complied with. There are no loans to directors; there are no investments, guarantees and securities requiring compliance u/s 186 of the Companies Act, 2013.

5. During the year, the company has not accepted any deposits from public.

6. Company is not required to maintain cost records pursuant to section 148 (1) of the Companies Act, 2013.

7. In respect of Statutory Dues:

a. According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Income Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no undisputed dues, payable in respect of above as at 31st March, 2019 for a period of more than six months from the date on which they became payable.

b. According to the information and explanations given to us and on the basis of our examination of books of account and record, No disputed dues were outstanding as on 31/03/2019.

8. As the Company has not availed any term loan the question of purpose and application does not arise.

9. To the best of our knowledge and according to the information and explanations given to us money raised by preferential allotment where applied for the purpose for which those were raised.

10. To the best of our knowledge and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

11. The Company has not paid or provided managerial remuneration under section 197 of the Companies Act, 2013 and hence, the provision of paragraph 3(xi) of the Order is not applicable to the Company.
12. The company is not a Nidhi company. As such The Nidhi rules, 2014 are not applicable.
13. All transactions with the related parties are in compliance with the sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Consolidated financial statements as required by applicable accounting standards.
14. The company has not made any preferential allotment or Private placement of shares of fully or partly convertible debentures during the year under review.
15. The company has not entered into any non cash transactions with directors or persons connected with it.
16. Company is not required to be registered u/s. 45-IA of the Reserve Bank of India Act, 1934.

Date: 30th May, 2019
Place: Ahmedabad

For, **S. D. Mehta & Co.**
Chartered Accountants
(Registration No. 137193W)

Sd-/
Shaishav D. Mehta
Partner
M.No. 032891

Annexure-B to Independent Auditors' 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 **Kemistar Corporation Limited** ("the Company") as of 31 March 2019 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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 of 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 reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated 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 Consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated 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 unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Date: 30th May, 2019
Place: Ahmedabad

For, S. D. Mehta & Co.
Chartered Accountants
(Registration No. 137193W)

Sd/-
Shaishav D. Mehta
Partner M.No.: 032891

KEMISTAR CORPORATION LIMITED
Consolidated Balance Sheet as at 31st March, 2019

Particulars	Note	Figures as at the end of current reporting period (2018-19)	
A. ASSETS			
(1) Non-current assets			
(a) Property, Plant & Equipment	1	119,460,535	
(b) Capital Work in Progress		1,731,256	
(b) Financial Assets:			
(i) Investments			
(ii) Loans			
(c) Other Non-current assets	2	2,752,844	
(d) Deferred Tax Asset (Net)		588,358	124,532,993
(2) Current assets			
(a) Inventories	3	18,736,966	
(b) Financial Assets :			
(i) Investments	4	33,431,320	
(ii) Trade receivables	5	18,938,420	
(iii) Cash and cash equivalents	6	2,676,692	
(iv) Loans	7	9,000	
(c) Other current assets	8	4,857,777	78,650,175
Total Assets			203,183,168
B. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share capital	9	107,594,080	
(b) Other Equity	10	42,780,200	
Sub-Total Equity			150,374,280
(2) Non Current Liabilities			
(a) Financial Liabilities			
- Long Term Borrowings	11	20,524,614	
(b) Provisions			
(c) Deffered Tax Liabilities		33359	
Sub-Total Non Current Liabilities			20,557,973
(3) Current Liabilities			
(a) Financial Liabilities :			
(i) Trade payables	12	27,922,268	
(b) Other current liabilities	13	1,538,273	
(c) Provisons	14	2,790,373	
Sub-Total Current Liabilities			32,250,914
Total Equity and Liabilities			203,183,168
Significant Accounting Policies			
Notes to Financial Statements	1 to 21		

As per our report of even date attached herewith.

