



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

November 10, 2020

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

Scrip code: 531163
Security ID: Kemistar

Dear Sir,

Sub: Revised Annual Report for FY 2019-20

We would like to inform you that there was an inadvertent typographical error in the notes to accounts from note 1-21 i.e. pg no. 86-92 of the Consolidated Financial Statement in the Annual Report 2019-20 uploaded by the company. The consolidated balance sheet, profit and loss statement and the cashflow statement does not have any changes and shows true, fair and correct information.

We hereby attach the revised Annual Report 2019-20 with the corrections.

Kindly take the same on record.

Thanking you,

Yours Faithfully,

For, Kemistar Corporation Limited


Sheeja Mohan
Company Secretary

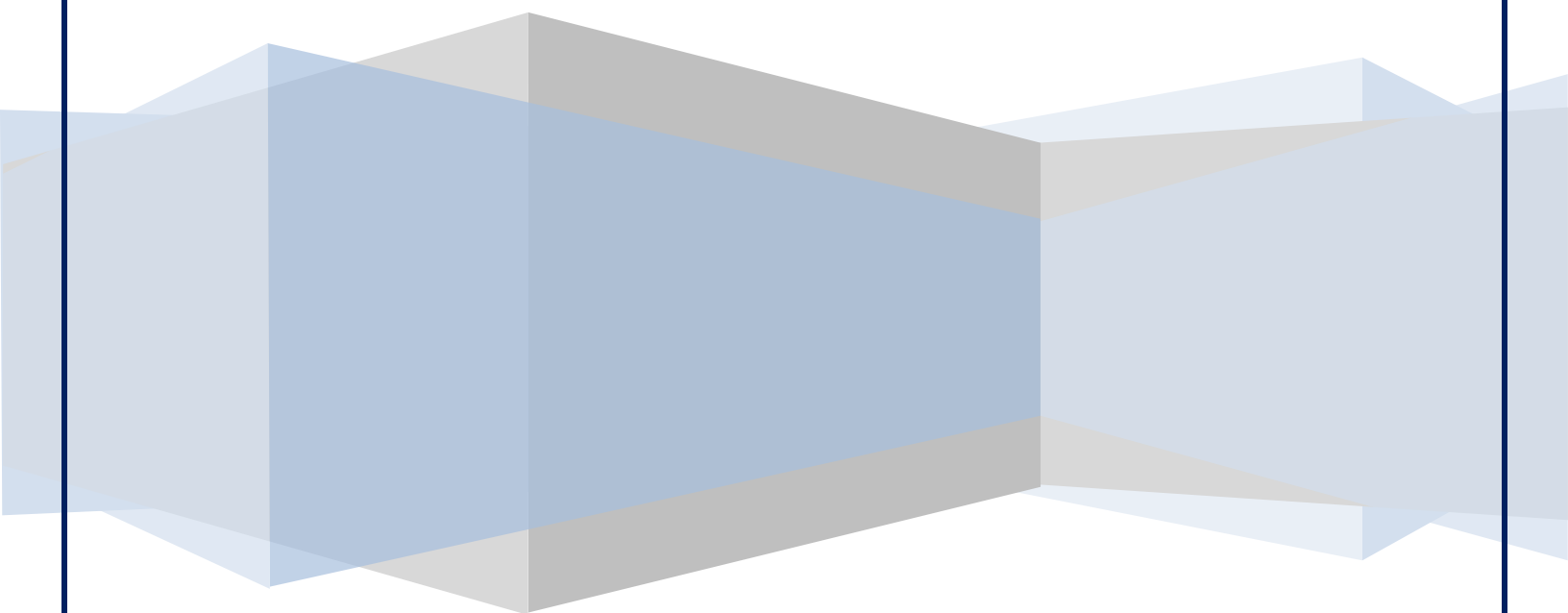


KEMISTAR CORPORATION LIMITED

CIN: L24233GJ1994PLC022845

ANNUAL REPORT

2019-20



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BOARD OF DIRECTORS

Mr. Ketankumar Patel	-	Managing director
Mr. Maheshkumar Baldha	-	Independent Director
Mr. Parshottambhai M. Patel (Upto 14.02.2020)	-	Non Executive Director
Mrs. Nayanaben Patel (Upto 14.02.2020)	-	Independent Director
Mr. Hrishikesh Dipakbhai Rakholia (From 14.02.2020)	-	Non Executive Director
Mrs. Falguni Patel (From 06.07.2020)	-	Independent Director

COMPANY SECRETARY

Ms. Sheeja Mohan (From 14.02.2020)
(* Ms. Surya Menon (upto 25.01.2020))

STATUTORY AUDITOR

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

SECRETARIAL AUDITOR

M/s. 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, Shangrila Arcade,
Shyamal Cross Road,
Satellite, Ahmedabad – 380015
Email: accurate.rta@gmail.com

NOTICE

NOTICE is hereby given that the **Twenty Sixth Annual General Meeting** of the Members of Kemistar Corporation Limited (the "Company") will be held on Tuesday, September 29, 2020 at 12:00 noon through Video Conferencing/ Other Audio Visual Means 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, 2020 and the reports of the Board of Directors ("The Board") and Auditors Report thereon.**

SPECIAL BUSINESS:-

2. **Regularization of Mr. Hrishikesh Dipakbhai Rakholia (DIN: 08699877) as Non Executive Non Independent 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 there under, Articles of Association of the Company and any other applicable laws for the time being in force, Mr. Hrishikesh Dipakbhai Rakholia, (DIN- 08699877), who was appointed as an Additional Director of the Company w.e.f. February 14, 2020 by the Board of Directors of the Company in their meeting, be and is hereby appointed as a Non- Executive Non-Independent Director of the Company, whose period of Office shall be liable to determination by retirement of Directors 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 take steps as may be necessary to give effect to this resolution"

3. **Regularization of Ms. Falguni Patel (DIN: 08781512) as Independent 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 there under, Articles of Association of the Company and any other applicable laws for the time being in force, Ms. Falguni Patel (DIN: 08781512), who was appointed as an Additional Director of the Company w.e.f. July 06, 2020 by the Board of Directors of the Company in their meeting, be and is hereby appointed as a Non-Executive Independent Director of the Company, to hold office for a period of 5 (five) consecutive years, with effect from the date of this Meeting and that she shall not be 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 take steps as may be necessary to give effect to this resolution”

Place: Ahmedabad
Date: 28 August, 2020

by order of the 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. In view of the massive outbreak of the Covid-19 pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 prescribing the procedures and manner of conducting the Annual General Meeting (AGM) through VC/ OAVM. In terms of the said circulars, the 26th Annual General Meeting (AGM) of the members of the Company will be held through VC/OAVM. So that members can attend and participate in the AGM through VC/OAVM only. The Members are requested not to visit Corporate Office / Registered Office to attend the AGM.
2. Printed copy of the Annual report (Including Notice) is not being sent to the Members in view of e-AGM Circular.
3. The detailed procedure for participation in the meeting through VC/OAVM is available at the Company's website www.kemistar.in.
4. The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by NSDL.
6. AGM convened through VC/OAVM is in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
7. The attendance of Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning quorum under Section 103 of the Companies Act, 2013.
8. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, Pursuant to Section 112 and Section 113 of the Companies Act, 2013, representatives of the President of India or the Governor of State or the Body Corporates are entitled to attend the AGM through VC/OAVM and cast their votes through e-voting.
9. 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.

10. 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.
11. 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 Director's Report and Accounts.
12. The register of Members and the share Transfer Books of the Company will remain closed from September 19, 2020 to September 29, 2020 (both days inclusive) for the purpose of 26th Annual General Meeting.
13. The Company has appointed Mr. Rohit Periwal, Company Secretary to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.
14. 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.
15. 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.
16. 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.
17. 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.
18. 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.
19. 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 29, 2020 on all days (except Saturdays, Sundays and public holidays).
20. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company at least 7 (Seven) days before the date of the Meeting so that the information required may be made available at the Meeting.
21. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

22. 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.

23. Information and instructions relating to Remote e-voting and Video Conferencing/Other Audio Visual Means are as under:

- I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL.
- II. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
- III. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
- IV. The attendance of the Members attending the EGM/AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- V. 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.
- VI. The remote e-voting period commences on September 26, 2020 (9:00 am) and ends on September 28, 2020 (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 23, 2020, 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 is 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***

5. 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.

6. 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.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is 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 rpassociates94@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

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to kemistarbse@gmail.com.

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to kemistarbse@gmail.com.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be

available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

2. Members are encouraged to join the Meeting through Laptops for better experience. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
3. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
4. Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (kemistarbse@gmail.com). The same will be replied by the company suitably.

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

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

ITEM NO. 02

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (“the Act”) and the Articles of Association of the Company, had appointed Mr. Hrishikesh Dipakbhai Rakholia, (DIN- 08699877) as an Additional Director of the Company with effect from February 14, 2020. Pursuant to Section 161(1) of the Act, Mr. Hrishikesh Dipakbhai Rakholia holds office up to the date of this meeting. Mr. Hrishikesh Dipakbhai Rakholia is not disqualified from being appointed as a director in terms of Section 164 of the Act and has given his consent to act as a director. Details of Mr. Hrishikesh Dipakbhai Rakholia are provided in the “Annexure” to the Notice, pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and (ii) Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.

Mr. Hrishikesh Dipakbhai Rakholia is interested in the resolution set out at Item No. 2 of the Notice with regard to his appointment.

Relatives of Mr. Hrishikesh Dipakbhai Rakholia may be deemed to be interested in the resolution to the extent of their shareholding, if any, in the Company. Save and except the above and the Managing Director, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution. The Board recommends the Ordinary Resolution set out at Item No. 2 of the Notice for approval by the members.

ITEM NO. 03

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (“the Act”) and the Articles of Association of the Company, had appointed Ms. Falguni Patel, (DIN- 08781512) as an Additional Director of the Company with effect from July 06, 2020. Pursuant to Section 161(1) of the Act, Ms. Falguni Patel holds office up to the date of this meeting. Ms. Falguni Patel is not disqualified from being appointed as a director in terms of Section 164 of the Act and has given his consent to act as a director. Details of Ms. Falguni Patel are provided in the “Annexure” to the Notice, pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and (ii) Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.

Ms. Falguni Patel is interested in the resolution set out at Item No. 3 of the Notice with regard to his appointment.