For, S. D. Mehta & Co.
Chartered Accountants
FRN: 137193W
Sd/-
Shaishav D. Mehta
Partner
M.No. 032891

Place: Ahmedabad
Date: 30th May, 2019

Sd/-
Ketankumar Patel (Managing Director)
(DIN : 01157786)

Sd/-
Vasantbhai Savalia
(CFO)

For and on behalf of the board of
Kemistar Corporation Limited

Sd/-
Parshottambhai Patel (Director)
(DIN: 02458676)

Sd/-
Surya Menon
CS (A52378)

KEMISTAR CORPORATION LIMITED

Statement of Profit and Loss for the year ended on 31st March, 2019

Particulars	Note no.	Figures for the current reporting
(I) Revenue from operations	15	100,715,480
(II) Other Income	16	1,929,036
(III) Total Income (I+II)		102,644,516
(IV) EXPENSES		
Cost of Materials Consumed		-
Purchase of Stock -in-Trade		94,811,102
Changes in Inventories of Finished goods, Work-in-Progress and by products	17	(13,514,546)
Employee Benefits Expense	18	9,273,895
Finance Costs	19	1,911,002
Depreciation and Amortization Expense	1	879,581
Other Expenses	20	5,620,996
Total Expenses (IV)		98,982,030
(V) Profit Before Tax (III-IV)		3,662,486
(VI) Tax Expenses :		
(1) Current tax		998,418
(2) Deferred tax		(56,742)
(VII) Profit for the year (V-VI)		2,720,810
Earning per equity share of face value of Rs. 10 each Basic & Diluted (In Rs.)	21	0.25
Significant Accounting Policies Notes to Financial Statements	1 to 21	

As per our report of even date attached herewith.

For, S. D. Mehta & Co.
Chartered Accountants
FRN: 137193W

Sd/-
Shaishav D. Mehta
Partner
M.No. 032891

Place: Ahmedabad
Date: 30th May, 2019

For and on behalf of the board of
Kemistar Corporation Limited

Sd/-
Ketankumar Patel (Managing Director)
(DIN : 01157786)

Sd/-
Vasantbhai Savalia
(CFO)

Sd/-
Parshottambhai Patel (Director)
(DIN: 02458676)

Sd/-
Surya Menon
(A52378)

Notes on Financial Statements for the year ended 31st March 2019

NOTE : 2 OTHER NON-CURRENT ASSETS		As at 31/03/2019
Differred Expenditure (Preliminary and Pre-operative expense etc.)		2,752,844
TOTAL		2,752,844

NOTE : 3 INVENTORIES		As at 31/03/2019
Finished Goods		18,736,966
TOTAL		18,736,966

NOTE : 4 INVESTMENTS		As at 31/03/2019
Investment in Mutual Funds, Liquid Funds etc.		33,431,320
TOTAL		33,431,320

The above Investment, during F.Y. 2018-19, is exclusively made in Reliance Liquid Fund. In the Opinion of company such investment is purely on short-term basis and hence, is treated as a current investment.

NOTE : 5 TRADE RECEIVABLES		As at 31/03/2019
(Unsecured and considered good)		
Others		18,938,420
TOTAL		18,938,420

NOTE : 6 CASH & CASH EQUIVALENTS		As at 31/03/2019
Cash on hand		1,415,565
Bank Balance		1,261,127
TOTAL		2,676,692

NOTE : 7 LOANS- CURRENT ASSETS		As at 31/03/2019
Unsecured Advances		
Other Advances		9,000
TOTAL		9,000

The above *other Advances*, during F.Y. 2018-19, are in nature of Annual Custody Fees Paid in advance by the company.

NOTE : 8 OTHER CURENT ASSETS		As at 31/03/2019
Balance with Revenue Authorities		4857777
TOTAL		4,857,777

The balance With revenue authorities consists of Advance Incometax paid to the extent of Rs. 904000/-, TDS receivable by the company Rs. 214857/-, GST Input credit to the extent of Rs. 3549711/- and Duty drawback of Rs. 189209/-.

NOTE : 9 SHARE CAPITAL		As at 31/03/2019
AUTHORISED SHARE CAPITAL :		
1,20,00,000 Equity Shares of Rs. 10/- each	12,00,00,000	
		12,00,00,000
ISSUED ,SUBSCRIBED & PAID UP CAPITAL :		
10759408 Equity Shares of Rs. 10 each fully paid up	107,594,080	
TOTAL		107,594,080

During the year under review, kemistar corporation limited had entered into a SWAP agreement with K. P. International Pvt. Ltd., which is its subsidiary company **And** Promoter group. Accordingly kemistar corporation limited acquired 35,54,000/- shares pursuant to SWAP agreements executed in two tranches dt. 23rd February, 2018 and 18th August, 2018 respectively. Against the shares of K P International, Kemistar corporation limited has issued 78,33,016 no. of shares having face value of Rs. 10/- per share and having premium of Rs 4.77/- (First Tranch) and Rs 2.32/- (Second tranch) per share under the SWAP agreement.

Further, the kemistar corporation limited has allotted 10,60,000 no. of shares on preferential basis to persons other than promoters for consideration in cash.

As a result of the above, the company has issued equity to the extent of 88,93,016 no. of equity shares during the year 2018-19.

9.1 The details of shareholders holding more than 5% of Equity shares

Sr No.	Name of Shreholder	As at 31/03/2019	
		No. of Share	% Held
	Parshottambhai Mohanlal Patel	1833990	17.50%
	Anjana Ketankumar Patel	1354300	12.59%
	Shantaben Parshottamdas Patel	1213800	11.28%
	Ketankumar Parshottamdas Patel	1084974	10.08%
	Patel Parshottamdas M. (HUF)	836400	7.77%
	Patel Ketankumar Parshottamdas HUF	661500	6.15%
	Hiralben Dipakkumar Patel	612000	5.69%

9.2 The reconciliation of the number of shares outstanding is set out below.

Particulars	As at 31/03/2019	
	No. of Shares	
Equity shares at the beginning of the year	1866392	
Add: Shares issued during the year	8893016	
Equity shares Outstanding at the end of the year	10759408	

9.3 Terms /rights attached to equity shares

(i) **Equity** : The company has equity shares having par valur of Rs. 10 per share. Each holder of equity shares is entitled to have one vote per share. The company declares and pays dividends in indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of shares held by the shareholders.

NOTE : 10 RESERVES AND SURPLUS

As at 31/03/2019

Profit & Loss Account

As per last Balance Sheet	9,094,710
Less:	
Short / Excess Provision for I. Tax	324,852
Add: Profit during the year	2,720,810

Securities Premium Account

31,289,532

TOTAL

42,780,200

During the year under review, Kemistar corporation limited had entered into a SWAP agreement with K. P. International Pvt. Ltd., which is its subsidiary company **And** the Promoters group. Accordingly Kemistar corporation limited acquired 35,54,000/- shares pursuant to SWAP agreements executed in two tranches dt. 23rd February, 2018 and 18th August, 2018 respectively. Against the shares of K P International, Kemistar corporation limited has issued 78,33,016 no. of shares having face value of Rs. 10/- per share and having premium of Rs 4.77/- (First Tranch) and Rs 2.32/- (Second Tranch) per share under the SWAP agreement.

Further, the Kemistar corporation limited has allotted 10,60,000 no. of shares on preferential basis to persons other than promoters for consideration in cash during the financial year 2018-19.

NOTE : 11 LONG TERM BORROWINGS As at 31/03/2019

Secured Loan	1522614	
Unsecured Loan	19002000	
TOTAL	20,524,614	

NOTE : 12 TRADE PAYABLES As at 31/03/2019

Trade payables	27922268	
TOTAL	27,922,268	

The above trade payables includes, creditors for goods, for expenses and advance from customers

NOTE : 13 OTHER CURRENT LIABILITIES As at 31/03/2019

Other payables	1,538,273	
TOTAL	1,538,273	

Other payables for F.Y. 2018-19, Consists of TDS and GST payable as on 31st March,2019.