Relatives of Ms. Falguni Patel may be deemed to be interested in the resolution to the extent of their shareholding, if any, in the Company. Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution. This statement may also be regarded as an appropriate disclosure under

the Act and the Listing Regulations. The Board commends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the members.

Place: Ahmedabad
Date: 28 August, 2020

by order of the 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

ANNEXURE TO EXPLANATORY STATEMENT

Information pursuant to Regulation 36(3) of the SEBI (Listing Obligation 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. Hrishikesh Rakholia	Ms. Falguni Patel
DIN	08699877	08781512
Father/Husband's Name	Dipakbhai Patel	Babubhai Patel
Date of Birth	24.10.1997	28.08.1979
Date of Appointment	14.02.2020	06.07.2020
Qualification	Graduation	Diploma
Name of Companies in which he is director	NIL	NIL
Name of companies in which he is a member/chairman in the committee	NIL	NIL
Disclosure of Relationship with other Directors, Manager and Key Managerial Personnel of the company	Nephew of Mr. Ketankumar Patel, Managing Director	Not related to any Director/Key Managerial Personnel
Specific functional areas	Expertise in Chemical Industry	Experienced in various working of a company
Shareholding in the company as on 31 st March 2020	NIL	NIL
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	0	0

BOARD REPORT

To
The Members,
KEMISTAR CORPORATION LIMITED

Your Directors have pleasure in submitting their **TWENTY SIXTH ANNUAL REPORT** of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2020.

1. FINANCIAL RESULTS:-

(In Rs.)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Income from operations	440.84	310.64	1414.49	1007.15
Income from other heads	18.85	13.13	33.55	19.29
Total Expenditure	437.11	309.46	1390.15	989.82
Profit Before Tax	22.59	14.31	57.89	36.62
Profit After Tax	16.76	10.70	42.81	27.21
Basic and diluted EPS	0.16	0.10	0.40	0.25

2. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

Your company sustained and achieved total income Rs. 459.69 Lakh as compared to previous year Rs. 323.77 Lakh

- 1. Domestic Sales:** - The domestic sales Increased to Rs. 440.84 Lakh as compared to previous year Rs 310.64 Lakh
- 2. Other Income:-** Other income increased to Rs. 18.85 Lakh as compared to previous year Rs. 13.13 Lakh

The Company is rapidly expanding due to favorable condition of Indian Environment in Specialty Chemical sectors. Company's Profitability increased by 64.29% from Previous Financial Year

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 neither issued any shares with differential voting rights nor granted any stock Option nor any sweat Equity Shares.

4. DIVIDEND

In absence of adequate profit, your Directors are unable to recommend any dividend for the year ended 31st March 2020.

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, 2020 was Rs. 16.31 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 31.03.2020

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

The Company has not provided any loan or given any guarantee or provided security in connection with such loan or made any investment in the securities of anybody corporate pursuant to section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

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:

- | | |
|---------------------------------------|-------------------------------|
| 1) Mr. Hrishikesh Dipakbhai Rakholia | : Appointed w.e.f. 14.02.2020 |
| 2) Ms. Falguni Patel | : Appointed w.e.f. 06.07.2020 |
| 3) Mr. Parshottambhai Patel | : Resigned w.e.f. 14.02.2020 |
| 4) Mrs. Nayana Atulkumar Patel | : Resigned w.e.f. 14.02.2020 |
| 5) Ms. Surya Menon(Company Secretary) | : Resigned w.e.f. 25.01.2020 |

2. Key Managerial Personnel:

The following are designated as Key Managerial Personnel as on 31.03.2020

- 1) Mr. Ketankumar Patel (Managing Director) : Appointed w.e.f. 11.01.2019
- 2) Ms. Sheeja Mohan (Company Secretary) : Appointed w.e.f 14.02.2020
- 3) Mr. Vasantbhai Savalia (Chief Financial Officer) : Appointed w.e.f 31.03.2018

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, 2015.

11. PERFORMANCE EVALUATION OF THE BOARD

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 detail of this policy is explained in the Corporate Governance Report and also available on www.kemistar.in.

13. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

Five Board Meetings were held during the 12 months accounting period ended March 31, 2020. The dates of such Board Meeting are as below:

Sr. No.	Date of Board Meeting
1.	April 17, 2019
2.	May 30, 2019
3.	August 12, 2019
4.	November 14, 2019
5.	February 14, 2020

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:

The company appointed M/s S. D. Mehta & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 137193W) as Statutory Auditor of the company in the 25th Annual General Meeting for a period of 4 consecutive years, i.e. till the conclusion 29th AGM of the Company.

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

There were no qualifications, reservations or adverse remarks made by the Auditors 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**

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 34 of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2016, form an internal part of this report.-**Annexure D**

19. MANAGEMENT DISCUSSION AND ANALYSIS

In terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) 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 director of the Company has sought the professional services M/s. Rohit Periwal & Associates, Practicing Company Secretary to conduct Secretarial Audit for FY 2019-20. The Secretarial Audit Report for the financial year end 31.03.2020 is provided in the Annual Report. - **Annexure F**

The Secretarial Audit Report confirms that the Company 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 any 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 is provided in the Annual Report as **Annexure 'G'**

23. RELATED PARTY TRANSACTIONS

During the year 2019-20, the Company had no contracts or arrangements with its related parties as under Section 188(1) of the Companies Act, 2013. There was **NIL** transaction with related parties for the current year.

24. FOREIGN EXCHANGE EARNINGS AND OUTGO

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 and Clause 49 of the Listing Agreement, 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. The Vigil Mechanism and Whistle Blower Policy has been posted on the website of the Company at www.kemistar.in.

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 2019-20, no complaints were received by the Committee.

28. COST AUDITORS

The section 148 of Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014 and other applicable provisions, if any, are not applicable to the Company. The Board of Directors of your company had not appointed Cost Auditor for obtaining Cost Compliance Report of the company for the financial year 2019-20.

29. 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.

30. STATUS OF LISTING FEES

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

31. DECLARATION OF INDEPENDENT DIRECTORS

The Company has received declarations from all the independent Directors of the Company confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations.

32. 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.

33. STOCK EXCHANGES

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

34. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with all the applicable provisions of Secretarial Standard – 1 and Secretarial Standard – 2 relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively issued by Institute of Company Secretaries of India.

35. 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 acknowledge gratefully the shareholders for their support and confidence reposed on your Company.

**by order of board of directors
for, and on behalf of the Company**

Place: Ahmedabad

Date: 28 August, 2020

Registered Office:

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

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

Sd/-
Hrishikesh Rakholia
Director
(DIN: 08699877)

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: 1,22,71,647/-
7. Total assets: 3,35,32,856/-
8. Total Liabilities: 31269457/-
9. Investments: 25,07,513
10. Turnover: 9,73,64,618
11. Profit before taxation : 35,30,011
12. Provision for taxation : 9,45,372
13. Profit after taxation : 26,04,608
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	2019-2020	2018-19
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

(Form for disclosure of particulars with respect to absorption)
Research and Development (R & D):

1. Special areas in which R&D carried out by the Company.
2. Benefits derived as a result of the above R &D.
3. Future plan of action.
4. Expenditure on R & D.

Technology absorption, adaptation and innovation:

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.
2. Benefits derived as a result of the above efforts.
3. In case of imported technology:
 - (a) Technology imported
 - (b) Year of import
 - (c) Has technology been fully absorbed?
 - (d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action

The production technology is indigenously developed and the company is carrying out its activities with its trained and experienced staff.

There is no separate R & D

The technology has been developed has fully absorbed the production indigenously and the Company has technology.

The Company has not sued any imported technology.

Annexure -C**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****As on financial year ended on 31.03.2020****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

(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	Pigment, Dyes, Intermediates and Other Chemical Products	24224	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. 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

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of	No. of Shares held at the beginning of the year	No. of Shares held at the end of the	%
-------------	---	--------------------------------------	---

Shareholders	[As on 31-March-2019]				year [As on 31-March-2020]				Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	8046368	0.00	8046368	74.78	8046368	0.00	8046368	74.78	0.00
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)	8046368	0.00	8046368	74.78	8046368	0.00	8046368	74.78	0.00
(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)	8046368	0	8046368	74.78	8046368	0.00	8046368	74.78	0.00
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) FIIs	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

(B)(1):-									
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	848	1420	2268	0.02	5191	848	6039	0.06	0.04
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	27072	78308	105380	0.98	64271	70400	134671	1.25	0.27
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2456048	64344	2520392	23.43	2468351	15216	2483567	23.08	-0.34
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	85000.00	0.00	85000.00	0.79	88424.00	0.00	88424.00	0.82	0.03
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	0.00	0.00	0.00	0.00	339.00	0.00	339.00	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):-	2568968	144072	2713040	25.22	2626237	86464	2713040	25.22	0.00
Total Public (B)	2568968	144072	2713040	25.22	2626237	86464	2713040	25.22	0.00
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)	10615336	144072	10759408	100	10672605	86464	10759408	100	0.00

(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	1113014	10.34	0.00	1113014	10.34	0.00	0.00
2	Dipakkumar Parashottamdas Patel	18272	0.17	0.00	18272	0.17	0.00	0.00
3	Anilkumar C. Thaker	3472	0.03	0.00	3472	0.03	0.00	0.00
4	Kanani Anilkumar Devrajbhai	14400	0.13	0.00	14400	0.13	0.00	0.00
5	Induben Maheshkumar Kanani	40	0.00	0.00	0	0.00	0.00	0.00
6	Maheshkumar Popatlal Kanani	5040	0.05	0.00	0	0.00	0.00	-0.05
7	Dilipkumar Popatlal Kanani	5060	0.05	0.00	0	0.00	0.00	-0.05
8	Parshottambhai Mohanlal Patel	1833990	17.05	0.00	1833990	17.05	0.00	0.00
9	Anjana Ketankumar Patel	1354300	12.59	0.00	1364440	12.68	0.00	0.09
10	Hiralben Dipakkumar Patel	612000	5.69	0.00	612000	5.69	0.00	0.00
11	Shantaben Parashottamdas Patel	1213800	11.28	0.00	1213800	11.28	0.00	0.00
12	Savalia Vasantbhai B	20040	0.19	0.00	20040	0.19	0.00	0.00
13	Mathurbhai Manjibhai Jogani	16400	0.15	0.00	16400	0.15	0.00	0.00
14	Patel Parshottamdas M (Huf)	836400	7.77	0.00	836400	7.77	0.00	0.00
15	Patel Dipakkumar Parashottmdas (Huf)	338640	3.15	0.00	338640	3.15	0.00	0.00
16	Patel Ketankumar Parashottamdas Huf	661500	6.15	0.00	661500	6.15	0.00	0.00