NOTE : 14 SHORT TERM PROVISIONS As at 31/03/2019

For Expenses	1,791,955	
For Tax	998,418	
TOTAL	2,790,373	

NOTE : 15 REVENUE FROM OPERATIONS As at 31/03/2019

Sale of Products	99,533,170	
Other Operating Revenues	1,182,310	
TOTAL	100,715,480	

NOTE : 16 OTHER INCOME As at 31/03/2019

Miscellaneous Income	8,541	
Short Term Capital Gain	1,920,495	
TOTAL	1,929,036	

NOTE : 17 CHANGE IN INVENTORIES OF FINISHED As at 31/03/2019

Inventories (at close)		
Finished Goods	18,736,966	
Inventories (at commencement)		
Finished Goods	5,222,420	
TOTAL	(13,514,546)	

NOTE : 18 EMPLOYEE BENEFITS EXPENSE As at 31/03/2019

Salaries & Wages	2,635,645	
Staff Welfare Expense	73,250	

Directors Remuneration		6,565,000
	TOTAL	9,273,895

NOTE : 19 FINANCE COST

As at 31/03/2019

Bank and other Financial Charges		12,722
Interest Expense		1,898,280
	TOTAL	1,911,002

NOTE : 20 OTHER EXPENSES

As at 31/03/2019

Power & Fuel		38,670
Administrative Expenses		
Payment to Auditor		
As Auditor :		
Statutory Audit Fees		85,000
Advertisement Expense		423,707
Legal , Professional & Consultancy Exp.		320,994
Insurance expense		139,026
Office & Godown Rents		1,138,907
Office Expenses		62,738
Conveyance expense		8,883
Repairing and Maintenance Expense		320,949
ROC Filing Fees		110,800
Compliance Fees in BSE, NSDL and CDSL		291,182
Kasar & Vataav expense		244
Petrol & Diesel		2,576
Postage and Courier expense		31,494
Printing and Stationery expense		40,597
Telephone expense		40,932
Preliminary Expense Written Off		606,836
Custom Duty		309,848
Rate & Taxes		52,528
Other Administrative Expenses		119,550
Travelling expense		805,202
Membership Fees		24,000
Selling & Distribution Expenses		
Loading & Unloading Charges		32,661
Discount		41,187
Clearing and forwarding Expense		148,877
Packing Expense		174,431
Freight & Octroi expenses		249,177
	TOTAL	5,620,996

NOTE : 21 EARNING PER SHARE

As at 31/03/2019

i) Net profit after tax as per statement of profit and attributable to Equity Shareholders (Rs. in Lakhs)	loss	2,720,810
ii) Weighted Average number of equity shares used as denominator for calculating EPS		10,759,408
iii) Basic & Diluted Earning per share (Rs.)		0
iv) Face value per equity share (Rs.)		10

KEMISTAR CORPORATION LIMITED

NOTES TO FINANCIAL STATEMENTS

NOTE - 1 : FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.2018	Additions	Sales/ Transfers	As at 31.3.2019	As at 31.3.2018	For the Year	Adjustment Sales/ Transfers	As at 31.3.2019	As at 31.3.2019	As at 31.3.2018
<u>Tangible Assets</u>										
Land	24,781,032	854,891	-	25,635,923	-	-	-	-	25,635,923	24,781,032
Building	441,742	-	-	441,742	120,675	15,636	-	136,311	305,431	321,067
Computer System	80,941	29,238	-	110,179	80,941	710	-	81,651	28,528	-
Plant and Equipments	636,390	7,250	-	643,640	274,781	75,023	-	349,804	293,836	361,609
Furniture and Fixtures	305,854	-	-	305,854	276,170	7,562	-	283,732	22,122	29,684
Vehicles	6,778,965	-	-	6,778,965	4,258,358	769,728	-	5,028,086	1,750,879	2,520,607
Office and Equipments	407,164	-	-	407,164	334,331	10,922	-	345,253	61,911	72,833
<u>Intangible Assets</u>										
Goodwill	-	91,361,905	-	91,361,905	-	-	-	-	91,361,905	-
TOTAL	33,432,088	92,253,284	-	125,685,372	5,345,256	879,581	-	6,224,837	119,460,535	28,086,832

Kemistar Corporation Ltd.