(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	INDUBEN MAHESHKUMAR KANANI						
	At the beginning of the year	01-04-19		40	0.04%	40	0.04%
	Changes during the year	23-08-19	Transfer	(40)	0.00%	-	-
	At the end of the year	31-03-20		-	0.00%	-	0.00%

2	MAHESHKUMAR POPATLAL KANANI						
	At the beginning of the year	01-04-19		5,040	0.05%	5,040	0.10%
	Changes during the year	23-08-19	Transfer	(5,040)	-0.05%	-	0.00%
	At the end of the year	31-03-20		-	0.00%	-	0.00%

3	DILIPKUMAR POPATLAL KANANI						
	At the beginning of the year	01-04-19		5,060	0.05%	5,060	0.10%
	Changes during the year	23-08-19	Transfer	(5,060)	-0.05%	-	0.00%
	At the end of the year	31-03-20		-	0.00%	-	0.00%

4	ANJANA KETANKUMAR PATEL						
	At the beginning of the year	01-04-19		1,354,300	12.59%	1,354,300	12.59%
	Changes during the year	23-08-19	Allot	10,140	0.09%	1,364,440	12.68%
	At the end of the year	31-03-20		1,364,440	12.68%	1,364,440	12.68%

(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	01-04-19		145,000	1.35%	145,000	1.35%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-03-20		145,000	1.35%	145,000	1.35%

2	ANITABEN ASHISHKUMAR GANDHI						
	At the beginning of the year	01-04-19		100000.00	0.93	100000.00	0.93
	Changes during the year			0.00	0.00	0.00	0.00
	At the end of the year	31-03-20		100000.00	0.93	100000.00	0.93
3	DHIREN KANUBHAI PATEL (HUF)						
	At the beginning of the year	01-04-19		85000.00	0.79	85000.00	0.79
	Changes during the year			0.00	0.00	0.00	0.00
	At the end of the year	31-03-20		85000.00	0.79	85000.00	0.79
4	CHANDRIKA RAMESHBHAI HARKHANI						
	At the beginning of the year	01-04-19		80000.00	0.74	80000.00	0.07
	Changes during the year				0.00		0.00
	At the end of the year	31-03-20		80000.00	0.74	80000.00	0.74
5	RAMESH JADAVBHAI HARKHANI						
	At the beginning of the year	01-04-19		80000.00	0.74	80000.00	0.74
	Changes during the year				0.00		0.00
	At the end of the year	31-03-20		80000.00	0.74	80000.00	0.74
6	AARTIBEN JAGDISHBHAI THAKKAR						
	At the beginning of the year	01-04-19		80000.00	0.74	80000.00	0.74
	Changes during the year				0.00		0.00
	At the end of the year	31-03-20		80000.00	0.74	80000.00	0.74
7	JAGDISHKUMAR AMRUTLAL						

	AKHANI						
	At the beginning of the year	01-04-19		80000.00	0.74	80000.00	0.74
	Changes during the year				0.00		0.00
	At the end of the year	31-03-20		80000.00	0.74	80000.00	0.74
	SMITABEN KIRITBHAI PATEL						
8	At the beginning of the year	01-04-19		80000.00	0.74	80000.00	0.74
	Changes during the year				0.00		0.00
	At the end of the year	31-03-20		80000.00	0.74	80000.00	0.74
	UPENDRA GORDHANBHAI RABADIA						
9	At the beginning of the year	01-04-19		80000.00	0.00	80000.00	0.74
	Changes during the year				0.00		0.00
	At the end of the year	31-03-20		80000.00	0.74	80000.00	0.74
	DARSHAN DHANPRASAD DAVE						
10	At the beginning of the year	01-04-19		80000.00	0.74	80000.00	0.74
	Changes during the year				0.00		0.00
	At the end of the year	31-03-20		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		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	KETANKUMAR PARASHOTTAMDA S PATEL						
	At the beginning of the year	01-04-19		1,113,014	10.34%	1,113,014	10.34%
	Changes during the			-	0.00%	-	0.00%

	year						
	At the end of the year	31-03-20		1,113,014	10.34%	1,113,014	10.34%
2	PARASHOTTAMBH AI MOHANLAL PATEL*						
	At the beginning of the year	01-04-19		1,833,990	17.05%	1,833,990	17.05%
	Changes during the year				0.00%		0.00%
	At the end of the year	31-03-20		1,833,990	17.05%	1,833,990	17.05%

* Ceased to be Director w.e.f. 14.02.2020

V. INDEBTEDNESS

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

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				-
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition				-
* Reduction				-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount				-
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
Total (i+ii+iii)	-	-	-	-

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
	Name		(Rs/Lac)
	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)
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)
		Designation	CEO	CFO	CS	
	Name		Vasantbhai Savalia	*Surya Menon	**Sheeja Mohan	
1	Gross salary	-	-	1.84	0.51	2.35
	(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					-
5	- others, specify					-
	Others, please specify					-
	Total	-	-	1.84	0.51	-

*Resigned w.e.f. 25.01.19

** Appointed w.e.f. 14.02.20

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 SEBI (Listing Obligation and Disclosure Requirement). This Report sets out the Compliance status of the company with the requirements of Corporate Governance for Financial Year 2019-20.

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.

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 SEBI (Listing Obligation and Disclosure Requirement 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

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 2019-20, 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, 2020, the total strength of Board of Directors consists of 3 directors, comprising of:-

Category	No.	Percentage to total No. of Directors
Executive Directors	1	33.33%
Non Executive Non Independent	1	33.33%
Non Executive Independent	1	33.33%
Total	3	100%

A. The constitution of the Board as on 31.03.2020

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. Parshottamdas Patel*	Director	Non Executive	NIL	NIL
Mr. Maheshkumar Baldha	Director	Non Executive-Independent	NIL	NIL
Mrs. Nayanaben Patel**	Director	Non Executive Independent	NIL	NIL
Mr. Hrishikesh Rakholia***	Director	Non Executive	NIL	NIL

* Relinquished the position of Director w.e.f. February 14, 2020 due to personal reasons.

** Relinquished the position of Independent Director w.e.f. February 14, 2020 due to personal reasons.

*** Appointed as an Additional Director w.e.f. February 14, 2020.

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	05	Yes
2	Mr. Parshottambhai Patel*	05	Yes
3	Mr. Maheshkumar Baldha	05	Yes
4	Mrs. Nayanaben Patel**	05	Yes
5	Mr. Hrishikesh Rakholia***	00	Not Applicable

* Relinquished the position of Director w.e.f. February 14, 2020 due to personal reasons.

** Relinquished the position of Independent Director w.e.f. February 14, 2020 due to personal reasons.

*** Appointed as an Additional Director w.e.f. February 14, 2020.

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.

Five Board Meetings were held during the 12 months accounting period ended 31-3-2020. The dates of such Board Meeting are as follows:

Sr. No.	Date of Board Meeting
1.	April 17, 2019
2.	May 30, 2019
3.	August 12, 2019
4.	November 14, 2019
5.	February 14, 2020

- E. Disclosure of Relation between Directors Inter se:**
Mr. Hrishikesh Rakholia is the nephew of Mr. Ketankumar Patel
- F. Disclosure of Shares held by Non Executive Director:**
Mr. Hrishikesh Rakholia – No shares held
- G. Familiarization program for Independent Directors:**
The detailed information regarding familiarization program 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 directors of the board 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 2019-20.

Number 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
2	Mr. Hrishikesh Rakholia**	0

* Relinquished the position of Director w.e.f. February 14, 2020 due to personal reasons.

** Appointed as an Additional Director w.e.f. February 14, 2020.

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 2019-20. Annual Declaration by the Managing Director to this effect is annexed at the end of this report.

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

1. AUDIT COMMITTEE:

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 31.03.2020

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

* Appointed as Independent Director w.e.f July 06, 2020

Due to resignation of Mrs. Nayanaben Patel (Independent Director) and Mr. Parshottambhai Patel w.e.f. 14 February, 2020 and appointment of Falguni Patel the committee stands reconstituted as per above by the Board as per Reg 25 (6) of SEBI (LODR), 2015

The Audit Committee meetings were held on following dates during the financial year 2019-20

Sr. No.	Date of meeting
1.	April 17, 2019
2.	May 30, 2019
3.	August 12, 2019
4.	February 14, 2020

They have considered the draft account, internal Audit Reports and quarterly results. Attendance during the accounting year ended 31.03.20 is as under:

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

* Relinquished the position of Independent Director w.e.f. February 14, 2020.

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

2. SHARHOLDERS' RELATIONSHIP 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 31.03.2020

Sr No.	Name of Director	Designation
1.	Mr. Maheshkumar Baldha (Non Executive Director)	Chairman
2.	Mr. Hrishikesh Dipakbhai Rakholia*	Member
3.	Ms. Falguni Patel**	Member

* Appointed with effect from 14 February, 2020

** Due to resignation of Mrs. Nayanaben Patel (Independent Director) and Mr. Parshottambhai Patel w.e.f. 14 February, 2020 and appointment of Ms. Falguni Patel the committee stands reconstituted as per above by the Board as per Reg 25 (6) of SEBI (LODR), 2015

During the year under review the committee met twice on November 11, 2019 and February 13, 2020.

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 2020.

Details of Shareholders' Complaints:-

Details of Complaints Received	Nos.
Number of Shareholders' Complaints received From 01.04.19-31.03.2020	1
Number of Complaints resolved during the year	1
Number of Pending Complaints on 31.03.2020	0

3. 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 Independent Directors on the basis of the report of performance evaluation of Independent Directors;
- 6) To extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of independent directors;
- 7) Reviewing and recommending to the Board, the remuneration, payable to Directors of your Company; and
- 8) 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 31.03.2020

SR NO.	Name of Director	Designation	Meeting Attended
1.	Mr. Maheshkumar Baldha	Chairperson	05
2.	Mr. Hrishikesh Dipakbhai Rakholia*	Member	05
3.	Ms. Falguni Patel**	Member	00

* Appointed with effect from 14 February, 2020

** Due to resignation of Mrs. Nayanaben Patel (Independent Director) and Mr. Parshottambhai Patel w.e.f. 14 February, 2020 and appointment of Ms. Falguni Patel the committee stands reconstituted as per above by the Board as per Reg 25 (6) of SEBI (LODR), 2015

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.