Cash flow statement for the year ended 31st March' 2019

(Amount in Rupees)

Particulars	For the year ended 31st March,2019	
	Amount	Amount
(A) Cash flow from operating activities		
(1) Net profit after tax and extraordinary items	-	-
ADD:(i) Depreciation Written off	879,581	2,720,810
(ii) Provision for income tax	357,692	
(iii) Preliminary Expense	-	
(iv) Transfer to General Reserves	-	
LESS: (i) Deferred tax Asset	56,742	
(ii) Kasar and vatav (Income Tax Provision of earlier Year W/o)	324,852	
		855,679
(2) Operating profit before working capital changes		3,576,489
Working capital changes		
Add: (i) Decrease in Current Assets (Except Cash & Cash Equivalents)	15,441,566	
(ii) Increase in Current Liabilities	11,711,018	
Less: (i) Decrease in Current Liabilities	10,588,841	
(ii) Increase in Current assets (Except Cash & Cash Equivalents)	27,893,361	(11,329,618)
(3) Cash generated from operating before tax		(7,753,129)
Less: Income Tax Paid		167,253
(4) Cash flow before extraordinary items		(7,920,382)
Add/ (less) extraordinary items		
Net cash inflow / outflow from operating activities		(7,920,382)
After tax & extraordinary items		
(B) Cash flow from investing activities		
Add : Proceeds on account of changes in Investments	(107,308,054)	
Less : Purchase of Fixed assets & Investments	2,622,635	
Net Cash inflow / outflow from investing activities		(109,930,689)
(C) Cash flow from financing activities		
Add : Changes in Long term Loans & Advances	8,777	
Proceeds of Share Capital	88,930,160	
Increase In securities premium	31,289,532	
Less : Advances given	1,738,664	
Less : Repayment of Loans	2,000,689	
Net cash inflow / outflow from financing activities		116,489,116
(D) net increase / decrease in cash & cash equivalent		(1,361,955)
(E) Add: Cash & Cash Equivalents in the beginning of the year		4,038,646
(F) Cash & Cash Equivalents at the end of the year		2,676,691

For, S. D. Mehta & Co.

Chartered Accountants

FRN: 137193W

Sd/-

Shaishav D. Mehta

Partner

M.No. 032891

Place: Ahmedabad

Date: 30th May, 2019

For and on behalf of the board of

Kemistar Corporation Limited

Sd/-

Ketankumar Patel (Managing Director)

DIN : 01157786

Sd/-

Vasantbhai Savalia (CFO)

Sd/-

Parshottambhai Patel (Director)

DIN: 02458676

Sd/

Surya Menon

CS (A52378)

Note 22: Notes to the financial Statements

1. Basis of preparation of financial statements

(i) Statement of compliance and basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ("the Companies Act"), as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The financial statements correspond to the classification provisions contained in Ind AS 1, "Presentation of Financial Statements". For clarity, various items are aggregated in the statements of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable. All amounts included in the financial statements are reported in Indian rupees. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

(ii) Basis of measurement

These financial statements have been prepared on a historical cost convention and on an accrual basis.

(iii) Use of estimates and judgment

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

- (a) **Revenue recognition:** The Company uses the accrual method for income earned for sale of goods.
- (b) **Impairment testing:** Investments in subsidiaries are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value.
- (c) **Income taxes:** Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.
- (d) **Deferred taxes:** Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

2. Significant accounting policies

(i) Functional and presentation currency

These financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Company.

(ii) Foreign currency transactions and translation

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the exchange rates prevailing at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains/(losses), net within results of operating activities.

(iii) Financial instruments

(a) *Non-derivative financial instruments:*

Non derivative financial instruments consist of:

- Financial assets, which include cash and cash equivalents, trade receivables, employee and other advances, investments in equity and debt securities and eligible current and noncurrent assets;
- financial liabilities, which include long and short term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.

Non derivative financial instruments are recognized initially at fair value. Financial assets are re-recognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset. Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

A. Cash and cash equivalents

The Company's cash and cash equivalents consist of cash on hand and in banks.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in banks.

B. Investments

Investments in equity instruments:

The Company carries certain Liquid funds which are registered under SEBI and traded on Stock Market, the said funds are not held for trading. The company has recorded its investment in equity instruments at its acquisition cost.

Investments in subsidiaries:

Investment in subsidiaries is measured at cost less impairment.

C. Other financial assets:

Other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. The company has not opted for measuring such assets at amortized cost as there is no fixed expectation of that asset being recovered in future. These comprise trade receivables, unbilled revenues, cash and cash equivalents and other assets.

D. Trade and other payables

Trade and other payables are initially recognized at fair value. For these financial instruments, the carrying amounts approximate fair value due to the short term maturity of these instruments.

(b) Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition. If the Company retains substantially all the risks and rewards of a transferred financial asset, the Company continues to recognise the financial asset and also recognizes a borrowing for the proceeds received. Certain financial instruments have been derecognized in event of non-holding of control over such asset and such assets were not reasonably expected to fetch any future cash inflows, and the same have been written off.

A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

(iv) Equity

(a) Share capital and share premium

The Authorized share capital of the Company as of March 31, 2019, is Rs. 12,00,00,000/- divided into 1,20,00,000 equity shares of Rs. 10 each. The Paid Up share capital of the company as of March 31, 2019 is Rs. 10,75,94,080/- divided into 1,07,59,408 equity shares of Rs. 10 each. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as share premium. Every holder of the equity shares, as reflected in the records of the Company as of the date of the shareholder meeting shall have one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

(b) Retained earnings

Retained earnings comprises of the Company's undistributed earnings after taxes including earlier years' carried forward retained earnings.

(v) Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

(b) Depreciation

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are available for use. Freehold land is not depreciated. The estimated useful life of assets are reviewed and where appropriate are adjusted, annually. The estimated useful lives of assets are as follows:

Category	Useful life
Buildings	28 to 40 years
Computer equipment and software	2 to 7 years

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. The cost of property, plant and equipment not available for use as at each reporting date is disclosed under capital work-in-progress.

(vi) Impairment*(A) Financial assets*

The Company applies the expected credit loss model for recognizing trade receivables and other financial assets. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using effective interest rate.

Loss allowances for trade receivables and lease receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix which takes in to the account historical credit loss experience adjusted for forward looking information.

(vii) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

(viii) Revenue

The Company derives revenue primarily from trading of chemical products Activity.

(a) Products

Revenue from products are recognized when the significant risks and rewards of ownership have been transferred to the buyer, continuing managerial involvement usually associated with ownership and effective control have ceased, the amount of revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(b) Others

- Revenues are shown net of Goods and Service Tax and applicable discounts and allowances.
- The company has made investment in certain liquid funds which are held for investment for a period shorter than 12 months. During the year company has made gains out of sale of such investments and the same has been considered under the head Other Income.

(ix) Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss.

a. Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

b. Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements,

except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and foreign branches where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

(x) Earnings per share

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period.

3. Notes on Transition to Ind AS

These financial statements are prepared in accordance with Ind AS. For years up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with Indian GAAP (i.e. Previous GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS for periods ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018.