- a) Evaluation of the performance of Non- independent Directors as a whole.
- b) Evaluation of performance of the chairman of the company, taking into account

- the views of Executive Directors;
- c) 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	1	1
Mrs. Nayanaben Patel*	1	1

* Mrs. Nayanaben Patel relinquished the position of Independent Director w.e.f. February 14, 2020 due to personal reasons and Ms. Falguni Patel was appointed w.e.f July 06, 2020.

* Reference to resignation letter from Nayanaben Patel dated 14.02.2020 received by the company wherein she had quoted the reason as below:

“I wish to tender my resignation from the Post of Independent Director of Kemistar Corporation Limited with immediate effect to my pre occupation with too much work on hand. I find it difficult to devote my time to all of them, hence request you to accept my resignation.

Further, I confirm that there are no other reasons for my resignation except the one mentioned above”

3. GENERAL BODY MEETINGS

(A) Location and time where the last three AGM /EGM were held:

Financial Year	Category-Date	Time	Venue
2018-19	Annual General Meeting 20/09/2019	11:00 AM	604, Manas Complex, Jodhpur Cross Road, Satellite, Ahmedabad – 380015.
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.

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

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
AGM 18-19	<ol style="list-style-type: none"> Regularization of Mr. Parshottambhai Patel (DIN: 08699877) as Non-Executive Director of the Company. Re-Appointment of Mr. Ketankumar Patel (DIN: 01157786) as Managing Director. 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.

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	30.05.2019
2	Quarter 2	12.08.2019
3	Quarter 3	14.11.2019
4	Quarter 4	14.02.2020

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.

GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting

Date & Time

September 29, 2020, 12.00 P.M.

Venue

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

Financial year

2019-20

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

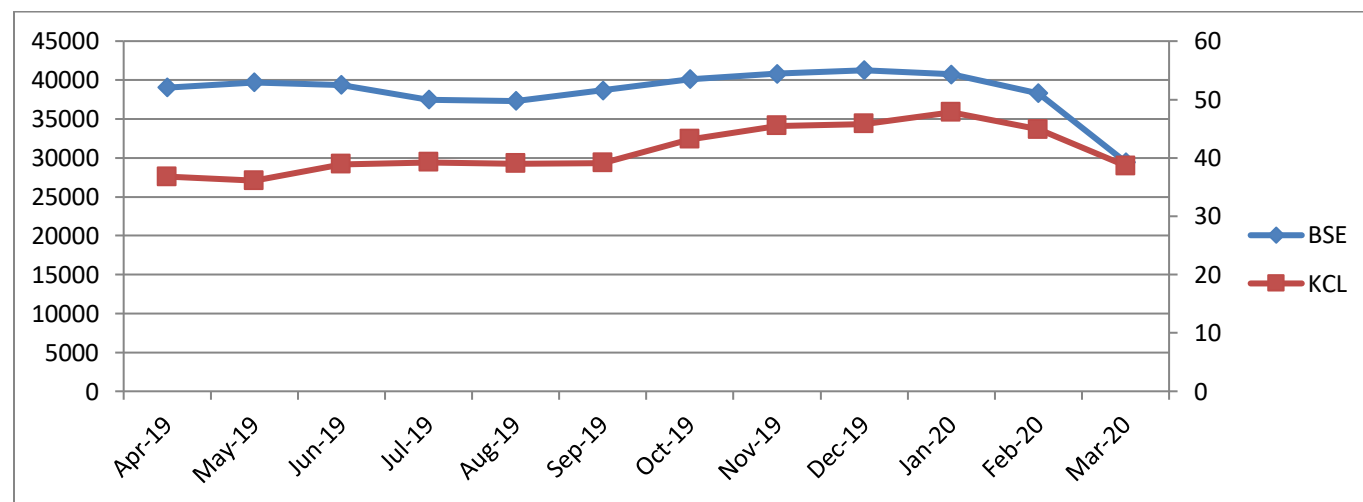
The Company in compliance with SEBI guidelines has appointed Accurate Securities & Registry (India) Pvt. Ltd. as a common share transfer agent for Physical and Electronic form of shareholding.

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, 2020 are as under:-

Month	Kemistar Corporation Ltd			No. of Shares	Turnover (Rs. in thousands)
	High	Low	Close		
Apr-19	37.5	31.85	36.75	2,771	97,787
May-19	36.1	31.35	36.1	917	30,827
Jun-19	42.95	36	38.9	2,722	1,08,332
Jul-19	42.9	35.6	39.25	2,142	80,842
Aug-19	39	37	39	8,584	3,29,584
Sep-19	42.75	38.7	39.1	26,962	10,62,669
Oct-19	43.2	38.8	43.2	44,660	18,25,357
Nov-19	50.75	43.15	45.5	91,587	43,10,976
Dec-19	50.85	39.6	45.8	1,16,885	53,24,324
Jan-20	48.5	41	47.8	1,13,223	52,77,303
Feb-20	51	39	44.85	1,06,044	50,86,620
Mar-20	50	23.6	38.65	67,559	28,45,659

Performance in comparison to BSE Sensex.



Distribution of shareholding as on 31.03.2020

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	13	80,46,368	74.78	21,51,882	26.74	80,46,368	100
Public	1532	27,13,040	25.22	0	0	26,26,576	96.81
Total	1,545	1,07,59,408	100	2151882	26.74	1,06,72,944	99.20

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. 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 2019-20, there were no transactions with any of the related parties. 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-MECHNISM-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 the board of directors
for , Kemistar Corporation Limited**

Place: Ahmedabad

Date: 28 August, 2020

Registered Office:

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

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

Sd/-
Hrishikesh Rakholia
Director
(DIN: 08699877)

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, 2020.

For, Kemistar Corporation Limited

Place: Ahmedabad

Date: 28 August, 2020

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, 2020. 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: 28 August, 2020

For, Rohit Periwal & Associates
Company Secretaries

Sd/-
Rohit Periwal
Proprietor
ACS No.: 52504
C.P. No.: 22021
UDIN: A052504B000629762

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, 2020 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.	Maheshkumar Dhanjibhai Baldha	06542441	27/04/2018
3.	Hrishikesh Dipakbhai Rakholia	08699877	14/02/2020
4.	Falguni Patel	08781512	06/07/2020

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: 28 August, 2020

For, Rohit Periwal & Associates
Company Secretaries

Sd/-

Rohit Periwal
Proprietor

ACS No.: 52504

C.P. No.: 22021

UDIN:A052504B000629751

Annexure -E'

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. INDUSTRY STRUCTURE AND DEVELOPMENT:

Chemical industry in India is highly diversified, covering more than 80,000 commercial products. It is broadly classified into Bulk chemicals, Specialty chemicals, Agrochemicals, Petrochemicals, Polymers and Fertilizers etc.

The Company deals in Specialty Chemicals, which are characterized by vastly differentiated products with higher value addition. Specialty Chemicals, also known as performance chemicals, are low-volume but high-value compounds. These chemicals are derived from basic chemicals and are sold on the basis of their function. 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. Specialty chemicals and agro-chemicals are the two fastest growing sectors among them. The Company deals in Specialty Chemicals.

India's proximity to the Middle East, the world's source of petrochemicals feedstock, makes for economies of scale. India is a strong global dye supplier, accounting for approximately 16% of the world production of dyestuff and dye intermediates. Chemical industry in India has been de-licensed except for few hazardous chemicals. Upcoming Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIRs) will provide state-of-the-art infrastructure for Chemicals and Petrochemicals sector.

2. OPPORTUNITIES:

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. Demand for organic chemicals is expected to grow at 9% CAGR (Compound Annual Growth Rate) from FY19-23. The domestic chemical sector attracted FDI investment of \$1 billion in FY19, which is about 2 per cent of the total FDI inflow. The Chemical industry (including fertilizers and pharmaceuticals) in India stands at USD 178 Bn as of 2019 which is expected to reach USD 304 Bn by 2024-25 at an annual growth rate of 9.3%. 100% FDI is allowed under the automatic route in the chemicals sector. The global chemical industry is estimated to be worth USD 4.7 Tn. The Chemical industry in India contributes 3.4% to the global chemical industry. The 'Make In India' initiative would also play a pivotal role in boosting the growth of the Indian chemical industry. The Government of India has conceptualized PCPIRs as clusters that provide investors with a transparent and investment friendly policy and facility regime. PCPIRs have high-class infrastructure and provide a competitive environment conducive for setting up businesses. These areas will have manufacturing facilities, along with associated logistics and other services.

3. SEGMENT AND PRODUCT PERFORMANCE

The company is into single segment business i.e. dealing in chemical based products. Currently the company is dealing in more than 50 variants of chemical products. The Company operates Multi facilities in Gujarat one of them being in Dahej, the chemicals zone of Gujarat.

As the demand for chemicals has increased the sales of the product have been showing an increasing trend. The Company's Chemical segment shows a good performance in FY 19-20 with an increase in net sales to

INR 1414.49 Lakhs compared to INR 1007.15 Lakhs in FY 18-19. EBITDA during the year is INR 66.55 lakhs compared to INR 45.42 Lakhs in FY 18-19, thus the increase in profitability being 46% compared to last year.

4. FUTURE PROJECTIONS/OUTLOOK

For 2020-21, the growth is expected to be slow in the first quarter due to the lockdown caused by the pandemic. With the lifting of relaxations and restrictions the demand has increased. The company is positive that it can cover the losses in the next three quarters.

The company is significantly investing in expansion project(s) thereby leading to increase in production. The operations of New Plant (Dahej) have begun in FY 2020-21. Currently the Total Revenue of the company is around Rs 472.36 Lakhs and Profit before tax is around Rs. 47.57 Lakhs in the financial year 2019-20. The company believes that the growth in revenue is likely to be in the increasing trend in FY 2020-21 with the set up of new plant.