4. Related Party Disclosures As Per Ind AS 24

Names of related parties and description of relationship from/ to which following transactions were entered during the year:

a) The related parties are :

Sr. No.	Names of related parties	Nature of relationship
1	AGR-EH Technologies Pvt. Ltd.	Associate Enterprise
2	K P International Pvt. Ltd.	Wholly owned Subsidiary Co.

b) The Company has entered into the following transactions with the related parties for the year ended March 31, 2019

Sr. No.	Nature of Transaction	Name of person / entity	Amount (Rs.)
			2019
1	Purchase	AGR-EH Technologies Pvt. Ltd.	56,081/-
2	Sales	AGR-EH Technologies Pvt. Ltd.	44,840/-
3	Investment in Shares (Through Swap agreement)	K P International Pvt. Ltd.	10,73,08,054/-

The Company has the following balances outstanding as of March 31, 2019

Balances at the year end	Name of individual / entity	Amount (In Rs.)
		2019
Under the Head Investment	K P International Pvt. Ltd.	10,73,08,054/-

For, S. D. Mehta & Co.
Chartered Accountants
FRN: 137193W

Shaishav D. Mehta
Partner
M.No. 032891
Place: Ahmedabad
Date: 30th May, 2019

For and on behalf of the board of
Kemistar Corporation Limited

Sd/-
Managing Director
DIN : 01157786

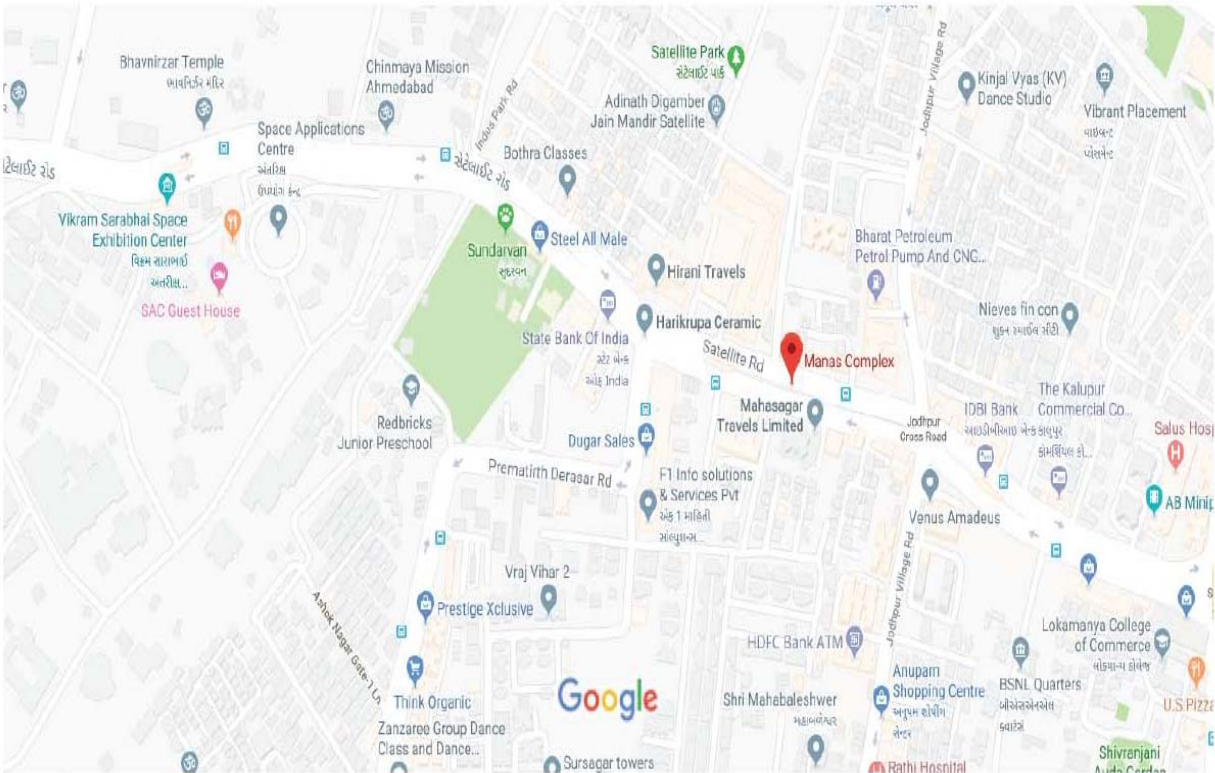
Sd/-
Vasantbhai Savalia (CFO)