5. RISK, CONCERNS AND THREATS:

We operate in a competitive environment and compete too many players on various fronts, such as quality, technical competence, distribution channels, logistics facilities and other related services. There are many areas where despite requisite facilities industrial development is either insufficient or completely absent. As per recent study the five key challenges hindering the growth of Chemical Industry are 'Increasing commoditisation of chemical products', disruption in feedstock supply leading to rising trade tensions, volatility in prices resulting in crude price volatility, volatility in foreign exchange leading to rising trade tensions', and risk of global economic slowdown. 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.

6. INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY:

The Company has formulated defined policies and has adequate system of Internal Controls to ensure the safety and protection of its assets, true and fair reporting and compliance with all applicable regulatory laws and company policies. The Company maintains a hierarchy of management wherein the roles, responsibilities, and answerability are defined 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 which are reviewed in their meetings. The company follows all the protocols as mandated by the government time to time and ensures the dissemination of information through proper channels. The conclusions of internal audit reports and effectiveness of internal control measures is reviewed by top management and audit committee of the Company in order to strengthen and update internal control systems in the Company.

7. FINANCIAL PERFORMANCE:

A. Standalone Financial Performance:

(i) Net Sales and Other Income:

Net Sales and other income for the year under review Increased from Rs. 323.77 Lakh to Rs. 459.69

(ii) Expenditure:

The total expenditure Increased from Rs. 309.46 Lakh to 437.11 lakh for the financial year 2019-20.

B. Profit before Tax:

The Profit before tax increased from Rs. 14.31 Lakh to Rs. 22.59 Lakh for the year 2019-20.

(iii) Profit after tax:

The Total profit Increased from Rs. 10.70 Lakh to Rs 16.76 for the year 2019-20

(iv) Net Block:

The net block increased from Rs. 4.45 Lakh to Rs 27.04 Lakh for the year 2019-20

THERE ARE NO SIGNIFICANT CHANGES I.E. CHANGE OF 25% OR MORE IN THE KEY FINANCIAL RATIOS OF FY 2019-20 COMPARED TO PREVIOUS YEAR.

8. DEVELOPMENT IN HUMAN RESOURCES:

The company believes in the well being and safety of its employees. Employees are considered an integral part in an organization and their safety is the utmost priority. With the sudden upcoming of pandemic the company provided its employees work from home facilities. The safety protocols laid down by the government to ensure the spreading of virus is also implemented in the organization. A proper and friendly working environment has been created in the organization resulting in higher degree of job satisfaction. The employees are given proper guidance and training to execute their tasks and help in self development.

9. ENVIRONMENT, HEALTH & SAFETY (EHS)

The Company believes in sustainable operations taking into consideration environmental aspects in all business activities. The Company has implemented Environmental Management System (EMS) to achieve its environmental goals through consistent review, evaluation, and improvement of its environmental performance. The aim of the system is to use 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 which helps the organisation to continually improve the safety performance and compliance to health and safety legislation and standards. Hence it establishes a safer working environment that protects the employees by eliminating, or better managing, health and safety hazards.

10. BUSINESS EXPANSION/NEW PROJECTS

The company through its subsidiary has expanded its operations during FY 19-20. A manufacturing unit has been set up in (PCPIR) Dahej, Gujarat.

The Ministry of Chemicals & Fertilizers Department of Chemicals and Petrochemicals has implemented four Petroleum, Chemical and Petrochemical Investment Regions (PCPIRs) in the States of Gujarat (Dahej), Andhra Pradesh (Vishakhapatnam), Odisha (Paradeep) and Tamil Nadu (Cuddalore and Nagapattinam) to promote investment and industrial development in these sectors. The benefit of having plant in such place is that, the units at Dahej Industrial Estate has exclusive rights to manufacture certain chemicals in the entire state of Gujarat, manufacturing of such chemicals are prohibited at any other place except Dahej in Gujarat. The company hopes to diversify the product range it currently offers.

With the establishment of the factory, the manufacturing capacity of the company is expected to increased manifolds. The company will be able to achieve the economies of scale with this project as the total cost of production shall be spread among various ranges of products and also on the increased units of production. Hence per unit cost can be reduced, thereby leading to higher profitability in the upcoming financial years. The company has also led to generation of employment for skilled as well as unskilled workers.

11. IMPACT OF COVID-19 PANDEMIC ON COMPANY'S OPERATIONS

The novel Covid-19 which affected the world during the period January to May led to economic slowdown. In India, a nationwide lockdown was announced which affected the operations of the company. The factories were shutdown and productions were stalled during the period. This had led to decline in the production and increase in the overhead expenses during the month of March and April. Due to lockdown the transportation was also hampered hence the produced couldn't be supplied. The company had also provided longer credit period to its clients keeping in mind the effect of Covid-19 on them. The demand for the chemicals had also reduced during the lockdown leading to lesser revenue generation and increase in cost. With the gradual lifting of lockdown restrictions, it is expected that, the demand will further pick up in coming months. The company had started its operations by mid of May and has been successfully delivering to its clients demands.

The factories were shutdown during March- April and the operations began in the month of May. As the lockdown was gradually lifted the company began its operations with minimum employees on-site and off-site. The company also provided Work From Home facilities to its off-site employees during the lockdown. The company has now started operations with 100% employees and has implemented the safety guidelines as mandated by the government to prevent Covid-19.

12. 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: 28 August, 2020

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

Sd/-
Hrishikesh Rakholia
Director
(DIN: 08699877)

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

ANNEXURE 'F'

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration 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 in electronic form using the Information Technology Tools on account of Covid-19 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, 2020 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, 2020 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: 28 August, 2020

For, Rohit Periwal & Associates
Company Secretaries

Sd/-
Rohit Periwal
Proprietor
ACS No.: 52504
C.P. No.: 22021
UDIN: A052504B000629795

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, 2020. **NIL**
2. The percentage increase in remuneration of each director CFO, CEO, Company Secretary or Manager, if any, in the financial year 2019-20: **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, 2020 – 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: 28 August, 2020**

**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, 2020, 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, 2020, 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.

Key Audit Matters

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

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, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as 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: 06th July, 2020
Place: Ahmedabad

Sd/-
Shaishav D. Mehta
Partner
M.No.: 032891
UDIN: 20032891AAAACK7489

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, 2020 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 31/03/2020.
- 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.

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

Date: 06th July, 2020
Place: Ahmedabad

Sd/-
Shaishav D. Mehta
Partner
M.No.: 032891
UDIN: 20032891AAAACK7489

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 2020 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 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Date: 06th July, 2020
Place: Ahmedabad

Sd/-
Shaishav D. Mehta
Partner
M.No.: 032891
UDIN: 20032891AAAACK7489

KEMISTAR CORPORATION LIMITED
Balance Sheet as at 31st March, 2020

Particulars	Note no.	Figures as at the end of current reporting period (2019-20)	Figures as at the end of current reporting period (2018-19)
A. ASSETS			
(1) Non-current assets			
(a) Property, Plant & Equipment	1	2,704,457	445,084
(b) Financial Assets:			
(i) Investments	2	107,308,054	107,308,054
(ii) Loans		-	-
(c) Other Non-current assets	3	1,070,508	1,677,344
		111,083,019	109,430,482
(2) Current assets			
(a) Inventories	4	140,710	10,751,540
(b) Financial Assets :			
(i) Investments	5	9,467,515	32,001,769
(ii) Trade receivables	6	29,213,598	5,057,431
(iii) Cash and cash equivalents	7	1,073,032	974,187
(iv) Loans	8	15,400,355	9,000
(c) Other current assets	9	448,814	2,161,708
		55,744,024	50,955,635
Total Assets		166,827,043	160,386,117
B. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share capital	10	107,594,080	107,594,080
(b) Other Equity	11	42,805,281	41,129,310
Sub-Total Equity		150,399,361	148,723,390
(2) Non Current Liabilities			
(a) Financial Liabilities		-	-
(b) Provisions		-	-
(c) Deffered Tax Liabilities		33359	33359
		33359	33359
(3) Current Liabilities			
(a) Financial Liabilities :			
(i) Trade payables	12	13,442,697	11,137,665
(b) Other current liabilities	13	1,941,036	6,010
(c) Provisions	14	1,010,588	485,692
Sub-Total Current Liabilities		16,394,321	11,629,367
Total Equity and Liabilities		166,827,043	160,386,117
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: 06th July, 2020

For and on behalf of the board of
Kemistar Corporation Limited

Sd/-
Ketan P. Patel
Director
DIN : 01157786

Sd/-
Hrishikesh Rakholia
Director
DIN: 08699877

Sd/-
Vasant Savalia
CFO

Sd/-
Sheeja Mohan
CS (A48252)

KEMISTAR CORPORATION LIMITED
Statement of Profit and Loss for the year ended on 31st March, 2020

Particulars	Note no.	Figures for the current reporting period (2019-20)	Figures for the current reporting period (2018-19)
(I) Revenue from operations	15	44,084,485	31,064,236
(II) Other Income	16	1,884,897	1,312,501
(III) Total Income (I+II)		45,969,382	32,376,737
(IV) EXPENSES			
Cost of Materials Consumed		-	-
Purchase of Stock -in-Trade		29,744,166	39,094,640
Changes in Inventories of Finished goods, Work-in-Progress and by products	17	10,610,830	(10,751,540)
Employee Benefits Expense	18	542,487	627,707
Finance Costs	19	180,329	2,119
Depreciation and Amortization Expense	1	263,592	16,346
Other Expenses	20	2,369,227	1,956,698
Total Expenses (IV)		43,710,631	30,945,970
(V) Profit Before Tax (III-IV)		2,258,751	1,430,767
(VI) Tax Expenses :			
(1) Current tax		582,780	357,692
(2) Deferred tax		-	3,155
(VII) Profit for the year (V-VI)		1,675,971	1,069,920
Earning per equity share of face value of Rs. 10 each	21	0.16	0.10
Basic & Diluted (In Rs.)			
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

For and on behalf of the board of
Kemistar Corporation Limited

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

Sd/-
Ketan P. Patel
Director
DIN : 01157786

Sd/-
Hrishikesh Rakholia
Director
DIN: 08699877

Place: Ahmedabad
Date: 06th July, 2020

Sd/-
Vasant Savalia
CFO

Sd/-
Sheeja Mohan
CS (A48252)

KEMISTAR CORPORATION LIMITED

Notes on Financial Statements for the year ended 31st March 2020

NOTE :2 NON-CURRENT INVESTMENTS	As at 31/03/2020	As at 31/03/2019
Investment in Shares (Unquoted)		
Shares of K. P. International Pvt Ltd	107,308,054	107,308,054
TOTAL	<u>107,308,054</u>	<u>107,308,054</u>

Note : During the financial year 2018-19, 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 31/03/2020	As at 31/03/2019
Deferred Expenditure (Preliminary and Pre-operative expense etc)	1,070,508	1,677,344
TOTAL	<u>1,070,508</u>	<u>1,677,344</u>

Note : 1/5th of the deferred expenditure have been written off during the year.

NOTE : 4 INVENTORIES	As at 31/03/2020	As at 31/03/2019
Finished Goods	140,710	10,751,540
TOTAL	<u>140,710</u>	<u>10,751,540</u>

NOTE : 5 INVESTMENTS	As at 31/03/2020	As at 31/03/2019
Investment in Mutual Funds, Liquid Funds etc.	9,467,515	32,001,769
TOTAL	<u>9,467,515</u>	<u>32,001,769</u>

Note : The above investment, during F.Y. 2019-20, 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 31/03/2020	As at 31/03/2019
(Unsecured and considered good)		
Over six Months	40,425	40,425
Others	29,173,173	5,017,006
TOTAL	<u>29,213,598</u>	<u>5,057,431</u>

NOTE: 7 CASH & CASH EQUIVALENTS	As at 31/03/2020	As at 31/03/2019
Cash on hand	529,118	558,853
Bank Balance	543,914	415,334
TOTAL	1,073,032	974,187

NOTE : 8 LOANS- CURRENT ASSETS	As at 31/03/2020	As at 31/03/2019
Unsecured Advances		
Other Advances	15,400,355	9,000
TOTAL	15,400,355	9,000

Note : The above advances have been given to its wholly owned subsidiary company and in nature of inter corporate deposits.

NOTE : 9 OTHER CURENT ASSETS	As at 31/03/2020	As at 31/03/2019
Balance with Revenue Authorities	448814	2161708
TOTAL	448,814	2,161,708

NOTE : 10 SHARE CAPITAL	As at 31/03/2020	As at 31/03/2019
AUTHORISED SHARE CAPITAL :		
1,20,00,000 Equity Shares of Rs. 10/- each	120,000,000	120,000,000
	120,000,000	120,000,000
ISSUED ,SUBSCRIBED & PAID UP CAPITAL :		
1,07,59,408 Equity Shares of Rs. 10 each fully paid up	107,594,080	107,594,080
TOTAL	107,594,080	107,594,080

Note : During the financial year 2018-19, 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 Tranche) and Rs 2.32/- (Second tranche) 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 31/03/2020		As at 31/03/2019	
		No. of Share	% Held	No. of Share	% Held
	Parshottambhai Mohanlal Patel	1,833,990	17.05%	1833990	17.50%
	Anjana Ketankumar Patel	1,364,440	12.68%	1354300	12.59%
	Shantaben Parshottamdas Patel	1,213,800	11.28%	1213800	11.28%
	Ketankumar Parshottamdas Patel	1,113,014	10.34%	1084974	10.08%
	Patel Parshottamdas M. (HUF)	836,400	7.77%	836400	7.77%
	Patel Ketankumar Parshottamdas HUF	661,500	6.15%	661500	6.15%
	Hiralben Dipakkumar Patel	612,000	5.69%	612000	5.69%

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

Particulars	As at 31/03/2020 No. of Shares	As at 31/03/2019 No. of Shares
Equity shares at the beginning of the year	10759408	1866392
Add: Shares issued during the year	0	8893016
Equity shares Outstanding at the end of the year	10759408	10759408

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 31/03/2020	As at 31/03/2019
Profit & Loss Account		
As per last Balance Sheet	41,129,310	9,094,710
Less:		
Short / Excess Provision for I. Tax	-	324,852
Add: Profit during the year	1,675,971	1,069,920
Securities Premium Account	-	31,289,532
TOTAL	42,805,281	41,129,310

Note : During the financial year 2018-19, 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 31/03/2020	As at 31/03/2019
Trade payables	13442697	11137665
TOTAL	<u>13,442,697</u>	<u>11,137,665</u>

NOTE : 13 OTHER CURRENT LIABILITIES	As at 31/03/2020	As at 31/03/2019
Other payables	331,921	6,010
Car Loan	1,609,115	
TOTAL	<u>1,941,036</u>	<u>6,010</u>

Note : Other payables for F.Y. 2019-20, consists of TDS and GST payable as on 31st March, 2020.

NOTE : 14 SHORT TERM PROVISIONS	As at 31/03/2020	As at 31/03/2019
For Expenses	94,896	128,000
For Tax	915,692	357,692
TOTAL	<u>1,010,588</u>	<u>485,692</u>

NOTE : 15 REVENUE FROM OPERATIONS	As at 31/03/2020	As at 31/03/2019
Sale of Products	44,084,485	31,024,460
Other Operating Revenues	-	39,776
TOTAL	<u>44,084,485</u>	<u>31,064,236</u>

NOTE : 16 OTHER INCOME	As at 31/03/2020	As at 31/03/2019
Misc. Income	-	8,541
Short Term Capital Gain	1,765,746	1,303,960
Interest on I.Tax Refund	23,120	-
Interest on FDR	96,031	-
TOTAL	<u>1,884,897</u>	<u>1,312,501</u>

NOTE : 17 CHANGE IN INVENTORIES OF FINISHED GOODS	As at 31/03/2020	As at 31/03/2019
Inventories (at close)		
Finished Goods	10,751,540	10,751,540
Inventories (at commencement)		
Finished Goods	140,710	-
TOTAL	(10,610,830)	(10,751,540)
NOTE : 18 EMPLOYEE BENEFITS EXPENSE	As at 31/03/2020	As at 31/03/2019
Salaries & Wages	532,487	617,707
Staff Welfare Expense	10,000	10,000
TOTAL	542,487	627,707
NOTE : 19 FINANCE COST	As at 31/03/2020	As at 31/03/2019
Bank and other Financial Charges	180,329	2,119
TOTAL	180,329	2,119
NOTE : 20 OTHER EXPENSES	As at 31/03/2020	As at 31/03/2019
Power & Fuel	-	-
<u>Administrative Expenses</u>		
Payment to Auditor		
As Auditor :		
Statutory Audit Fees	50,000	50,000
Advertisement Expense	35,450	148,640
Legal , Professional & Consultancy Exp.	111,320	263,500
Office & Godown Rents	552,695	5,042
Office Expenses	-	5,380
Conveyance expense	-	4,220
Foreign Exchange Gain\ Loss	50,175	-
ROC Filing Fees	9,200	9,800
Compliance Fees in BSE, NSDL and CDSL	390,000	291,182
Kasar & Vatav expense	7,661	244
Petrol & Diesel	-	2,576
Postage and Courier expense	3,293	7,331
Printing and Stationery expense	3,700	14,537
Preliminary Expense Written Off	606,836	606,836
Custom Duty	374,268	309,848
VAT, TDS, GST, Income tax Expense	-	9,416
Other Administrative Expenses	18,415	38,707
Insurance Expense	26,533	
<u>Selling & Distribution Expenses</u>		
Loading & Unloading Charges	-	10,015
Clearing and forwarding Expense	78,887	85,549
Freight & Octroi expenses	50,794	93,875
TOTAL	2,369,227	1,956,698

NOTE : 21 EARNING PER SHARE**As at 31/03/2020****As at 31/03/2019**

i) Net profit after tax as per statement of profit and loss attributable to Equity Shareholders (Rs. in Lakhs)	1,675,971	1,069,920
ii) Weighted Average number of equity shares used as denominator for calculating EPS	10,759,408	10,759,408
iii) Basic & Diluted Earning per share (Rs.)	0.16	0.10
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 31.03.2019	Additions	Sales / Tran sfers	As at 31.3.2020	As at 31.3.2019	For the Year	Adjust ment Sales/T rans	As at 31.3.2020	As at 31.3.2020	As at 31.3.2019
Land	111,125	-	-	111,125	-	-	-	-	111,125	111,125
Building	441,742	-	-	441,742	136,311	14,876	-	151,187	290,555	305,431
Computer System	110,179	-	-	110,179	81,651	9,036	-	90,687	19,492	28,528
Motor Vehicle(Toy ota Innova)	-	2,522,965	-	2,522,965	-	239,680	-	239,680	2,283,285	-
TOTAL	663,046	2,522,965	-	3,186,011	136,311	263,592	-	481,554	2,704,457	445,084

Kemistar Corporation Ltd.
Cash flow statement for the year ended 31st March' 2020

(Amount in Rupees)

Particulars	For the year ended 31st March,2020		For the year ended 31st March,2019	
	Amount	Amount	Amount	Amount
(A) Cash flow from operating activities				
(1) Net profit after tax and extraordinary items	-	1,675,971	-	1,069,920
ADD:(I) Depreciation Written off	263,592		16,346	
(ii) Provision for income tax	582,780		357,692	
(iii) Preliminary Expense	606,836		-	
(iv) Loss from partnership firm	-		-	
LESS: (i) Deferred tax Asset	-		(3,155)	
(ii) Kasar and vatav (Income Tax Provision of earlier Year W/o)	-		324,851	
		1,453,208		52,342
(2) Operating profit before working capital changes		3,129,179		1,122,262
Working capital changes				
Add: (i) Decrease in Current Assets (Except Cash & Cash Equivalents)	12,323,724		429,003	
(ii) Increase in Current Liabilities	2,630,943		9,561,607	
Less: (i) Decrease in Current Liabilities	33,104		5,043	
(ii) Increase in Current assets (Except Cash & Cash Equivalents)	24,156,167	(9,234,604)	22,046,553	(12,060,986)
(3) Cash generated from operating before tax		(6,105,425)		(10,938,724)
Less: Income Tax Paid		24,780		167,253
(4) Cash flow before extraordinary items		(6,130,205)		(11,105,977)
Add/ (less) extraordinary items				
Net cash inflow / outflow from operating activities After tax & extraordinary items		(6,130,205)		(11,105,977)
(B) Cash flow from investing activities				
Add : Proceeds on account of changes in Investments	22,534,254		(107,308,054)	
Less : Purchase of Fixed assets & Investments	2,522,965		29,238	
Net Cash inflow / outflow from investing activities		20,011,289		(107,337,292)
(C) Cash flow from financing activities				
Add : Changes in Long term Loans & Advances	1,609,115			
Proceeds of Share Capital			88,930,160	
Increase In securities premium			31,289,532	
Less : Advances given	15,391,355		1,166,164	
Less : Repayment of Loans			-	
Net cash inflow / outflow from financing activities		(13,782,240)		119,053,528
(D) net increase / decrease in cash & cash equivalent		98,844		610,259
(E) Add: Cash & Cash Equivalents in the beginning of the year		974,187		363,928
(F) Cash & Cash Equivalents at the end of the year		1,073,032		974,187

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

Sd/-
Shaishav D. Mehta
Partner
M.No. 032891
Place: Ahmedabad
Date: 06th July, 2020

Kemistar Corporation Limited

Sd/-
Ketan P. Patel(Director)
DIN : 01157786

Sd/-
Vasant Savalia (CFO)

72

For and on behalf of the board of
Kemistar Corporations Limited

Sd/-
Hrishikesh Rakholia (Director)
DIN: 08699877

Sd/-
Sheeja Mohan [CS (A48252)]

Annual Report 2019-20

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 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, 2020, 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, 2020 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
Motor Vehicle	10 to 12 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, 2020, together with the comparative period data as at and for the year ended March 31, 2019.