Sd/-
Director
DIN: 02458676

Sd/-
Surya Menon
CS (A52378)

Manas Complex

AGM Venue



Kemistar Corporation Limited
 CIN: L24233GJ1994PLC022845
 604, Manas Complex, Jodhpur Cross Road, Satellite, Ahemdabad – 380015
 Phone: 079 26923570
 Email: kemistarnbse@gmail.com | website: www.kemistar.in

25th Annual General Meeting – 20th September, 2019

ATTENDANCE SLIP

Regd. Folio/ DP & Client No.	
No. Shares held	

Name of Member: _____
 Name of Proxy : _____

(I hereby record my presence at the 25th Annual General Meeting of the Company at 604, Manas Complex, Jodhpur Cross Road, Satellite, Ahmedabad-380015 on Friday, 20th September, 2019 at 11:00 AM

 Member's / Proxy's Signature
 (To be signed at the time of handing over this slip)

Note:

1. Please fill the attendance slip and hand over at the registered office of the Company.
2. Members/Proxy Holders/ Authorized Representative are requested to show their Photo ID proof for the attending the meeting.
3. Authorized Representative of corporate members shall produce proper authorization issue in their favour.



Kemistar Corporation Limited
 CIN: L24233GJ1994PLC022845
 604, Manas Complex, Jodhpur Cross Road, Satellite, Ahemdabad – 380015
 Phone: 079 26923570
 Email: kemistarnbse@gmail.com | website: www.kemistar.in

25th Annual General Meeting – 20th September, 2019

PROXY FORM

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

Name of the Member : _____
 Registered Address : _____
 E mail ID : _____
 Folio/DP ID Client ID : _____

I/we being the member of _____ equity shares of Kemistar Corporation Limited, hereby appoint

Name :	_____	Email Id :	_____
Address :	_____	Signature:	_____

Name :	_____	Email Id :	_____
Address :	_____	Signature:	_____

Name :	_____	Email Id :	_____
Address :	_____	Signature:	_____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual general meeting of the company, to be held on Friday the 20th of September 2019 at 11:00 Am at 604(place) and at 604, Manas Complex, Jodhpur Cross Road, Satellite, Ahemdabad – 380015 and at any adjournment thereof in respect of such resolutions as are indicated overleaf



Resolution	Vote		
	For	Against	Abstain
ORDINARY BUSINESSES			
1. Adoption of Financial statements, Board Report and annexure there of.			
2. Appointment of Auditors and fixing of their remuneration			
SPECIAL BUSINESSES			
3. Regularisation of Appointment of Mr. Parshottambhai M. Patel as the Non- Executive Director of the Company.			
4. Regularization of Appointment of Mr. Ketankumar P. Patel as the Managing Director of the Company			
5. Incorporation of Overseas Subsidiary Company			

Signed on this _____ day of _____, 2019.

Signature of member (s)

Signature of proxy holder (s)

Affix
Revenue
Stamp of not
less than 1/-

Notes:

1. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 25th Annual General Meeting.
2. 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.
3. A Proxy need not be a member of the Company.
4. It is optional to indicate your preference. If you leave 'For,' 'Against' or 'Abstain' column blank against any or all of the resolutions, your Proxy will be entitled to vote in any manner as he/she may deem appropriate.

Book Post

If undelivered please return to:

Kemistar Corporation Limited
604, Manas Complex,
Jodhpur Cross Road,
Satellite, Ahmedabad - 380015