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, 2020 and 2019:*

Sr. No.	Nature of Transaction	Name of person / entity	Amount (Rs.)	
			2020	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/-
4	Loans and Advances	K P International Pvt. Ltd.	1,54,00,000/-	-

The Company has the following balances outstanding as of March 31, 2020 and March 31, 2019

Balances at the year end	Name of individual / entity	Amount (In Rs.)	
		2020	2019
Under the Head Investment	K P International Pvt. Ltd.	10,73,08,054/-	10,73,08,054/-
Unsecured Advances	K P International Pvt. Ltd.	1,54,00,000/-	-

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

For and on behalf of the board
Kemistar Corporation Limited

Sd/-
Shaishav D.Mehta
Partner
Membership No.: 32891

Sd/-
Ketan Patel
Director
DIN:01157786

Sd/-
Hrishikesh Rakholia
Director
DIN: 08699877

Place: Ahmedabad
Date: 06thJuly, 2020

Sd/-
Vasant Savalia
CFO

Sd/-
Sheeja Mohan
CS (A48252)

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, 2020, 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, 2020, 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.

Key Audit Matters

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

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 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, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as 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 A**"; 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.
 - ii. 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: 06th July, 2020
Place: Ahmedabad

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

Annexure-A 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 2020 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 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Date: 06th July, 2020
Place: Ahmedabad

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

KEMISTAR CORPORATION LIMITED
Consolidated Balance Sheet as at 31st March, 2020

Particulars	Note no.	Figures as at the end of current reporting period (2019-20)		Figures as at the end of current reporting period (2018-19)	
A. ASSETS					
(1) Non-current assets					
(a) Property, Plant & Equipment	1	142,343,927		119,460,535	
(b) Capital Work in Progress		1,731,256		1,731,256	
(b) Financial Assets:					
(i) Investments		-		-	
(ii) Loans		-		-	
(c) Other Non-current assets	2	3,951,065		2,752,844	
(d) Deferred Tax Asset (Net)		608,327	148,634,575	588,358	124,532,993
(2) Current assets					
(a) Inventories	3	3,165,375		18,736,966	
(b) Financial Assets :					
(i) Investments	4	11,975,028		33,431,320	
(ii) Trade receivables	5	51,000,688		18,938,420	
(iii) Cash and cash equivalents	6	3,141,823		2,676,692	
(iv) Loans	7	288,073		9,000	
(c) Other current assets	8	2,934,430	72,505,417	4,857,777	78,650,175
Total Assets			221,139,992		203,183,168
B. EQUITY AND LIABILITIES					
(1) Equity					
(a) Equity Share capital	9	107,594,080		107,594,080	
(b) Other Equity	10	47,059,194		42,780,200	
Sub-Total Equity			154,653,274		150,374,280
(2) Non Current Liabilities					
(a) Financial Liabilities					
- Long Term Borrowings	11	21,685,573		20,524,614	
(b) Provisions					
(c) Deffered Tax Liabilities		33359		33359	
Sub-Total Non Current Liabilities			21,718,932		20,557,973
(3) Current Liabilities					
(a) Financial Liabilities :					
(i) Trade payables	12	41,017,945		27,922,268	
(b) Other current liabilities	13	331,921		1,538,273	
(c) Provisions	14	3,417,919		2,790,373	
Sub-Total Current Liabilities			44,767,785		32,250,914
Total Equity and Liabilities			221,139,992		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: 06th July, 2020

**For and on behalf of the board of
Kemistar Corporation Limited**

Sd/-
Ketan P. Patel
Director
DIN : 01157786
Sd/-
Vasant Savalia
CFO

Sd/-
Hrishikesh Rakholia
Director
DIN: 08699877
Sd/-
Sheeja Mohan
CS (A48252)

KEMISTAR CORPORATION LIMITED
Statement of Profit and Loss for the year ended on 31st March, 2020

Particulars	Note no.	Figures for the current reporting period (2019-20)	Figures for the current reporting period (2018-19)
(I) Revenue from operations	15	141,449,103	100,715,480
(II) Other Income	16	3,354,560	1,929,036
(III) Total Income (I+II)		144,803,663	102,644,516
<u>(IV) EXPENSES</u>			
Cost of Materials Consumed		-	-
Purchase of Stock -in-Trade		106,283,514	94,811,102
Changes in Inventories of Finished goods, Work-in-Progress and by products	17	15,571,591	(13,514,546)
Employee Benefits Expense	18	8,695,479	9,273,895
Finance Costs	19	(51,469)	1,911,002
Depreciation and Amortization Expense	1	865,680	879,581
Other Expenses	20	7,650,106	5,620,996
Total Expenses (IV)		139,014,901	98,982,030
(V) Profit Before Tax (III-IV)		5,788,762	3,662,486
(VI) Tax Expenses :			
(1) Current tax		1,528,152	998,418
(2) Deferred tax		(19,969)	(56,742)
(VII) Profit for the year (V-VI)		4,280,579	2,720,810
Earning per equity share of face value of Rs. 10 each	21	0.40	0.25
Basic & Diluted (In Rs.)			
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

Shaishav D. Mehta
Partner
M.No. 032891

Place: Ahmedabad
Date: 06th July, 2020

For and on behalf of the board of
Kemistar Corporation Limited

Sd/-
Ketan P. Patel
Director
DIN : 01157786

Sd/-
Vasant Savalia
CFO

Sd/-
Hrishikesh Rakholia
Director
DIN: 08699877

Sd/-
Sheeja Mohan
CS (A48252)

KEMISTAR CORPORATION LIMITED

Notes on Financial Statements for the year ended 31st March 2020

NOTE : 2 OTHER NON-CURRENT ASSETS	As at 31/03/2020	As at 31/03/2019
Differred Expenditure (Preliminary and Pre-operative expense etc.)	3,951,065	2,752,844
TOTAL	<u>3,951,065</u>	<u>2,752,844</u>

Note : 1/5th of the deferred expenditure have been written off during the year.

NOTE : 3 INVENTORIES	As at 31/03/2020	As at 31/03/2019
Finished Goods	3,165,375	18,736,966
TOTAL	<u>3,165,375</u>	<u>18,736,966</u>

NOTE : 4 INVESTMENTS	As at 31/03/2020	As at 31/03/2019
Investment in Mutual Funds, Liquid Funds etc.	11,975,028	33,431,320
TOTAL	<u>11,975,028</u>	<u>33,431,320</u>

Note : The above Investment, during F.Y. 2019-20, 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 31/03/2020	As at 31/03/2019
(Unsecured and considered good)		
Over six Months	40,425	18,938,420
Others	50,960,263	-
TOTAL	<u>51,000,688</u>	<u>18,938,420</u>

NOTE : 6 CASH & CASH EQUIVALENTS	As at 31/03/2020	As at 31/03/2019
Cash on hand	1,064,845	1,415,565
Bank Balance	2,076,978	1,261,127
TOTAL	<u>3,141,823</u>	<u>2,676,692</u>

NOTE : 7 LOANS- CURRENT ASSETS**As at 31/03/2020****As at 31/03/2019****Unsecured Advances**

Other Advances

288,073

9,000

TOTAL**288,073****9,000****NOTE : 8 OTHER CURENT ASSETS****As at 31/03/2020****As at 31/03/2019**

Balance with Revenue Authorities

2,934,430

4,857,777

TOTAL**2,934,430****4,857,777****NOTE : 9 SHARE CAPITAL****As at 31/03/2020****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

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

107,594,080

TOTAL**107,594,080****107,594,080**

Note : During the financial year 2018-19, 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 Shareholder	As at 31/03/2020		As at 31/03/2019	
		No. of Share	% Held	No. of Share	% Held
	Parshottambhai Mohanlal Patel	1,833,990	17.05%	1,833,990	17.50%
	Anjana Ketankumar Patel	1,364,440	12.68%	1,354,300	12.59%
	Shantaben Parshottamdas Patel	1,213,800	11.28%	1,213,800	11.28%
	Ketankumar Parshottamdas Patel	1,113,014	10.34%	1,084,974	10.08%
	Patel Parshottamdas M. (HUF)	836,400	7.77%	836,400	7.77%
	Patel Ketankumar Parshottamdas HUF	661,500	6.15%	661,500	6.15%
	Hiralben Dipakkumar Patel	612,000	5.69%	612,000	5.69%

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

Particulars	As at 31/03/2020	As at 31/03/2019
	No. of Shares	No. of Shares
Equity shares at the beginning of the year	10759408	1866392
Add: Shares issued during the year	-	8893016
Equity shares Outstanding at the end of the year	10759408	10759408

9.3 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 : 10 RESERVES AND SURPLUS

	As at 31/03/2020	As at 31/03/2019
Profit & Loss Account		
As per last Balance Sheet	42,780,200	9,094,710
Less:		
Short / Excess Provision for I. Tax	1,585	324,852
Add: Profit during the year	4,280,579	2,720,810
Securities Premium Account	-	31,289,532
TOTAL	47,059,194	42,780,200

Note : During the financial year 2018-19, 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 31/03/2020	As at 31/03/2019
Secured Loan	1,980,293	1,522,614
Unsecured Loan	<u>19,705,280</u>	<u>19,002,000</u>
TOTAL	<u>21,685,573</u>	<u>20,524,614</u>

NOTE : 12 TRADE PAYABLES	As at 31/03/2020	As at 31/03/2019
Trade payables	<u>41,017,945</u>	<u>27,922,268</u>
TOTAL	<u>41,017,945</u>	<u>27,922,268</u>

NOTE : 13 OTHER CURRENT LIABILITIES	As at 31/03/2020	As at 31/03/2019
Other payables	<u>331,921</u>	<u>1,538,273</u>
TOTAL	<u>331,921</u>	<u>1,538,273</u>

Note : Other payables for F.Y. 2019-20, Consists of TDS and GST payable as on 31st March,2020.

NOTE : 14 SHORT TERM PROVISIONS	As at 31/03/2020	As at 31/03/2019
For Expenses	2,502,227	1,791,955
For Tax	<u>915,692</u>	<u>998,418</u>
TOTAL	<u>3,417,919</u>	<u>2,790,373</u>

NOTE : 15 REVENUE FROM OPERATIONS	As at 31/03/2020	As at 31/03/2019
Sale of Products	141,449,103	99,533,170
Other Operating Revenues	<u>-</u>	<u>1,182,310</u>
TOTAL	<u>141,449,103</u>	<u>100,715,480</u>

NOTE : 16 OTHER INCOME	As at 31/03/2020	As at 31/03/2019
Miscellaneous Income	-	8,541
Short Term Capital Gain	1,843,709	1,920,495
Interest on I.Tax Refund	23,120	-
Interest on FDR	96,031	-
Profit on Sale Of Car	179,751	-
Duty Drawback	1,211,949	-
TOTAL	<u>3,354,560</u>	<u>1,929,036</u>

NOTE : 17 CHANGE IN INVENTORIES OF FINISHED	As at 31/03/2020	As at 31/03/2019
Inventories (at close)		
Finished Goods	3,165,375	18,736,966
Inventories (at commencement)		
Finished Goods	<u>18,736,966</u>	<u>5,222,420</u>
TOTAL	<u>15,571,591</u>	<u>(13,514,546)</u>

NOTE : 18 EMPLOYEE BENEFITS EXPENSE	As at 31/03/2020	As at 31/03/2019
Salaries & Wages	1,839,669	2,635,645
Staff Welfare Expense	139,810	73,250
Directors Remuneration	<u>6,716,000</u>	<u>6,565,000</u>
TOTAL	<u>8,695,479</u>	<u>9,273,895</u>

NOTE : 19 FINANCE COST	As at 31/03/2020	As at 31/03/2019
Bank and other Financial Charges	(51,469)	12,722
Interest Expense	<u>0</u>	<u>1,898,280</u>
TOTAL	<u>(51,469)</u>	<u>1,911,002</u>

NOTE : 20 OTHER EXPENSES	As at 31/03/2020	As at 31/03/2019
Power & Fuel	250,421	38,670
Consumption of stores and spare parts :-	30,850	
Administrative Expenses		
Payment to Auditor		
As Auditor :		
Statutory Audit Fees	122,500	85,000
Advertisement Expense	293,542	423,707

Legal , Professional & Consultancy Exp.	127,820	320,994
Insurance expense	158,572	139,026
Office & Godown Rents	1,676,295	1,138,907
Office Expenses	53,881	62,738
Conveyance expense	0	8,883
Repairing and Maintenance Expense	278,926	320,949
ROC Filing Fees	14,000	110,800
Compliance Fees in BSE, NSDL and CDSL	390,000	291,182
Kasar & Vatav expense	7,661	244
Petrol & Diesel	0	2,576
Postage and Courier expense	19,394	31,494
Printing and Stationery expense	33,440	40,597
Telephone expense	41,680	40,932
Preliminary Expense Written Off	606,836	606,836
Custom Duty	374,268	309,848
Rate & Taxes	58,214	52,528
Other Administrative Expenses	174,380	119,550
Travelling expense	663,566	805,202
Membership Fees	9,000	24,000
Foreign Gain Exchange Loss	50,175	
Selling & Distribution Expenses		
Loading & Unloading Charges	14,060	32,661
Discount	202,230	41,187
Clearing and forwarding Expense	1,316,972	148,877
Packing Expense	448,638	174,431
Freight & Octroi expenses	232,785	249,177
TOTAL	7,650,106	5,620,996

NOTE : 21 EARNING PER SHARE

	As at 31/03/2020	As at 31/03/2019
i) Net profit after tax as per statement of profit and loss attributable to Equity Shareholders (Rs. in Lakhs)	4,280,579	2,720,810
ii) Weighted Average number of equity shares used as denominator for calculating EPS	10,759,408	10,759,408
iii) Basic & Diluted Earning per share (Rs.)	0	0
iv) Face value per equity share (Rs.)	10	10

NOTES TO FINANCIAL STATEMENTS
NOTE - 1 : FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.2019	Additions	Sales/ Transfers	As at 31.3.2020	As at 31.3.2019	For the Year	Ad jus tm en t Sal es /T ra ns	As at 31.3.2020	As at 31.3.2020	As at 31.3.2019
<u>Tangible Assets</u>										
Land	25,635,923	-	-	25,635,923	-	-	-	-	25,635,923	25,635,923
Building	441,742	12,567,783	-	13,009,525	136,311	14,876	-	151,187	12,858,338	305,431
Computer System	110,179	-	-	110,179	81,651	9,036	-	90,687	19,492	28,528
Plant and Equipments	643,640	7,535,704	-	8,179,344	349,804	7,024	-	356,828	7,822,516	293,836
Furniture and Fixtures	305,854	1,140,194	-	1,446,048	283,732	-	-	283,732	1,162,316	22,122
Vehicles	6,778,965	2,522,965	52,149	9,249,781	5,028,086	768,956	-	5,797,042	3,452,739	1,750,879
Office and Equipments	407,164	34,576	-	441,740	345,253	65,788	-	411,041	30,698	61,911
<u>Intangible Assets</u>										
Goodwill	91,361,905	-	-	91,361,905	-	-	-	-	91,361,905	91,361,905
TOTAL	125,685,372	23,801,222	52,149	149,434,445	6,224,837	865,680	-	7,090,517	142,343,927	119,460,535

EMISTAR CORPORATION LIMITED
Consolidated Cash flow statement for the year ended 31st March' 2020

(Amount in Rupees)

Particulars	For the year ended 31st March,2020		For the year ended 31st March,2019	
	Amount	Amount	Amount	Amount
(A) Cash flow from operating activities				
(1) Net profit after tax and extraordinary items	-	4,280,579	-	2,720,810
ADD: (I) Depreciation Written off	865,680		879,581	
(ii) Provision for income tax	915,692		357,692	
(iii) Preliminary Expense	-		-	
(iv) Transfer to General Reserves	-		-	
LESS: (i) Deferred tax Asset	19,969		56,742	
(ii) Short Excess Provision of early year	1,585		324,852	
		1,759,818		855,679
(2) Operating profit before working capital changes		6,040,397		3,576,489
Working capital changes				
Add: (i) Decrease in Current Assets (Except Cash & Cash Equivalents)	17,494,938		15,441,566	
(ii) Increase in Current Liabilities	13,805,949		11,711,018	
Less: (i) Decrease in Current Liabilities	1,206,352		10,588,841	
(ii) Increase in Current assets (Except Cash & Cash Equivalents)	33,260,489	(3,165,954)	27,893,361	(11,329,618)
(3) Cash generated from operating before tax		2,874,443		(7,753,129)
Less: Income Tax Paid		970,152		167,253
(4) Cash flow before extraordinary items		1,904,291		(7,920,382)
Add/ (less) extraordinary items				
Net cash inflow / outflow from operating activities After tax & extraordinary items		1,904,291		(7,920,382)
(B) Cash flow from investing activities				
Add : Proceeds on account of changes in Investments	21,456,292		(107,308,054)	
Less : Purchase of Fixed assets & Investments	23,809,984		2,622,635	
Net Cash inflow / outflow from investing activities		(2,353,692)		(109,930,689)
(C) Cash flow from financing activities				
Add : Changes in Long term Loans & Advances	16,560,959		8,777	
Proceeds of Share Capital	-		88,930,160	
Increase In securities premium	-		31,289,532	
Less : Advances given	15,646,427		1,738,664	
Less : Repayment of Loans	-		2,000,689	
Net cash inflow / outflow from financing activities		914,532		116,489,116
(D) net increase / decrease in cash & cash equivalent		465,131		(1,361,955)
(E) Add: Cash & Cash Equivalents in the beginning of the year		2,676,692		4,038,646
(F) Cash & Cash Equivalents at the end of the year		3,141,823		2,676,692

For, S. D. Mehta & Co.
Chartered Accountants

FRN: 137193W

Sd/-
Shaishav D. Mehta
Partner

M.No. 032891

Place: Ahmedabad

Date: 06th July, 2020

For and on behalf of the board of
Kemistar Corporation Limited

Sd/-
Ketan P. Patel
Director
DIN : 01157786

Sd/-
Vasant Savalia
CFO

Sd/-
Hrishikesh Rakholia
Director
DIN:08699877

Sd/-
Sheeja Mohan
CS (A48252)

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, 2020, 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, 2020 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
Motor Vehicle	10 to 12 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, 2020, together with the comparative period data as at and for the year ended March 31, 2019.

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, 2020.*

Sr. No.	Nature of Transaction	Name of person / entity	Amount (Rs.)
			2020
1	Loans and Advances	K P International Pvt Ltd	1,54,00,000/-

The Company has the following balances outstanding as of March 31, 2020.

Balances at the year end	Name of individual / entity	Amount (In Rs.)
		2020
Under the Head Investment	K P International Pvt. Ltd.	10,73,08,054/-
Unsecured Advances	K P International Pvt. Ltd.	1,54,00,000/-

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

For and on behalf of the board
Kemistar Corporation Limited

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

Sd/-
Ketan Patel
Managing Director
DIN: 01157786

Sd/-
Hrishikesh Rakholia
Director
DIN: 08699877

Place: Ahmedabad
Date: 06th July, 2020

Sd/-
Vasant Savalia
CFO

Sd/-
Sheeja Mohan
CS (A48252)